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日本化学工業株式会社

First Half of Fiscal Year March 2027

Summary of Financial Results

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2 Forecast of Consolidated Results for FY March 2027

November 12, 2026
Nippon Chemical Industrial Co., Ltd. 4092

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Summary of Financial Results for the First Half of FY March 2027

FY March 2027 2Q Actual Results

Net Sales: 21.1 billion yen, Operating Profit: 1.3 billion yen

- Demand for AI server applications and phosphine derivatives has remained strong
- Despite weak demand in automotive applications and the impact of production schedule adjustments for active agrochemical ingredients, net sales remained largely flat year on year
- Profitability improvement effects and the impact of cost increases were generally offset, and operating profit generally remained flat YoY

FY March 2027 Forecast

Net Sales: 40.8 billion yen, Operating Profit: 2.8 billion yen (unchanged)

- Financial results for the first half were generally in line with the plan
- While demand for AI server applications and phosphine derivatives is expected to remain above our original expectations, the full-year forecast remains unchanged to ensure careful assessment of changes in the external environment
- Promotion of activities aimed at building a stable revenue base and enhancing profitability

Return to Shareholders

Annual dividend forecast: 240 yen per share (Interim: 120 yen, Year-end: 120 yen, unchanged)

- No change from the dividend forecast announced July 30, 2026
- Promotion of capital efficiency improvement and enhancement of shareholder returns

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Consolidated Results for First Half of FY March 2027

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Key Points of Financial Results

◆ Net sales and operating profit generally remained flat YoY

- Demand for AI server applications and phosphine derivatives has remained strong
- Despite weak demand in automotive applications and the impact of production schedule adjustments for active agrochemical ingredients, net sales remained largely flat year on year
- Operating profit generally remained flat YoY, while improved profitability from increased sales of high-value-added products was offset by cost increases driven by higher raw material and fuel prices and scheduled maintenance shutdowns

◆ Profit significantly increased YoY

- A gain on sale of investment securities resulting from the sale of cross-shareholdings was recorded as extraordinary income

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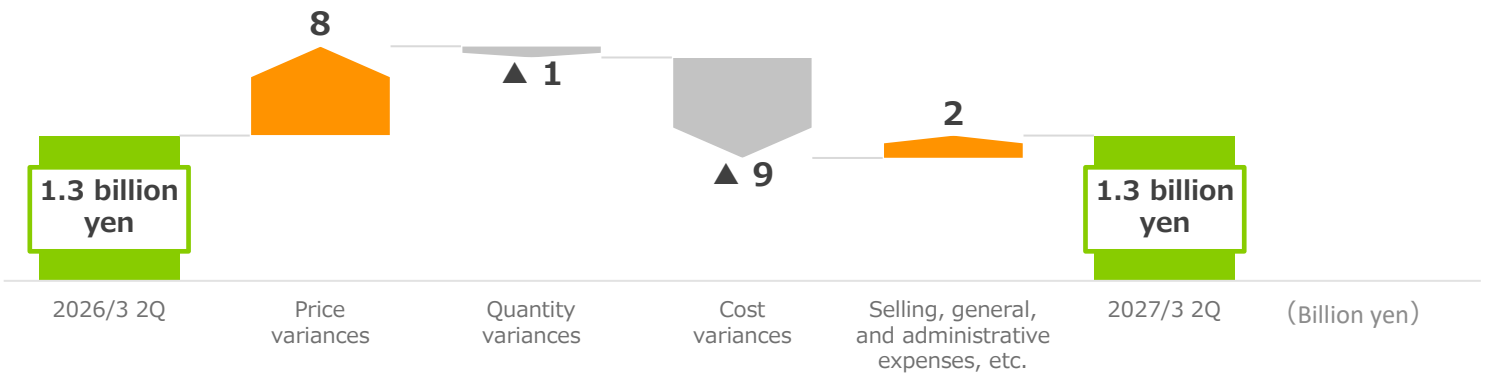
Consolidated results for first half of FY March 2027 (Overview)

(Millions of yen)	FY March 2026 2Q	FY March 2027 2Q	Change	Change rate
Net sales	20,998	21,155	157	0.7%
Operating profit	1,390	1,367	▲ 22	▲ 1.6%
Operating profit percentage	6.6%	6.5%	▲0.1pt	
Ordinary profit	1,374	1,338	▲ 35	▲ 2.6%
Profit	1,336	2,029	693	51.9%
EBITDA※	3,236	3,353	116	3.6%
Earnings per share (Yen)	152.79	234.00	-	-

※ 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 2027

(Performance by segment)

