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May 14, 2026

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(Securities code: 5195; TSE Prime Market)
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Notice Concerning Recognition of Deferred Tax Assets, Differences Between Consolidated Financial Results Forecast for the Fiscal Year Ended March 31, 2026 and Actual Results for the Full Year and Dividends of Surplus

Bando Chemical Industries, Ltd. (the "Company") recorded deferred tax assets in its consolidated financial results for the fiscal year ended March 31, 2026. As a result, differences have arisen between the full-year consolidated financial results forecast announced on February 9, 2026 and the actual results announced today. Accordingly, the Company hereby announces the details as described below.
In addition, the Company announces that, at a meeting of the Board of Directors held today, it resolved to pay dividends of surplus with a record date of March 31, 2026, as described below.
The Company will submit this matter as a proposal at the 103rd Ordinary General Meeting of Shareholders to be held on June 23, 2026.

1. Recognition of deferred tax assets

Based on improved profitability and expected future business performance, the Company carefully assessed the recoverability of deferred tax assets at its consolidated subsidiaries. As a result, in the consolidated financial statements for the fiscal year ended March 31, 2026, the Company recognized additional recoverable deferred tax assets and reduced deferred tax expenses of ¥1,228 million.

2. Differences between consolidated financial results forecast for the fiscal year ended March 31, 2026 and actual results for the full year

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

	Revenue	Core operating profit	Operating profit	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A)	Millions of yen 117,000	Millions of yen 8,200	Millions of yen 10,500	Millions of yen 7,400	Yen 178.07
Actual results (B)	119,257	9,551	12,073	10,568	256.49
Change (B-A)	2,257	1,351	1,573	3,168	
Change in ratio (%)	1.9	16.5	15.0	42.8	
(Reference) Results for the fiscal year ended March 31, 2025	115,593	7,743	3,480	1,496	35.32

(2) Reason for differences

Core operating profit and operating profit exceeded the previous forecast mainly due to the depreciation of yen compared with the assumed exchange rates, as well as increased sales in the Automotive Parts Business and the Industrial Products Business, which led to an improvement in the gross profit margin.
Profit attributable to owners of parent exceeded the previous forecast mainly due to the increase in operating profit and foreign exchange gains resulting from the depreciation of yen, as well as the reduction of deferred income tax expenses by ¥1,228 million, as described in "1. Recognition of deferred tax assets" above.

3. Dividends of surplus

(1) Details of the year-end dividend for the fiscal year ended March 31, 2026

	Determined amount	Most recent dividend forecast (Announced on February 9, 2026)	Actual results for the previous fiscal year (Fiscal year ended March 31, 2025)
Record date	March 31, 2026	Same as left	March 31, 2025
Dividend per share	80 yen (Ordinary: 60 yen) (Commemorative: 20 yen)	60 yen (Ordinary: 40 yen) (Commemorative: 20 yen)	38 yen
Total amount of dividends	3,284 million yen	–	1,600 million yen
Effective date	June 24, 2026	–	June 25, 2025
Source of dividends	Retained earnings	–	Retained earnings

(2) Reason for revision

The Company's basic policy of shareholder returns is to endeavor to enhance returns, with dividends as the foundation, considering consolidated earnings and financial position. The target annual dividend amount has been set at ¥26 or a consolidated dividend payout ratio 50%, whichever is higher.
The Company determined to increase the year-end dividend per share by ¥20 to ¥80 (an ordinary dividend of ¥60 and a commemorative dividend of ¥20), after giving comprehensive considerations to various factors, including the above policy and consolidated financial results.

(Reference) Breakdown of annual dividends

	Dividend per share		
Record date	Second quarter-end	Fiscal-year end	Total
Actual results	40 yen (Ordinary: 40 yen)	80 yen (Ordinary: 60 yen) (Commemorative: 20 yen)	120 yen (Ordinary: 100 yen) (Commemorative: 20 yen)
Results for the fiscal year ended March 31, 2025	38 yen	38 yen	76 yen