

For immediate release

May 11, 2021

Notice regarding the revisions of Financial Forecasts

Tokyo, May 11, 2021 – KH Neochem Co., Ltd (TSE: 4189, President and CEO: Michio Takahashi, “KH Neochem”) announced regarding the revisions of first half and full year consolidated financial forecasts for the fiscal year ending December 31, 2021 (“FY2021”) previously announced on February 10, 2021.

1. Revision of the first half consolidated financial forecasts for FY2021 (January 1, 2021 through June 30, 2021)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Earnings per share (Yen)
Previous forecasts (A)	41,700	3,200	3,300	2,300	61.95
Revised forecasts (B)	51,400	6,800	6,900	4,900	132.00
Change (B-A)	9,700	3,600	3,600	2,600	-
Change (%)	23.3%	112.5%	109.1%	113.0%	-
(Reference) Results of the previous first half of the year (2020 1H)	37,245	2,389	2,421	1,693	45.72

2. Revision of the full year consolidated financial forecasts for FY2021 (January 1, 2021 through December 31, 2021)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Earnings per share (Yen)
Previous forecasts (A)	86,400	8,200	8,300	5,800	156.24
Revised forecasts (B)	104,000	11,800	12,100	8,400	226.28
Change (B-A)	17,600	3,600	3,800	2,600	-
Change (%)	20.4%	43.9%	45.8%	44.8%	-
(Reference) Results of the previous full year (FY2020)	77,332	5,642	5,627	4,046	109.12

3. Reasons for the revision

In the first quarter for FY2021 (January 1, 2021 through March 31, 2021), both sales and profits increased significantly on a YoY basis thanks to an increase in sales volume by demand recovery and thanks to product prices increase by a tight supply and demand. Demand for KH Neochem group's products is expected to remain strong in the second quarter for FY2021 (April 1, 2021 through June 30, 2021), the forecasts for the first half and the full year for FY2021 are expected to exceed the previous forecasts.

The exchange rate forecast for FY2021 is 107 yen per US dollar, and the domestic naphtha price is 44,600 yen / KL.

The situation of the spread of COVID-19 in the future may affect the product demand and business activities of KH Neochem group. The above forecasts will be revised if the KH Neochem group's business performance is expected to be significantly affected.

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.

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