

# **Interim Financial Results for the Fiscal Year Ending October 31, 2025**

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June 19, 2025

# **| Today's Agenda**

<b>I . Business Environment</b>	<b>..... 3</b>
<b>II . FY2025 Interim Financial Results</b>	<b>..... 6</b>
<b>III . AXEEV Sales Overview</b>	<b>..... 15</b>
<b>IV . FY2025 Earnings Forecast</b>	<b>..... 21</b>
<b>V . Development of New Active Ingredients and Technologies</b>	<b>..... 27</b>
<b>VI . Mitigation of Climate Change and Environmental Impact</b>	<b>..... 30</b>
<b>VI . Growth Drivers of the Fine Chemicals Business</b>	<b>..... 33</b>

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## **Business Environment**

### **Impact of U.S. tariff policy**

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Impact of U.S. tariff policy currently minimal on our products; continue close monitoring of future announcements

### **Crude oil and naphtha prices**

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Crude oil prices declining since January peak through April; domestic naphtha prices low in April

### **¥/US\$ exchange rate**

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Average exchange rate during the period 151 yen (PYTD 149 yen, calculated by us)  
Interim period end rate 143 yen (PYTD 157 yen)

### **Grain market situations**

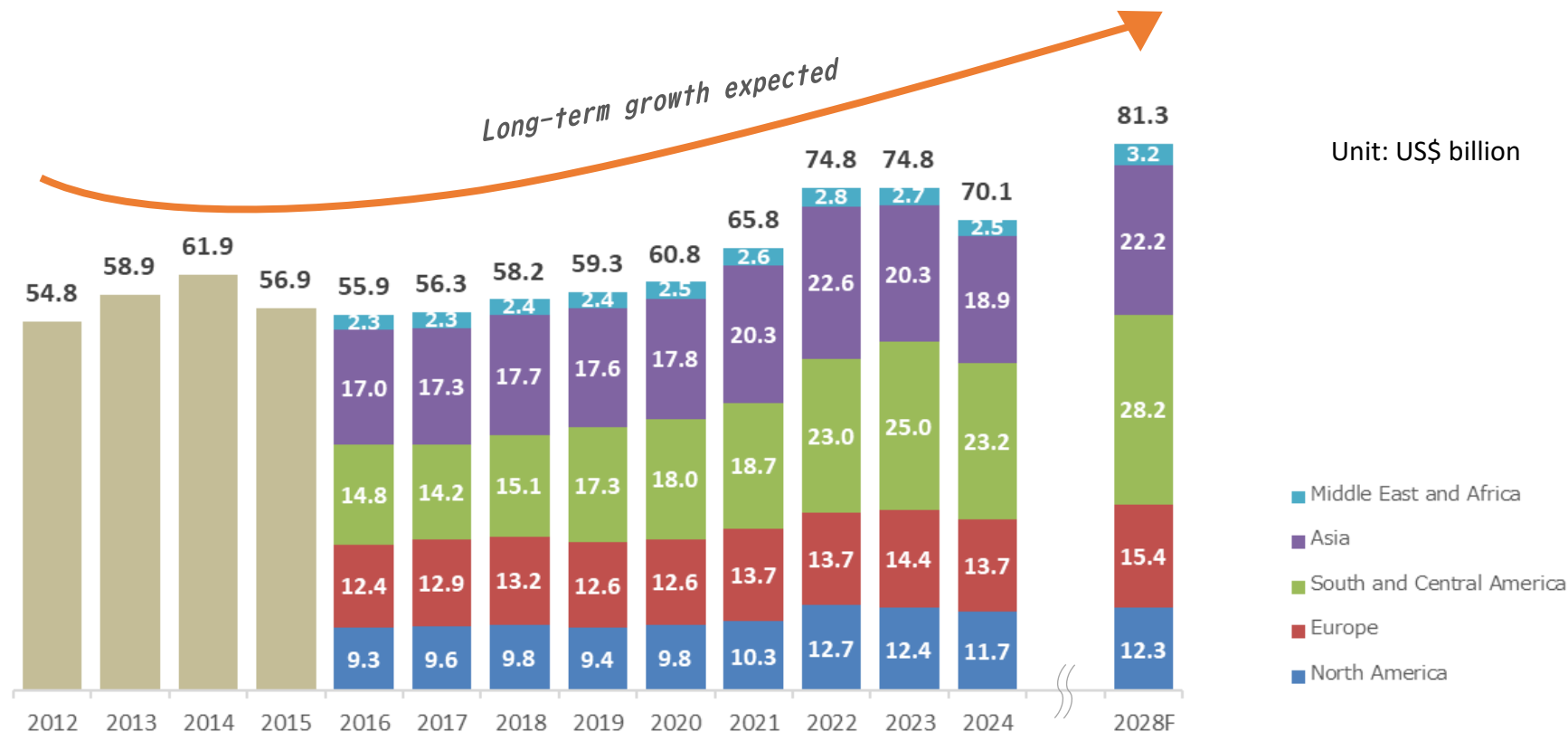
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Major grain prices (wheat, soybeans, corn) remain sluggish; rice prices rising domestically but declining globally; monitor impact of U.S. tariff policies on planting areas for major U.S. grains

## Business Environment

### Market Trends for Agricultural Chemicals

- Temporary decline due to inventory adjustments in distribution channels but medium- to long-term growth expected
- Domestic market size stable at approximately 360 billion yen in recent years



Source: AgbioInvestor (global market), Crop Life Japan (domestic market)

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# FY2025 Interim Financial Results – Overview

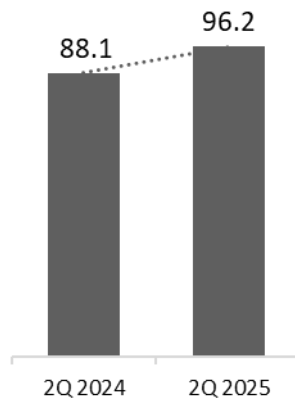
(unit: ¥ billion)

	(A) 2Q 2024 results	(B) 2Q 2025 results	(B) - (A)	
			Change (Amount)	Change (%)
Net Sales	88.1	<b>96.2</b>	+8.1	+9%
Gross Profit	20.1	<b>20.8</b>	+0.7	+3%
Operating Income	8.8	<b>9.4</b>	+0.6	+7%
Ordinary Income	13.0	<b>8.3</b>	-4.7	-36%
Net income attributable to owners of parent	9.3	<b>6.3</b>	-3.0	-33%
Ref.) Average of exchange rates		¥/US\$=149	¥/US\$=151	

	(C) 2Q 2025 Forecast (December 13 ,2024)	(B) - (C)	
		Change (Amount)	Change (%)
Net Sales	88.4	+7.8	+9%
Gross Profit	-	-	-
Operating Income	7.0	+2.4	+35%
Ordinary Income	8.1	+0.2	+2%
Net income attributable to owners of parent	5.8	+0.5	+8%
		¥/US\$=150	

