

Third Quarter Financial Results for the Fiscal Year Ending 31 October 2026

30 September 2026

Financial Results for the Third Quarter of the FY2026 — Summary

Financial Results for the Third Quarter of the FY 2026

(unit: ¥ billion)

	3Q 2025 Results	3Q 2026 Results	Change (Amount)	Change (%)
Net sales	134.5	141.4	+6.9	+5%
Agricultural Chemicals and Agriculture-Related	108.1	111.9	+3.8	+3%
Fine Chemicals	18.8	22.5	+3.7	+20%
Other	7.5	7.0	-0.5	-7%
Operating profit	10.4	7.6	-2.8	-27%
Ordinary profit	11.6	12.2	+0.6	+6%
Profit attributable to owners of parent	9.0	5.7	-3.3	-37%

Ref.) Average of exchange rates ¥/US\$=149 ¥/US\$=158

FY2026 Earnings Forecast

(unit: ¥ billion)

	2026Initial Forecast A	2025 Results B	2026Revised Forecast C	Change (Amount) C-A	Change (%) (C-A)/A	Change (Amount) C-B	Change (%) (C-B)/B
Net sales	162.0	170.5	175.0	+13.0	+8%	+4.5	+3%
Agricultural Chemicals and Agriculture-Related	127.0	135.7	137.0	+10.0	+8%	+1.3	+1%
Fine Chemicals	26.1	25.1	29.0	+2.9	+11%	+3.9	+16%
Other	9.0	9.7	9.0	+0.0	+1%	-0.7	-7%
Operating profit	7.2	10.6	2.7	-4.5	-63%	-7.9	-75%
Ordinary profit	10.9	13.4	8.5	-2.4	-22%	-4.9	-37%
Profit attributable to owners of parent	6.4	4.4	4.0	-2.4	-38%	-0.4	-9%

Ref.) Average of exchange rates ¥/US\$=150 ¥/US\$=149 ¥/US\$=155

Q3 FY2026 Results

- Net sales increased in Agricultural Chemicals and Fine Chemicals in PYTD
- Operating profit decreased due to the recording of a loss on valuation of inventories associated with a decline in the market price of AXEEV following the generic entry
- Profit attributable to owners of parent decreased due to extraordinary losses, including impairment losses of non-current assets and restructuring costs in the Fine Chemicals Business

FY2026 Earnings Forecast

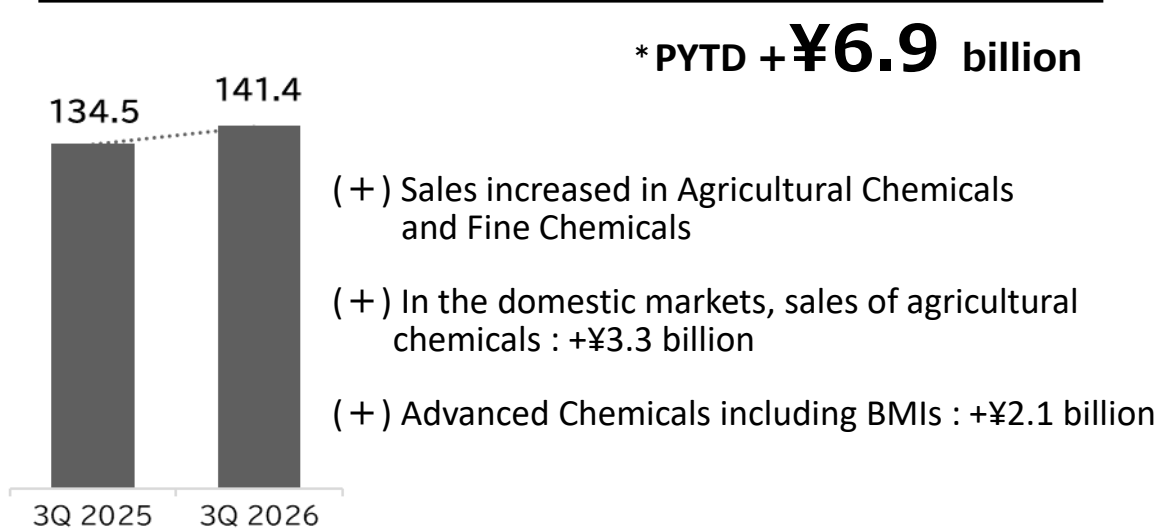
- Net sales are expected to increase compared to the initial forecast and PYTD, supported by sales expansion in the Agricultural Chemicals and Agriculture-Related Business and Fine Chemicals Business
 - Operating profit is expected to decrease compared to the initial forecast and PYTD, due to the posting of a loss on valuation of inventories associated with a decline in the market price of AXEEV following the generic entry
 - Profit attributable to owners of parent is expected to decrease compared to the initial forecast due to extraordinary losses, including impairment losses of non-current assets and restructuring costs in the Fine Chemicals Business
- However, the margin of decrease is expected to narrow from PYTD due to equity in earnings of affiliates and foreign exchange gains and losses

Financial Results for the Third Quarter of the FY2026 — Overview

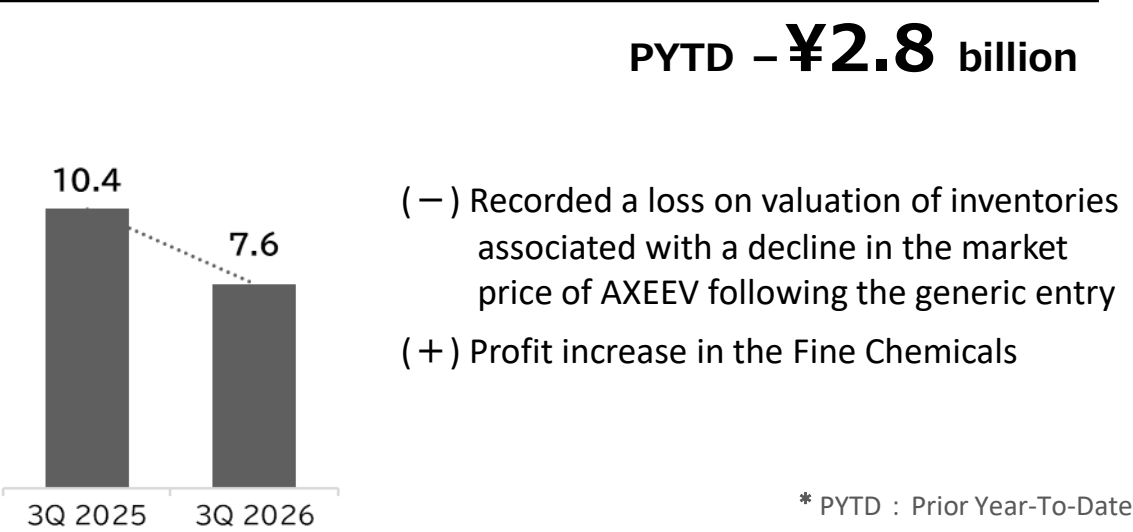
(unit: ¥ billion)

