日本化学工業株式会社

First Half of Fiscal Year March 2026

Summary of Financial Results

November 11, 2025
Nippon Chemical Industrial Co., Ltd. 4092

Summary of Financial Results for the First Half of FY March 2026

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FY March 2026 2Q Actual Results

Net Sales: 20.9 billion yen, Operating Profit: 1.4 billion yen

- ■ Net sales increased YoY due to increased sales volumes of automotive grade and communication in electronic ceramic materials, which are in our growth fields
- ■ Operating profit decreased due to the effect of decreased valuation loss on inventory assets occurring the previous year

FY March 2026 Forecast

Net Sales: 40.5 billion yen, Operating Profit: 3.2 billion yen (unchanged)

- ■ While it is difficult to predict the outlook due to changes in the business environment, we are promoting activities aimed at building a stable revenue base and enhancing profitability.

Return to Shareholders

Interim Dividend: 60 yen per share (unchanged)

- ■ Interim dividends will remain unchanged, maintaining the increased amount announced on August 7. We will continue to make efforts on strengthening stable and continuous shareholder returns.

1

Consolidated Results for First Half of FY March 2026

Key Points of Financial Results

◆ **Net sales increased 1.5% YoY while operating profit decreased 42.1% YoY.**

- Net sales increased due to increased sales volumes for automotive grade and communication in growth fields of electronic ceramic materials.

- Operating profit decreased
  - ■ Costs associated with the consolidation of production facilities
  - ■ Time lag between fluctuations in raw material market prices for battery materials and their pass-through to sales prices
  - ■ Absence of the decrease in loss of valuation of some inventories
  - ■ Despite the positive impact of increased sales on profits, operating profit decreased YoY due to the above factors

- Compared to the first quarter of FY March 2026, net sales and operating profit decreased both in inorganic chemicals and specialty chemicals due to decrease in sales volumes, difference in product mix, increase in selling, general, and administrative expenses due to strengthening of organization, etc.

Consolidated results for first half of FY March 2026 (Overview)

(Millions of yen)	FY March 2025 2Q	FY March 2026 2Q	Change	Change rate
Net sales	20,678	20,998	320	1.5%
Operating profit	2,401	1,390	(1,010)	(42.1%)
Operating profit percentage	11.6%	6.6%	(5.0pt)	
Ordinary profit	2,393	1,374	(1,019)	(42.6%)
Profit	1,633	1,336	(297)	(18.2%)
EBITDA※	4,192	3,236	(956)	(22.8%)
Earnings per share (Yen)	185.09	152.79	-	-

※ Brief version of EBITDA (operating profit + depreciation) is used

【Factors Affecting Changes in Operating Profit (YoY)】

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Consolidated results for first half of FY March 2026
(Performance by segment)

(Millions of yen)		FY March 2025 2Q	FY March 2026 2Q	Change	Change rate
Inorganic Chemicals	Net sales	9,087	9,079	(7)	(0.1%)
	Operating profit	842	637	(205)	(24.3%)
Specialty Chemicals	Net sales	10,744	11,307	563	5.2%
	Operating profit	1,258	458	(800)	(63.6%)
Leasing Business	Net sales	457	469	12	2.6%
	Operating profit	274	275	1	0.4%
Other	Net sales	389	141	(247)	(63.8%)
	Operating profit	11	6	(5)	(45.5%)
Total	Net sales	20,678	20,998	320	1.5%
	Operating profit	2,401	1,390	(1,010)	(42.1%)

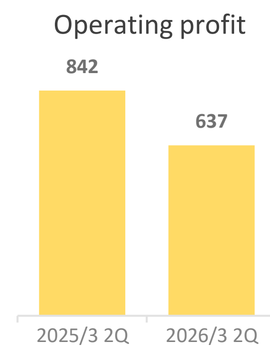
Consolidated results for first half of FY March 2026
(Inorganic chemicals)

(Millions of yen)	FY March 2025 2Q	FY March 2026 2Q	Change	Change rate
Chromium Compounds	2,668	2,797	129	4.8%
Silicates and silica	1,128	1,165	37	3.3%
Inorganic Phosphorus Compounds	3,423	3,314	(109)	(3.2%)
Other	1,866	1,802	(64)	(3.4%)
Total	9,087	9,079	(7)	(0.1%)

◆**Chromium Compounds:** Strongness for plating

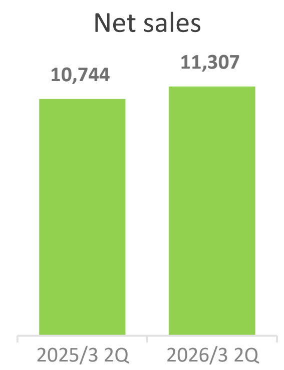
◆**Silicates and Silica:** Solidness

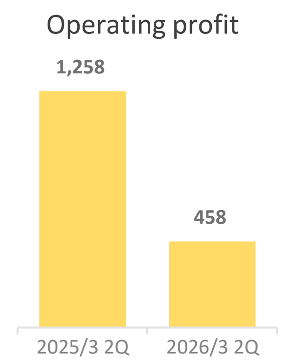
◆**Inorganic Phosphorus Compounds:**
Weakness for LCDs and semiconductors, and general industry



Consolidated results for first half of FY March 2026 (Specialty chemicals)

(Millions of yen)	FY March 2025 2Q	FY March 2026 2Q	Change	Change rate
Electronic Ceramic Materials	4,826	5,532	706	14.6%
Organic Functional Materials	2,630	2,677	47	1.8%
Battery and Electronic Device Materials	2,636	2,304	(332)	(12.6%)
Other	650	792	142	21.8%
Total	10,744	11,307	563	5.2%





