



The agricultural chemicals market that supports food production is growing on the back of a growing world population. While working to maintain and expand sales of AXEEV®, We will expand sales of its other proprietary products.

Our group is promoting the wide use of products containing safe and secure proprietary active ingredients not only in Japan but also around the world, so as to contribute to improved agricultural productivity and sustainable agriculture globally. In response to changes in the environment in which agriculture is conducted, such as increased demand for food due to global population growth, environmentally-friendly agricultural production, and reduced use of agricultural materials, including agricultural chemicals, we will contribute to stable crop production and food supply worldwide by leveraging R&D capabilities and the sales system, which are our strengths.

Representative Director, Senior Managing Executive Officer, Head of Overseas Sales Division IMAI Katsuki

Opportunities

- Increasing demand for food as the world population grows
- Emergence and spread of resistant weeds and pests against conventional agricultural chemicals
- Increasing demand for products with low environmental impacts

Threats

- Emergence and spread of resistant weeds and pests against our agricultural chemical products
- Emergence of inexpensive competing compounds and generic products
- Increase in raw materials cost

Strengths

- In-house development and manufacturing of active ingredients and products
- System of strong cooperation with local partners

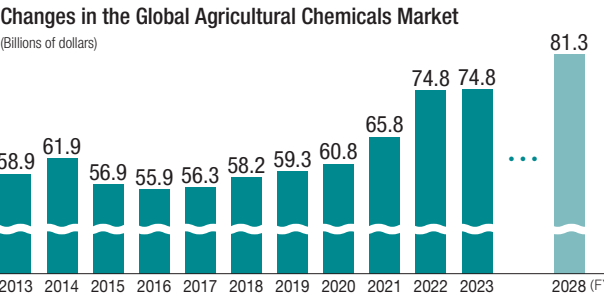
Weaknesses

- Dependence on local partners and lack of own distribution network
- Lower price competitiveness of proprietary products than generic products
- An imbalance in the product portfolio
- Great dependence on AXEEV® in sales

Business Environment

The global agricultural chemicals market continues to grow, centering on South America and Asia, on the back of a growing world population and increasing demand for grain due to changes in dietary habits. According to AgbioInvestor, the market is projected to worth 81.3 billion dollars in 2028. Meanwhile, the agricultural chemicals market has been fluctuating greatly over the past few years. In 2022, the tense international situation led to a sharp rise in agricultural chemical prices and panic buying of agricultural inputs in the market. In 2023, agricultural chemical products were in plentiful supply, their prices fell, and optimization of distribution inventories, which had ballooned, began. The trend of inventory optimization and reduction continued in 2024 and affected

sales of our products. A downward trend in grain prices and a fall in agricultural chemical prices are expected to continue and affect sales of our products in 2025.



Business Strategy

Current Status of and Strategy for Proprietary Products

AXEEV® AXEEV® is a field crop herbicide launched in 2011 and is applicable to crops such as soybeans, corn, wheat, and sugarcane. AXEEV® is positioned as a product essential for the control of weeds resistant to conventional herbicides at agricultural sites. Sales have remained steady, and the product has continued to drive our group's performance. However,

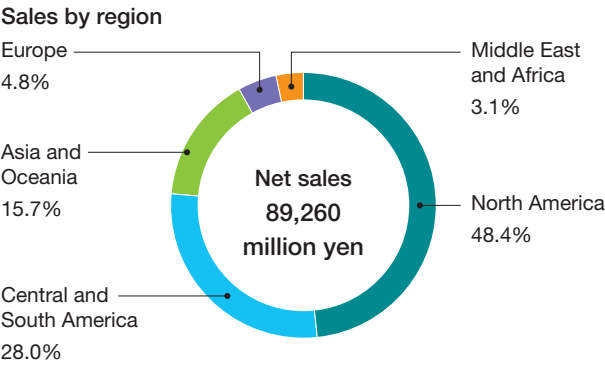
sales of AXEEV® decreased year on year to 71.1 billion yen in FY2024 due to pared inventories caused by great fluctuations in the agricultural chemicals market over the past few years and the launch of generic products in Australia and India. Meanwhile, the problem of resistant weeds has been spreading, and thus we will promote the development of new pre-mixtures, expand the range of crops to which AXEEV® can be applied, and support appropriate sales promotion activities primarily in major markets, such as the U.S., Brazil,