	3Q 2025 Results	3Q 2026 Results	Change (Amount)	Change (%)
Net sales	134.5	141.4	+6.9	+5%
Gross profit	27.8	25.5	-2.3	-8%
Operating profit	10.4	7.6	-2.8	-27%
Ordinary profit	11.6	12.2	+0.6	+6%
Profit attributable to owners of parent	9.0	5.7	-3.3	-37%
Ref.) Average of exchange rates	¥/US\$=149	¥/US\$=158		

Net sales



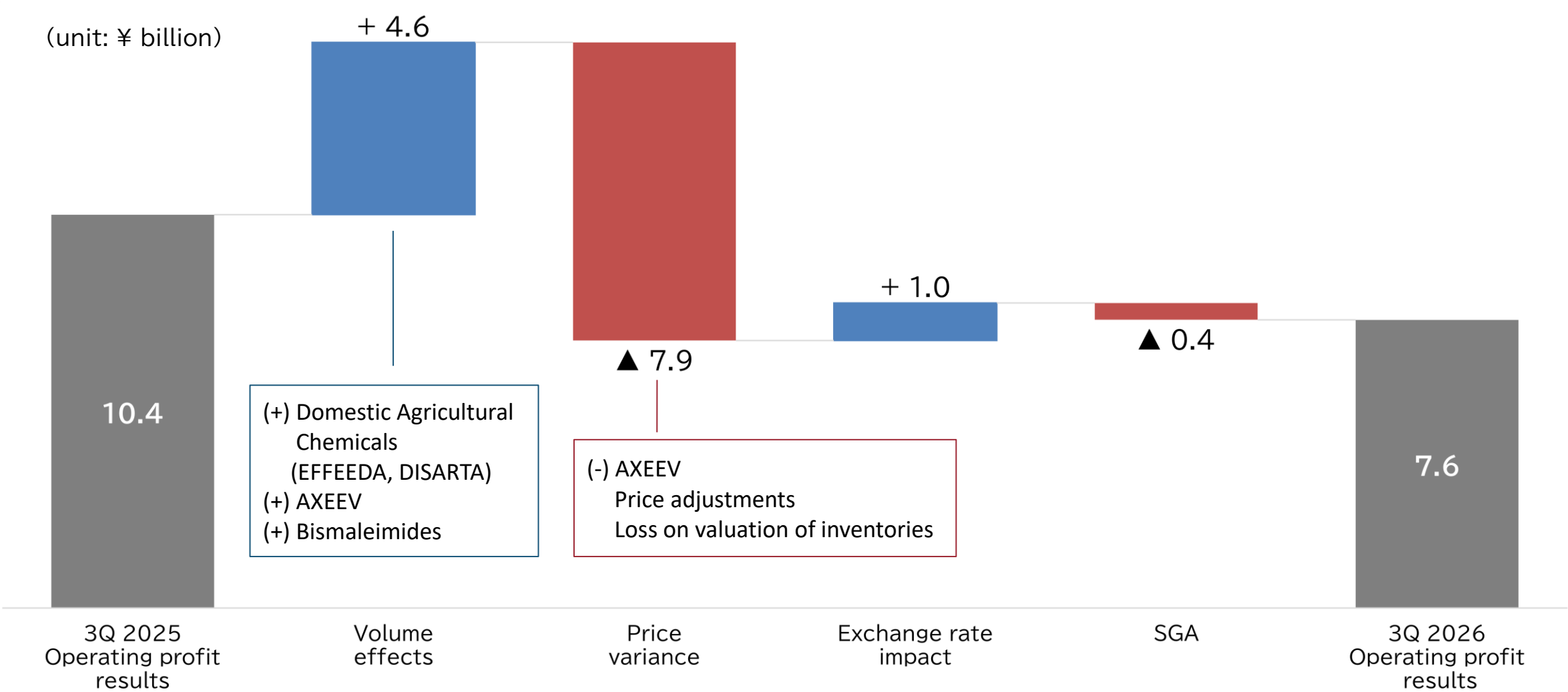
Operating profit



* PYTD : Prior Year-To-Date

Financial Results for the Third Quarter of the FY2026

— Factors Affecting Changes in Operating Profit

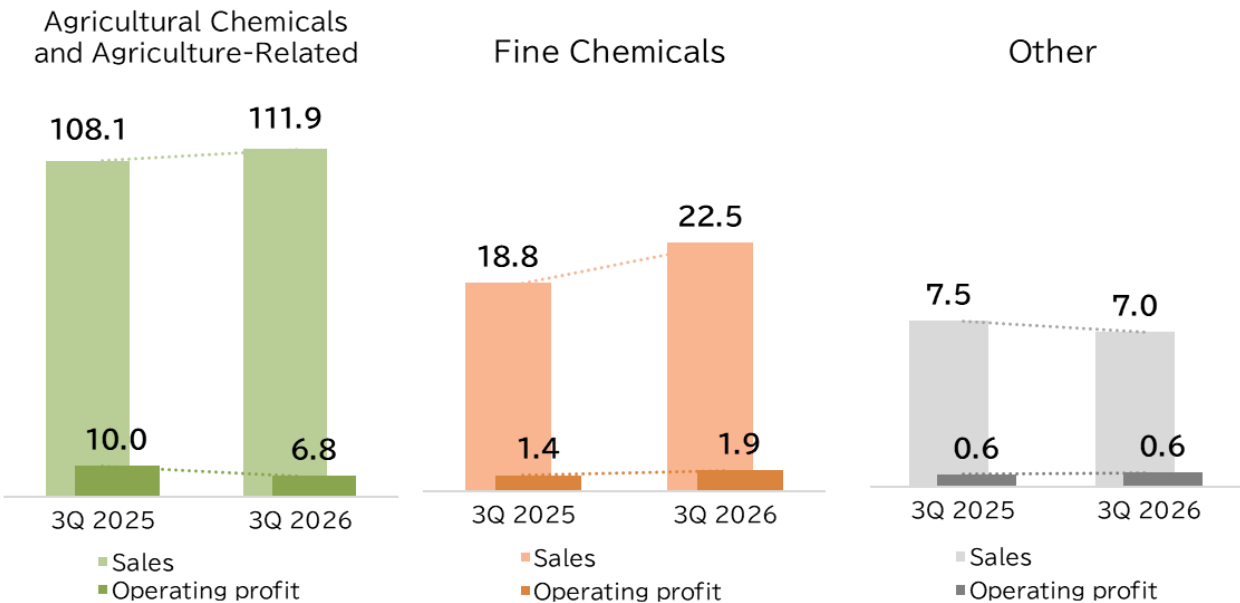


Financial Results for the Third Quarter of the FY2026

— Financial Results by Business Segment

(unit: ¥ billion)