◆**Electronic Ceramic Materials:**
Strongness for automotive grade and strong growth for communication

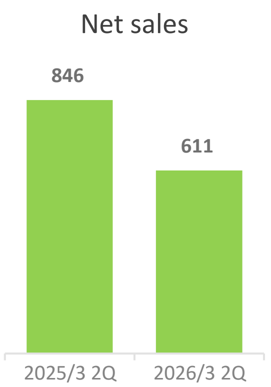
◆**Organic Functional Materials**
- **Phosphine Derivatives:** Strong growth for overseas catalysts and Quantum Dot and sharp decline for raw material for catalyst
- **Active Agrochemical Ingredients:** Strong growth for major customers

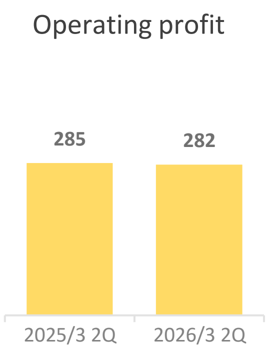
◆**Battery and Electronic Device Materials**
- **Battery Materials:** Decline in raw material prices
- **Circuit Materials:** Weakness for anisotropic conductive materials and sharp decline for paste
- **High-Purity Electronic Materials:** Demand recovery for semiconductors

Consolidated results for first half of FY March 2026 (Leasing)

(Millions of yen)	FY March 2025 2Q	FY March 2026 2Q	Change	Change rate
Leasing Business	457	469	12	2.6%
Book Store Operation	258	-	(258)	-
Other	130	141	11	8.5%
Total	**846**	**611**	**(235)**	**(27.8%)**

◆**Leasing Business:** Solidness
※The Book Store Operation withdrew from the market last year.





Balance Sheet

(Millions of yen)	March End, 2025	September End, 2025	Change	Major factors of change
Current assets	31,448	31,008	(440)	Accounts receivable-trade: 2,913 Inventory: (1,601)
Non-current assets	43,656	44,685	1,029	Property, plant and equipment: 198 Investment securities: 822
Total assets	75,105	75,694	589	
Current liabilities	20,106	20,485	379	Notes and accounts payable-trade: (434) Short-term borrowings: 1,250
Non-current liabilities	8,602	7,416	(1,186)	Long-term borrowings: (1,187)
Total liabilities	28,709	27,902	(807)	
Shareholders' equity	41,267	42,243	976	Retained earnings: 924
Accumulated other comprehensive income	5,128	5,548	420	Valuation difference on available-for-sale securities: 559
Total net assets	46,395	47,791	1,395	
Total liabilities and net assets	75,105	75,694	589	
Equity ratio(%)	61.8%	63.1%	1.3pt	Benchmarks for D/E ratio: Around 0.4

Cash Flows

(Millions of yen)	FY March 2025 2Q	FY March 2026 2Q	Change	Major factors of change
Operating CF	**3,132**	**1,282**	(1,850)	Profit before income taxes: (561)
Investment CF	**(3,078)**	**(2,188)**	890	Sale of property, plant and equipment: 802
Financial CF	**(875)**	**(293)**	582	Repayments of long-term borrowings: 923
Depreciation	**1,791**	**1,845**	54	
Dividends paid	**307**	**400**	93	
Cash at end of period	**7,945**	**6,427**	(1,518)	
Free CF*	**(253)**	**(1,253)**	**(1,000)**	

* Calculated by deducting CF from investing activities and dividends from CF from operating activities

2

Forecast of Consolidated Results for FY March 2026

Progress of Forecast of Consolidated Results for FY March 2026

◆Full-year forecast remains unchanged

- The full-year forecast remains unchanged due to the expectation of a certain degree of improvement in profitability by focusing on the expansion of sales, the reduction of inventory, and the asset liquidation for the second half.

(Millions of yen)	FY March 2026 Forecast (Announced on August 7)	First half cumulative results	Progress Rate
Net sales	40,500	20,998	51.8%
Operating profit	3,200	1,390	43.4%
Ordinary profit	3,200	1,374	42.9%
Profit	2,600	1,336	51.4%

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Forecast of consolidated results for FY March 2026 (Overview)

Full-year financial forecast remains unchanged

(Millions of yen)	FY March 2025 Results	FY March 2026 Forecast (Announced on August 7)	Change	Change rate
Net sales	38,843	40,500	1,656	4.3%
Operating profit	3,342	3,200	(142)	(4.3%)
Operating profit percentage	8.6%	7.9%	(0.7pt)	
Ordinary profit	3,199	3,200	0	0.0%
Profit	2,559	2,600	41	1.6%
EBITDA*	6,924	7,100	176	2.5%
ROE	5.6%	5.5%	(0.1pt)	-
Earnings per share (Yen)	290.62	297.63	-	-
Annual dividends per share (Yen)	Interim:46 Year-end:46 Annual:92	Interim:60 Year-end:60 Annual:120	-	-
Capital expenditures	4,966	5,500	534	10.8%
Depreciation	3,582	3,900	318	8.9%
R & D expenses	1,598	1,500	(98)	(6.1%)
Exchange rate (¥/$)	152	145		

* Brief version of EBITDA (operating profit + depreciation) is used

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Cautions:
The forecasts of financial results and business plans included in the materials were based on currently available information available and certain preconditions, and so the forecasts do not guarantee future financial results. Actual financial results may differ from the forecasts for to a variety of reasons. Please make your own decisions on investments.