

Notice regarding the revision of Financial Forecasts

Tokyo, July 28, 2023 – KH Neochem Co., Ltd (TSE: 4189, President and CEO: Michio Takahashi, “the Company”) announced regarding the revision of full year consolidated financial forecasts for the fiscal year ending December 31, 2023 (“FY2023”).

Revision of the full year consolidated financial forecasts for FY2023 (January 1, 2023 through December 31, 2023)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Earnings per share (Yen)
Previous forecasts (A) (February 7, 2023)	129,800	15,000	15,000	10,200	275.20
Revised forecasts (B)	118,400	13,000	12,900	8,900	240.20
Change (B-A)	-11,400	-2,000	-2,100	-1,300	-
Change (%)	-8.8	-13.3	-14.0	-12.7	-
(Reference) Results of the previous full year (FY2022)	114,880	12,456	12,709	8,073	217.73

Reasons for the revision

In FY 2023, even though we made our effort to sell our product in a suitable range of price compared to the increase of manufacturing cost such as raw material and fuel prices, the growth of demand is slowing down than our initial forecast. In addition, we expect that weak overseas market conditions will continue in some business fields.

As a result of these factors, the full year consolidated financial results for FY 2023 are expected to be lower than the previous forecasts.

For the full fiscal year ending December 2023, the foreign exchange rate is assumed to be 137 yen per US dollar, and the domestic naphtha price is assumed to be 62,700 yen/kl.

There is no change in the dividend forecasts for FY2023.

Financial forecasts and other forward-looking statements included in this document are based on the information currently available to KH Neochem and certain assumptions deems reasonable, and KH Neochem makes no commitments regarding their achievability. Actual business results may differ materially from the forecast due to variety of factors.