

Second Quarter Financial Results for the Fiscal Year Ending 31 October 2024

Supplementary Materials

7 June 2024

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01

Financial Results for the Second Quarter of FY2024

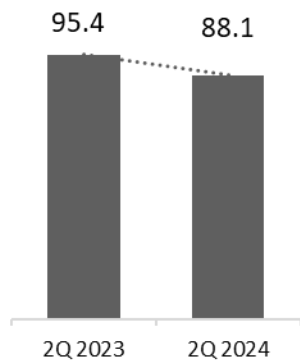
Financial Results for the Second Quarter of FY2024

Unit: Billions of Yen

	2Q 2023 results	2Q 2024 results	Change (Amount)	Change (%)	2Q 2024 Initial Forecast (As of 14 Dec.)	Change (Amount)	Change (%)
Net Sales	95.4	88.1	-7.3	-8%	92.0	-3.9	-4%
Gross Profits	23.3	20.1	-3.2	-14%	-	-	-
Operating Income	12.7	8.8	-3.8	-30%	9.0	-0.2	-2%
Ordinary Income	13.5	13.0	-0.5	-4%	11.0	+2.0	+18%
Net income attributable to owners of parent	10.2	9.3	-0.9	-9%	8.0	+1.3	+17%
	Ref.) Average of exchange rates	¥/US\$=135	¥/US\$=149		¥/US\$=140		

Sales

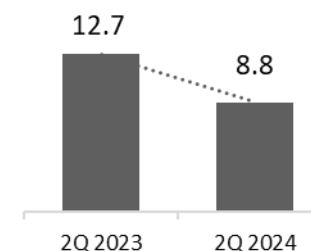
※ PYTD - **¥7.3 billion**



(-) Decrease due to continuous distributor destocking globally in agricultural chemicals.

Operating Income

PYTD - **¥3.8 billion**



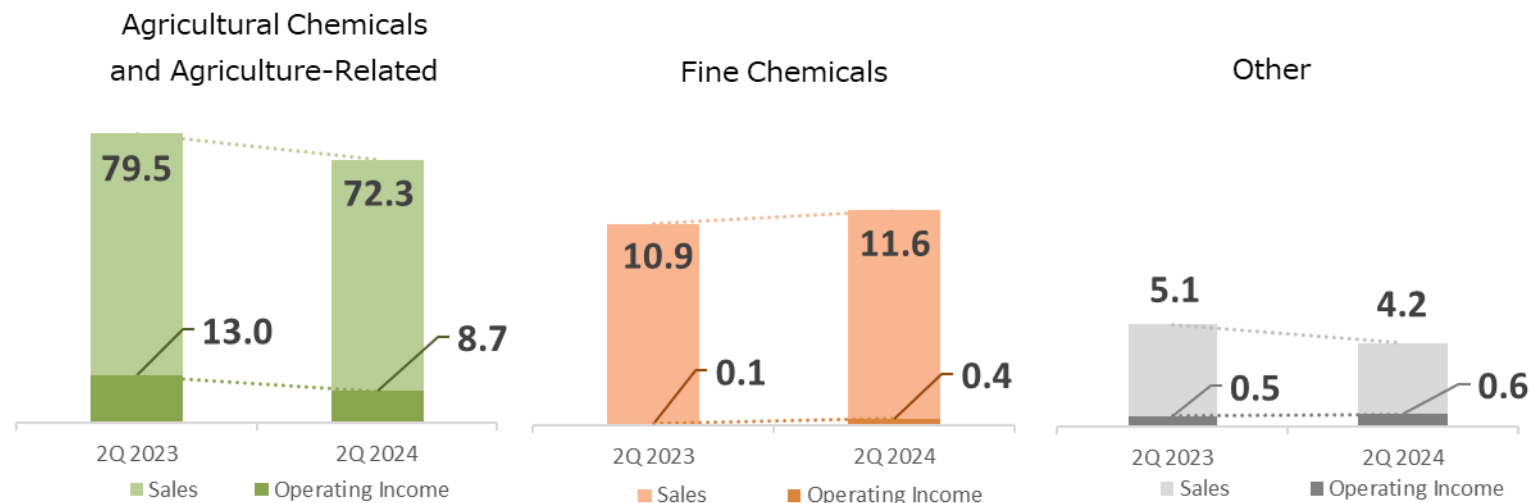
(-) Decrease in sales of agricultural chemicals.
 (-) Raising COGS due to higher costs of raw materials, fuel and logistics.
 (-) Increase in SGA expenses.