(Millions of yen)		FY March 2026 2Q	FY March 2027 2Q	Change	Change rate
Inorganic Chemicals	Net sales	9,079	9,682	602	6.6%
	Operating profit	637	622	▲ 15	▲ 2.4%
Specialty Chemicals	Net sales	11,307	10,856	▲ 451	▲ 4.0%
	Operating profit	458	434	▲ 24	▲ 5.3%
Leasing Business	Net sales	469	473	3	0.8%
	Operating profit	275	305	29	10.9%
Other	Net sales	141	143	1	1.1%
	Operating profit	6	0	▲ 6	▲ 89.9%
Total	Net sales	20,998	21,155	157	0.7%
	Operating profit	1,390	1,367	▲ 22	▲ 1.6%

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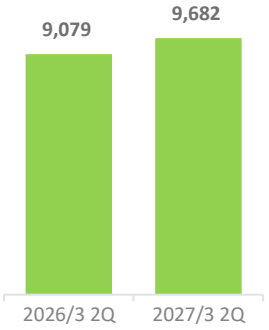
Consolidated results for first half of FY March 2027

(Inorganic chemicals)

(Millions of yen)	FY March 2026 2Q	FY March 2027 2Q	Change	Change rate
Chromium Compounds	2,797	2,779	▲ 17	▲ 0.6%
Silicates and Silica	1,165	1,167	1	0.1%
Inorganic Phosphorus Compounds	3,314	3,376	62	1.9%
Other	1,802	2,359	556	30.9%
Total	9,079	9,682	602	6.6%

Net sales



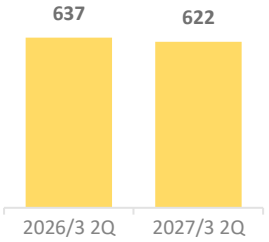
◆**Chromium Compounds:** Solidness for plating

◆**Silicates and Silica:** Solidness

◆**Inorganic Phosphorus Compounds:**
Solidness for both LCDs and semiconductors and general industry

◆**Other:** Price revision reflecting the increase in raw material prices

Operating profit



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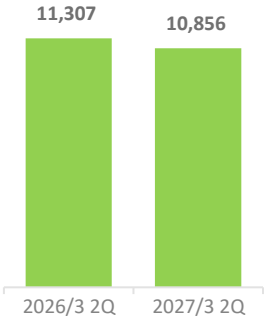
Consolidated results for first half of FY March 2027 (Specialty chemicals)

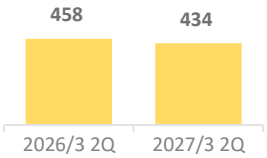
(Millions of yen)	FY March 2026 2Q	FY March 2027 2Q	Change	Change rate
Electronic Ceramic Materials	5,532	5,108	▲ 423	▲ 7.7%
Organic Functional Materials	2,677	2,475	▲ 201	▲ 7.5%
Battery and Electronic Device Materials	2,304	2,407	102	4.4%
Other	792	865	72	9.1%
Total	11,307	10,856	▲ 451	▲ 4.0%

Net sales



◆**Electronic Ceramic Materials:**
Strong growth for communication, mainly for AI server applications, while automotive grade remained weak due to the rebound from high shipment levels in the same period of the previous year

Operating profit



◆**Organic Functional Materials**
- **Phosphine Derivatives:** Sharp decline for Quantum Dot, but strong growth for overseas catalysts and raw material for catalyst
- **Active Agrochemical Ingredients:** Production adjustment due to raw material delivery delays

◆**Battery and Electronic Device Materials**
- **Battery Materials:** Price revision reflecting the decline in raw material prices
- **Circuit Materials:** Price revision reflecting the increase in raw material prices
- **High-Purity Electronic Materials:** Strong growth for semiconductors, mainly for AI server applications

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Consolidated results for first half of FY March 2027 (Leasing)

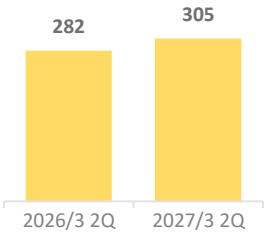
(Millions of yen)	FY March 2026 2Q	FY March 2027 2Q	Change	Change rate
Leasing Business	469	473	3	0.8%
Other	141	143	1	1.1%
Total	611	616	5	0.9%

