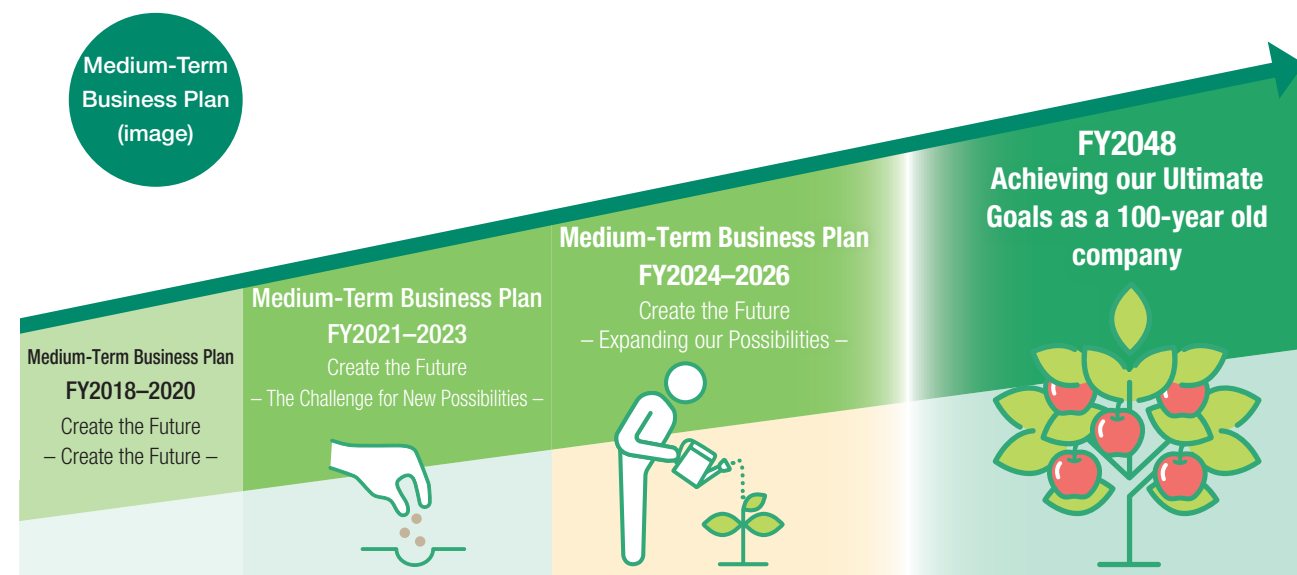


New Medium-Term Business Plan (FY2024–2026)

KUMI STORY 2026

Kumiai Group has formulated the Medium-Term Business Plan (KUMI STORY 2026) covering three years starting with the fiscal year ending October 31, 2024. Whereas the period covered by the previous Medium-Term Business Plan was positioned as a “sowing period for expanding our business domains and research areas,” the period covered by the new Medium-Term Business Plan is positioned as a period for germinating the seeds of technology and business sown and strengthening and expanding the foundation to advance them to the future growth stage.

Ultimate Goals as a 100-Year-Old Company and Positioning of the New Medium-Term Business Plan



Ultimate Goals as a 100-Year Old Company

A corporate group with flexibility and a strong presence that enriches the lives of people through its unique technologies, and that contributes to sustainable development of society in harmony with nature

Kumiai will celebrate its centenary in 2048. In formulating the previous Medium-Term Business Plan (FY2021–2023), we projected the market environment 20 to 30 years ahead and set the Ultimate Goals in order to be a 100-year-old company and continue further growth, that is, “a corporate group with flexibility and a strong presence that enriches the lives of people through its unique technologies, and that contributes to sustainable development of society in harmony with nature.” Having positioned the three years covered by the previous Medium-Term Business Plan as a time for sowing seeds to expand our business domains and research areas in view of the Ultimate Goals, we pursued various initiatives. As a result, not only did we achieve the management target

figures one year ahead of schedule, but we also achieved record-high net sales, operating income, and net income attributable to owners of parent in the final fiscal year (FY2023). Under the new Medium-Term Business Plan (KUMI STORY 2026) launched in FY2024, while continuing to sow new seeds, we will germinate the seeds sown to expand business domains and research areas during the previous Medium-Term Business Plan, nurture them into a more concrete form, and strengthen and expand the foundation to advance to the future growth stage. With this in mind, we have set the vision of the new Medium-Term Business Plan as “Create the Future—Expanding our Possibilities.”

New Medium-Term Business Plan Overview

Basic Policy

The basic management policy is to “build a management foundation that can respond to changes in the business environment by developing innovative technologies and exploring new business domains, and to be a corporate group capable of contributing to realization of a sustainable society by providing

products and services that enrich the lives of people.” We aim to achieve the goals of the Medium-Term Business Plan by steadily implementing key policies and measures in accordance with the basic management policy.

