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Financial Results Briefing for the Fiscal Year Ended March 31, 2026

May 25, 2026

(Tokyo Stock Exchange Prime Market, Securities Code: 4047)

関東電化工業株式会社
KANTO DENKA KOGYO

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Statement of Income

- Net sales increased for specialty gases despite the impact of the fire accident at the Shibukawa plant, due to an increase in sales volume and price adjustments resulting from higher operating rates at semiconductor manufacturers. Although there were no technical support fees for battery materials this year, sales also increased due to higher sales volume and price adjustments.
- Operating profit increased by ¥1.2 billion, driven by the increase in sales, despite the impact of the fire accident at the Shibukawa plant, rising raw material prices, and increased depreciation expenses.
- Ordinary profit rose by ¥2.1 billion, thanks to the increase in operating profit and higher foreign exchange gains.
- Net profit increased by ¥0.5 billion, as the Loss on disaster was recorded, but the increase in ordinary profit and the absence of environmental countermeasure costs recorded in the previous fiscal year contributed to the overall rise.

(Billions of yen)	FY2024 Results	FY2025 Results	Difference	% change
Net sales	62.3	65.4	3.0	4.9
Operating profit	4.2	5.4	1.2	28.2
Ordinary profit	4.5	6.6	2.1	47.1
Profit before income taxes	5.0	5.8	0.7	15.8
Profit attributable to owners of parent	3.2	3.7	0.5	16.5
Basic earnings per share (yen)	56.53	65.96	9.43	

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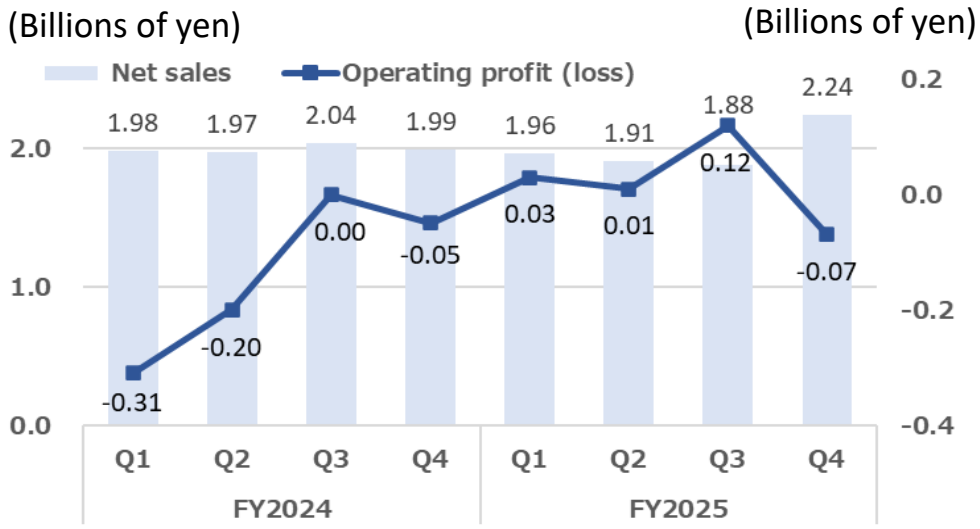
Balance Sheet

(Billions of yen)	FY2024	FY2025	Difference	% change
Assets	**123.6**	**131.3**	**7.6**	**6.2**
Cash and deposits	20.2	20.2	-0.0	-0.4
Trade receivables	15.4	18.8	3.3	21.6
Inventories	17.2	21.1	3.8	22.5
Non-current assets (tangible + intangible)	55.8	53.4	-2.3	-4.3
Liabilities	**55.9**	**57.0**	**1.0**	**1.9**
Interest-bearing debt	37.8	39.8	1.9	5.2
Trade payables	7.5	9.3	1.7	23.3
Income taxes payable	0.7	1.1	0.4	61.2
Net assets	**67.6**	**74.2**	**6.6**	**9.8**
Equity ratio (%)	53.4	55.1	1.7	

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Fundamental Chemicals Division

(Billions of yen)	FY2024 Results	FY2025 Results	Difference
Net sales	7.9	8.0	0.0
Operating profit (loss)	(0.5)	0.1	0.6



Net sales

Although there was a decrease in sales volumes of organic products, net sales increased due to the positive effects of price adjustments for certain products.