## Sales

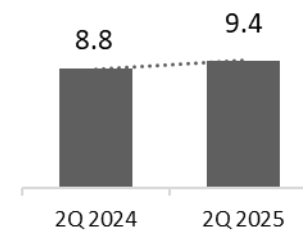
\* PYTD +**¥8.1**billion



(+) Increased net sales in all segments  
(+) AXEEV : +¥3.8billion

## Operating Income

PYTD +**¥0.6**billion

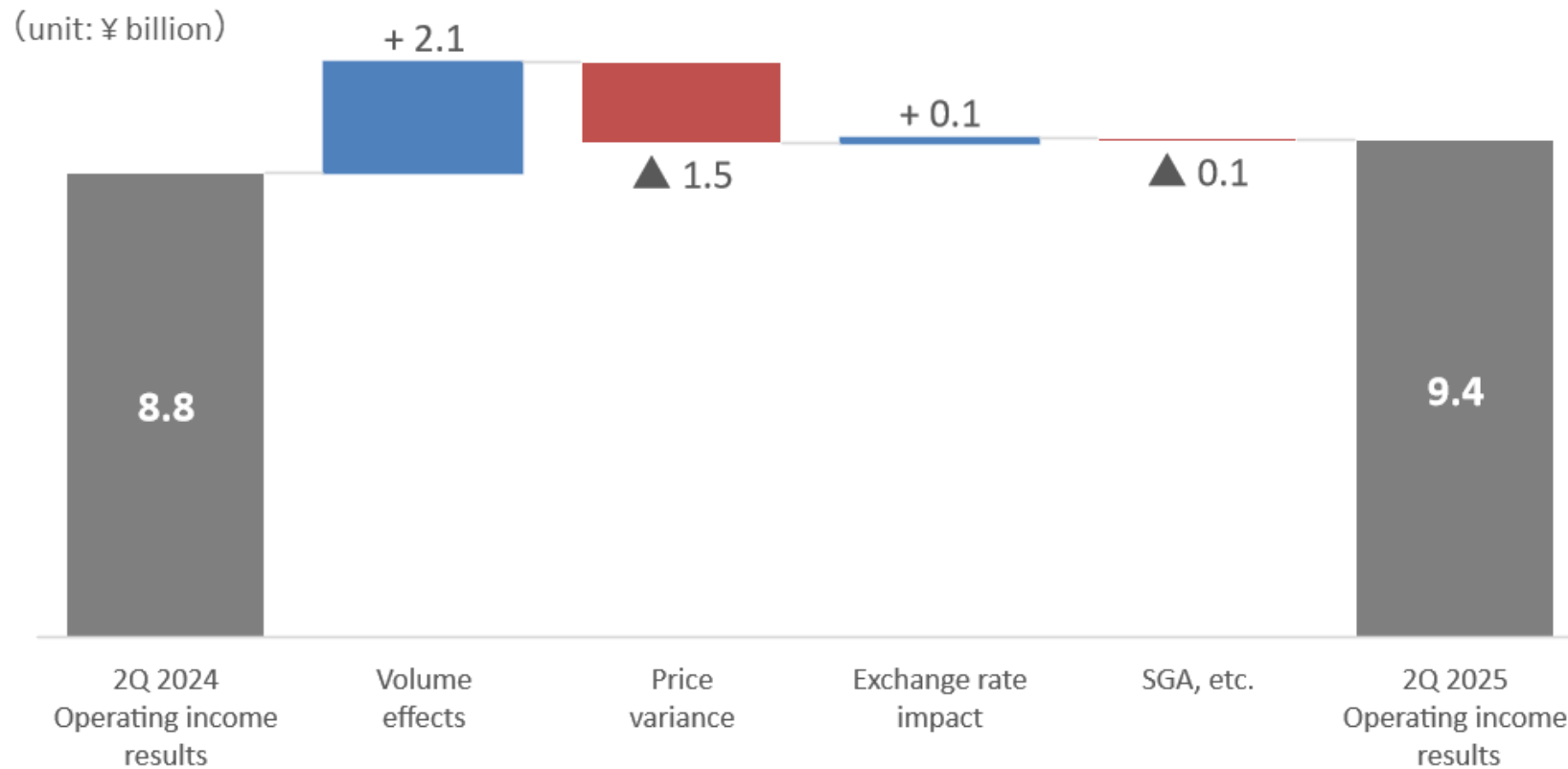


(+) Increased profit in Agricultural Chemicals and Agriculture-Related business  
(+) Increased profit in fine chemicals business

\* PYTD : Prior Year-To-Date

# FY2025 Interim Financial Results

## – Factors Affecting Changes in Operating Income



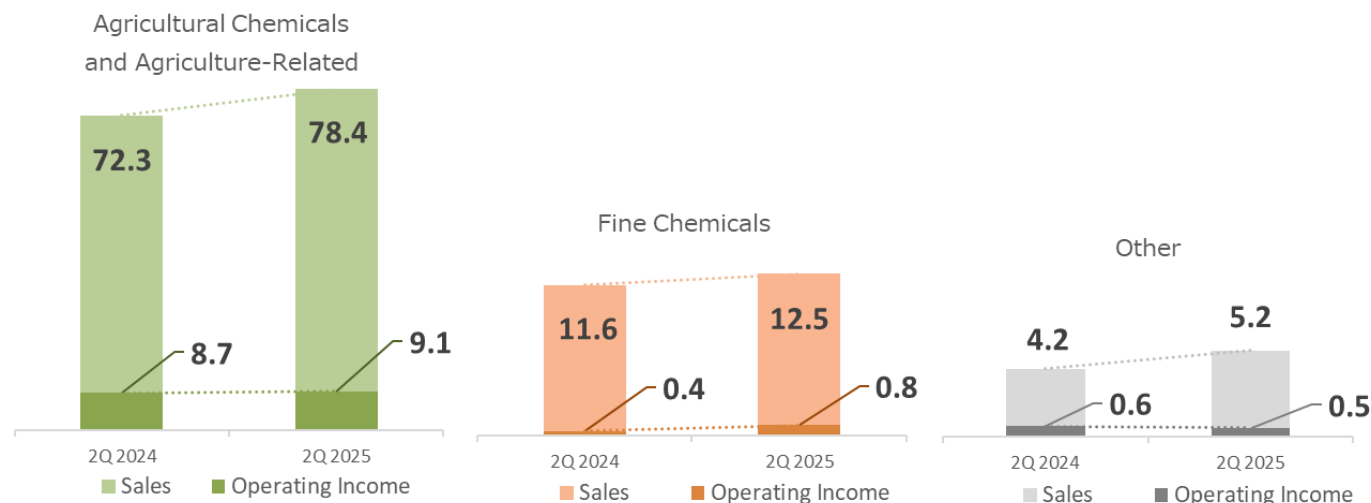


# FY2025 Interim Financial Results

## – Financial Results by Business Segment

(unit: ¥ billion)

	2Q 2024 Results	2Q 2025 Results	Change (Amount)	Change (%)
Net Sales	88.1	<b>96.2</b>	+8.1	+9%
Agricultural Chemicals and Agriculture-Related	72.3	<b>78.4</b>	+6.1	+8%
Fine Chemicals	11.6	<b>12.5</b>	+0.9	+7%
Other	4.2	<b>5.2</b>	+1.1	+26%
Operating Income	8.8	<b>9.4</b>	+0.6	+7%
Agricultural Chemicals and Agriculture-Related	8.7	<b>9.1</b>	+0.4	+5%
Fine Chemicals	0.4	<b>0.8</b>	+0.5	+124%
Other	0.6	<b>0.5</b>	-0.1	-17%
(Adjustment)	-0.9	<b>-1.0</b>	-0.2	-