※ PYTD : Prior Year-To-Date

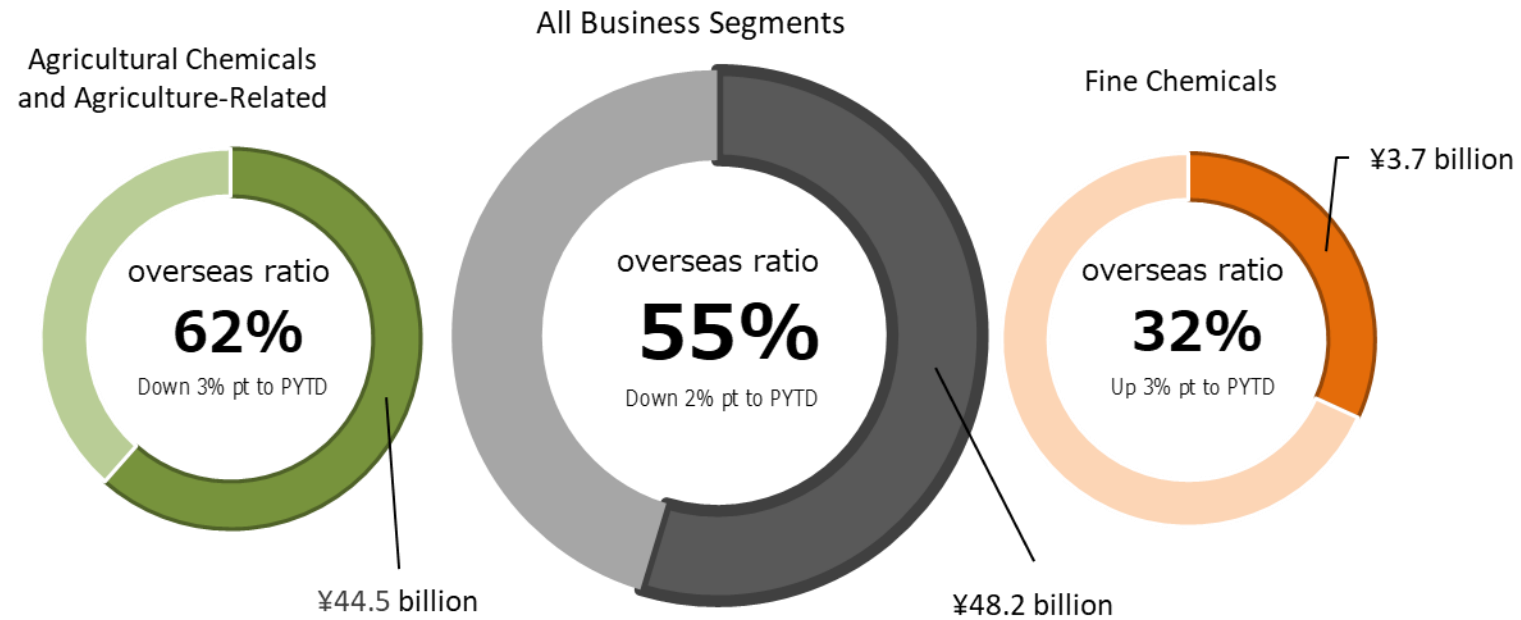
Financial Results by Business Segment

Unit: Billions of Yen

	2Q 2023 Results	2Q 2024 Results	Change (Amount)	Change (%)
Net Sales	95.4	88.1	-7.3	-8%
Agricultural Chemicals and Agriculture-Related	79.5	72.3	-7.1	-9%
Fine Chemicals	10.9	11.6	+0.7	+7%
Other	5.1	4.2	-0.9	-18%
Operating Income	12.7	8.8	-3.8	-30%
Agricultural Chemicals and Agriculture-Related	13.0	8.7	-4.3	-33%
Fine Chemicals	0.1	0.4	+0.3	+280%
Other	0.5	0.6	+0.1	+23%
(Adjustment)	-0.9	-0.9	+0.1	-



Overseas Sales and Ratio for the Second Quarter of FY2024



* PYTD : Prior Year-To-Date

Summary of the Second Quarter of FY2024

All Business Segments

※ PYTD : Prior Year-To-Date

Net Sales	¥ 88.1 billion (PYTD -¥7.3B)	• Decrease in AXEEV sales.
Operating Income	¥ 8.8 billion (PYTD -¥3.8B)	• Profit decline due to raising COGS & SGA.
Ordinary Income	¥ 13.0 billion (PYTD -¥0.5B)	• Equity-method investment gain decreased to PYTD, however the increase of Foreign exchange profits partially offset in Ordinary Income.