Capital Policy

In order to achieve sustainable enhancement of corporate value, we must continue investing in business growth. Kumiai Group’s capital allocation, which indicates the breakdown of the use of financial resources, is disclosed in the Medium-Term Business Plan for the first time. We will appropriately allocate funds totaling 90.0 billion yen to dividend payment, repayment of borrowings, and growth investment to further enhance corporate value.

	FY2023 results	FY2026 targets
Net sales	161.0 billion yen	185.0 billion yen
Operating income	14.1 billion yen	16.0 billion yen
Net income	18.0 billion yen	15.0 billion yen
ROE	14.5%	11.0% or more
ROS	8.8%	8.5% or more

Note: medium- to long-term target: 10% or more

Numerical Targets

The numerical targets for the final year of the Medium-Term Business Plan are net sales of 185.0 billion yen, operating income of 16.0 billion yen, and net income of 15.0 billion yen. We target return on equity (ROE) of 11.0% or more and return on sales (ROS) of 8.5% or more to further strengthen profitability. Regarding the dividend policy, the target is to maintain a dividend payout ratio of 30% or more.

	FY2021–2023 results	FY2024–2026 targets
Capital investment	24.3 billion yen	27.6 billion yen
R&D expenses	16.3 billion yen	22.0 billion yen

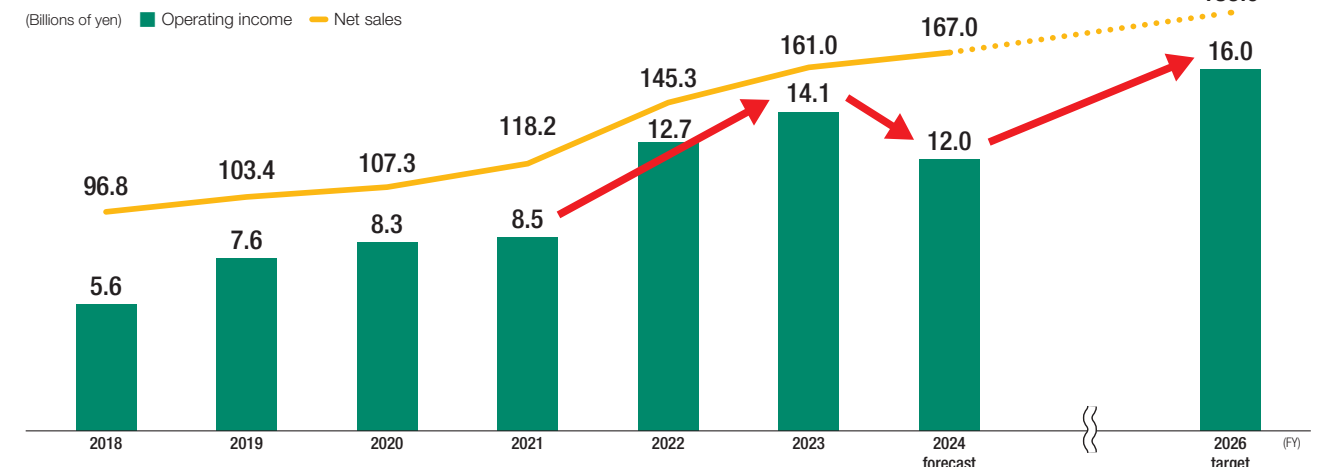
	FY2024–2026 targets
Dividend policy	<p>Dividend payout ratio: 30% or more</p> <p>The basic policy is to continue to pay stable dividends based on a comprehensive assessment of shareholder returns, taking into account earnings trends, and internal reserves to strengthen the corporate structure and prepare for future business development.</p>

Outlook for FY2024–2026

During the period covered by the previous Medium-Term Business Plan (FY2021–2023), net sales and operating income increased significantly driven by high growth of AXEEV®, Kumiai Group’s mainstay product. However, operating income is expected to decrease in FY2024, the first year of the new Medium-Term Business Plan. This is due mainly to adjustments in global distribution inventories of agricultural chemicals, implementation of pricing strategies for AXEEV® to compete with generic products, and increased costs. Nevertheless, inventory adjustments will be

completed in FY2025, and further growth of AXEEV® can be expected by promoting the product for regions and crops that have good potential in this regard and implementing appropriate countermeasures for generic products. We aim to achieve record-high net sales and operating income in FY2026, the final year of the new Medium-Term Business Plan, through implementation of various measures, including expansion of sales of EFFEEDA® and DISARTA®, which are proprietary active ingredients, and expansion of business domains of the Fine Chemicals Business.

Net Sales and Operating Income



New Medium-Term Business Plan Key Policies, Action Plan, and KPIs

From among the items of materiality identified as material issues to be addressed in order to realize the Ultimate Goals, we have extracted seven issues to be specifically addressed during the three years of the Medium-Term Business Plan and set them as key policies. Based on these policies, we have listed priority measures and initiatives.

