May 13, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

Company name: Sanyo Chemical Industries, Ltd.
Listing: Tokyo Stock Exchange
Securities code: 4471
URL: https://www.sanyo-chemical.co.jp/
Representative: Masahiro Harada, President & CEO
Inquiries: Kenichi Nishimura, Director & Executive Officer, Head of General Affairs
Telephone: +81-75-541-4312
Scheduled date of annual general meeting of shareholders: June 19, 2026
Scheduled date to commence dividend payments: June 4, 2026
Scheduled date to file annual securities report: June 16, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	127,859	(10.1)	10,007	18.6	12,256	26.7	15,637	276.6
March 31, 2025	142,258	(10.8)	8,439	72.7	9,670	18.1	4,151	-

Note: Comprehensive income
For the fiscal year ended March 31, 2026: ¥28,369 million [-%]
For the fiscal year ended March 31, 2025: ¥728 million [-%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	706.89	-	10.6	6.6	7.8
March 31, 2025	187.79	-	3.0	5.1	5.9

Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended March 31, 2026: ¥141 million
For the fiscal year ended March 31, 2025: ¥747 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	195,526	162,556	81.4	7,198.31
March 31, 2025	176,366	138,302	76.8	6,119.90

Reference: Equity
As of March 31, 2026: ¥159,235 million
As of March 31, 2025: ¥135,385 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	20,206	(5,682)	(5,173)	34,378
March 31, 2025	13,925	(5,079)	(11,895)	24,010

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	-	85.00	-	85.00	170.00	3,779	90.5	2.7
Fiscal year ended March 31, 2026	-	85.00	-	85.00	170.00	3,786	24.0	2.6
Fiscal year ending March 31, 2027 (Forecast)		87.50		87.50	175.00		43.0	

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2026	74,000	16.0	5,000	16.5	5,700	13.3	4,500	(56.8)	203.42
Fiscal year ending March 31, 2027	150,000	17.3	10,000	(0.1)	11,500	(6.2)	9,000	(42.4)	406.85

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes
Excluded: 1 company (SDP Global Co., Ltd.)

(2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2026	23,534,752 shares
As of March 31, 2025	23,534,752 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2026	1,413,479 shares
As of March 31, 2025	1,412,596 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	22,121,751 shares
Fiscal year ended March 31, 2025	22,109,074 shares

Note: The Company's shares held by a trust with directors and others as beneficiaries are included in the treasury stock deducted in the calculation of the number of treasury shares at the end of the fiscal year and the average number of shares during the period.

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	104,074	(4.8)	4,381	10.1	7,548	14.9	13,713	400.2
March 31, 2025	109,312	(0.5)	3,978	35.0	6,570	(13.3)	2,741	-

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	619.90	-
March 31, 2025	124.01	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	167,458	135,515	80.9	6,126.01
March 31, 2025	149,294	115,845	77.6	5,236.65

Reference: Equity
As of March 31, 2026: ¥135,515 million
As of March 31, 2025: ¥115,845 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters
The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors.

Consolidated balance sheet

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	24,532	34,525
Notes and accounts receivable - trade	35,059	32,545
Electronically recorded monetary claims - operating	146	123
Merchandise and finished goods	12,965	11,950
Semi-finished goods	5,118	5,219
Work in process	257	230
Raw materials and supplies	4,480	4,645
Other	2,867	2,640
Allowance for doubtful accounts	(485)	(486)
Total current assets	84,942	91,395
Non-current assets		
Property, plant and equipment		
Buildings and structures	46,440	47,446
Accumulated depreciation	(31,711)	(32,932)
Buildings and structures, net	14,729	14,513
Machinery, equipment and vehicles	137,542	138,775
Accumulated depreciation	(117,676)	(120,047)
Machinery, equipment and vehicles, net	19,866	18,727
Land	8,850	8,913
Construction in progress	510	463
Other	11,731	12,035
Accumulated depreciation	(9,545)	(9,956)
Other, net	2,185	2,078
Total property, plant and equipment	46,142	44,696
Intangible assets		
Software	5,231	3,991
Other	1,055	1,067
Total intangible assets	6,286	5,059
Investments and other assets		
Investment securities	30,713	44,377
Long-term loans receivable	2,255	2,150
Deferred tax assets	258	606
Retirement benefit asset	4,588	5,848
Other	1,204	1,412
Allowance for doubtful accounts	(25)	(20)
Total investments and other assets	38,994	54,375
Total non-current assets	91,423	104,131
Total assets	176,366	195,526