Agricultural Chemicals and Agriculture-Related

Net Sales	¥ 72.3 billion (PYTD -¥7.1B)	• Decrease due to continuous distributor destocking globally in agricultural chemicals
Operating Income	¥ 8.7 billion (PYTD -¥4.3B)	

Fine Chemicals

Net Sales	¥ 11.6 billion (PYTD +¥0.7B)	• Significant Increase in sales of bismaleimides due to recovery of demands for semiconductors.
Operating Income	¥ 0.4 billion (PYTD +¥0.3B)	• Decrease in sales of some of chlortoluene based chemical products due to inventory adjustment and other factors at distributors.

Other

Net Sales	¥ 4.2 billion (PYTD -¥0.9B)	• Steady sales in printing business and logistics business.
Operating Income	¥ 0.6 billion (PYTD +¥0.1B)	• Reduction in construction work carried forward from the previous fiscal year in construction business. • Increase of profit due to COGS reduction.

02

Revised Earnings Forecast for the FY2024

Revised Earnings Forecast for the FY2024 (vs Initial Forecast)

Unit: Billions of Yen

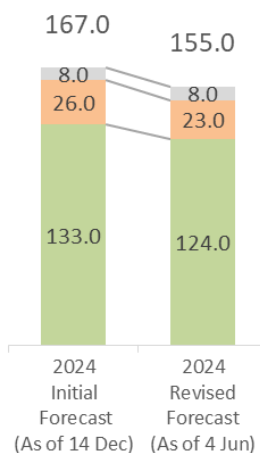
	2024 Initial Forecast (As of 14 Dec.)	2024 Revised Forecast (As of 4 Jun.)	Change (Amount)	Change (%)
Net Sales	167.0	155.0	- 12.0	- 7%
Agricultural Chemicals and Agriculture-Related	133.0	124.0	- 9.0	- 7%
Fine Chemicals	26.0	23.0	- 3.0	- 12%
Other	8.0	8.0	+ 0.0	+ 0%
Operating Income	12.0	10.0	- 2.0	- 17%
Ordinary Income	15.0	15.5	+ 0.5	+ 3%
Net income attributable to owners of parent	11.0	12.0	+ 1.0	+ 9%

Ref.) Average of exchange rates

¥/US\$=140

¥/US\$=145

Sales

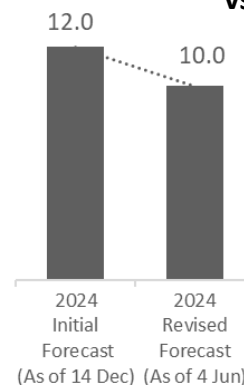


vs Initial Forecast **- ¥12.0 billion**

- (-) Decrease due to continuous distributor destocking globally in agricultural chemicals.
- (-) AXEEV : - 7.8 billion
- (-) Fine chemicals : - 3.0 billion

■ Other
■ Fine Chemicals
■ Agricultural Chemicals

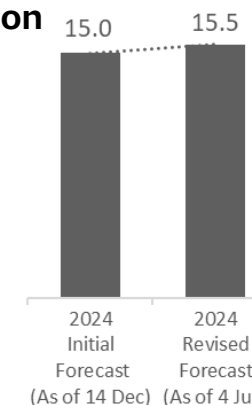
Operating Income



vs Initial Forecast **- ¥2.0 billion**

- (-) Decrease due to sales decline.

