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日本化学工業株式会社

Third Quarter of Fiscal Year March 2026

# Summary of Financial Results

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of FY March 2026**
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FY March 2026**

February 10, 2026  
Nippon Chemical Industrial Co., Ltd. 4092

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# Summary of Financial Results for the Third Quarter of FY March 2026

## FY March 2026 3Q Actual Results

### Net Sales: 30.4 billion yen, Operating Profit: 1.9 billion yen

- Net sales remained flat YoY as increased sales volumes of automotive grade and communication in electronic ceramic materials, which are our growth fields, were offset mainly by a decline in sales prices of battery materials and a decrease in sales volumes of phosphine derivatives and inorganic phosphorus compounds
- Operating profit decreased due to the absence of the decrease in loss of valuation in inventory that occurred in the previous fiscal year, as well as the costs associated with the consolidation of production facilities. Changes in the sales composition also had an impact

## FY March 2026 Forecast

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

- While net sales progressed roughly as expected, profits were lower than anticipated
- We expect to record an extraordinary gain from the sale of strategic shareholdings
- Although market conditions for 4Q remain uncertain, we have maintained the full-year forecast in light of these circumstances

## Other

- The Company has resolved to acquire treasury shares with an acquisition period until the end of the current fiscal year, with an upper limit of 260 million yen
- We are strengthening our strategic material development framework and promoting initiatives to enhance product competitiveness

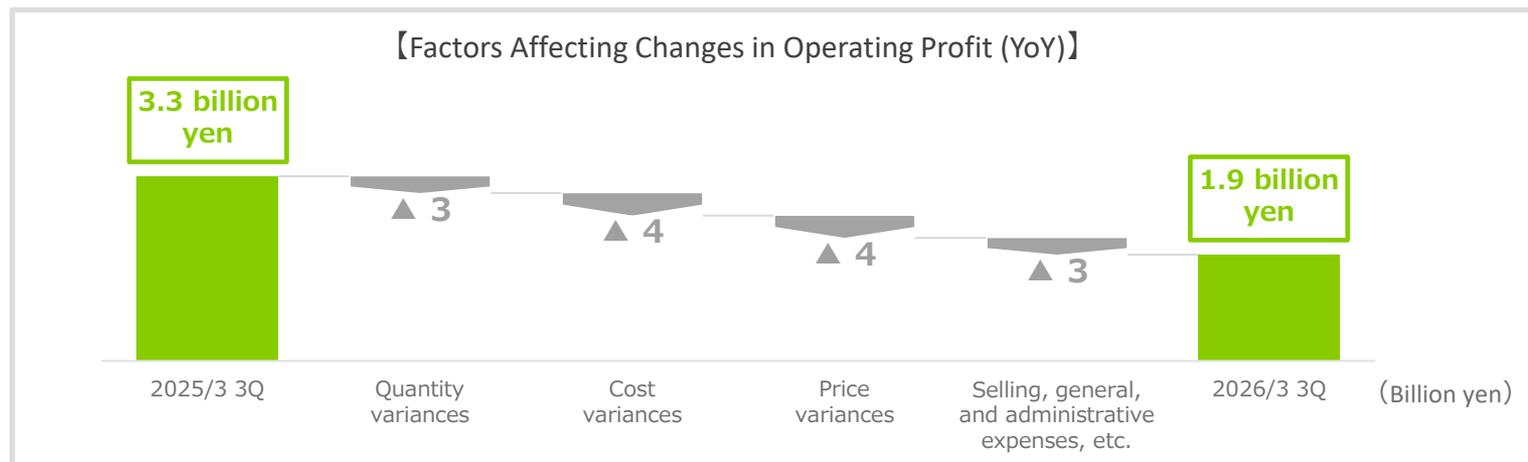
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# **Consolidated Results for Third Quarter of FY March 2026**