- Caustic soda: Sales decreased due to lower sales prices resulting from increased export sales, despite an increase in sales volumes.
- Hydrochloric acid: Sales increased due to the effects of price adjustments.
- Trichloroethylene: Sales decreased due to lower sales volumes.
- Perchloroethylene: Sales increased as a result of higher sales volumes driven by expanded sales overseas.

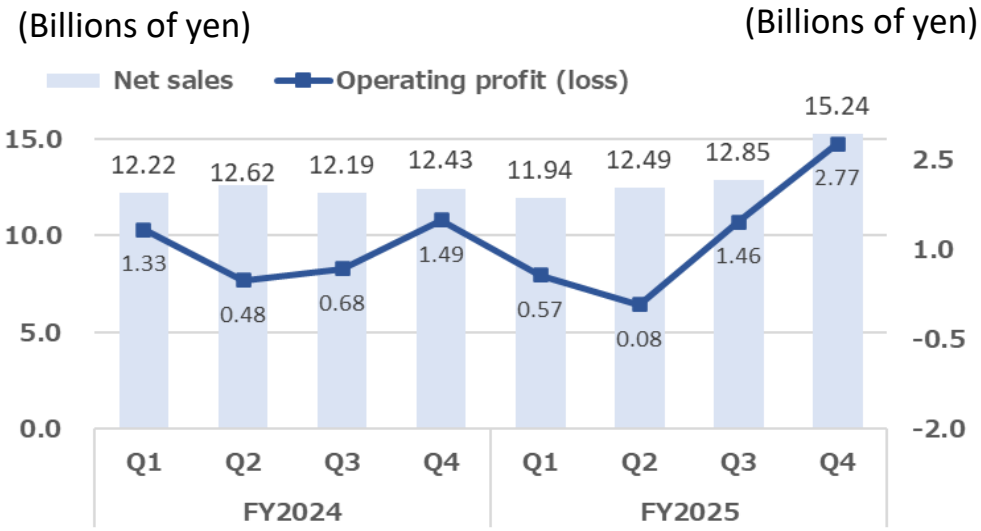
Operating profit

Operating profit increased due to the effects of price adjustments for certain products, lower raw material prices, and a reduction in fixed costs.

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Fine Chemicals Division

(Billions of yen)	FY2024 Results	FY2025 Results	Difference
Net sales	49.4	52.5	3.0
Operating profit	3.9	4.9	0.9



Net sales

Despite being affected by the fire accident, net sales increased due to the positive effects of price adjustments for certain products and an increase in sales volume.

- Nitrogen trifluoride: Sales decreased due to a reduction in sales volumes resulting from the fire incident at the Shibukawa plant.
- Tungsten hexafluoride: Sales increased due to the effects of price adjustments and an increase in sales volumes.
- KSG-14: Sales increased due to an increase in sales volumes.
- Lithium hexafluorophosphate: Sales increased due to an increase in sales volumes and the effects of price adjustments.
- Technical support fees: Sales decreased due to a reduction in fees from licensing agreements.

Operating profit

Despite the impact of the fire accident, rising raw material prices, and an increase in depreciation costs, operating profit increased due to the rise in net sales.

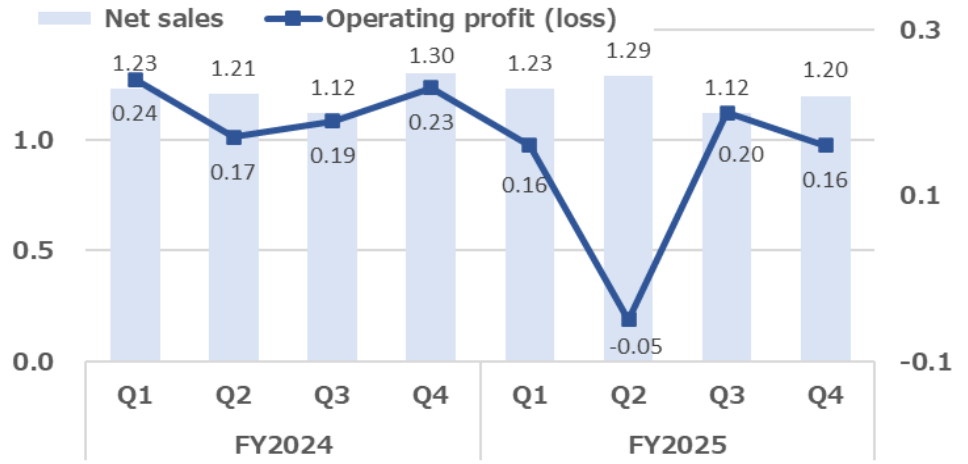
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Ferrochemicals, Commercial Business, Facilities Divisions (Including consolidation adjustments)

(Billions of yen)	FY2024 Results	FY2025 Results	Difference
Net sales	4.8	4.8	-0.0
Operating profit	0.8	0.4	-0.3

(Billions of yen)

(Billions of yen)



Net sales

Net sales increased in the Commercial Business Division and Facilities Division, while decreasing in the Ferrochemicals Division.