Ordinary Income



vs Initial Forecast **+ ¥0.5 billion**

- (-) Foreign exchange profits and losses : - 1.4 billion
- (+) Equity-method investment gain : + 3.5 billion

Revised Earnings Forecast for the FY2024 (PYTD)

Unit: Billions of Yen

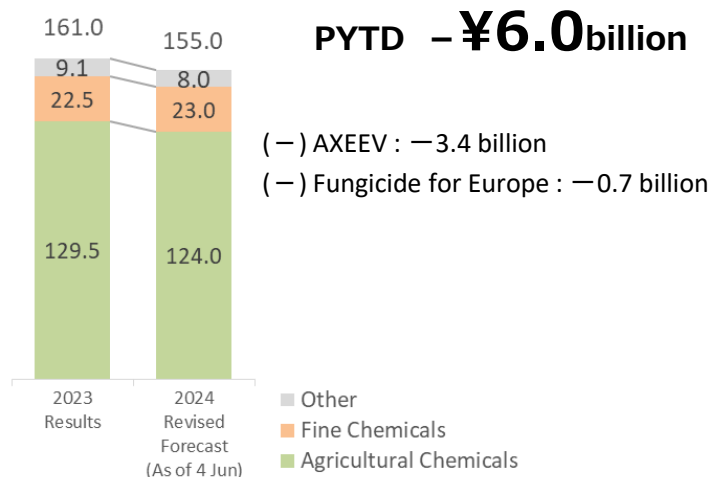
	2023 Results	2024 Revised Forecast (As of 4 Jun.)	Change (Amount)	Change (%)
Net Sales	161.0	155.0	- 6.0	- 4%
Agricultural Chemicals and Agriculture-Related	129.5	124.0	- 5.5	- 4%
Fine Chemicals	22.5	23.0	+ 0.5	+ 2%
Other	9.1	8.0	- 1.1	- 12%
Operating Income	14.1	10.0	- 4.1	- 29%
Ordinary Income	24.1	15.5	- 8.6	- 36%
Net income attributable to owners of parent	18.0	12.0	- 6.0	- 33%

Ref.) Average of exchange rates

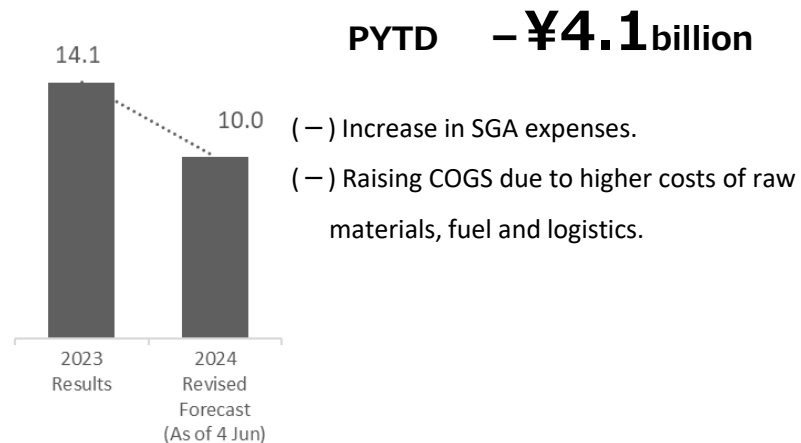
¥/US\$=140

¥/US\$=145

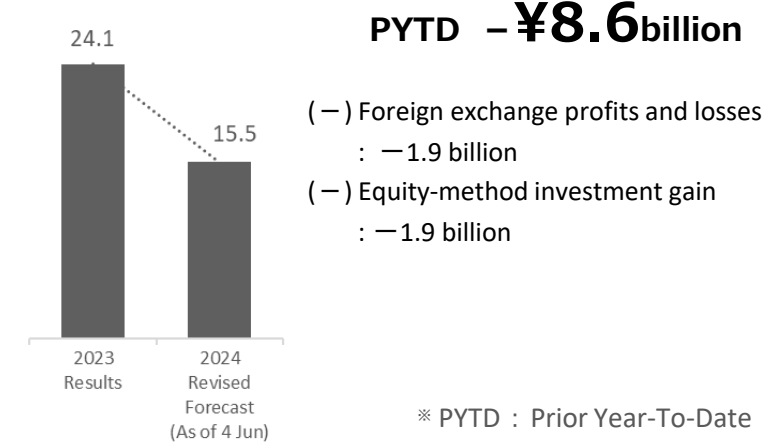
Sales



Operating Income



Ordinary Income



※ PYTD : Prior Year-To-Date

03

R&D expenses, Capital investment and Depreciation

R&D expenses, Capital investment and Depreciation

R&D expenses

FY2023 Results ¥ **6.2** billion → FY2024 Forecast ¥ **7.2** billion

- (Factors)
- More focus on developments of overseas markets
 - Promotion of R&D activities utilizing cutting edge technology

