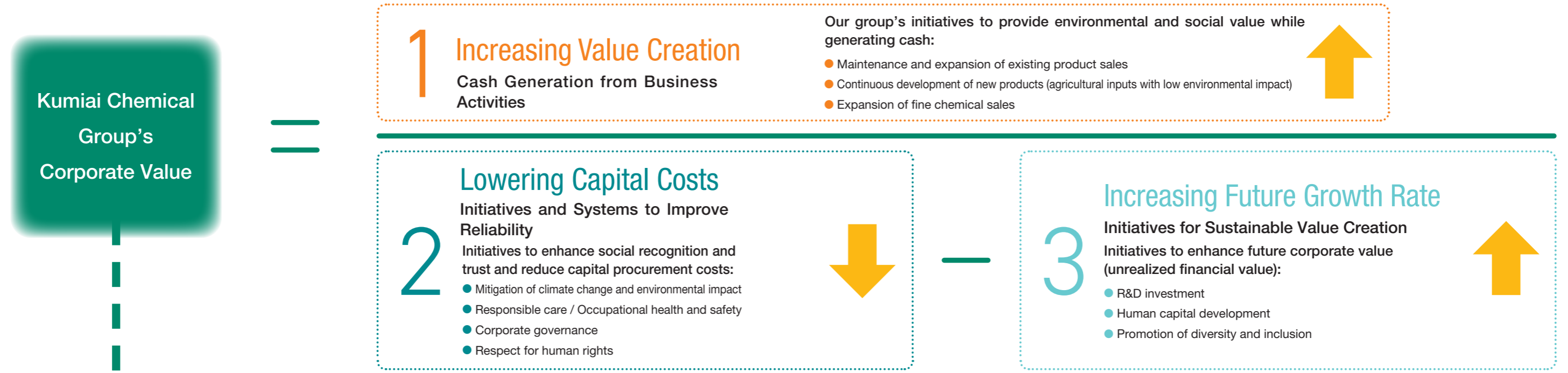


Balancing ESG Initiatives with Economic Value Creation

The following illustrates how our group's ESG initiatives contribute to enhancing corporate value in relation to the corporate value calculation formula.



Enhancing Corporate Value

- Corporate Philosophy → P.01
- Ultimate Goals → P.07
- Materiality → P.19
- Medium-Term Business Plan → P.21
- Value Creation Process → P.15
- Message from the President → P.09

1. Increasing Value Creation

Value Provided to the Environment and Society by Our Group

- Development of Agricultural Inputs with Low Environmental Impact

Under the theme of "Protecting and fostering life and nature," our group is dedicated to addressing global challenges in "global food security" and "environmental conservation." Since our founding, we have remained committed to the research and development of agricultural chemicals that offer greater efficacy, enhanced safety, and reduced environmental impact.

AXEEV®
A field crop herbicide developed with the target that has better efficacy at one-tenth the dosage compared to conventional field crop herbicides.

ECO Series®
Microbial pesticides that contribute to reducing the risk-weighted use of chemical pesticides, a KPI of the Strategy for Sustainable Food Systems, MIDORI.

Provision of environmentally-friendly products and services
https://www.kumiai-chem.co.jp/english/sustainability/environment/environmental_consideration/

NATSU-TSUYOSHI®
Our first biostimulant product. It contains the root extract derived from the dye plant, Lithospermum erythrorhizon, as the active ingredient.

Major ESG Initiatives

2. Lowering Capital Costs

Initiatives and Systems to Improve Reliability

- Reduction of Greenhouse Gas (GHG) Emissions
FY2030 target: 30% reduction compared to FY2019

GHG Emissions (Scope 1+2)

FY	2019	2020	2021	2022	2023	2024	2025	2026 (FY)
Value	67,010	64,025	65,161	66,124	58,178	52,071	47,717	46,906

- Promotion of Zero Waste Emissions
FY2026 target: Landfill disposal rate of 1% or less

Industrial Waste Generated / Landfill Disposal Rate

FY	2021	2022	2023	2024	2025 (FY)
Industrial waste generated (thousand tons)	4.42	2.10	3.67	5.30	4.87
Landfill disposal rate (%)	0.7	2.2	2.2	1.6	2.6

- Information Disclosure in Line with TCFD and TNFD Recommendations → P.49
- Contribution to Biodiversity → P.54
 - Kumika Refugia Kikugawa / Fukushima Town

Initiatives for Responsible Care

- Company-wide implementation of Occupational Health and Safety Management System (OHSMS)
- Signing the Responsible Care Global Charter → P.55
- Promotion of Occupational Health and Safety
FY2026 target: Number of accidents with lost time: 0

Number of accidents with lost time (Cases)

FY	2021	2022	2023	2024	2025 (FY)
Value	0	1	1	8	3

- Improvement of Corporate Governance → P.67
- Respect for Human Rights → P.57
 - Implementation of human rights due diligence
 - Participation in the United Nations Global Compact
 - Implementation of human rights education and training
FY2026 target: Employee coverage rate of 100%
FY2025 results: Employee coverage ratio of 100%
 - Implementation of harassment training
FY2026 target: Employee coverage rate of 100%
FY2025 results: Employee coverage ratio of 100%

3. Increasing Future Growth Rate

Initiatives for Sustainable Value Creation

- Strengthening Human Capital Development
Training time per employee
FY2026 target: 50 hours per year

Training Time per Employee (hours)

FY	2021	2022	2023	2024	2025 (FY)
Value	14.24	12.8	24.6	41.7	59.6

- Strengthening Competitiveness through Patents
Number of patents held

Number of Patents Held

FY	2021	2022	2023	2024	2025 (FY)
Number of patents held (Japan) (Cases)	151	147	145	143	132
Number of patents held (Overseas) (Cases)	937	879	848	855	761

- Promotion of Diversity and Inclusion
Percentage of female employees

Percentage of Female Employees

FY	2021	2022	2023	2024	2025 (FY)
Male (persons)	124	127	132	153	158
Female (persons)	634	631	629	640	641
Percentage of female employees (%)	16.4	16.8	17.3	19.3	19.8

- Rate of male employees taking childcare leave
FY2026 target: 100%

Childcare Leave Usage Rate

FY	2021	2022	2023	2024	2025 (FY)
Male (%)	23.8	24.1	62.5	63.6	92.9
Female (%)	100	100	100	100	100

Note: Greenhouse gas (GHG) emission reduction targets and results apply to seven group companies (KUMIAI CHEMICAL, RIKENGREEN, IHARANIKKEI CHEMICAL INDUSTRY, K-I CHEMICAL INDUSTRY, Ihara Construction Industry, ONOMICHI KUMIKA INDUSTRY, and KUMIKA LOGISTICS). All other targets and results apply solely to KUMIAI CHEMICAL INDUSTRY.