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

Supplementary Materials

6 September 2024

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Financial Results for the Third Quarter of FY2024

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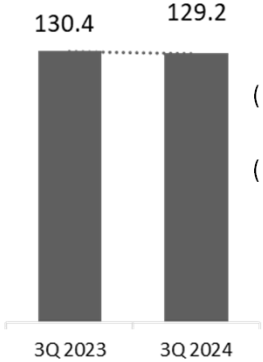
Financial Results for the Third Quarter of FY2024

Unit: Billions of Yen

	3Q 2023 results	**3Q 2024 results**	Change (Amount)	Change (%)
Net Sales	130.4	**129.2**	-1.2	-1%
Gross Profits	30.2	**29.8**	-0.5	-2%
Operating Income	14.1	**12.3**	-1.8	-13%
Ordinary Income	18.7	**16.9**	-1.8	-9%
Net income attributable to owners of parent	14.5	**12.8**	-1.7	-11%
Ref.) Average of exchange rates	¥/US$=135	¥/US$=152		

Sales

***PYTD –¥1.2 billion**

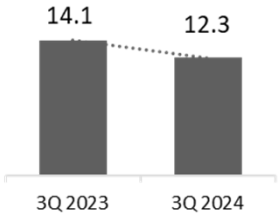


(－) Decrease due to continuous distributor destocking globally in agricultural chemicals

(＋) Significant Increase in sales of bismaleimides due to recovery of demands for semiconductors.

Operating Income

PYTD –¥1.8 billion



(－) Decrease in sales of agricultural chemicals.

(－) Increase in SGA expenses.

* PYTD : Prior Year-To-Date

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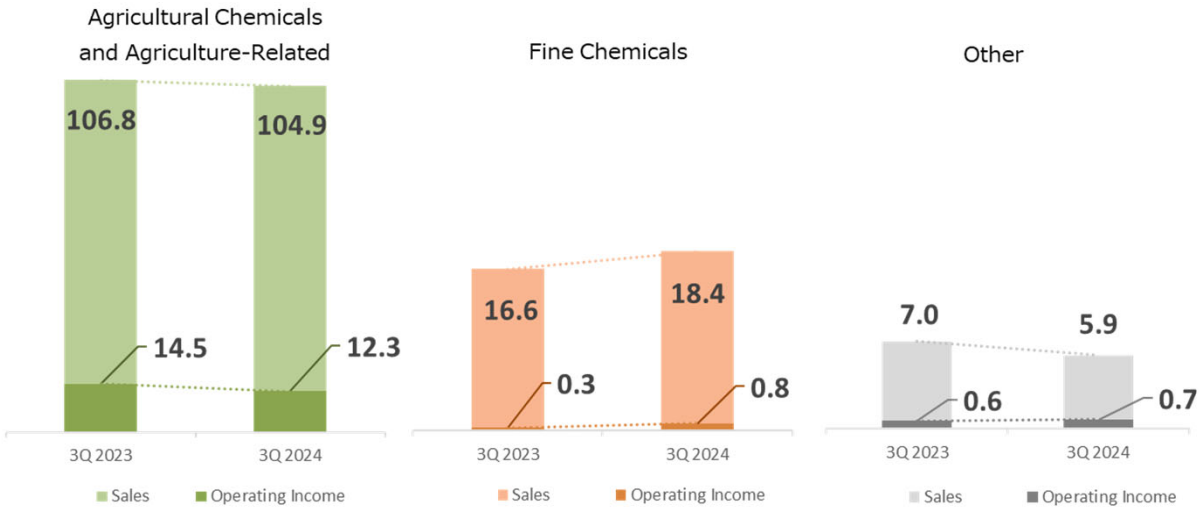
Financial Results by Business Segment

Unit: Billions of Yen

		3Q 2023 Results	**3Q 2024 Results**	Change (Amount)	Change (%)
Net Sales		130.4	**129.2**	-1.2	-1%
	Agricultural Chemicals and Agriculture-Related	106.8	**104.9**	-1.9	-2%
	Fine Chemicals	16.6	**18.4**	+1.8	+11%
	Other	7.0	**5.9**	-1.1	-16%
Operating Income		14.1	**12.3**	-1.8	-13%
	Agricultural Chemicals and Agriculture-Related	14.5	**12.3**	-2.2	-15%
	Fine Chemicals	0.3	**0.8**	+0.5	+147%
	Other	0.6	**0.7**	+0.1	+22%
	(Adjustment)	-1.3	**-1.5**	-0.2	-



