

Notice regarding the revision of Financial Forecasts

Tokyo, October 27, 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) (July 28, 2023)	118,400	13,000	12,900	8,900	240.20
Revised forecasts (B)	114,800	10,000	9,900	6,900	186.22
Change (B-A)	-3,600	-3,000	-3,000	-2,000	-
Change (%)	-3.0	-23.1	-23.3	-22.5	-
(Reference) Results of the previous full year (FY2022)	114,880	12,456	12,709	8,073	217.73

Reasons for the revision

During the 3rd quarter of FY2023 (July to September), due to the production trouble occurred in our main raw material supplier, we have to shut down or adjust significantly our operation of multiple plants in Yokkaichi Plant from late August. The supplier’s plant has restored in mid-October, and our plants resumed its operation sequentially.

In addition, demand growth in some business field is lower than expected, 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 140 yen per US dollar, and the domestic naphtha price is assumed to be 68,200 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.