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	16,881	15,431
Electronically recorded obligations - operating	2,910	3,071
Short-term borrowings	441	414
Current portion of long-term borrowings	747	914
Accounts payable - other	4,581	4,406
Income taxes payable	669	609
Provision for bonuses	1,829	2,258
Provision for bonuses for directors (and other officers)	72	70
Electronically recorded obligations - non-operating	567	474
Other	1,629	2,110
Total current liabilities	30,332	29,762
Non-current liabilities		
Long-term borrowings	2,230	1,554
Deferred tax liabilities	2,808	0
Provision for share-based payments	366	483
Retirement benefit liability	91	187
Provision for business restructuring	1,664	466
Other	571	515
Total non-current liabilities	7,731	3,207
Total liabilities	38,063	32,970
Net assets		
Shareholders' equity		
Share capital	13,051	13,051
Capital surplus	13,289	13,289
Retained earnings	99,868	111,842
Treasury shares	(5,525)	(5,529)
Total shareholders' equity	120,683	132,652
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,412	21,161
Foreign currency translation adjustment	1,488	2,971
Remeasurements of defined benefit plans	1,800	2,450
Total accumulated other comprehensive income	14,702	26,582
Non-controlling interests	2,917	3,320
Total net assets	138,302	162,556
Total liabilities and net assets	176,366	195,526

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	142,258	127,859
Cost of sales	110,204	94,693
Gross profit	32,053	33,165
Selling, general and administrative expenses		
Freight and storage charges	5,482	5,249
Salaries and compensations	4,111	4,074
Employees' bonuses	1,243	1,498
Retirement benefit expenses	181	186
Welfare expenses	1,094	1,055
Depreciation	1,783	1,900
Research and development expenses	5,158	5,275
Other	4,559	3,918
Total selling, general and administrative expenses	23,614	23,158
Operating profit	8,439	10,007
Non-operating income		
Interest income	178	180
Dividend income	1,192	1,332
Foreign exchange gains	-	830
Share of profit of entities accounted for using equity method	747	141
Other	250	147
Total non-operating income	2,369	2,632
Non-operating expenses		
Interest expenses	128	109
Foreign exchange losses	520	-
Cancellation penalty	138	-
Compensation expenses	-	193
Other	349	80
Total non-operating expenses	1,138	383
Ordinary profit	9,670	12,256
Extraordinary income		
Gain on sale of investment securities	49	-
Insurance claim income	39	50
Total extraordinary income	88	50
Extraordinary losses		
Loss on valuation of investment securities	92	165
Loss on valuation of investments in capital	1,204	-
Loss on retirement of non-current assets	703	1,188
Impairment losses	308	-
Business restructuring expenses	971	428
Other	18	5
Total extraordinary losses	3,298	1,787
Profit before income taxes	6,461	10,519
Income taxes - current	1,850	1,334
Income taxes - deferred	(296)	(7,278)
Total income taxes	1,554	(5,943)
Profit	4,906	16,463
Profit attributable to non-controlling interests	754	825
Profit attributable to owners of parent	4,151	15,637

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	4,906	16,463
Other comprehensive income		
Valuation difference on available-for-sale securities	(171)	9,748
Foreign currency translation adjustment	(4,467)	1,507
Remeasurements of defined benefit plans, net of tax	461	649
Total other comprehensive income	(4,178)	11,905
Comprehensive income	728	28,369
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(48)	27,490
Comprehensive income attributable to non-controlling interests	776	878

Consolidated statement of changes in equity
Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,051	13,270	99,488	(5,675)	120,134
Changes during period					
Dividends of surplus			(3,772)		(3,772)
Profit (loss) attributable to owners of parent			4,151		4,151
Purchase of treasury shares				(358)	(358)
Disposal of treasury shares		18		508	526
Net changes in items other than shareholders' equity					
Total changes during period	-	18	379	150	548
Balance at end of period	13,051	13,289	99,868	(5,525)	120,683