## FY2025 Interim Financial Results

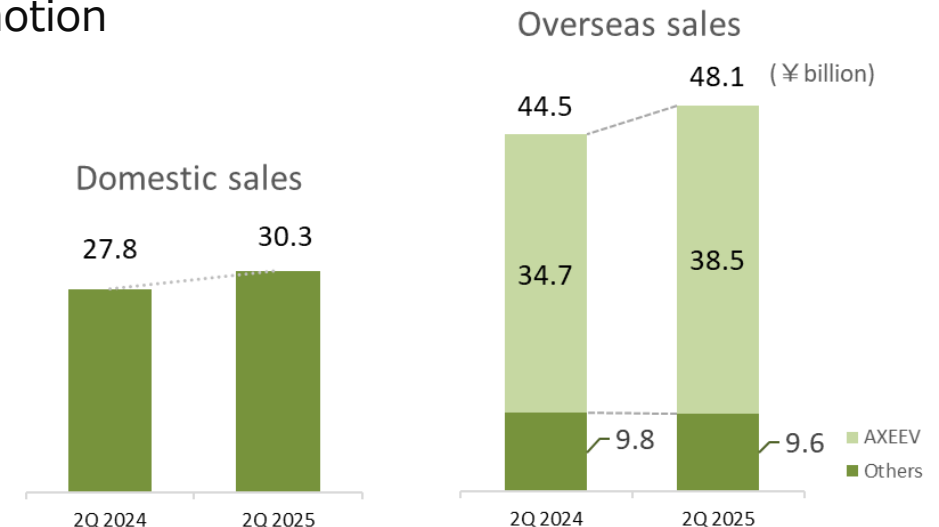
### – Agricultural Chemicals and Agriculture-Related Businesses

#### Domestic (Japanese Markets)

- Steady sales of paddy rice herbicides containing EFFEEDA
- Steady sales of paddy rice nursery box application products containing DISARTA
- Increased demand for insecticides due to the expansion of stink bug damage

#### Overseas (In Markets Outside Japan)

- Sales of AXEEV to Argentina decreased
- Sales to the U.S. increased due to an advance in shipment timing driven by concerns over cost increases associated with changes in tariff policies
- Sales to Australia increased as legal actions against patent-infringing products proved effective
- Sales to Brazil also increased due to enhanced sales promotion



# FY2025 Interim Financial Results

## – Fine Chemicals Business

### Chlorination

- Sales remained flat

### Advanced Chemicals

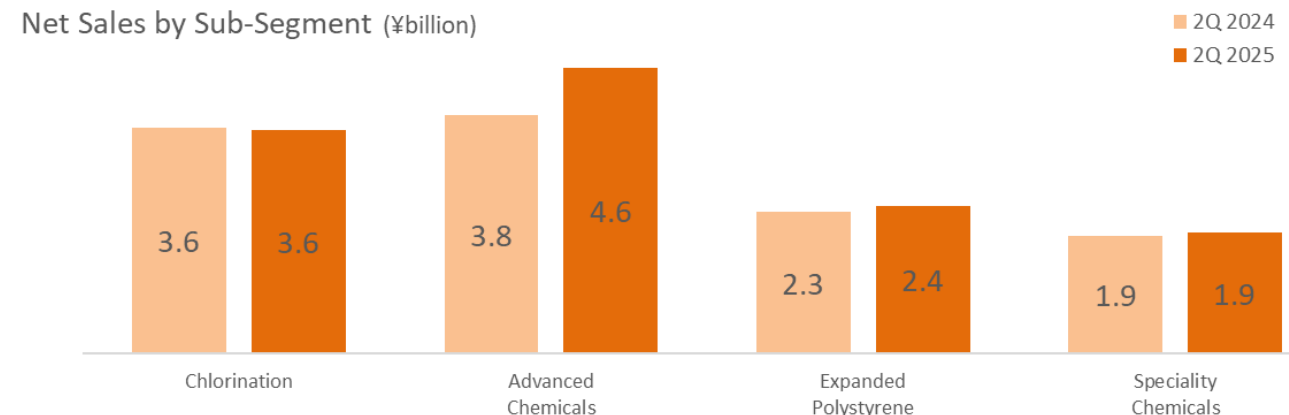
- Sales volume of bismaleimides increased due to strong demand in the field of electronic materials for generative AI servers
- Strong sales of amines