Argentina, and Australia, in a continuous effort to expand and maintain sales. AXEEV® is currently registered as an agricultural chemical in 25 countries (as of March 2025), and development is underway in more than 10 countries in a continuous effort to expand markets. We are taking legal responses to protect our intellectual property rights based on the policy to take decisive action on generic products in the event of any infringement of our patent rights. In Australia, we have filed five suits against a generic product sales company, in which one case has reached a settlement in our favor. In China, we have filed a suit against a manufacturer of intermediates, with a petition for administrative decision, in which the case has reached a settlement in our favor. In addition, we have filed five suits against a generic product manufacturer, which are pending in court.

EFFEEDA® In Japan, we sell EFFEEDA® mainly for paddy rice herbicide applications. In South Korea, we started sales of EFFEEDA® as a herbicide for paddy rice in 2020, and 14 products (pre-mixtures) are put on the market by six distributors. Sales have been growing since the products are highly effective against difficult-to-control herbicide resistant weeds and difficult-to-control broadleaf weeds in addition to a superior level of safety for rice. We plan to continuously launch new products (pre-mixtures) in the market to expand sales. Development is vigorously pursued also in countries other than South Korea. In Europe, development has been pursued, aiming for extended use as a field crop herbicide for wheat and other crops. We filed an application in 2021 for registration of EFFEEDA®, and preparations are underway for commercialization. In the U.S., we have entered into a business alliance with Valent U.S.A. to develop EFFEEDA® for use as a paddy rice herbicide. In addition, we are pursuing development to use EFFEEDA® as a herbicide for paddy rice or field crops in Asia and the Americas, working to expand sales of EFFEEDA® worldwide.

DISARTA® DISARTA® paddy rice fungicide was launched in Japan in 2020 and in South Korea in 2023. In South Korea, we developed DISARTA® as a product (pre-mixture) for nursery boxes of paddy rice as in Japan, and three products are put on the market by three distributors. Sales are steadily growing since a considerable effect on rice blast and safety for paddy rice are appreciated. We will continue to expand sales of the existing products and develop new pre-mixtures through sales promotion and dissemination activities in cooperation with local distributors to maximize sales. We will proceed development mainly in the paddy rice field in Asia to expand countries in which it sells products. In addition, we are considering applying DISARTA® to fields other than the paddy rice field by leveraging its characteristics it as induces systemic acquired resistance (SAR) and will determine whether to pursue development early, aiming for commercialization.

Prohexadione-calcium Prohexadione-calcium is a plant growth regulator that we launched in 1994. Owing to its excellent performance and safety, prohexadione-calcium is registered and on the market in more than 50 countries, and has been our mainstay product for overseas for more than 30 years since its launch. This product has been marketed mainly for wheat and apples, but in recent years, pre-mixtures with a fungicide have been developed for sunflower and oilseed rape. We plan to maintain and expand sales, going forward. We are also considering applying the plant growth regulator to new crops, aiming for early commercialization.



Expansion of sales regions We made Asiatic Agricultural Industries Pte. Ltd. (AAI), an agricultural chemical manufacturing and sales company in Singapore, a subsidiary in February 2021. We are vigorously evaluating and developing our products including AXEEV® through the understanding of market information and needs utilizing AAI's sales network in Asia and Africa. It takes time to complete a process from the evaluation of an agricultural chemical through the registration and launch of the same, and so we have not launched it yet, but our first agricultural chemical product in the region is expected to be registered by the end of 2025. By strengthening or complementing the sales networks Kumiai and AAI have in Asia and Africa and utilizing them, we will work to strengthen our group's sales power, expand countries where we sell products, and expand sales.



Agricultural chemical application overseas