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	11,584	5,978	1,339	18,902	2,540	141,577
Changes during period						
Dividends of surplus						(3,772)
Profit (loss) attributable to owners of parent						4,151
Purchase of treasury shares						(358)
Disposal of treasury shares						526
Net changes in items other than shareholders' equity	(171)	(4,489)	461	(4,199)	376	(3,823)
Total changes during period	(171)	(4,489)	461	(4,199)	376	(3,275)
Balance at end of period	11,412	1,488	1,800	14,702	2,917	138,302

Consolidated statement of changes in equity

Fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,051	13,289	99,868	(5,525)	120,683
Changes during period					
Dividends of surplus			(3,786)		(3,786)
Profit (loss) attributable to owners of parent			15,637		15,637
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares					-
Change in scope of consolidation			123		123
Net changes in items other than shareholders' equity					
Total changes during period	-	-	11,973	(3)	11,969
Balance at end of period	13,051	13,289	111,842	(5,529)	132,652

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	11,412	1,488	1,800	14,702	2,917	138,302
Changes during period						
Dividends of surplus						(3,786)
Profit (loss) attributable to owners of parent						15,637
Purchase of treasury shares						(3)
Disposal of treasury shares						-
Change in scope of consolidation						123
Net changes in items other than shareholders' equity	9,748	1,482	649	11,880	403	12,283
Total changes during period	9,748	1,482	649	11,880	403	24,253
Balance at end of period	21,161	2,971	2,450	26,582	3,320	162,556

Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	6,461	10,519
Depreciation	9,633	9,117
Loss on retirement of non-current assets	703	1,188
Impairment losses	308	-
Increase (decrease) in provision for bonuses	(175)	422
Changes in net defined benefit asset and liability	(232)	(229)
Increase (decrease) in provision for bonuses for directors (and other officers)	35	(1)
Increase (decrease) in provision for share-based payments	107	117
Interest and dividend income	(1,371)	(1,513)
Interest expenses	128	109
Share of loss (profit) of entities accounted for using equity method	(747)	(141)
Loss (gain) on sale of investment securities	(49)	-
Loss (gain) on valuation of investment securities	92	165
Loss on valuation of investments in capital	1,204	-
Decrease (increase) in trade receivables	7,883	3,013
Decrease (increase) in inventories	3,254	1,016
Increase (decrease) in trade payables	(6,586)	(2,026)
Business restructuring expenses	971	428
Other, net	(2,274)	(1,165)
Subtotal	19,347	21,022
Interest and dividends received	1,753	2,229
Interest paid	(124)	(141)
Income taxes paid	(2,501)	(1,576)
Payment for business restructuring	(4,549)	(1,327)
Net cash provided by (used in) operating activities	13,925	20,206

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from investing activities		
Purchase of non-current assets	(6,771)	(6,248)
Proceeds from sale of investment securities	89	-
Proceeds for sale of investments in capital of subsidiaries and associates resulting in change in scope of consolidation	1,745	-
Proceeds from collection of long-term loans receivable	1,177	771
Long-term loan advances	(90)	(400)
Proceeds from other investment activities	182	1,364
Payment for other investment activities	(1,411)	(1,169)
Net cash provided by (used in) investing activities	(5,079)	(5,682)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(8,371)	(70)
Proceeds from long-term borrowings	1,357	-
Repayments of long-term borrowings	(533)	(791)
Net decrease (increase) in treasury shares	(3)	(3)
Dividends paid	(3,760)	(3,758)
Dividends paid to non-controlling interests	(400)	(475)
Other, net	(185)	(73)
Net cash provided by (used in) financing activities	(11,895)	(5,173)
Effect of exchange rate change on cash and cash equivalents	(128)	648
Net increase (decrease) in cash and cash equivalents	(3,177)	9,998
Cash and cash equivalents at beginning of period	27,188	24,010
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	-	369
Cash and cash equivalents at end of period	24,010	34,378