Capital investment

FY2023 Results ¥ **8.7** billion → FY2024 Forecast ¥ **10.2** billion

- (Factors)
- Renewal of deteriorated production facilities
 - Establishment plants and facilities relating to Fine Chemicals Business

Depreciation

FY2023 Results ¥ **4.4** billion → FY2024 Forecast ¥ **5.1** billion

- (Factors)
- Increase in depreciation due to capital investment of new chemical institute(ShIP) and production facilities

04

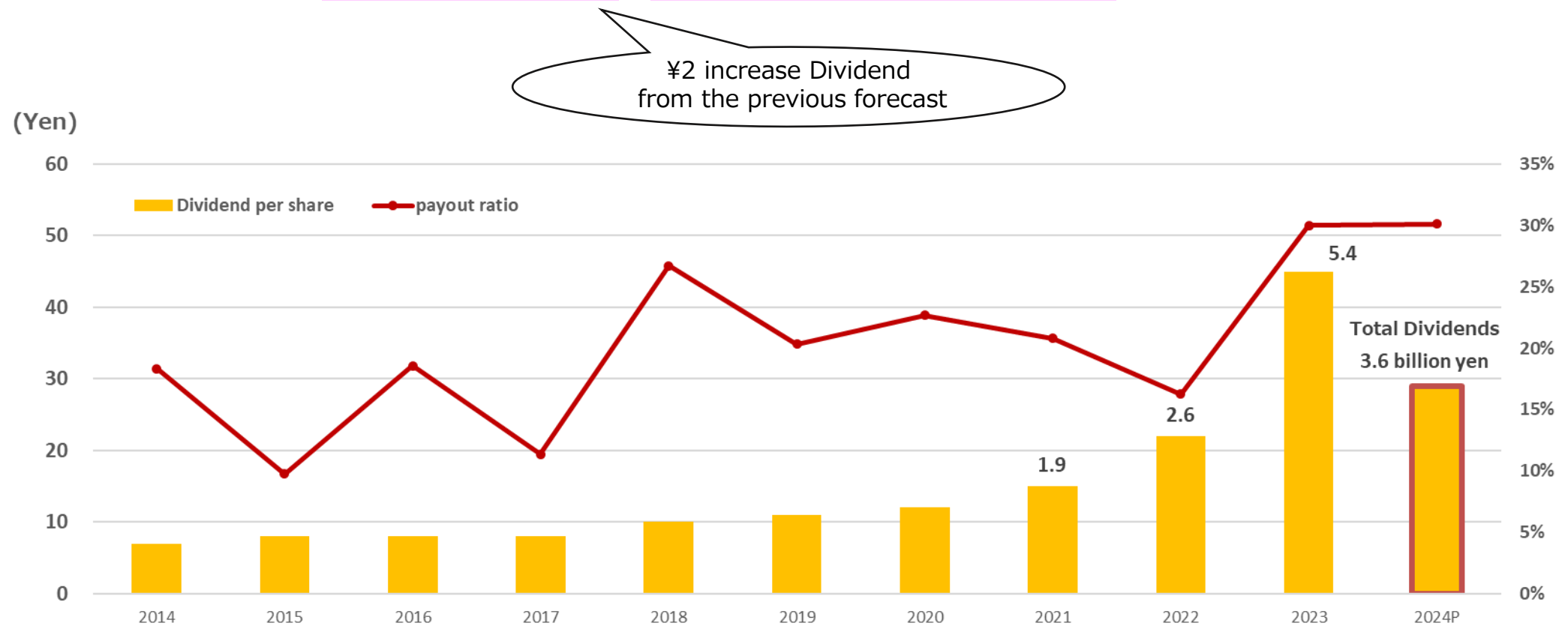
Measures for Shareholder Returns

Measures for Shareholder Returns

Target dividend payout ratio of 30% or more

FY2024 dividend forecast (Revised as of 7 Jun)

: Interim dividend ¥10 + Year-end dividend ¥20 = **Annual dividend ¥30 per share (payout ratio: 30.1%)**



Statements in this document regarding earnings forecasts and other forward-looking statements are expectations based on information available at the time the material was prepared and include potential risks and uncertainties. Actual results may differ from these earnings forecasts due to a variety of factors.

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