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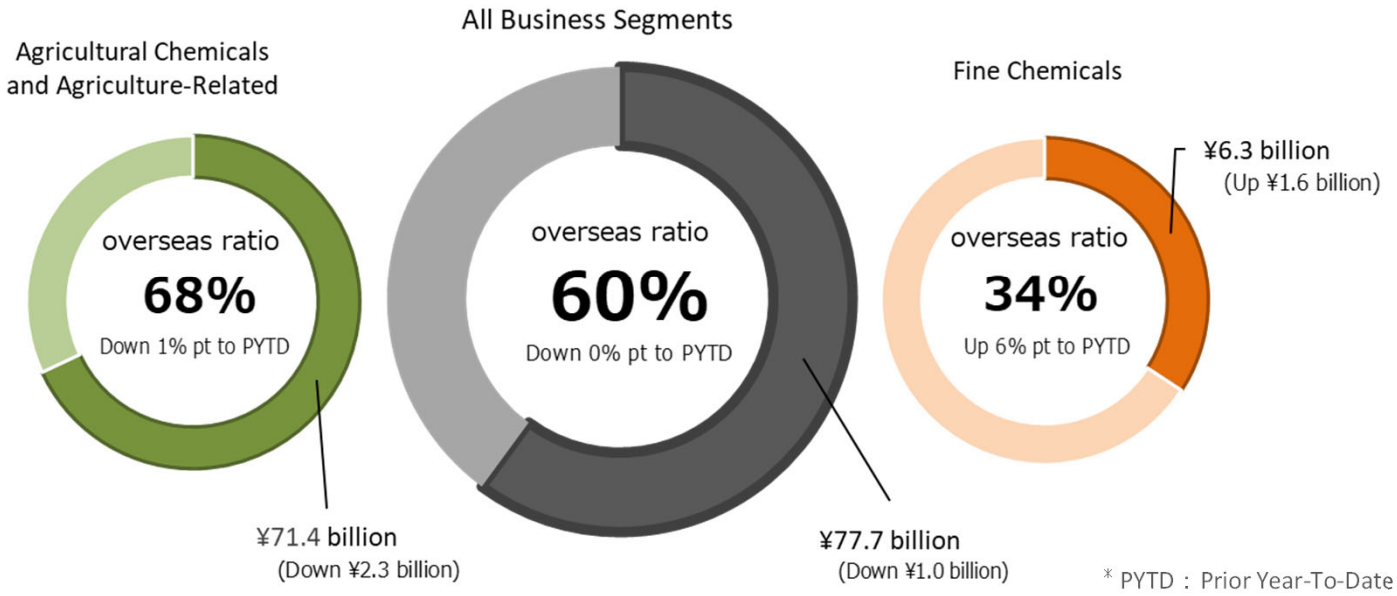
Overseas Sales and Ratio for the Third Quarter of FY2024



* PYTD : Prior Year-To-Date

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Summary of the third Quarter of FY2024

All Business Segments

* PYTD : Prior Year-To-Date

Net Sales	**¥129.2** billion (PYTD -¥1.2B)	• Decrease in AXEEV sales. • Increase in sales of Fine Chemicals • Equity-method investment gain decreased to PYTD, however the increase of Foreign exchange profits partially offset in Ordinary Income.
Operating Income	**¥12.3** billion (PYTD -¥1.8B)	
Ordinary Income	**¥16.9** billion (PYTD -¥1.8B)	

Agricultural Chemicals and Agriculture-Related

Net Sales	**¥104.9** billion (PYTD -¥1.9B)	• Decrease due to continuous distributor destocking globally in agricultural chemicals
Operating Income	**¥12.3** billion (PYTD -¥2.2B)	

Fine Chemicals

Net Sales	**¥18.4** billion (PYTD +¥1.8B)	• Significant Increase in sales of bismaleimides due to recovery of demands for semiconductors.
Operating Income	**¥0.8** billion (PYTD +¥0.5B)	

Other

Net Sales	**¥5.9** billion (PYTD -¥1.1B)	• Steady sales in printing business and logistics business. • Reduction in construction work carried forward from the previous fiscal year in construction business. • Increase of profit due to highly profitable projects in construction business .
Operating Income	**¥0.7** billion (PYTD +¥0.1B)	

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Revised Earnings Forecast for the FY2024