		3Q 2025 Results	3Q 2026 Results	Change (Amount)	Change (%)
Net Sales		134.5	141.4	+ 6.9	+5%
	Agricultural Chemicals and Agriculture-Related	108.1	111.9	+ 3.8	+3%
	Fine Chemicals	18.8	22.5	+ 3.7	+20%
	Other	7.5	7.0	- 0.5	-7%
Operating profit		10.4	7.6	- 2.8	-27%
	Agricultural Chemicals and Agriculture-Related	10.0	6.8	- 3.2	-32%
	Fine Chemicals	1.4	1.9	+ 0.4	+31%
	Other	0.6	0.6	+ 0.1	+14%
	(Adjustment)	-1.6	-1.7	- 0.1	-



Financial Results for the Third Quarter of the FY2026

 KUMIAI CHEMICAL

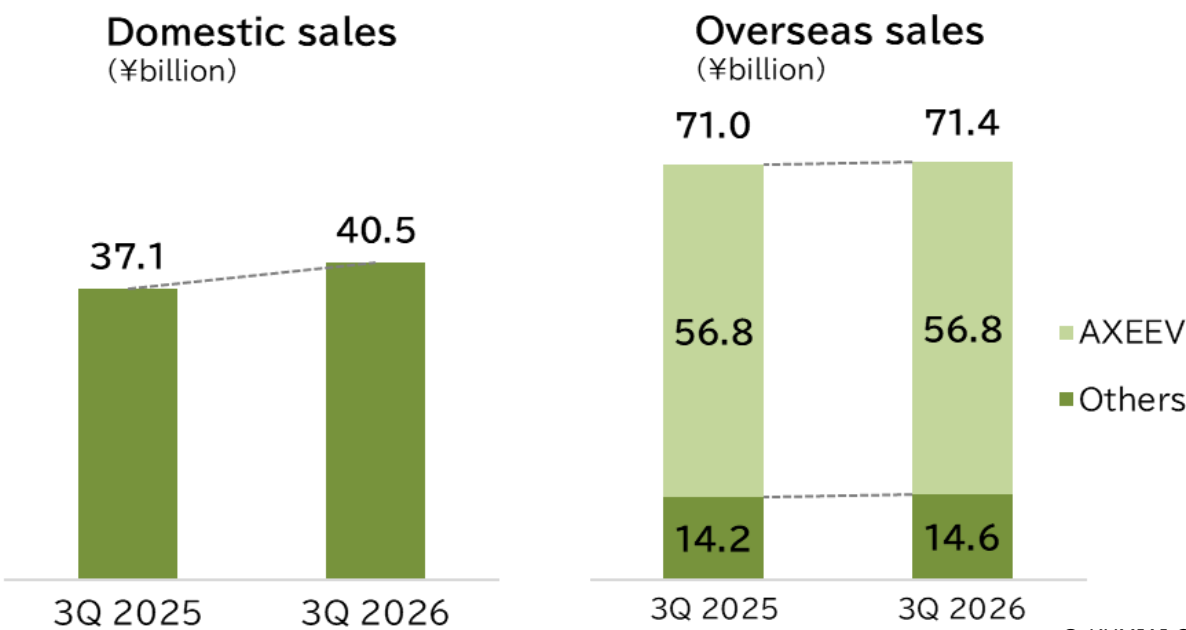
— Agricultural Chemicals and Agriculture-Related Businesses

Domestic highlights (In 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 highlights (In Markets outside Japan)

- In overseas markets, although shipments of herbicide AXEEV to Australia and Argentina declined, sales to the U.S. increased as a result of enhanced support for sales promotion





Actual sales : ¥45.6billion (+ ¥6.7 billion PYTD)

- Shipments increased, driven by enhanced support for sales promotion
- Profitability deteriorated accompanied by lower market prices driven by generic entries
- Shipments are expected to continue from Q4 onwards, but further price erosion is anticipated



Actual sales Australia : No shipments (-¥4.9 billion PYTD)
Argentina : ¥3.5 billion (-¥2.1 billion PYTD)

- Competition with generic products is intensifying
- Shipments are expected to resume from Q4 onward; however, profitability is projected to decline due to price reductions
- Continuation of legal actions against patent infringing products



Actual sales : ¥6.6 billion (+ ¥0.2 billion PYTD)

- Revenue increased PYTD due to shipment progress, with ongoing shipments expected in Q4
- The market environment remains challenging, driven by lower competitor pricing resulting from an oversupplied market, as well as credit risks resulting from high interest rates. Sales promotion support will be strengthened to accelerate shipments

Advanced Chemicals

- Shipments of bismaleimides increased significantly due to strong demand for semiconductor-related electronic materials