- Ferrochemicals: Sales decreased due to a decline in sales volume of carriers.
- Commercial Business: Sales increased due to a rise in sales volumes of chemical products.
- Facilities: Sales increased due to an increase in contract work.

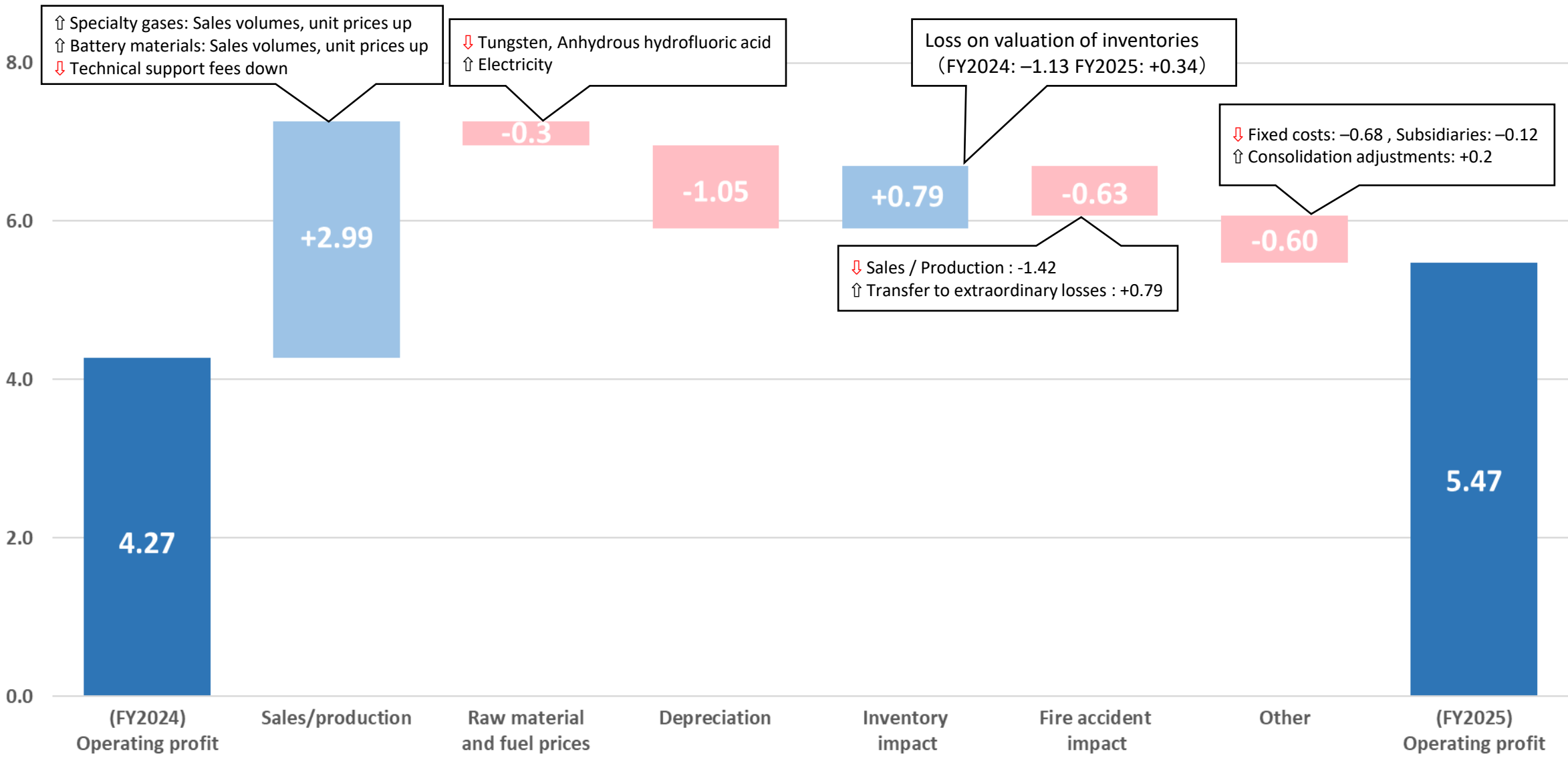
Operating profit

While there was an increase in sales in both the Commercial Business Division and Facilities Division, operating profit decreased due to the decrease in sales in the Ferrochemicals Division and the impact of the completion of the KSG-14 mass production equipment in the Facilities Division, resulting in a consolidated adjustment amount.