# Consolidated results for third quarter of FY March 2026 (Overview)

(Millions of yen)	FY March 2025 3Q	FY March 2026 3Q	Change	Change rate
<b>Net sales</b>	30,871	30,442	(429)	(1.4%)
<b>Operating profit</b>	3,353	1,987	(1,366)	(40.7%)
Operating profit percentage	10.9%	6.5%	(4.4pt)	
<b>Ordinary profit</b>	3,360	1,975	(1,385)	(41.2%)
<b>Profit</b>	2,346	1,835	(511)	(21.8%)
<b>EBITDA *</b>	6,103	4,826	(1,277)	(20.9%)
<b>Earnings per share (Yen)</b>	265.92	209.80	-	-

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



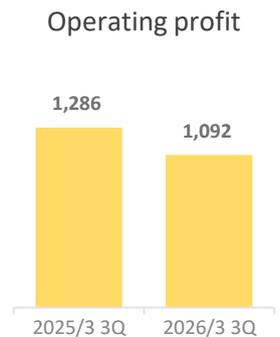
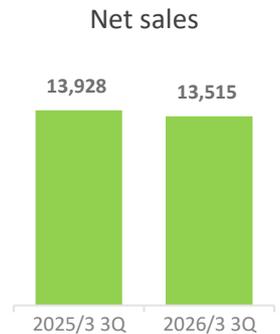
# Consolidated results for third quarter of FY March 2026

## (Performance by segment)

		FY March 2025	FY March 2026	Change	Change rate
(Millions of yen)		3Q	3Q		
Inorganic Chemicals	Net sales	13,928	13,515	(412)	(3.0%)
	Operating profit	1,286	1,092	(194)	(15.1%)
Specialty Chemicals	Net sales	15,637	15,991	353	2.3%
	Operating profit	1,610	434	(1,176)	(73.0%)
Leasing Business	Net sales	686	704	18	2.6%
	Operating profit	411	414	3	0.7%
Other	Net sales	618	230	(388)	(62.8%)
	Operating profit	25	26	1	4.0%
Total	Net sales	30,871	30,442	(429)	(1.4%)
	Operating profit	3,353	1,987	(1,366)	(40.7%)

# Consolidated results for third quarter of FY March 2026 (Inorganic chemicals)

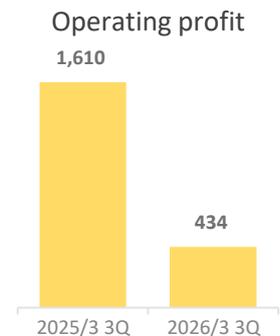
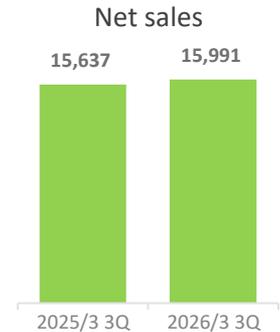
(Millions of yen)	FY March 2025 3Q	FY March 2026 3Q	Change	Change rate
Chromium Compounds	4,154	4,134	(20)	(0.5%)
Silicates and silica	1,780	1,789	9	0.5%
Inorganic Phosphorus Compounds	5,180	4,929	(251)	(4.8%)
Other	2,813	2,662	(151)	(5.4%)
<b>Total</b>	<b>13,928</b>	<b>13,515</b>	<b>(412)</b>	<b>(3.0%)</b>



- ◆ **Chromium Compounds:** Solidness for plating
- ◆ **Silicates and Silica:** Solidness
- ◆ **Inorganic Phosphorus Compounds:** Weakness for general industry

# Consolidated results for third quarter of FY March 2026 (Specialty chemicals)

(Millions of yen)	FY March 2025 3Q	FY March 2026 3Q	Change	Change rate
Electronic Ceramic Materials	7,188	8,109	921	12.8%
Organic Functional Materials	3,548	3,168	(380)	(10.7%)
Battery and Electronic Device Materials	3,854	3,448	(406)	(10.5%)
Other	1,045	1,264	219	21.0%
<b>Total</b>	<b>15,637</b>	<b>15,991</b>	<b>353</b>	<b>2.3%</b>