### Expanded Polystyrene

- Sales remained flat

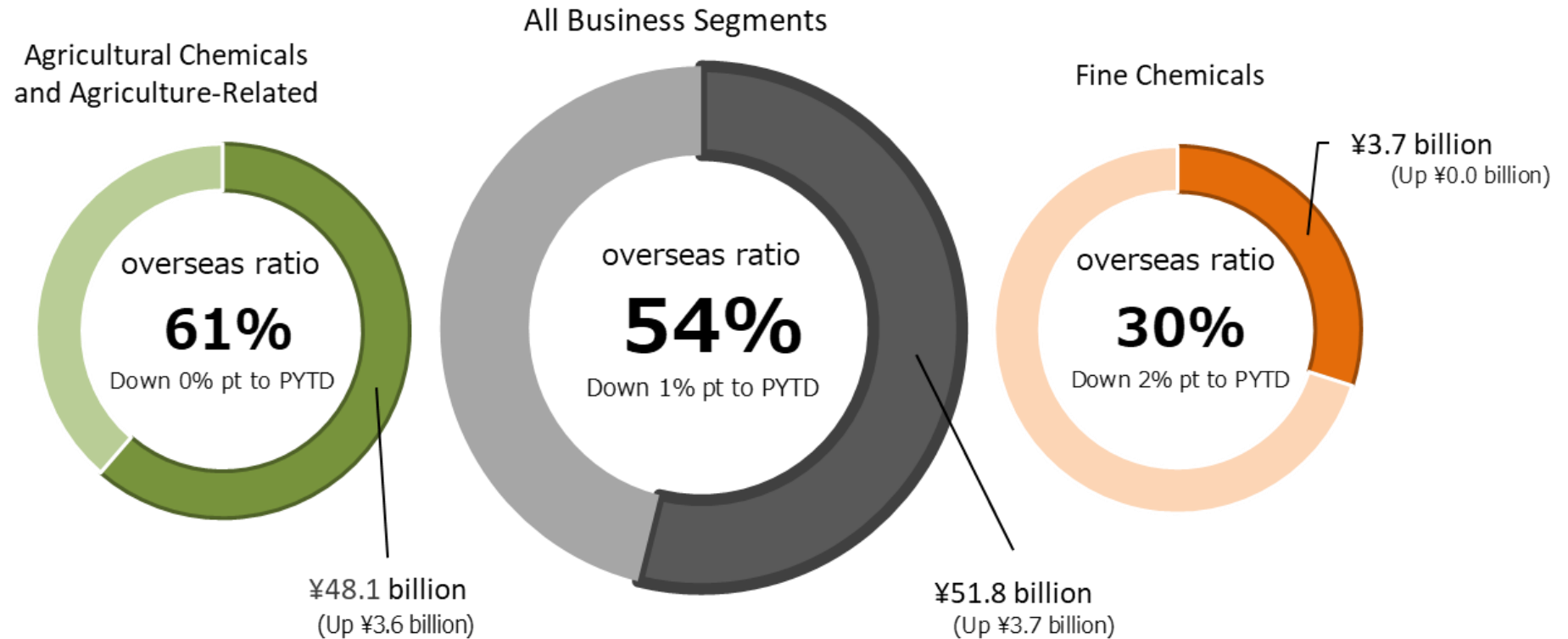
### Speciality Chemicals

- Sales remained flat



# FY2025 Interim Financial Results

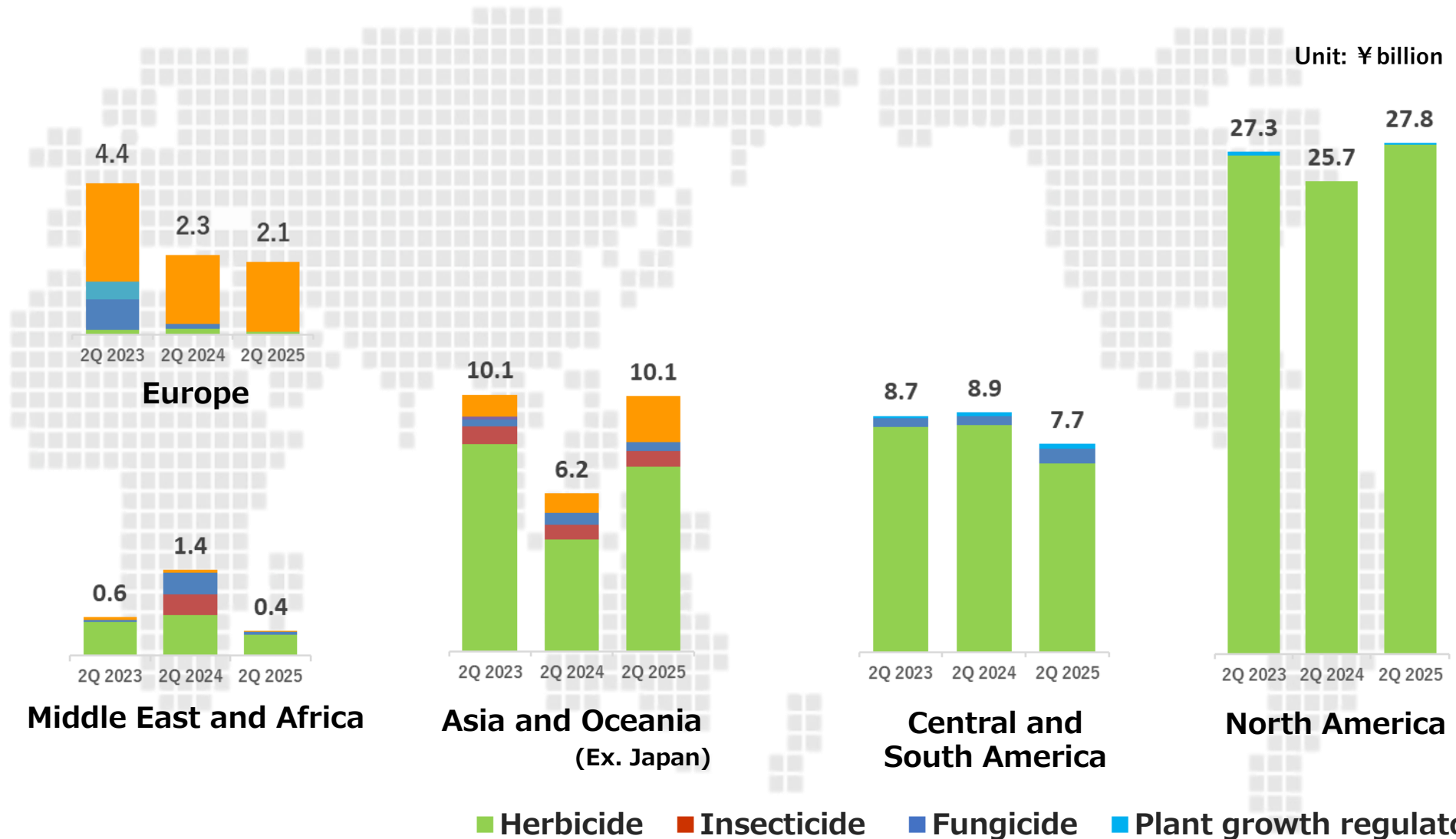
## – Overseas Sales and Ratio



\* PYTD : Prior Year-To-Date

# FY2025 Interim Financial Results

## – Net Sales by Overseas Region and by Application



# FY2025 Interim Financial Results – Summary

## All Business Segments

\* PYTD : Prior Year-To-Date

Net Sales                **¥96.2** billion (PYTD +¥8.1B)  
 Operating Income    **¥9.4** billion (PYTD +¥0.6B)  
 Ordinary Income     **¥8.3** billion (PYTD -¥4.7B)

- Net sales increased by ¥8.1billion PYTD, as sales in all segments came in higher than in the previous year.
- Due to large foreign exchange losses, a sharp contrast to the year earlier period when foreign exchange gains were posted, ordinary income was ¥8.3 billion, down ¥4.7 billion PYTD.

## Agricultural Chemicals and Agriculture-Related

Net Sales                **¥78.4** billion (PYTD +¥6.1B)  
 Operating Income    **¥9.1** billion (PYTD +¥0.4B)

- In markets outside Japan, while sales of herbicide AXEEV to Argentina declined, sales to the U.S. increased as a result of advancement of shipment timing due to concerns about Trump's tariffs. Sales to Australia increased owing to legal actions against patent infringing products, and sales to Brazil also increased through enhanced sales promotion.
- In the Japanese market, sales of fungicide DISARTA and herbicide EFEEEDA remained strong.

## Fine Chemicals

Net Sales                **¥12.5** billion (PYTD +¥0.9B)  
 Operating Income    **¥0.8** billion (PYTD +¥0.5B)

- Sales volume of bismaleimides increased due to strong demand in the field of electronic materials for generative AI servers.
- Sales volume of amines were strong.

## Other

Net Sales                **¥5.2** billion (PYTD +¥1.1B)  
 Operating Income    **¥0.5** billion (PYTD -¥0.1B)

- Orders for new construction in the construction business were steady.

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## AXEEV Sales Overview



U.S.

**FY2025** (Sales Forecast: ¥45.0 billion / Prior Year Sales: ¥42.0 billion)

**FY2025 interim** (Actual Sales: ¥26.9 billion / Prior Year Sales: ¥25.1 billion)

- Increased shipments due to advancement of shipment timing as a result of concerns about U.S. tariff policy cost increases



Australia

**FY2025** (Sales Forecast: ¥2.3 billion / Prior Year Sales: ¥3.2 billion)

**FY2025 interim** (Actual Sales: ¥4.9 billion / Prior Year Sales: ¥1.5 billion)

- Exceeded annual plan as legal actions against patent infringement products proved effective as expected
- No shipments from February to April



## AXEEV Sales Overview



### Argentina

**FY2025** (Sales Forecast : ¥10.2 billion / Prior Year Sales: ¥13.9 billion)

**FY2025 interim** (Actual Sales: ¥1.6 billion / Prior Year Sales: ¥5.0 billion)

- Increased uncertainty due to generic product market entry
- Postponed shipments with sales resuming from second quarter



### Brazil

**FY2025** (Sales Forecast : ¥6.2 billion / Prior Year Sales: ¥9.2 billion)

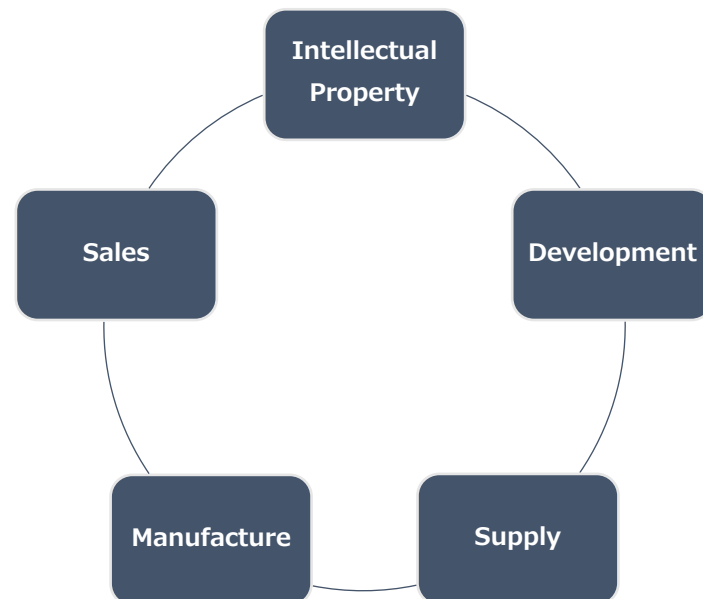
**FY2025 interim** (Actual Sales: ¥4.7 billion / Prior Year Sales: ¥3.0 billion)

- Increased sales and profit due to enhanced sales promotion
- Advanced shipment timing observed

## AXEEV Sales Overview – Legal Action Relating to AXEEV

### ■ 3 out of 13 cases (8 cases in China, country of manufacture / 5 cases in Australia, country of sales) filed settled





- Legal action was taken in parallel for both manufacturing and sales countries, and released on our website.
- Particularly large number of downloads from China and Australia
- Such measures has been effective in deterring the entry of infringing products.