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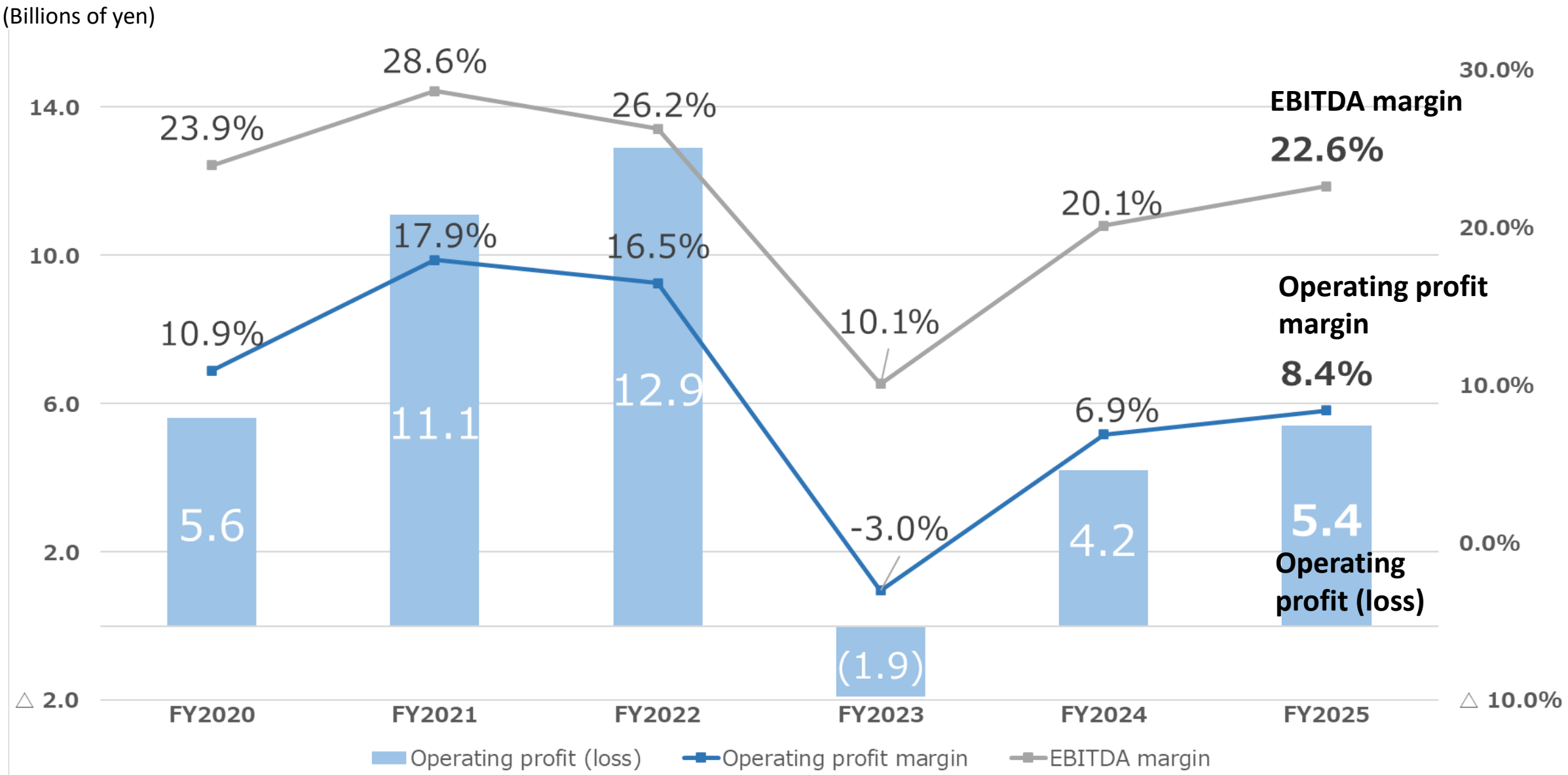
Operating Profit: Difference Analysis (FY2024 vs. FY2025)