Chlorination

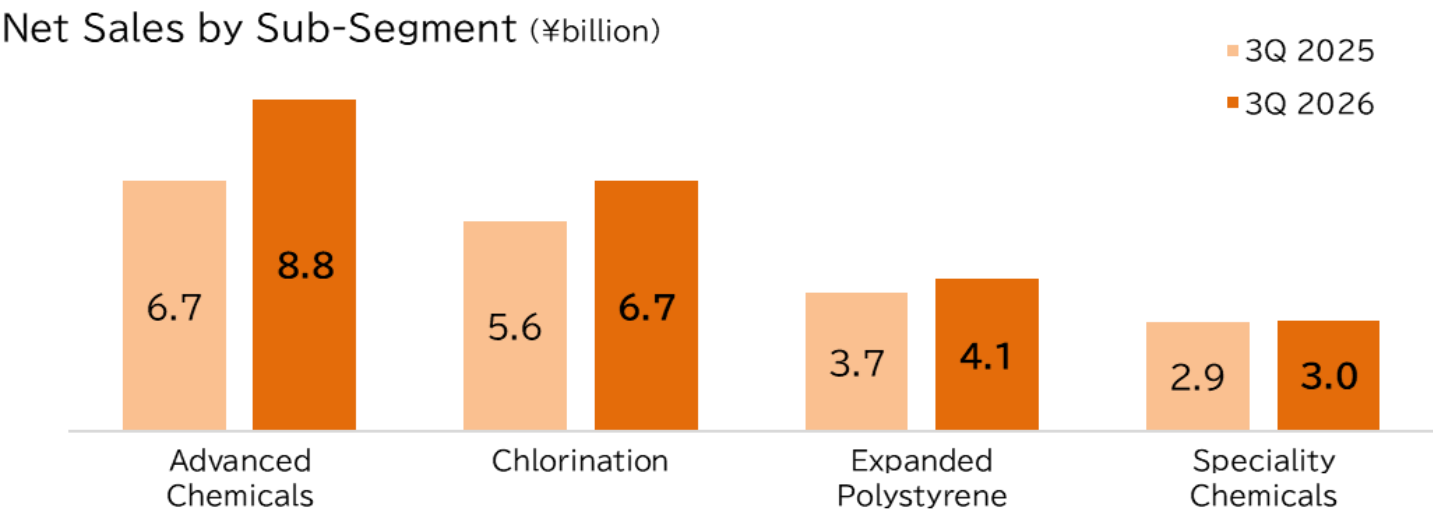
- While sales of some chloroxylene derivatives increased, the business conditions remain severe

Expanded Polystyrene

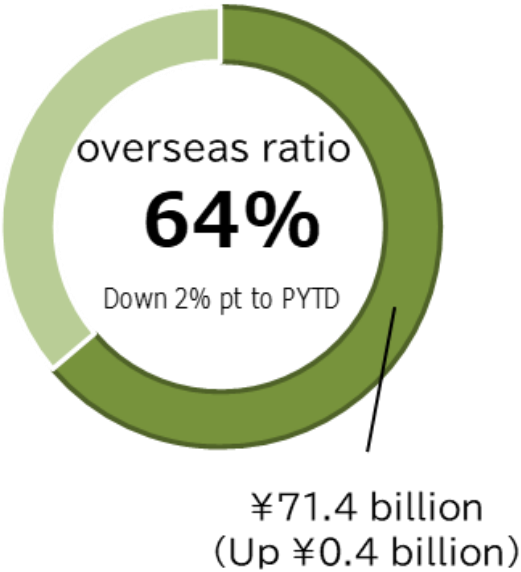
- Slight increase in sales

Speciality Chemicals

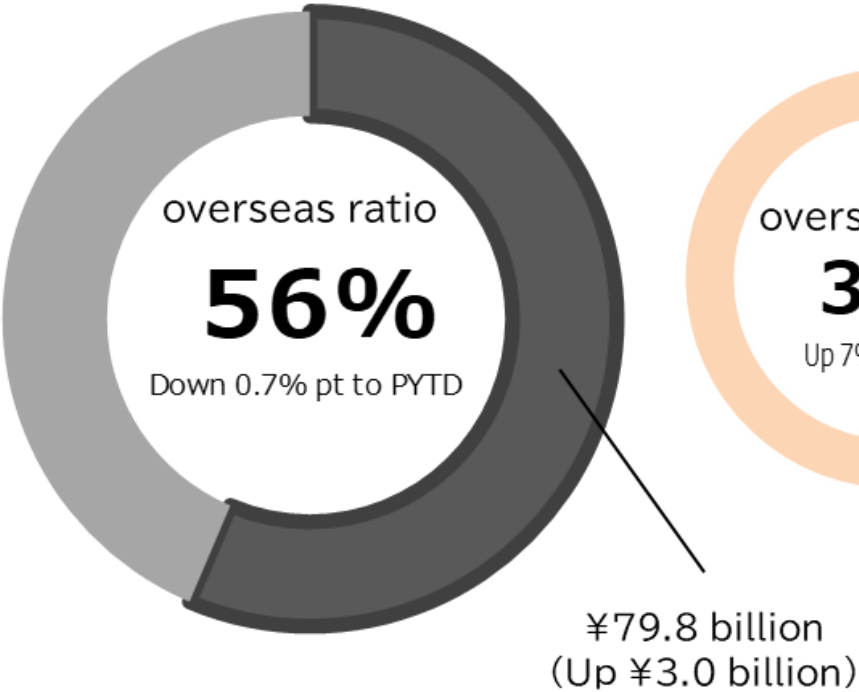
- Sales remained flat



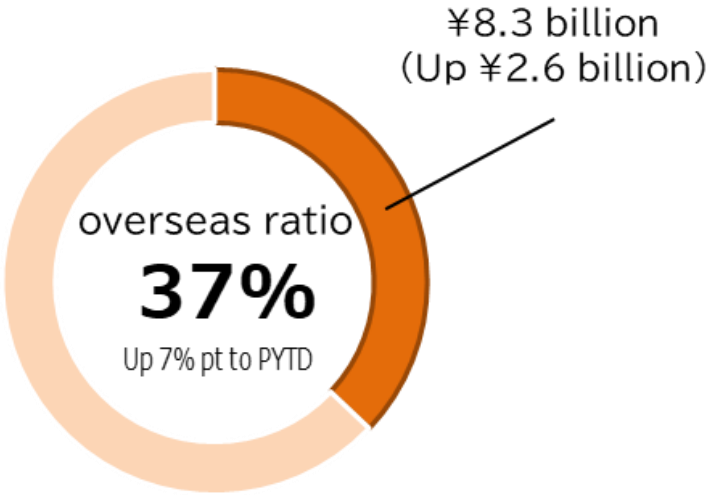
Agricultural Chemicals
and Agriculture-Related



All Business Segments



Fine Chemicals



Summary of the Third Quarter of the FY2026

All Business Segments

* PYTD : Prior Year-To-Date

Net sales	¥141.4 billion (PYTD +¥6.9 B)	■ Net sales increased in Agricultural Chemicals and Fine Chemicals
Operating profit	¥7.6 billion (PYTD -¥2.8 B)	■ Operating profit decreased due to the recording of a loss on valuation of inventories associated with a decline in the market price of AXEEV following the generic entry
Ordinary profit	¥12.2 billion (PYTD +¥0.6 B)	■ Ordinary profit increased due to foreign exchange gains and losses (+¥2.5 billion in PYTD) and equity in earnings of affiliates (+¥1.2 billion in PYTD)
Profit attributable to owners of parent※	¥5.7 billion (PYTD -¥3.3 B)	■ Profit attributable to owners of parent decreased due to extraordinary losses, including impairment losses of non-current assets and restructuring costs in the Fine Chemical Business