- Intellectual property : Legal Action
- Development : Development of Pre-mix & Use of other companies' active ingredient patents
- Supply : Low cost and stable supply
- Manufacture : Ensuring Quality , Manufacture of formulation technologies , ESG
- Sales : price adjustment , Consideration of new business models

# AXEEV Sales Overview – Generic Product Market Entry Status

## Expiration of Compound Patent

	FY2022 ▼	FY2023	FY2024	FY2025	FY2026	~	FY2030	FY2031
 <b>U.S</b>				Expiration of data protection period	Anticipated generic entry			
Sales (¥ billion)	28.9	45.9	42.0					
 <b>Australia</b>	generic entry							
	11.1	10.9	32.0					
 <b>Argentina</b>			generic entry					
	67.0	64.0	13.9					
 <b>Brazil</b>							Expiration of data protection period	Anticipated generic entry
	49.0	62.0	92.0					

- Increase in generic products potentially circumventing our patents in Australia in FY2025
- Monitoring generic product trends and prices to implement appropriate countermeasures

## AXEEV Sales Overview – Strategies Against Generic Products

### Sales

- Develop and implement **competitive pricing strategies** for sales

### Production

- Aim to produce the **most affordable products** worldwide by further improving efficiency in proprietary active ingredients manufacturing

### Development

- Promote high value-added products through development of **new pre-mixtures development**

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# FY2025 Earnings Forecast – Overview

(unit: ¥ billion)

	2024 Results	2025 Forecast	Change (Amount)	Change (%)
Net Sales	161.0	<b>159.3</b>	-1.7	-1%
Agricultural Chemicals and Agriculture-Related	128.1	<b>123.5</b>	-4.6	-4%
Fine Chemicals	25.0	<b>26.6</b>	+1.6	+7%
Other	7.9	<b>9.2</b>	+1.3	+16%
Operating Income	11.4	<b>10.4</b>	-1.0	-8%
Ordinary Income	18.3	<b>14.5</b>	-3.8	-21%
Net income attributable to owners of parent	13.6	<b>10.9</b>	-2.7	-20%

Ref.) Average of exchange rates

¥/US\$=151

¥/US\$=150

## Sales

PYTD **-¥1.7billion**

(+) Fine Chemicals: +¥1.6 billion  
(-) AXEEV: -¥5.0 billion

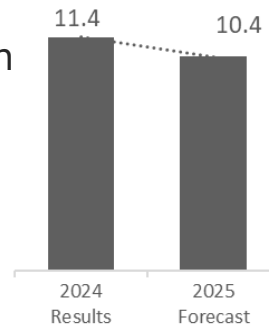


■ Other  
■ Fine Chemicals  
■ Agricultural Chemicals

## Operating Income

PYTD **-¥1.0billion**

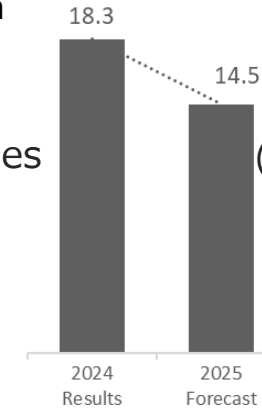
(-) Due to decrease in sales



## Ordinary Income

PYTD **-¥3.8billion**

(-) Equity in earnings of affiliates : -¥2.3billion



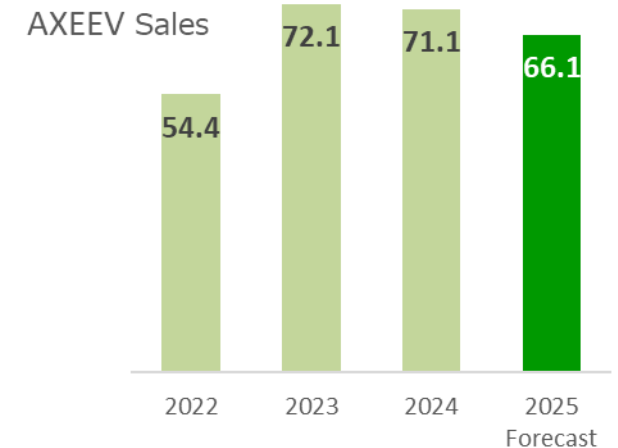
\* PYTD : Prior Year-To-Date

# FY2025 Earnings Forecast – Agricultural Chemicals and Agriculture-Related

## AXEEV (Herbicide)

**Sales Forecast for ¥66.1billion in FY2025**

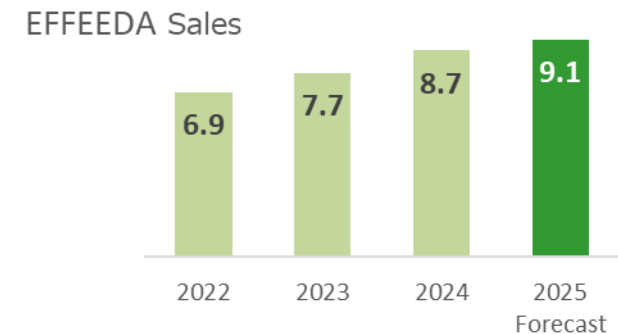
- Sales to Australia exceed plan, while sales to Argentina are expected to fall short due to generic product entry
- Therefore, no significant deviation from the initial plan is anticipated



## EFFEEDA (Herbicide)

**Sales Forecast for ¥9.1billion in FY2025**

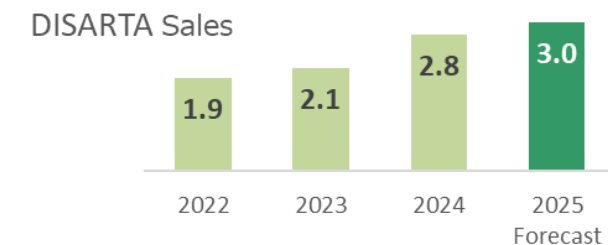
- Strong sales due to stable efficacy and high safety for rice
- Two new pre-mixtures launched in Japanese market, as in prior year
- Registration applications underway in Europe for wheat and rice, in addition to existing sales in South Korea



## DISARTA (Fungicide)

**Sales Forecast for ¥3.0billion in FY2025**

- Steady sales ongoing thanks to high reputation for stable efficacy
- Two new pre-mixtures launched in Japanese market, as in prior year
- Actively promoting overseas development in addition to existing sales in South Korea



# FY2025 Earnings Forecast – Fine Chemicals

## Chlorination

- Plan to increase sales due to higher shipments of certain chloroxylene-based products