(Billions of yen)



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Operating Profit and Operating Profit Margin Over Time

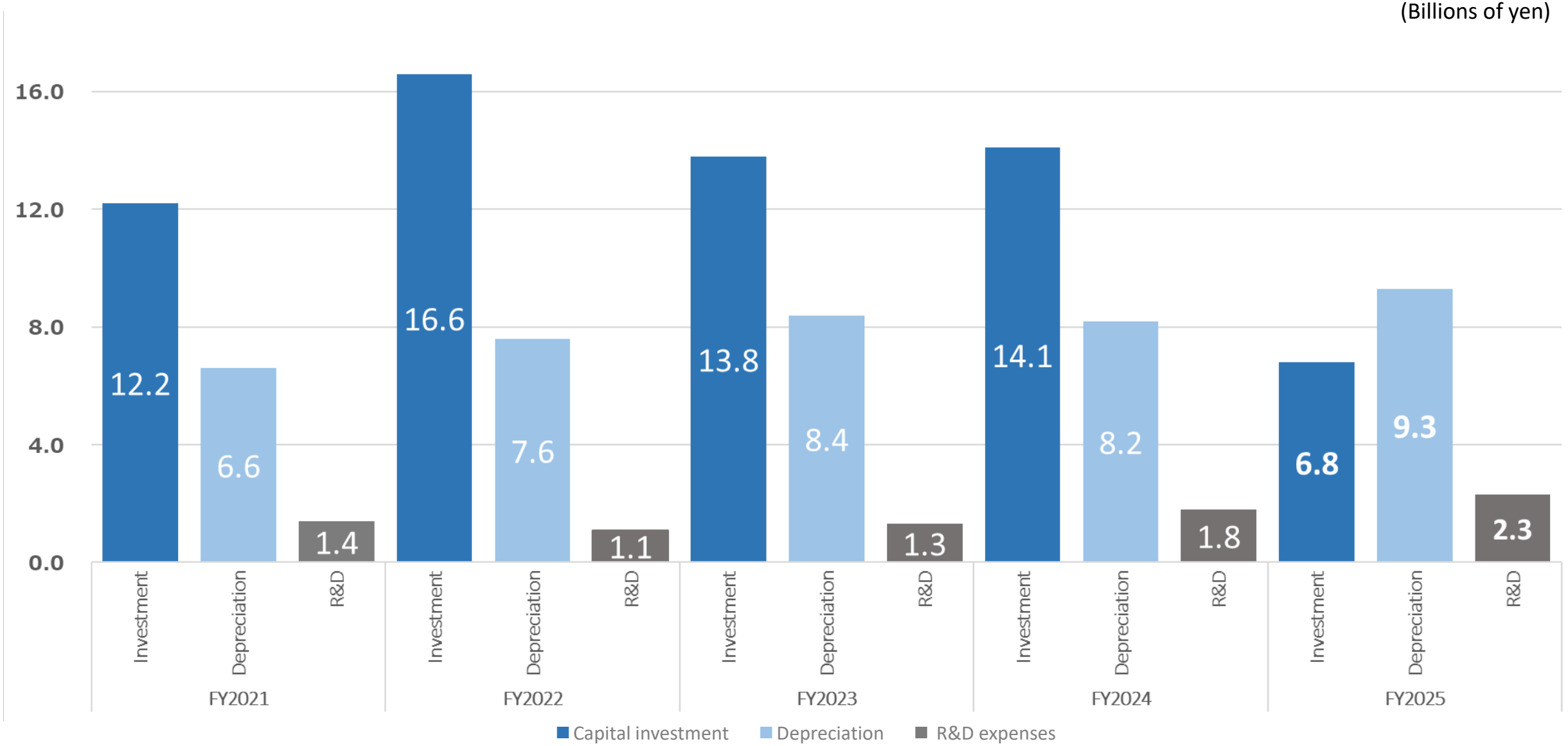


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Capital Investment, Depreciation, and Research and Development Expenses Over Time

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(Billions of yen)



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The Kanto Denka Group (Consolidated Subsidiaries)

(Billions of yen)