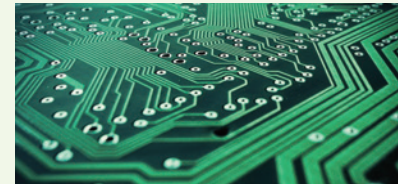
Contributing to Sustainable Agricultural Industry / Providing a Stable Supply of High-quality Products and Services

In order to maximize the business for AXEEV®, which has been driving Kumiai Group's progress, we will implement countermeasures for generic products to the maximum extent and promote sales of AXEEV® in regions with potential for sales expansion. Moreover, we aim to further expand sales of EFFEEDA® and DISARTA®, which are proprietary active ingredients, in Japan and overseas. We will also work to expand the land area where MAMETSUBU® products, which are labor-saving formulations, are applied to help save farm labor and reduce the environmental impact. Furthermore, in order to position the Fine Chemicals Business as the second pillar alongside the Agricultural Chemicals and Agriculture-Related Business, we intend to expand existing businesses while taking on the challenge of custom manufacturing in cutting-edge fields.

AXEEV® sales target
(FY2026)
84.2 billion yen

Agricultural land area where
MAMETSUBU® is used
(FY2026)

1 % increase in land for paddy rice
cultivation (Compared to FY2022) **Materiality KPI**



Mitigation of Climate Change and Environmental Impact

Considering the nature of Kumiai Group's Agricultural Chemicals and Agriculture-Related Business, we recognize that mitigation of climate change and environmental impact as well as conservation of biodiversity are highly relevant and important management issues. To address mitigation of climate change and environmental impact, we have established KPIs for greenhouse gas (GHG) emissions reduction and waste reduction and are working to achieve them. Moreover, leveraging Kumiai Group's technologies and knowledge, we will contribute to protection of the global environment, including through the conservation of biodiversity and by contributing to realization of a recycling-based society.

GHG emissions reduction target
(FY2030)
30 % reduction compared
to FY2019 **Materiality KPI**

Zero waste emissions
(FY2026)

Landfill disposal rate of **1** % or less **Materiality KPI**



Strengthening R&D Capabilities

To further accelerate initiatives to develop new agricultural chemicals, we will promote establishment of screening and efficient chemical discovery, formulation, and biological evaluation methods using IT and AI technologies. We will also promote development of materials and technologies that meet new social needs, such as microbial pesticides and biostimulants, and development of GHG gas control technologies and new materials, to create new value.

Development of new agricultural
chemicals
(new active ingredients)
1 active ingredient in **3** years

Number of patent applications
(FY2026)

100 **Materiality KPI**



Expanding Business Domains and Promoting New Businesses

Centering on Kumiai Group's key business categories, that is, agriculture, agricultural chemicals, and fine chemicals, we will vigorously consider M&A in order to expand into new businesses in areas peripheral to existing businesses. Moreover, through collaboration by leveraging overseas sales channels and manufacturing technology of AAI, which became a subsidiary during the period covered by the previous Medium-Term Business Plan, Agricore's and GRA's technologies for smart agriculture, and the knowledge and know-how cultivated by Kumiai Group, we will maximize various synergies and strengthen the profitability of our businesses.



Human Capital Development / Human Capital Strategy Based on the Idea of Human Capital

Kumiai Group considers human capital to be the critically important factor and essential for sustainable growth of the company. Under the Medium-Term Business Plan, we have established a vision for the human capital strategy in line with the slogans "Dreams and Triangle for Happiness". We have also formulated an action plan and set KPIs for each item, such as diversity and inclusion, work-life balance, and the personnel system to promote initiatives for realizing the vision.

Certified Health & Productivity
Management Outstanding Organization
(FY2026)

Gain certification **Materiality KPI**

Rate of male employees who
take childcare leave
(FY2026)

100 % **Materiality KPI**

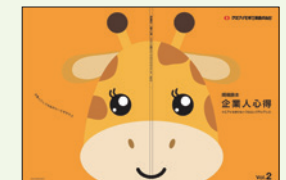
Training time per employee
(FY2026)

25 hours **Materiality KPI**

Improvement of Corporate Governance

We will continue our initiatives to strengthen corporate governance by developing and establishing systems in accordance with the Basic Policy on Compliance and the Basic Policy on Risk Management. We will also promote initiatives related to respect for human rights through human rights due diligence and participation in the United Nations Global Compact.

Establishment of the
risk management
system



Promotion of Digital Transformation / Implementation of Digitalization

By promoting digitalization, we will enhance operational efficiency and productivity in response to dynamic change in the business environment. In addition to the introduction of a new human resources and payroll system, we will promote the use of generative AI, investigate chemical discovery methods using AI and other digital technologies, digitalize chemical substance management, etc., and automate factory facilities.

Implementation of
digitalization

Investigation of
chemical discovery
methods using AI, etc.