Agricultural Chemicals and Agriculture-Related

Net sales	¥111.9 billion (PYTD +¥3.8 B)	■ In the domestic market, sales of products for paddy rice containing herbicide EFFEEDA and products for nursery boxes of rice containing fungicide DISARTA remained strong
Operating profit	¥6.8 billion (PYTD -¥3.2 B)	■ In overseas markets, although shipments of herbicide AXEEV to Australia and Argentina declined, sales to the U.S. increased as a result of enhanced support for sales promotion
		■ Operating profit decreased due to the recording of a loss on valuation of inventories associated with a decline in the market price of AXEEV following the generic entry

Fine Chemicals

Net sales	¥22.5 billion (PYTD +¥3.7 B)	■ Shipments of bismaleimides increased significantly due to strong demand for semiconductor-related electronic materials
Operating profit	¥1.9 billion (PYTD +¥0.4 B)	■ Net sales increased in some chloroxylene derivatives

Other

Net sales	¥7.0 billion (PYTD -¥0.5 B)	■ Net sales decreased, influenced by factors including the completion of several large-scale construction projects in the construction business in PYTD
Operating profit	¥0.6 billion (PYTD +¥0.1 B)	

Revised Earnings Forecast for the FY2026 — vs. Initial Forecast

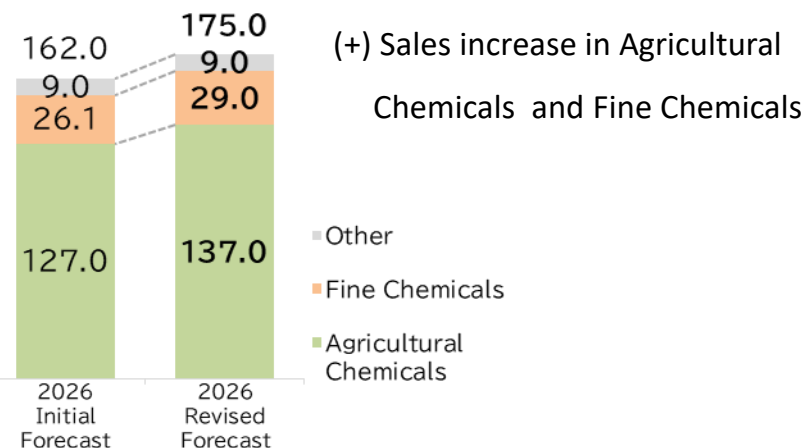
(unit: ¥ billion)

	2026 Initial Forecast (As of 12 Dec.)	2026 Revised Forecast	Change (Amount)	Change (%)
Net sales	162.0	175.0	+13.0	+8%
Agricultural Chemicals and Agriculture-Related	127.0	137.0	+10.0	+8%
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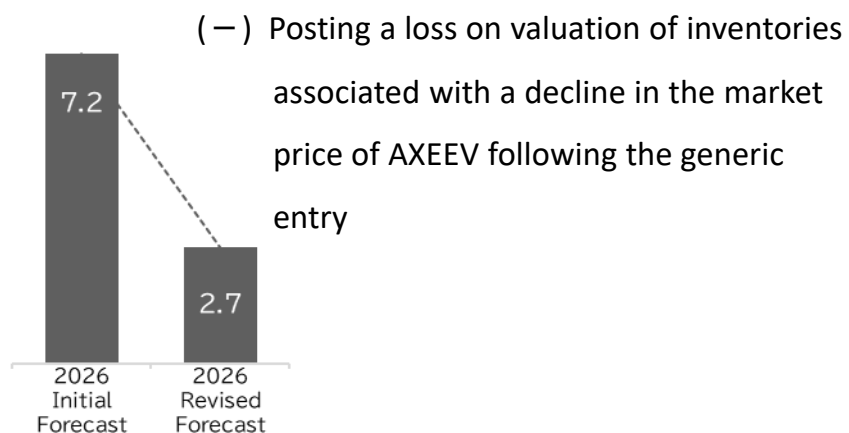
Net Sales