### ◆ Electronic Ceramic Materials:

Strongness for automotive grade and strong growth for communication

### ◆ Organic Functional Materials

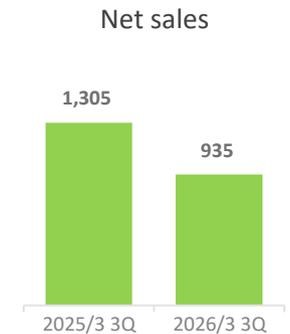
- **Phosphine Derivatives:** Strong growth for overseas catalysts and Quantum Dot and sharp decline for raw material for catalyst
- **Active Agrochemical Ingredients:** Strongness for major customers

### ◆ 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

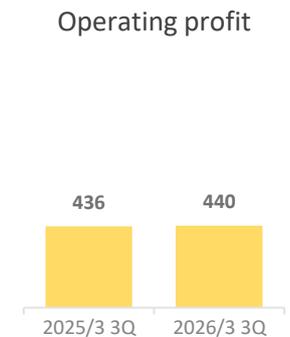
# Consolidated results for third quarter of FY March 2026 (Leasing)

(Millions of yen)	FY March 2025 3Q	FY March 2026 3Q	Change	Change rate
Leasing Business	686	704	18	2.6%
Book Store Operation	404	-	(404)	-
Other	214	230	16	7.5%
<b>Total</b>	<b>1,305</b>	<b>935</b>	<b>(370)</b>	<b>(28.4%)</b>



◆ **Leasing Business: Solidness**

✂ The Book Store Operation withdrew from the market last year.



# Balance Sheet

(Millions of yen)	March End, 2025	December End, 2025	Change	Major factors of change
<b>Current assets</b>	<b>31,448</b>	<b>33,192</b>	1,744	Accounts receivable-trade: 2,246 Inventory: (580)
<b>Non-current assets</b>	<b>43,656</b>	<b>45,199</b>	1,543	Property, plant and equipment: 53 Investment securities: 1,501
<b>Total assets</b>	<b>75,105</b>	<b>78,392</b>	<b>3,287</b>	
<b>Current liabilities</b>	<b>20,106</b>	<b>22,434</b>	2,328	Short-term borrowings: 2,250
<b>Non-current liabilities</b>	<b>8,602</b>	<b>7,748</b>	(854)	Long-term borrowings: (1,187)
<b>Total liabilities</b>	<b>28,709</b>	<b>30,182</b>	1,473	
<b>Shareholders' equity</b>	<b>41,267</b>	<b>42,216</b>	949	Retained earnings: 897
<b>Accumulated other comprehensive income</b>	<b>5,128</b>	<b>5,992</b>	864	Valuation difference on available-for-sale securities: 1,046
<b>Total net assets</b>	<b>46,395</b>	<b>48,209</b>	1,813	
<b>Total liabilities and net assets</b>	<b>75,105</b>	<b>78,392</b>	<b>3,287</b>	
<b>Equity ratio(%)</b>	<b>61.8%</b>	<b>61.5%</b>	(0.3pt)	Benchmarks for D/E ratio: Around 0.4

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## **Forecast of Consolidated Results for FY March 2026**

## Progress of Forecast of Consolidated Results for FY March 2026

### ◆ Full-year forecast remains unchanged

- In the cumulative third quarter, while net sales progressed roughly as expected, profits were lower than anticipated
- We expect to record an extraordinary gain from the sale of strategic shareholdings.
- In the fourth quarter, although uncertainty remains in the market environment for the electronic components industry, we have maintained the full-year forecast based on a comprehensive assessment of these circumstances.