## Advanced Chemicals

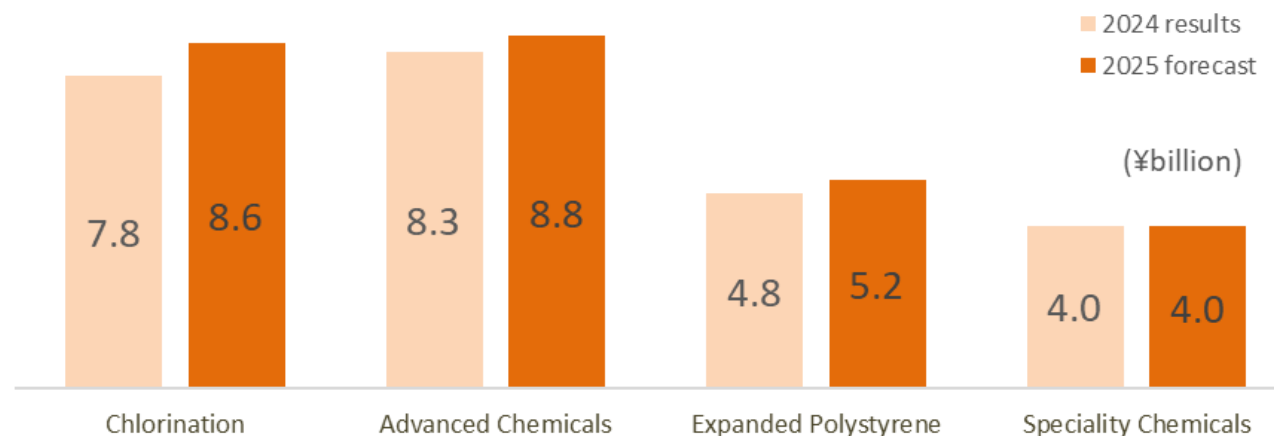
- Plan to increase sales of bismaleimides due to recovery of demands for semiconductors

## Expanded Polystyrene

- Plan to increase sales through price pass-through

## Speciality Chemicals

- Plan to maintain flat sales

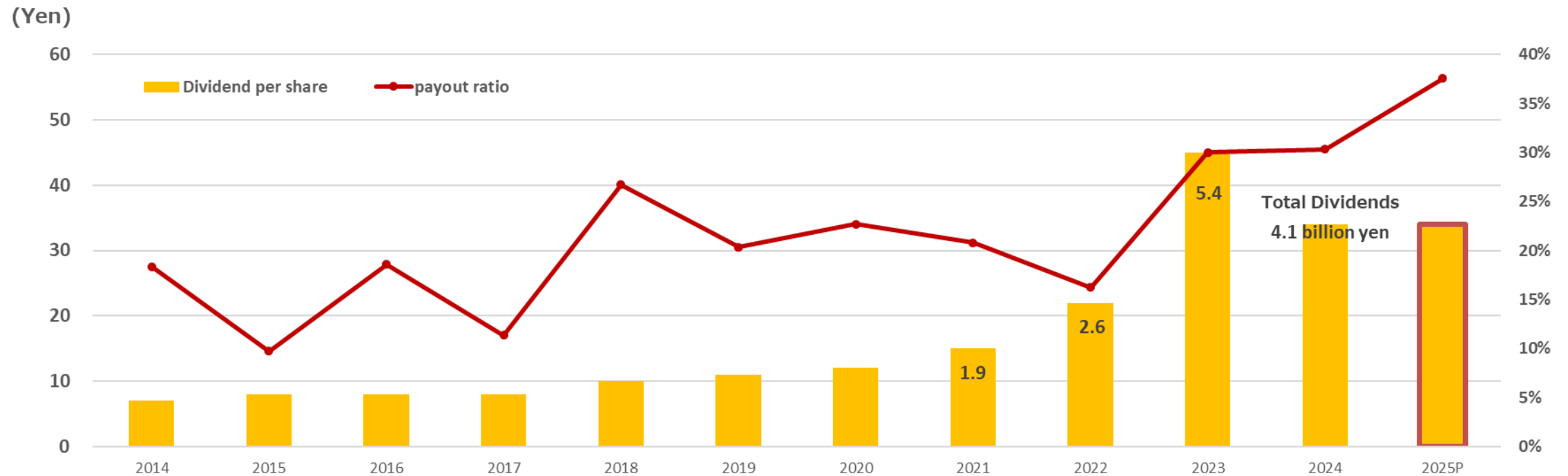




# FY2025 Earnings Forecast – Measures for Shareholder Returns

## Target dividend payout ratio of 30% or more

FY2025 dividend : Interim dividend ¥10 + Year-end dividend ¥24 = Annual dividend ¥34 per share (payout ratio: 37.5%)



## FY2025 Earnings Forecast

### – R&D Expenses, Capital Investment and Depreciation

#### R&D Expenses

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FY2024 Results    ¥ **7.0** billion    ➡    FY2025 Forecast    ¥ **7.1** billion

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

#### Capital Investment

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FY2024 Results    ¥ **9.9** billion    ➡    FY2025 Forecast    ¥ **8.5** billion

- (Factors)
- Renewal of production equipment and R&D facilities
  - Construction of new plant

#### Depreciation

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FY2024 Results    ¥ **5.3** billion    ➡    FY2025 Forecast    ¥ **5.2** billion

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# Development of New Active Ingredients and Technologies

Name	Type	Evaluation stage	Development stage	Launched
Insecticide				
Flupentiofenox (VANENTA)	Acaricide		●	
Insecticide A	Insecticide for paddy rice		●	
Insecticide B	Insecticide for paddy rice and horticulture	●	Launched	
Fungicide				
Regard	Fungicide for paddy rice		●	●
Fungicide B	Fungicide for fruit trees and vegetables	●		
Fungicide C	Fungicide for field crops	●		
Herbicide				
EFFEEDA	Herbicide for wheat and rice			●
Herbicide A	Herbicide for field crops	●		
Microbial pesticide and biostimulants				
Rhizobium vitis ARK-1 (ECO ARK)	Crown gall control agent		●	
Microbial pesticide A	Control agent for fruit trees and vegetables	●		
Microorganisms B	Biostimulants	●		
material C	Biostimulants	●		

# Development of New Active Ingredients and Technologies



January 22, 2025

## Kumiai and Valent U.S.A. Partner to Develop Effeeda® Herbicides for U.S. Rice Producers

Kumiai Chemical Industry Co., Ltd. and Valent U.S.A. LLC have signed an exclusive agreement to jointly develop Effeeda® for rice in the United States, bringing new technology to manage problematic and resistant weeds affecting rice producers. This partnership builds upon the longstanding relationship between Kumiai and Valent to drive innovation in crop protection, and advances the tools available to growers to maximize crop health and on-farm sustainability efforts.

"We are pleased to extend our partnership with Kumiai to enhance the trusted portfolio of rice herbicides we provide to our customers with this next generation of innovation," said Matt Plitt, president and CEO of Valent U.S.A. "We are steadfast in our commitment to sustainability and the future of food production, and this collaboration marks a key step forward as we expand on the solutions to complement our current herbicide portfolio, including Regiment® and Bolero®."

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# Mitigation of Climate Change and Environmental Impact