vs. Initial Forecast **+¥13.0 billion**



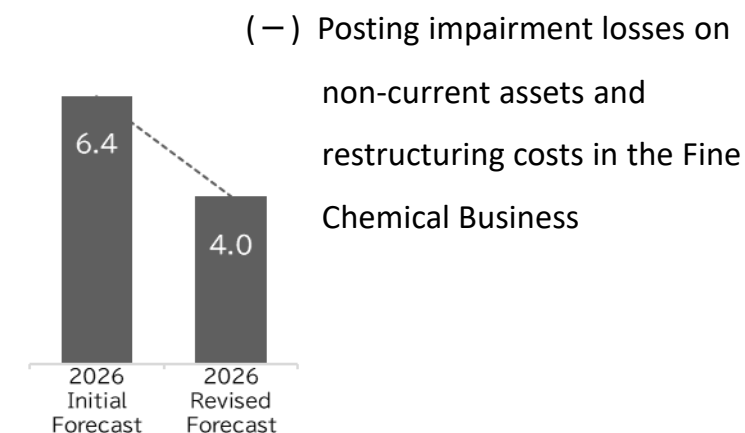
Operating profit

vs. Initial Forecast **-¥4.5 billion**



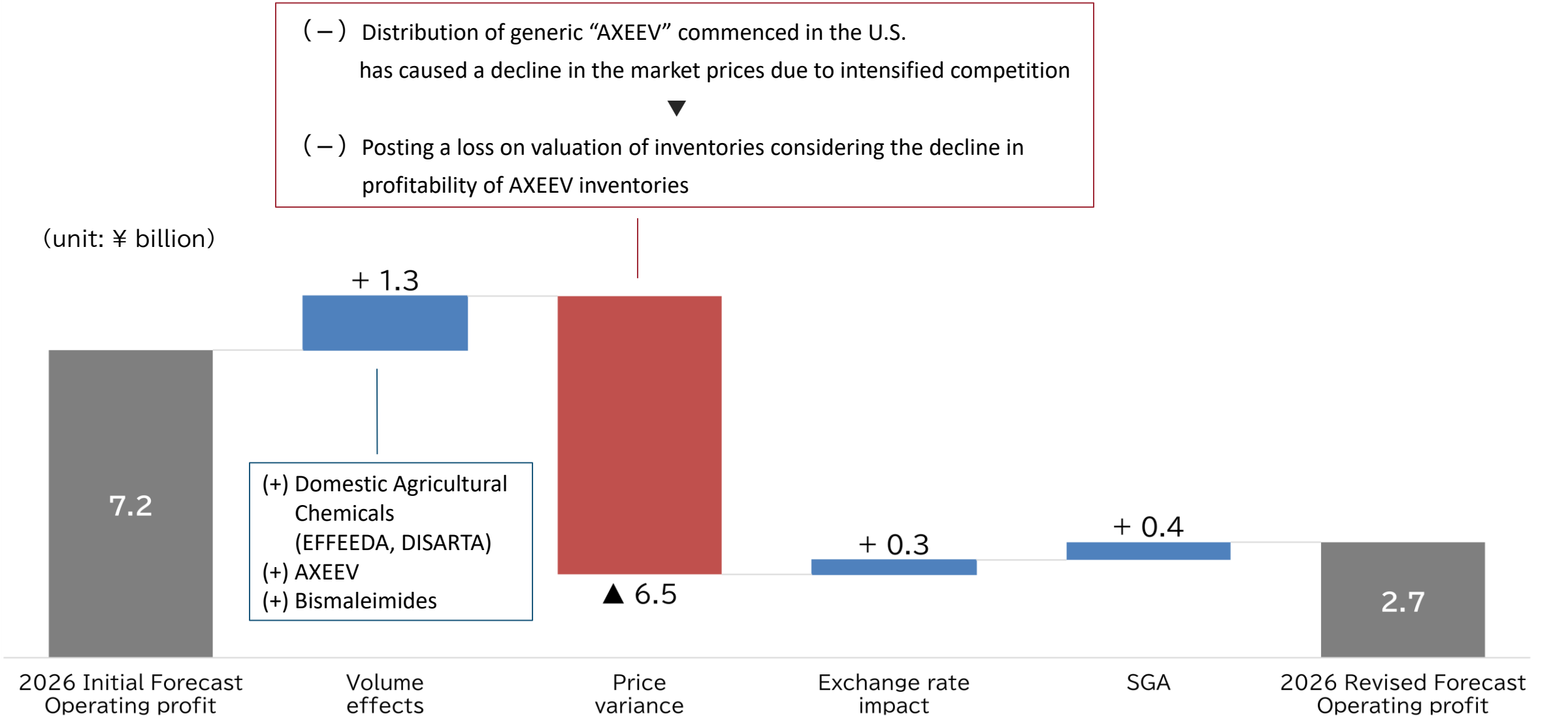
Profit attributable to owners of parent

vs. Initial Forecast **-¥2.4 billion**



Revised Earnings Forecast for the FY2026

— Factors Affecting Changes in Operating Profit (vs. Initial Forecast)



Revised Earnings Forecast for the FY2026 — PYTD

(unit: ¥ billion)

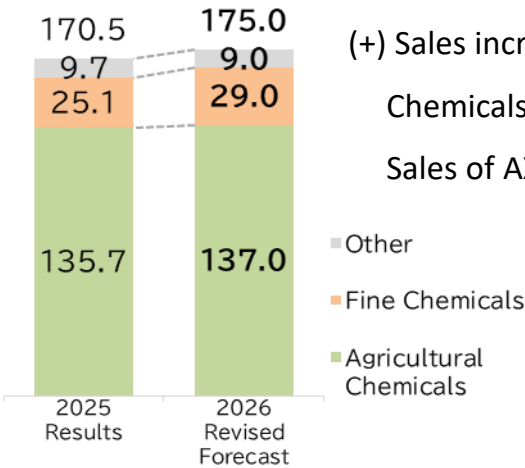
	2025 Results	2026 Revised Forecast	Change (Amount)	Change (%)
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Operating profit	10.6	2.7	-7.9	-75%
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Profit attributable to owners of parent	4.4	4.0	-0.4	-9%

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Net Sales

PYTD **+¥4.5 billion**

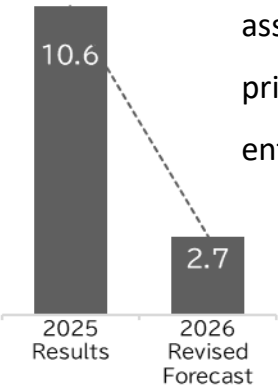
(+) Sales increase in Agricultural Chemicals and Fine Chemicals
Sales of AXEEV remain flat



Operating profit

PYTD **-¥7.9 billion**

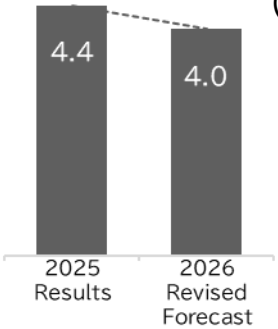
(-) Posting a loss on valuation of inventories associated with a decline in the market price of AXEEV following the generic entry



Profit attributable to owners of parent

PYTD **-¥0.4 billion**

(+) Equity in earnings of affiliates
(+) Foreign exchange gains and losses



* PYTD : Prior Year-To-Date

Revised Earnings Forecast for the FY2026

— R&D expenses, Capital investment and Depreciation

R&D expenses

FY2025 Results	¥7.1 billion	FY2026 Forecast	¥7.5 billion
(Factors) More focus on development of overseas markets Promotion of research activities utilizing cutting-edge technology			

Capital investment

FY2025 Results	¥7.0 billion	FY2026 Forecast	¥6.0 billion
(Factors) Renewal of manufacturing and research equipment			