	Capital	Share of investment (%)	Net sales: FY2025	Year-on-year change	Major business lines
Kanden Kosan Co., Ltd.	¥10 mil.	100.0	7.8	0.6	Sale of chemical products, maintenance of containers, insurance agency services
Jobi Engineering Co., Ltd.	¥120 mil.	49.4	4.7	0.0	Manufacture, processing, and repair of chemical industry equipment
Kanto Denka Finetech Co., Ltd.	¥27 mil.	100.0	1.6	1.0	Manufacturing and sales of Ferrochemicals
Kanto Denka Korea Co., Ltd.	300 mil. won	100.0	16.3	1.2	Sale of fluorochemicals
Taiwan Kanto Denka Co., Ltd.	7 mil. NT dollars	100.0	7.3	-0.2	Sale of fluorochemicals
Kanto Denka Fine Products Korea Co., Ltd.	42 bil. won	100.0	3.3	-0.3	Manufacture and sale of fluorochemicals
Xuancheng KDK Technology Co., Ltd.	50 mil. dollars	98.3	0.4	0.3	Manufacture and sale of fluorochemicals
		Total	41.5	2.6	

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Performance Forecast

- Net sales are expected to increase by 29.6 billion yen, driven by an increase in the sales volume of specialty gases due to the expanding demand for semiconductors, as well as the pass-through of rising raw material prices. Additionally, there is an anticipated increase in sales volume and price adjustment effects resulting from new demand primarily in the United States, in line with the trend of reducing reliance on China for battery materials.
- Operating profit is expected to increase by 4.5 billion yen, despite the surge in raw material prices and rising fixed costs, thanks to the increase in sales.
- Regarding the impact of the escalating situation in the Middle East, the effects of rising raw material prices have already been factored in within a reasonable range.

(Billions of yen)	FY2025 (Results)	FY2026 (forecast)	Difference	% change
Net sales	65.4	95.0	29.6	45.3
Operating profit	5.4	10.0	4.5	82.5
Ordinary profit	6.6	10.0	3.3	50.8
Profit attributable to owners of parent	3.7	6.8	3.0	79.6
Basic earnings per share (yen)	65.96	118.56	52.6	
FX Rate (USD)	￥151/＄	￥155/＄		

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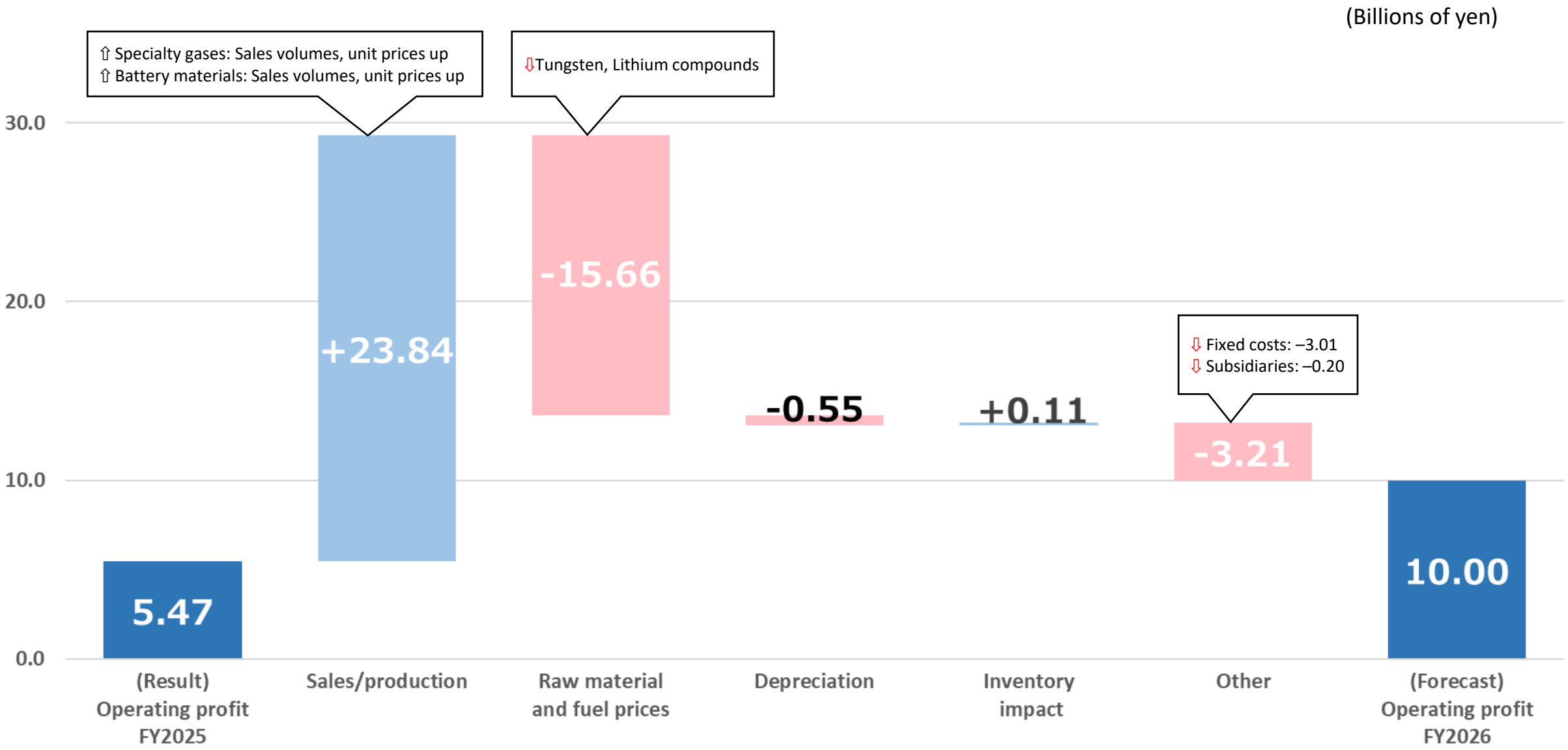
Performance Forecast (by Segment)