(Millions of yen)	FY March 2026 Forecast (Announced on August 7)	3Q cumulative results	Progress rate
<b>Net sales</b>	<b>40,500</b>	<b>30,442</b>	<b>75.2%</b>
<b>Operating profit</b>	<b>3,200</b>	<b>1,987</b>	<b>62.1%</b>
<b>Ordinary profit</b>	<b>3,200</b>	<b>1,975</b>	<b>61.7%</b>
<b>Profit</b>	<b>2,600</b>	<b>1,835</b>	<b>70.6%</b>

# Forecast of consolidated results for FY March 2026 (Overview)

## Full-year financial forecast remains unchanged

(Announced  
on August 7)

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

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

# Return to Shareholders

The Company places importance on stable and continuous dividends and aims to strengthen shareholder returns by using DOE and total payout ratio as indicators.

## Dividend policy (FY 2025–2026)

Pay stable and continuous dividends with a target of

**a total payout ratio of 40% or DOE of 2%, whichever is higher.**

### Dividends

- We have raised our annual dividend forecast (from 106 yen to 120 yen per share) (Announced in August 2025)

### Treasury Share Acquisition

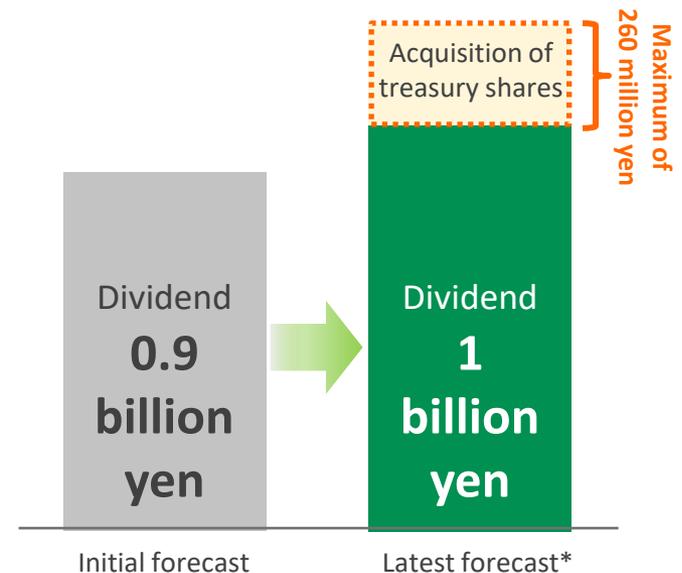
- Maximum: 100,000 shares / 260 million yen
- Period: Until the end of FY March 2026 (Announced in December 2025)

### Initiatives to Enhance Shareholder Returns

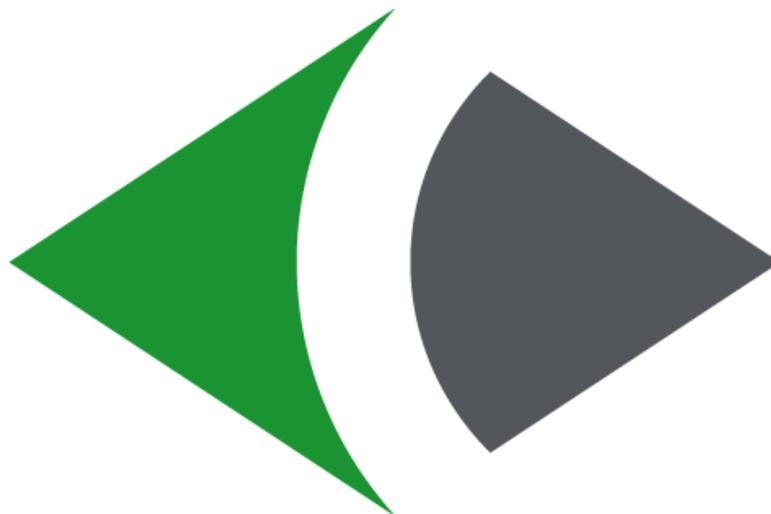
- Introduced DOE into the policy in FY 2025-2026
- Provide highly reliable returns to shareholders
- Promote the enhancement of shareholder returns, including the acquisition of treasury shares

### <Total Shareholder Returns>

FY March 2026



\*The latest forecast reflects the revision of the dividend forecast in August 2025 and the announcement regarding the resolution on the acquisition of treasury shares in December 2025



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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.