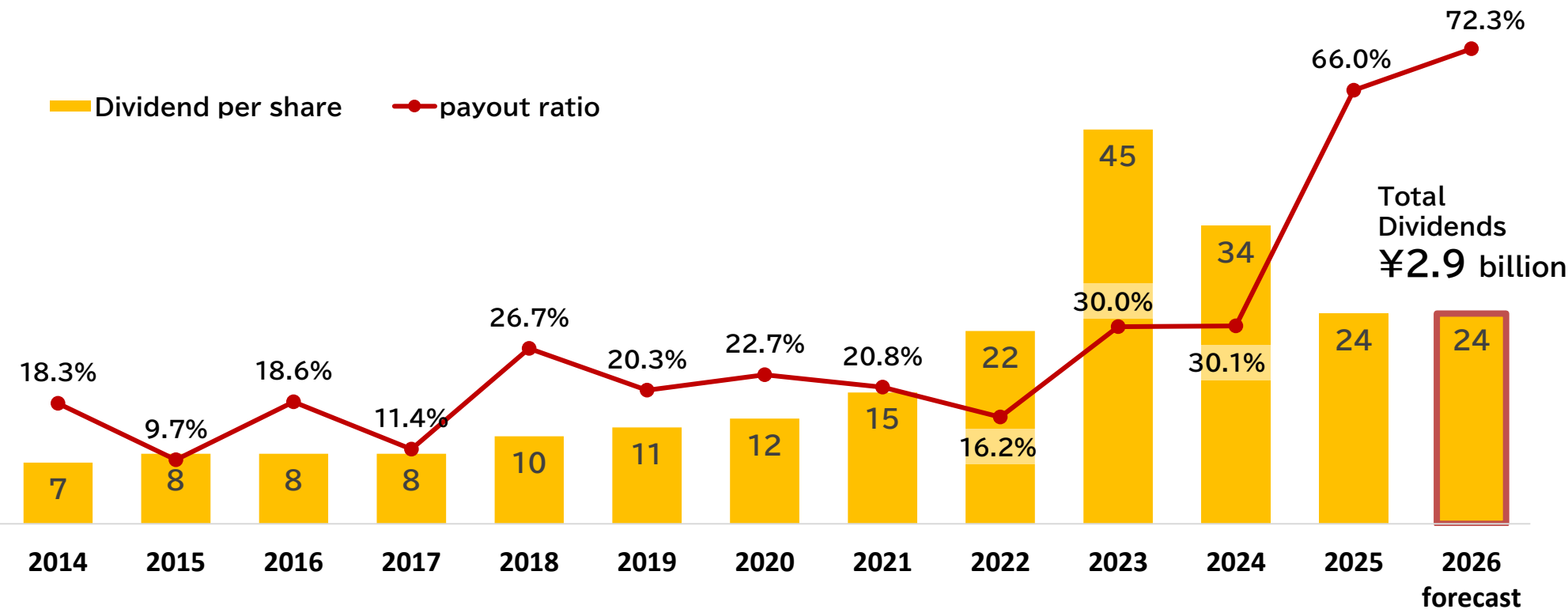
Depreciation

FY2025 Results	¥5.7 billion	FY2026 Forecast	¥5.3 billion
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Target dividend payout ratio of 30% or more

FY2026 dividend :

Interim dividend **¥10** + Year-end dividend **¥14** = Annual dividend **¥24** per share (payout ratio: **72.3%**)



Driving Growth in the Agrochemicals & Semiconductor-Related Fields and Enhancing Group Management Synergies as Two Main Pillars of Our Strategy

Growth Strategy

- ❑ **AXEEV : Reconstruction of Business Model**
- ❑ **Development and Expansion of Core and New Active Ingredients**
 - ✓ Development and sales expansion of EFFEEDA and DISARTA
 - ✓ Early development and market launch of new active ingredients and technologies
- ❑ **Business Expansion into Semiconductor-Related Fields**
 - ✓ Bismaleimides (BMIs)
 - ✓ High-purity COS gas

Structural Reform

- ❑ **Management Improvements Aimed at Revitalizing the Chlorination Business**
- ❑ **Strengthening the Foundation through Optimization of Group Management**
- ❑ **Review and Restructuring of Unprofitable Businesses**

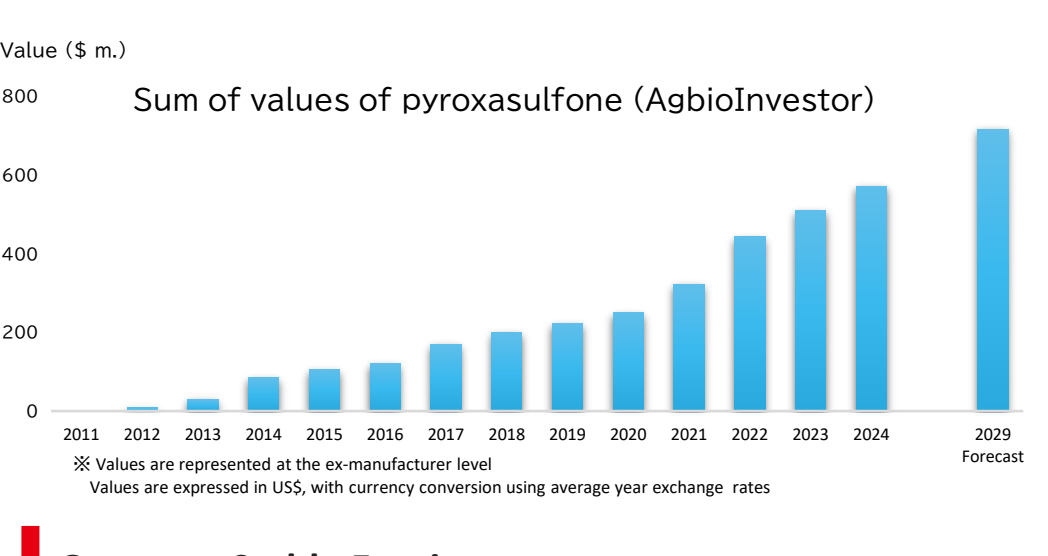
Future Business Strategy | Growth Strategy



— AXEEV : Reconstruction of Business Model

- ▶ While the market for AXEEV continues to expand, establish a structure that can overcome pricing impacts and **secure future profitability**

▶ Generate stable earnings across three core pillars: **Production, Sales, and Development**



【Market】

Pyroxasulfone distribution has grown since the 2022 generic entry in Australia ; the expansion trend is likely to persist

In FY2026, sales volume of AXEEV increased through strengthened sales promotions

【Price】

Sharp market price decline exceeding initial expectations

Significant decrease in profitability; loss on valuation of inventories recorded

▶ **Transitioning to a Framework that Secures Future Earnings**

Generate Stable Earnings

PRODUCTION	SALES	DEVELOPMENT
✓ Further improve raw material manufacturing methods and production efficiency to lower costs	✓ Enhanced promotion support ✓ Transition to a Demand-Driven Business Model	✓ Develop new pre-mixtures to enrich the product portfolio ✓ Promote higher added value

