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June 6, 2025

Consolidated Financial Results for the Six Months Ended April 30, 2025 (Under Japanese GAAP)



Company name: KUMIAI CHEMICAL INDUSTRY CO., LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 4996
 URL: <https://www.kumiai-chem.co.jp>
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 Scheduled date to file semi-annual securities report: June 12, 2025
 Scheduled date to commence dividend payments: July 9, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded off to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended April 30, 2025 (from November 1, 2024 to April 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
April 30, 2025	96,177	9.2	9,442	6.9	8,291	(36.2)	6,274	(32.7)
April 30, 2024	88,100	(7.7)	8,830	(30.3)	12,990	(3.8)	9,322	(9.0)

Note: Comprehensive income For the six months ended April 30, 2025: ¥6,036 million [(57.1)%]
 For the six months ended April 30, 2024: ¥14,060 million [6.7%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
April 30, 2025	52.11	—
April 30, 2024	77.47	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
April 30, 2025	268,534	156,104	55.5
October 31, 2024	275,474	152,941	53.0

Reference: Equity
 As of April 30, 2025: ¥149,098 million
 As of October 31, 2024: ¥145,917 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended October 31, 2024	—	10.00	—	24.00	34.00
Fiscal year ending October 31, 2025	—	10.00			
Fiscal year ending October 31, 2025 (Forecast)			—	24.00	34.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated financial result forecasts for the fiscal year ending October 31, 2025 (from November 1, 2024 to October 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	159,300	(1.1)	10,400	(8.4)	14,500	(20.8)	10,900	(19.8)	90.55

Note: Revisions to the financial result forecast most recently announced: None

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of April 30, 2025	133,184,612 shares
As of October 31, 2024	133,184,612 shares

- (ii) Number of treasury shares at the end of the period

As of April 30, 2025	12,759,931 shares
As of October 31, 2024	12,810,323 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended April 30, 2025	120,390,433 shares
Six months ended April 30, 2024	120,341,812 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts and other special matters

(Note on forward-looking statements, etc.)

Earnings forecasts contained in this document are based on information available to management as of the date of publication and provisional assumptions made as of such date regarding uncertain factors that may impact future earnings. Readers are advised that actual results may differ materially from the forecasts due to a variety of factors. For the conditions that form the basis for the results forecasts and precautionary information on the use of results forecasts, please see (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information under 1. Qualitative Information on Semi-annual Financial Results on page 2 of the attached materials.

(How to obtain the financial results supplementary materials and the details of the financial results briefing)

The supplementary materials for the financial results will be posted on Kumiai's official website on Friday, June 6, 2025. Kumiai also plans to hold a financial results briefing for institutional investors and securities analysts on Thursday, June 19, 2025. The financial results briefing materials for the briefing will be posted on Kumiai's official website after the briefing has been held.

1. Qualitative Information on Semi-annual Financial Results

(1) Explanation of Operating Results

During the six months ended April 30, 2025, the Japanese economy continued to recover moderately, but there were signs that, in some areas, the recovery has come to a standstill due to factors including a slowdown in personal consumption affected by soaring food prices.

On the other hand, the outlook is expected to remain uncertain due to the tariff policies introduced by U.S. President Donald Trump's administration, the resulting slowdown in the U.S. economy, and the possibility of an escalation in the friction between the United States and China.

Against this backdrop, the Kumiai Group formulated the Medium-Term Business Plan, "Create the Future—Expanding our Possibilities," which started in the fiscal year ended October 31, 2024, and is making every effort to implement priority measures designed to increase corporate value.

In the period under review, net sales increased by ¥8,077 million (9.2%) year on year, to ¥96,177 million, as sales in all segments came in higher than in the previous year. Operating profit was ¥9,442 million, up ¥612 million (6.9%) year on year. Due to large foreign exchange losses, a sharp contrast to the year earlier period when foreign exchange gains were posted, ordinary profit was ¥8,291 million, down ¥4,699 million (36.2%) year on year. Profit attributable to owners of parent amounted to ¥6,274 million, down ¥3,048 million (32.7%) year on year. The percentage of overseas net sales was 53.9%.

Business results by segment were as follows.

(Millions of yen, except percentages)

Segment	Six months ended April 30, 2024			Six months ended April 30, 2025			YoY	
	Net sales	Composition ratio	Operating profit	Net sales	Composition ratio	Operating profit	Net sales [% change]	Operating profit [% change]
Agricultural Chemicals and Agriculture-Related Business	¥72,306	82.1%	¥8,667	¥78,432	81.6%	¥9,104	¥6,126 [8.5]	¥437 [5.0]
Fine Chemicals Business	11,642	13.2	367	12,501	13.0	822	859 [7.4]	455 [124.2]
Other Business	4,152	4.7	647	5,244	5.5	535	1,091 [26.3]	(112) [(17.3)]
Total	88,100	100.0	8,830	96,177	100.0	9,442	8,077 [9.2]	612 [6.9]

- Notes:
1. Consolidated segment operating profit for the six months ended April 30, 2024 includes ¥850 million in adjustments, mainly corporate expenses that are not allocated to any reportable segment (general and administrative expenses not attributable to any reportable segment).
 2. Consolidated segment operating profit for the six months ended April 30, 2025 includes ¥1,019 million in adjustments, mainly corporate expenses that are not allocated to any reportable segment (general and administrative expenses not attributable to any reportable segment).