◆**Leasing Business:** Solidness

Net sales



Operating profit



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Balance Sheet

(Millions of yen)	March End, 2026	September End, 2026	Change	Major factors of change
Current assets	31,070	30,916	▲ 154	Cash and deposits: (1,942) Accounts receivable-trade: 813 Inventory: 357
Non-current assets	47,386	50,610	3,223	Property, plant and equipment: 285 Investment securities: 2,896
Total assets	78,457	81,526	3,068	
Current liabilities	19,522	19,662	140	Short-term borrowings: 875 Income taxes payable: (381)
Non-current liabilities	8,613	8,466	▲ 147	Long-term borrowings: (1,062) Deferred tax liabilities: 945
Total liabilities	28,136	28,129	▲ 6	
Shareholders' equity	43,016	44,381	1,364	Retained earnings: 1,508
Accumulated other comprehensive income	7,305	9,015	1,710	Valuation difference on available-for-sale securities: 1,978
Total net assets	50,321	53,397	3,075	
Total liabilities and net assets	78,457	81,526	3,068	
Equity ratio(%)	64.1%	65.5%	1.4pt	Benchmarks for D/E ratio: Around 0.4 to 0.5

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Cash Flows

(Millions of yen)	FY March 2026 2Q	FY March 2027 2Q	Change	Major factors of change
Operating CF	1,335	269	(1,065)	Adjustment for gain on sale of investment securities: (1,498)
Investment CF	(2,188)	(986)	1,202	Proceeds from sale of investment securities: 1,560
Financial CF	(345)	(1,217)	(871)	Treasury share acquisition-related: (501) Net increase (decrease) in borrowings: (250)
Depreciation	1,845	1,985	139	
Dividends paid	400	519	119	
Cash at end of period	6,427	5,847	(580)	
Free CF*	(1,253)	(1,236)	17	

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

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Forecast of Consolidated Results for FY March 2027

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Progress of Forecast of Consolidated Results for FY March 2027

◆ Forecast remains unchanged

- Financial results for the first half were generally in line with the plan, so the full-year forecast remains unchanged
- Demand for AI server applications and phosphine derivatives is expected to remain above our original expectations
- We will continue to closely monitor trends in raw material and fuel prices and changes in the market environment
- We will promote measures to improve profitability and make efforts toward sustainable growth and enhancement of corporate value

(Millions of yen)	FY March 2027 Forecast (Announced on August 10)	First half cumulative results	Progress Rate
Net sales	40,800	21,155	51.9%
Operating profit	2,800	1,367	48.8%
Ordinary profit	2,700	1,338	49.6%
Profit	4,500	2,029	45.1%

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Forecast of consolidated results for FY March 2027

(Overview)

Full-year financial forecast remains unchanged

(Millions of yen)	FY March 2026 Results	FY March 2027 Forecast (Announced on August 10)	Change	Change rate
Net sales	40,182	40,800	618	1.5%
Operating profit	2,415	2,800	385	15.9%
Operating profit percentage	6.0%	6.9%	0.9pt	
Ordinary profit	2,375	2,700	325	13.7%
Profit	2,894	4,500	1,606	55.5%
EBITDA*	6,155	7,000	845	13.7%
ROE	6.0%	8.7%	2.7pt	-
Earnings per share (Yen)	331.39	518.63	-	-
Annual dividends per share (Yen)	Interim:60 Year-end:60 Annual:120	Interim:120 Year-end:120 Annual:240	-	-
Capital expenditures	4,387	5,900	1,513	34.5%
Depreciation	3,740	4,200	460	12.3%
R & D expenses	1,580	1,600	20	1.3%
Exchange rate (¥/$)	149	156		

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

Capital Allocation to Improve ROE

Improve capital efficiency (ROE) through the reallocation of capital generated from the reduction of cross-shareholdings

Reduction of Cross-Shareholdings ＋ Operating CF ＝ Capital Available for Reallocation

Capital Allocation to Improve ROE

Growth Investments – Semiconductor Fields

- Capacity Expansion of High-Purity Red Phosphorus **[Approved]**
- Barium Titanate Capacity Expansion **[Approved]**
- High-Purity Phosphine [Under Consideration]

Shareholder Returns

- Annual Dividend Increased to 240 yen per Share
- Share Repurchases of 500 million yen (Maximum acquisition: 110,000 shares)

Financial Soundness

- Maintain Financial Soundness
- Flexible Capital Management

Through the appropriate allocation of capital unlocked through the reduction of cross-shareholdings to growth investments, shareholder returns, and financial soundness, we will improve capital efficiency and sustainably enhance corporate value.

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The forecasts and business plans contained in this material are based on information currently available to the Company and certain assumptions. Actual results may differ materially from those forecast due to various factors. Investors are requested to make investment decisions at their own discretion.