Future Business Strategy | Growth Strategy

— Development and Expansion of Core and New Active Ingredients



Development and Sales Expansion of EFFEEDA and DISARTA

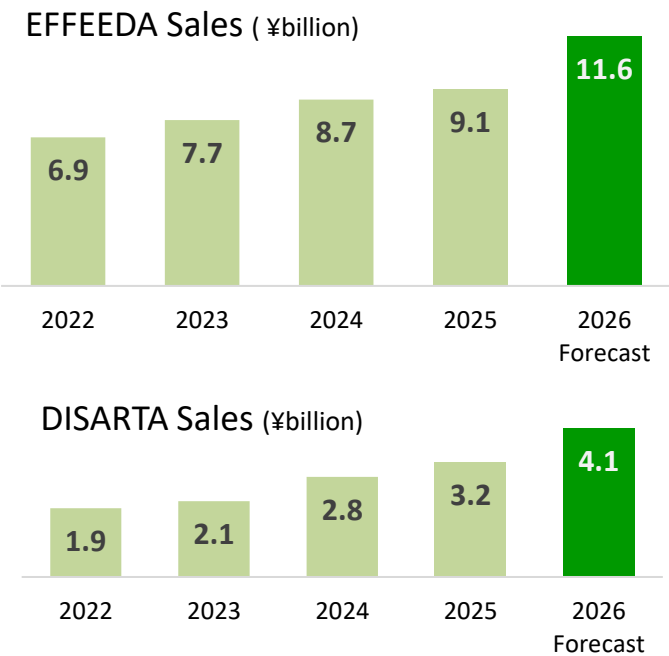
For the Domestic Market

- ✓ Develop products tailored to local on-site needs, further expand product portfolio, and **increase domestic market share**
- ✓ **Maximize revenue** through sales of our proprietary active ingredients to other manufacturers of agricultural chemicals

For Overseas Market

- ✓ Promote Sales to South Korea
- ✓ EFFEEDA is currently under development in the **U.S.** and other regions

▶ **Developing Our Growth Drivers After AXEEV**



Early Development and Market Launch of New Active Ingredients and Technologies

- ✓ Constructing a new research center consolidating cutting-edge technologies
- ✓ Continuous innovation of new products



▶ **Accelerate the return on investment by expediting R&D**

Future Business Strategy | Growth Strategy

— Business Expansion into Semiconductor-Related Fields

Bismaleimides (BMIs)

- ✓ Japan's leading BMI monomer supplier
- ✓ **Strengthen** production through full-scale operations at the new plant
Considering **further expansion** of production capacity
- ▶ **Robust Production Base** to Capture Growing Demand
- ✓ Expanding New Customers & Applications

▶ Respond to expanding demand and capture high-growth markets

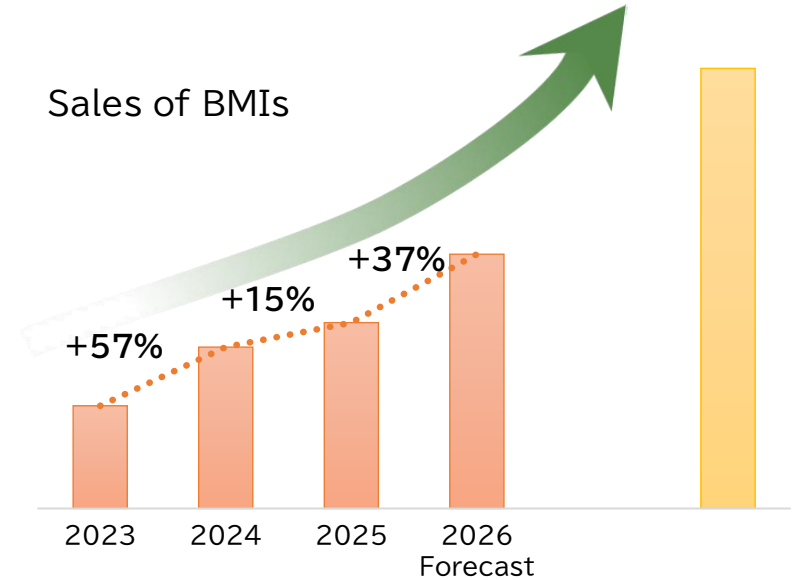
High-purity COS gas

- ✓ Agricultural chemical intermediate
- ✓ Commercialized as **etching gas for semiconductor memory (3D NAND)**



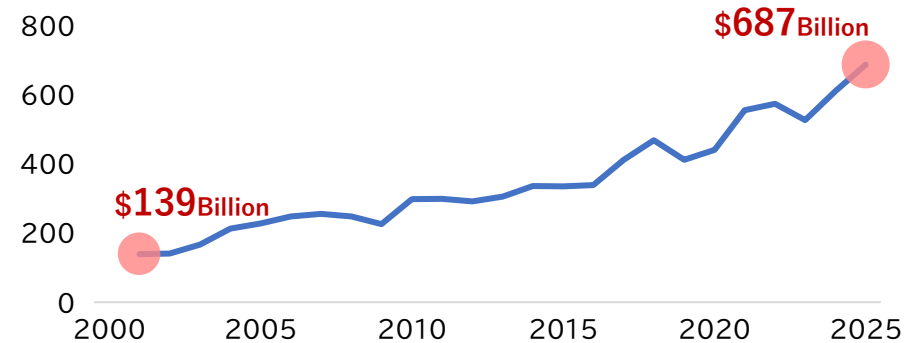
▶ Accelerate Expansion into Semiconductor-Related Sectors

Sales of BMIs



(unit: \$B)

Semiconductor Market



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

Management Improvements Aimed at Revitalizing the Chlorination Business

Background	Deteriorating business environment driven by intensifying competition from chemical manufacturers in China and India		
Initiatives	Management Improvements Aimed at Revitalizing the Chlorination Business		
	IHARANIKKEI CHEMICAL INDUSTRY CO., LTD.	:	Recorded impairment losses (¥0.5 billion) and restructuring costs (¥0.9 billion)
	Iharanikkei Chemical (Thailand) Co., Ltd.	:	Recorded impairment losses on non-current assets (FY2025)

Strengthening the Foundation through Optimization of Group Management

Ihara Construction Industry Co., Ltd.

KUMIKA LOGISTICS CO., LTD.

NIHON PRINTING INDUSTRY CO., LTD.

Three consolidated subsidiaries becoming wholly owned subsidiaries through simplified share exchanges
Building a **solid group foundation** through faster, more efficient, and more flexible group-level decision-making

Review and Restructuring of Unprofitable Businesses

By reviewing and effectively allocating management resources, further strengthening financial position and maximizing overall group corporate value

▶ **Change into a Strong Corporate Structure to Drive Sustainable Group Growth**

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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Information other than information on the Company and its affiliated companies is based on publicly available information and the accuracy of such information is not guaranteed.

<Inquiries>

KUMIAI CHEMICAL INDUSTRY CO., LTD.

Corporate Planning Section, Corporate Planning & Coordination Department, Corporate
Planning & Coordination Division

Please also see the corporate website. <https://ir.kumiai-chem.co.jp/en/index.html>