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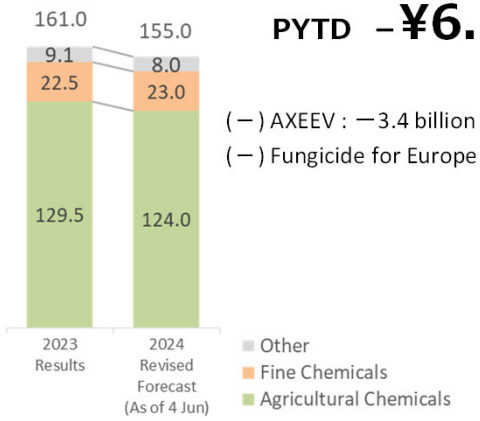
Earnings Forecast for the FY2024 (PYTD)

Unit: Billions of Yen

Maintain Previous Forecast (As of 4 June)	2023 Results	**2024 Revised Forecast (As of 4 June)**	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		

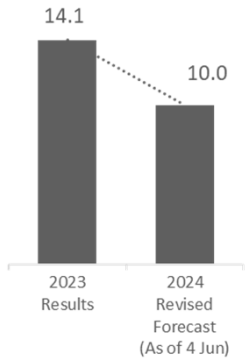
Sales



PYTD －¥6.0billion

(－) AXEEV : －3.4 billion
(－) Fungicide for Europe : －0.7 billion

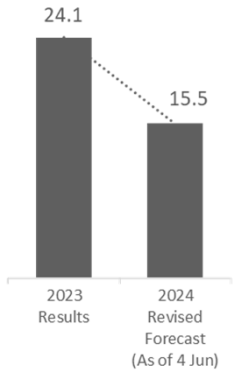
Operating Income



PYTD －¥4.1billion

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

Ordinary Income



PYTD －¥8.6billion

(－) Foreign exchange profits and losses: -1.9 billion
(－) Equity-method investment gain: -1.9 billion

* PYTD : Prior Year-To-Date

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R&D expenses, Capital investment and Depreciation

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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

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04 Measures for Shareholder Returns

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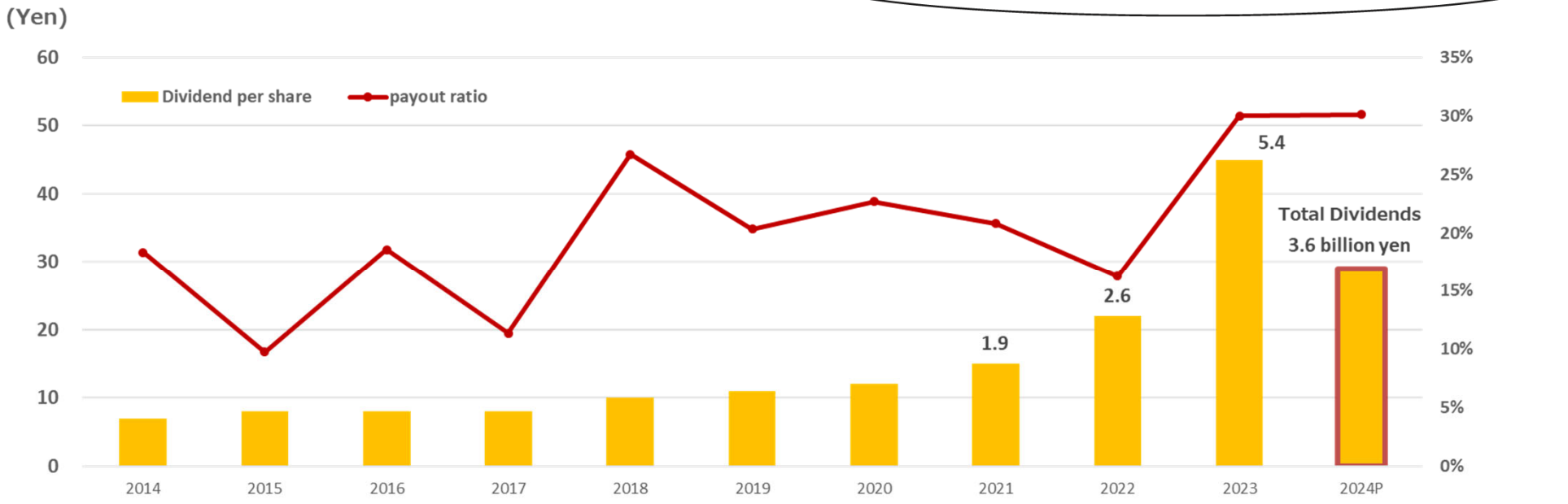
Measures for Shareholder Returns

Target dividend payout ratio of 30% or more

FY2024 dividend forecast (Revised as of 7 June)

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

Maintain previous forecast (As of 7 June)



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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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Please also see the Company's website. http://ir.kumiai-chem.co.jp/en/index.html

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