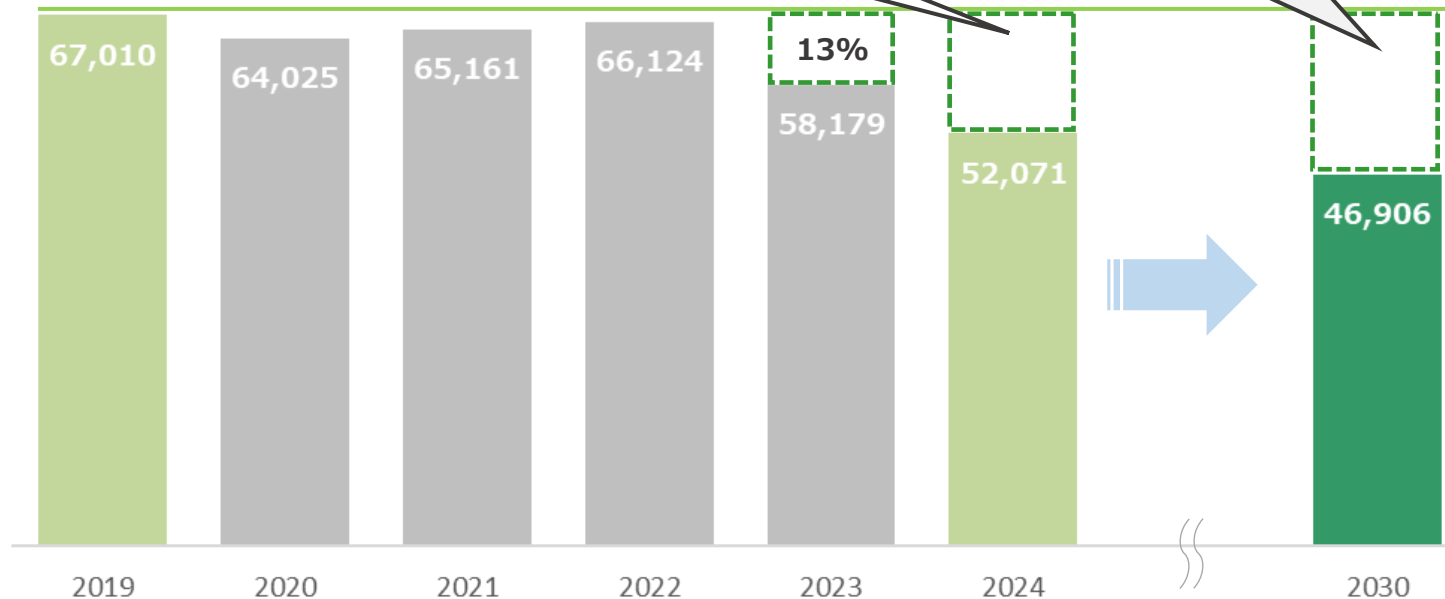
## – GHG emissions

Achieve carbon neutrality by FY2048, the 100th year of the company's founding

**Reduce GHG emissions by 30% compared FY2019 by FY2030**

**FY2024 results: a 22% reduction**

GHG Emissions and Targets for Reduction (t-CO<sub>2</sub>)





# Mitigation of Climate Change and Environmental Impact

## – Contribution to Biodiversity

- Participation in the “**30by30 Alliance**” for biodiversity conservation (December 2023)
- **Biotope** (3,030m<sup>2</sup>, completed April 2025)
  - Concept: “A place to encounter nostalgic creatures”
  - Recreates satoyama landscape in an urban area and serves as a site for environmental conservation education

Overview of Biotope "Kumika Refugia Kikugawa (Shizuoka Prefecture)"



**30by30 Alliance** : “30by30” is a goal to effectively conserve more than 30% of land and sea as healthy ecosystems by 2030 in order to halt and restore biodiversity loss, which was agreed upon by the G7 in 2021. The “30by30 Alliance,” promoted by the Ministry of the Environment, is a framework consisting of voluntary participants working toward achieving this target.



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# Growth Drivers of the Fine Chemicals Business

## – Bismaleimide Compounds (BMIs)

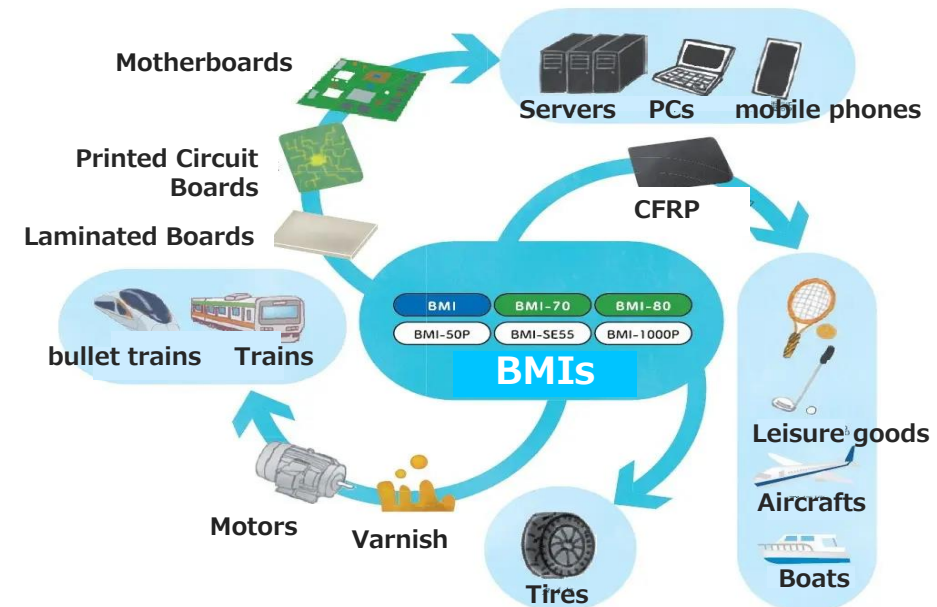
- Strengthened the production system of bismaleimides (BMIs) for semiconductors. K-I Chemical, a subsidiary of Kumiai, has completed construction of a **new plant for BMIs**.

The demand for electronic materials used in generative AI servers is strong, and with the expansion of communication networks, BMI compounds are newly used in low Earth orbit satellites (LEO), indicating expected future demand growth.

Bismaleimide (BMI) products



New plant for BMIs



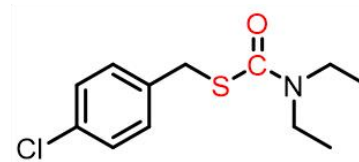
## Growth Drivers of the Fine Chemicals Business

- high-purity COS gas

Entered the cutting-edge semiconductor memory field and begin selling semiconductor-grade high-purity COS gas

### Key Raw Materials for In-House Herbicides (Produced at the Shizuoka Factory)

**COS**  
carbonyl sulfide

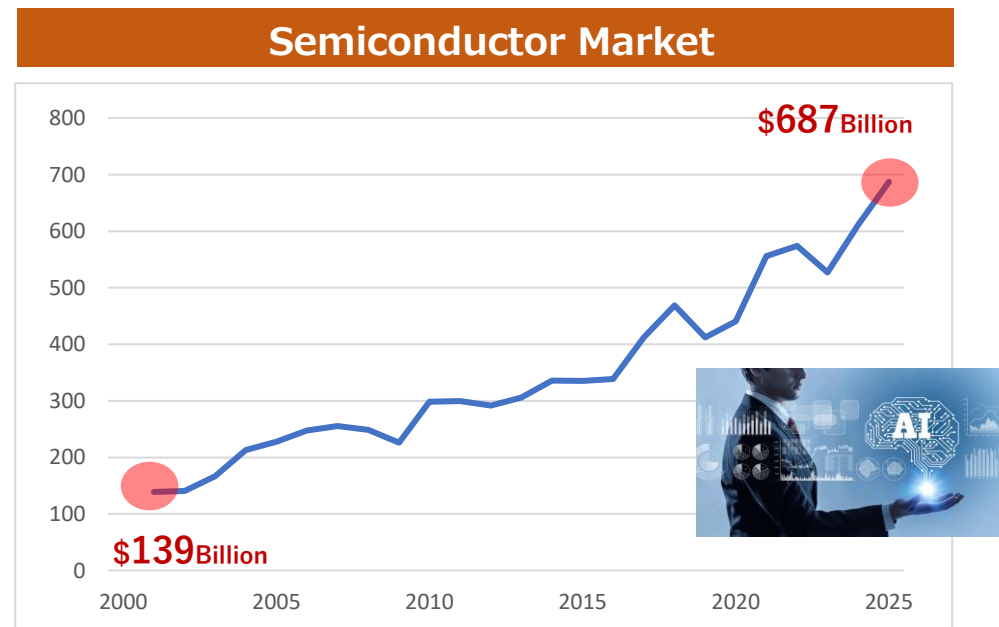


- Focused on the agricultural chemical intermediate carbonyl sulfide (COS), used as an etching gas for semiconductor memory (3D NAND), and started development of COS gas in 2019
- Completed construction of a new facility for purified COS gas at the Shizuoka factory in 2021
- Successfully commercialized semiconductor-grade high-purity COS gas through optimization of the production method and related processes