(Billions of yen)	Net sales			Operating profit (loss)		
	FY2025 (results)	FY2026 (forecast)	Difference	FY2025 (results)	FY2026 (forecast)	Difference
Fundamental Chemicals	8.0	8.5	0.4	0.1	0.1	-0.0
Fine Chemicals	52.5	81.8	29.2	4.9	9.6	4.6
Other*	4.8	4.7	-0.1	0.4	0.3	-0.1
Total	65.4	95.0	29.6	5.4	10.0	4.5
(Reference) Specialty gases (non-consolidated)	42.9	65.5	22.5	5.8	7.1	1.3
(Reference) Loss on valuation of inventories	—	—	—	(0.3)	(0.2)	0.1
Capital investment	6.8	6.4	-0.3			
Depreciation	9.3	9.8	0.5			
R&D expenses	2.3	2.4	0.1			

* "Other" includes the Ferrochemicals, Commercial Business, Facilities Divisions, and consolidation adjustments.

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Operating Profit: Difference Analysis
(FY2025 vs. FY2026)



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H1 Forecast vs. Results (by Segment)

(Billions of yen)	Net sales			Operating profit (loss)		
	FY2025 H1 (results)	FY2026 H1 (forecast)	Difference	FY2025 H1 (results)	FY2026 H1 (forecast)	Difference
Fundamental Chemicals	3.8	4.3	0.4	0.0	(0.3)	-0.3
Fine Chemicals	24.4	35.6	11.1	0.6	5.4	4.7
Other*	2.5	2.3	-0.2	0.1	0.2	0.0
Total	30.8	42.2	11.3	0.8	5.3	4.4
(Reference) Specialty gases (non-consolidated)	19.5	29.3	9.7	1.5	4.4	2.9
(Reference) Loss on valuation of inventories	—	—	—	(0.6)	(0.3)	0.2
Capital investment	5.1	2.2	-2.8			
Depreciation	4.0	4.6	0.5			
R&D expenses	1.1	1.1	0.0			

* "Other" includes the Ferrochemicals, Commercial Business, Facilities Divisions, and consolidation adjustments.

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Operating Profit: Difference Analysis
(H1 Forecast vs. Results)



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H1 Forecast vs. H2 Forecast (by Segment)

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(Billions of yen)	Net sales			Operating profit		
	FY2026 H1 (forecast)	FY2026 H2 (forecast)	Difference	FY2026 H1 (forecast)	FY2026 H2 (forecast)	Difference
Fundamental Chemicals	4.3	4.2	-0.1	(0.3)	0.4	0.7
Fine Chemicals	35.6	46.2	10.6	5.4	4.2	-1.2
Other*	2.3	2.4	0.1	0.2	0.1	-0.1
Total	42.2	52.8	10.6	5.3	4.7	-0.6
(Reference) Specialty gases (non-consolidated)	29.3	36.1	6.8	4.4	2.6	-1.7
(Reference) Loss on valuation of inventories	—	—	—	(0.3)	0.1	0.2
Capital investment	2.2	4.2	2.0			
Depreciation	4.6	5.2	0.5			
R&D expenses	1.1	1.2	0.0			

* "Other" includes the Ferrochemicals, Commercial Business, Facilities Divisions, and consolidation adjustments.

