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June 9, 2026

Company name: Kumiai Chemical Industry Co., Ltd.
Representative: Masaru Yokoyama, President
and Representative Director
(Prime Market of TSE;
Securities code: 4996)
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Announcement of Posting of Extraordinary Losses

Kumiai Chemical Industry Co., Ltd. (hereinafter, the “Company”) hereby announces that it expects to post extraordinary losses in the second quarter of the fiscal year ending October 31, 2026 (from February 1, 2026 to April 30, 2026).

1. Posing of extraordinary losses

(1) Impairment losses

The Company assessed recoverability of the chlorination business conducted by IHARANIKKEI CHEMICAL INDUSTRY CO., LTD., a consolidated subsidiary of the Company, in accordance with the “Guidance on Accounting Standard for Impairment of Fixed Assets.” After considering the current business environment and future earnings prospects, the recoverable amount was determined to be less than the book value. Accordingly, impairment losses of ¥514 million are expected to be posted as extraordinary losses for the non-current assets used in the subsidiary’s business.

(2) Restructuring costs

The Company is implementing a series of structural reforms in the chlorination business conducted by IHARANIKKEI CHEMICAL INDUSTRY CO., LTD., a consolidated subsidiary of the Company, amid a challenging business environment. As a result, impairment losses of ¥907 million on non-current assets are expected to be posted as restructuring costs under extraordinary losses.

(3) Future outlook

We will announce any extraordinary losses that may arise in the future as soon as they are finalized, if they are expected to impact financial results.