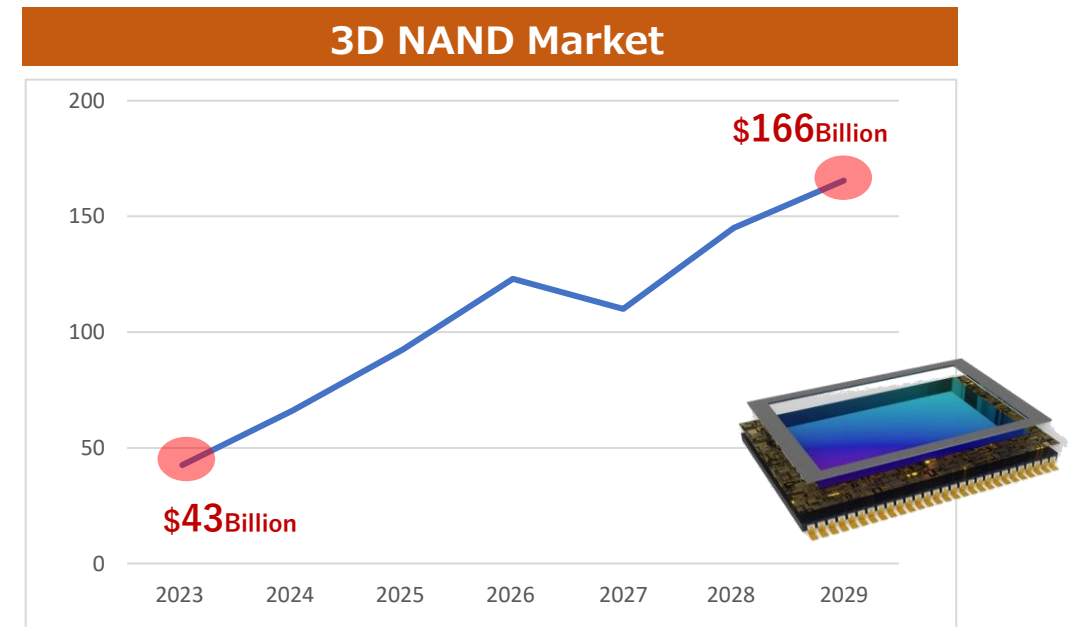
# Growth Drivers of the Fine Chemicals Business

## – high-purity COS gas

application	-Etching gas* for semiconductor memory (3D NAND) *Specialty gas used in semiconductor microfabrication
features	-Main business technology-based high-quality, high-purity products
market	-Spread of generative AI and other technologies driving increased demand for semiconductors -Promising growth market



Source: "The World Semiconductor Trade Statistics (WSTS)", "WSTS Semiconductor Market Forecast Fall 2024"



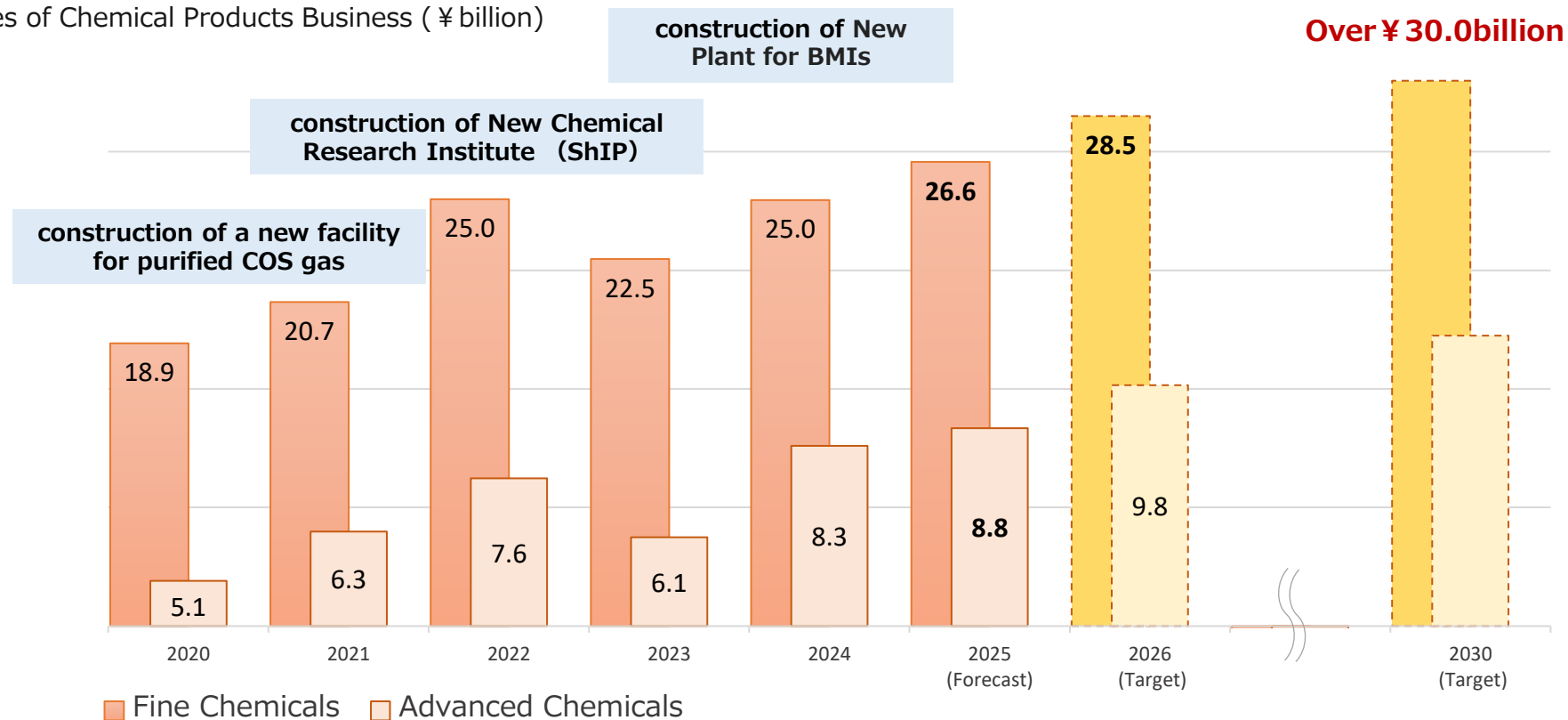
Source: Fuji Keizai Co., Ltd., "Current Status and Future Outlook of the Semiconductor Materials Market 2024"

# Growth Drivers of the Fine Chemicals Business

## – Future Outlook

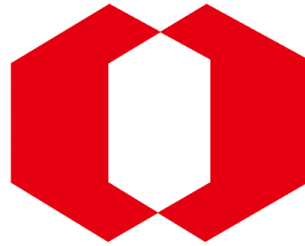
*Aim to expand into new business domain,  
including the cutting-edge semiconductor memory field*

Sales of Chemical Products Business ( ¥ billion)



Thank you for your attention.

自然に学び 自然を守る



**クミカ**

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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<Inquiries>

KUMIAI CHEMICAL INDUSTRY CO., LTD.

Corporate Planning Section, Corporate Planning & Coordination Department, Corporate  
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Please also see the corporate website. <https://ir.kumiai-chem.co.jp/en/index.html>