1) Agricultural Chemicals and Agriculture-Related Business segment

In the Japanese market, sales of products for nursery boxes of rice including fungicides DISARTA and herbicide for paddy rice including herbicide EFFEDA remained strong, and total sales in this segment exceeded those in the same period of the previous fiscal year.

In markets outside Japan, while sales of herbicide AXEEV to Argentina declined, sales to the U.S. increased as a result of changes in shipment schedules due to concerns for Trump's tariffs. Sales to Australia increased thanks to legal actions against patent infringing products and sales to Brazil also increased due to enhanced sales promotion.

As a result of the factors above, net sales in the Agricultural Chemicals and Agriculture-Related Business segment came to ¥78,432 million, up by ¥6,126 million (8.5%) compared with the same period of the previous fiscal year. Operating profit increased by ¥437 million (5.0%) year on year to ¥9,104 million.

2) Fine Chemicals Business segment

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

As a result of the above, net sales in the Fine Chemicals Business segment came to ¥12,501 million, up by ¥859 million (7.4%) compared with the same period of the previous fiscal year. Operating profit increased by ¥455 million (124.2%) year on year to ¥822 million.

3) Other Business segment

Driven mainly by steady orders for new construction in the construction business, net sales in the Other Business segment amounted to ¥5,244 million, up ¥1,091 million (26.3%) compared with the same period of the previous fiscal year. Operating profit, however, decreased ¥112 million (17.3%) year on year to ¥535 million.

(2) Explanation of Financial Position

Total assets on a consolidated basis as of April 30, 2025 stood at ¥268,534 million, down by ¥6,939 million from the end of the previous fiscal year. The main factor was a decrease in merchandise and finished goods, which exceeded increases in notes and accounts receivable - trade, and contract assets.

Liabilities decreased ¥10,102 million compared with previous fiscal year-end to ¥112,430 million. The main factors were decreases in accounts payable - other and notes and accounts payable - trade.

Total net assets amounted to ¥156,104 million, an increase of ¥3,162 million compared with the end of the previous fiscal year. The increase in total net assets was mainly due to increases in retained earnings.

The equity ratio stood at 55.5%, and net assets per share were ¥1,238.10.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

The financial results forecast for the six months ended April 30, 2025 has been changed from the forecast announced on December 13, 2024 with the financial results for the fiscal year ended October 31, 2024. For details, refer to the "Announcement of Revisions to the Consolidated Earnings Forecast for the Cumulative Second-quarter (Semi-annual) Period of Fiscal Year Ending October 31, 2025" released on June 3, 2025.

2. Semi-annual Consolidated Financial Statements and Principal Notes

(1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of October 31, 2024	As of April 30, 2025
Assets		
Current assets		
Cash and deposits	27,404	24,747
Notes and accounts receivable - trade, and contract assets	45,730	55,263
Merchandise and finished goods	75,076	60,080
Work in process	15,451	18,890
Raw materials and supplies	9,648	9,252
Other	5,276	2,202
Allowance for doubtful accounts	(232)	(24)
Total current assets	178,355	170,409
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,005	22,971
Machinery, equipment and vehicles, net	10,744	11,394
Land	12,416	12,575
Construction in progress	3,571	3,515
Other, net	2,470	2,396
Total property, plant and equipment	52,205	52,851
Intangible assets		
Goodwill	2,095	1,763
Other	1,146	1,013
Total intangible assets	3,241	2,777
Investments and other assets		
Investment securities	38,691	39,291
Long-term loans receivable	512	554
Deferred tax assets	1,164	1,206
Retirement benefit asset	61	49
Other	1,593	1,780
Allowance for doubtful accounts	(348)	(383)
Total investments and other assets	41,673	42,497
Total non-current assets	97,119	98,125
Total assets	275,474	268,534

(Millions of yen)

	As of October 31, 2024	As of April 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	25,610	22,317
Short-term borrowings	55,010	55,066
Accounts payable - other	10,243	4,263
Income taxes payable	886	2,162
Provision for bonuses	1,798	1,395
Provision for environmental measures	113	84
Other	2,360	1,820
Total current liabilities	96,021	87,107
Non-current liabilities		
Long-term borrowings	19,252	18,315
Deferred tax liabilities	1,685	1,628
Provision for retirement benefits for directors (and other officers)	442	419
Retirement benefit liability	4,107	4,076
Asset retirement obligations	44	44
Other	982	842
Total non-current liabilities	26,511	25,324
Total liabilities	122,532	112,430
Net assets		
Shareholders' equity		
Share capital	4,534	4,534
Capital surplus	37,491	37,502
Retained earnings	110,107	113,492
Treasury shares	(9,221)	(9,183)
Total shareholders' equity	142,912	146,345
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,629	1,482
Foreign currency translation adjustment	1,317	1,214
Remeasurements of defined benefit plans	60	57
Total accumulated other comprehensive income	3,006	2,753
Non-controlling interests	7,024	7,006
Total net assets	152,941	156,104
Total liabilities and net assets	275,474	268,534

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income
Semi-annual Consolidated Statements of Income

(Millions of yen)

	For the six months ended April 30, 2024	For the six months ended April 30, 2025
Net sales	88,100	96,177
Cost of sales	67,971	75,379
Gross profit	20,129	20,798
Selling, general and administrative expenses	11,299	11,356
Operating profit	8,830	9,442
Non-operating income		
Interest income	82	67
Dividend income	92	96
Reversal of allowance for doubtful accounts	8	208
Share of profit of entities accounted for using equity method	1,592	1,342
Foreign exchange gains	2,385	–
Other	228	151
Total non-operating income	4,387	1,863
Non-operating expenses		
Interest expenses	163	328
Provision of allowance for doubtful accounts	5	29
Foreign exchange losses	–	2,621
Other	59	37
Total non-operating expenses	228	3,014
Ordinary profit	12,990	8,291
Extraordinary income		
Gain on disposal of non-current assets	9	6
Gain on sale of investment securities	–	36
Subsidy income	4	1
Insurance claim income	1	221
Total extraordinary income	13	263
Extraordinary losses		
Loss on disposal of non-current assets	54	43
Loss on tax purpose reduction entry of non-current assets	3	–
Environmental expenses	277	88
Total extraordinary losses	334	131
Profit before income taxes	12,669	8,423
Income taxes	3,048	2,020
Profit	9,621	6,403
Profit attributable to non-controlling interests	299	129
Profit attributable to owners of parent	9,322	6,274

Semi-annual Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the six months ended April 30, 2024	For the six months ended April 30, 2025
Profit	9,621	6,403
Other comprehensive income		
Valuation difference on available-for-sale securities	225	(151)
Foreign currency translation adjustment	356	(395)
Remeasurements of defined benefit plans, net of tax	16	(3)
Share of other comprehensive income of entities accounted for using equity method	3,841	181
Total other comprehensive income	4,439	(367)
Comprehensive income	14,060	6,036
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,644	6,021
Comprehensive income attributable to non-controlling interests	416	14

(3) Notes to Semi-annual Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Accounting methods adopted particularly for the preparation of semi-annual consolidated financial statements)

(Total income taxes)

Total income taxes were calculated by rationally estimating the effective tax rate after application of tax effect accounting on the profit before income taxes of the consolidated fiscal year, including the consolidated first half under review, and multiplying the pretax semi-annual profit by this estimated effective tax rate.

Income taxes - deferred are included within income taxes.

(Notes on segment information, etc.)

For the six months ended April 30, 2024 (from November 1, 2023 to April 30, 2024)

1. Information on net sales and income (loss) by reportable segment

(Millions of yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Semi-annual Consolidated Statements of Income (Note 3)
	Agricultural Chemicals and Agriculture- Related Business	Fine Chemicals Business	Total				
Net sales							
Net sales to outside customers	72,306	11,642	83,948	4,152	88,100	—	88,100
Inter-segment net sales or transfers	1	24	25	2,328	2,353	(2,353)	—
Total	72,307	11,665	83,972	6,481	90,453	(2,353)	88,100
Segment income	8,667	367	9,034	647	9,680	(850)	8,830

- (Notes) 1. The Other Business segment was not included under reportable segments. It is comprised of the leasing business, power generation and electricity sales business, construction business, printing business, logistics business, information services business, and staffing business.
2. The segment income adjustment of ¥(850) million primarily consists of corporate expenses not allocated to each reportable segment. Corporate expenses consist of general administrative expenses that are not attributable to reportable segments.
3. Segment income was reconciled to operating profit in the semi-annual consolidated statements of income.

For the six months ended April 30, 2025 (from November 1, 2024 to April 30, 2025)

1. Information on net sales and income (loss) by reportable segment

(Millions of yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Semi-annual Consolidated Statements of Income (Note 3)
	Agricultural Chemicals and Agriculture- Related Business	Fine Chemicals Business	Total				
Net sales							
Net sales to outside customers	78,432	12,501	90,933	5,244	96,177	—	96,177
Inter-segment net sales or transfers	2	25	26	2,124	2,150	(2,150)	—
Total	78,434	12,526	90,959	7,367	98,327	(2,150)	96,177
Segment income	9,104	822	9,926	535	10,461	(1,019)	9,442

- (Notes) 1. The Other Business segment was not included under reportable segments. It is comprised of the leasing business, power generation and electricity sales business, construction business, printing business, logistics business, and staffing business.
2. The segment income adjustment of ¥(1,019) million primarily consists of corporate expenses not allocated to each reportable segment. Corporate expenses consist of general administrative expenses that are not attributable to reportable segments.
3. Segment income was reconciled to operating profit in the semi-annual consolidated statements of income.