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Operating Profit: Difference Analysis
(H1 Forecast vs. H2 Forecast)

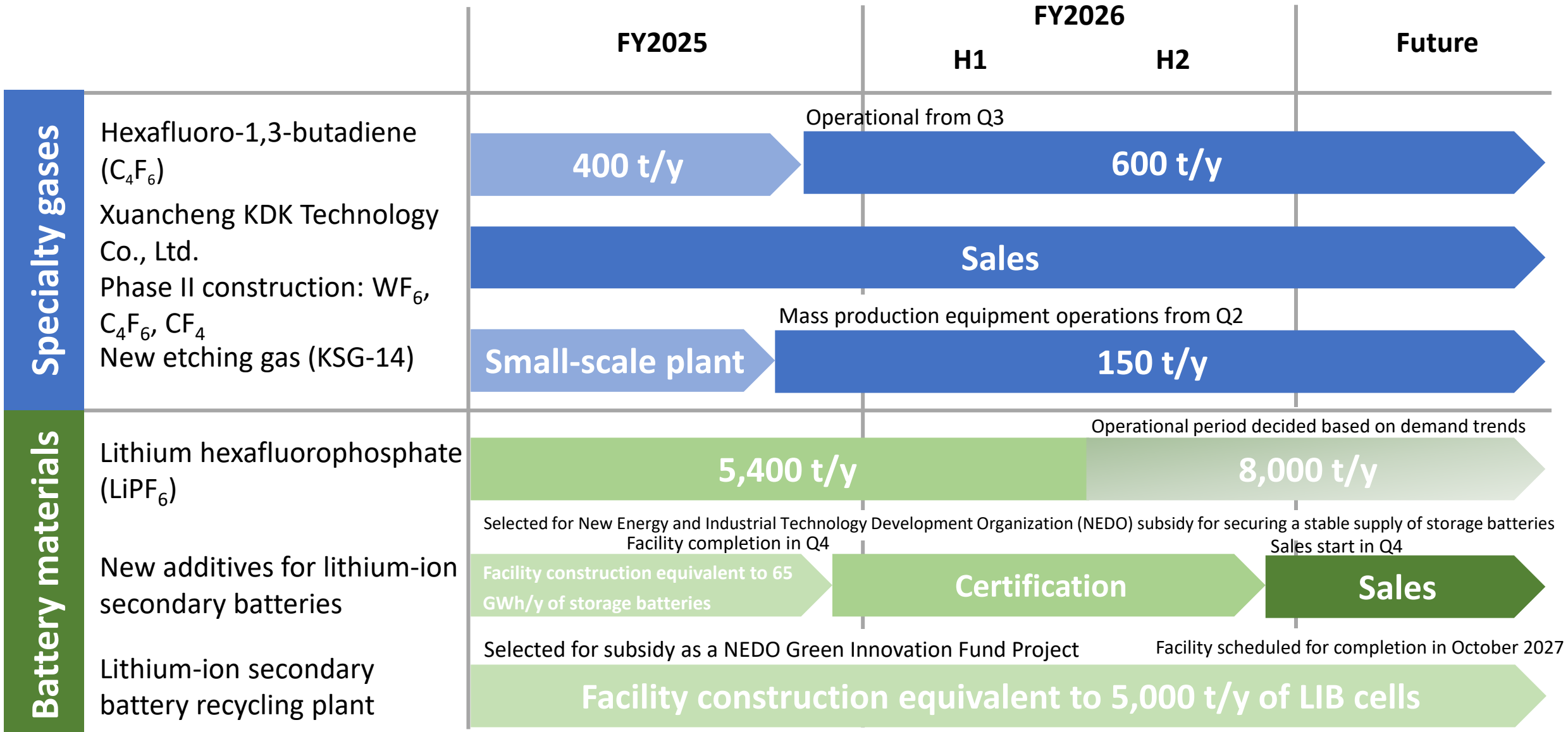
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Topics (Status of Major Capital Investments)

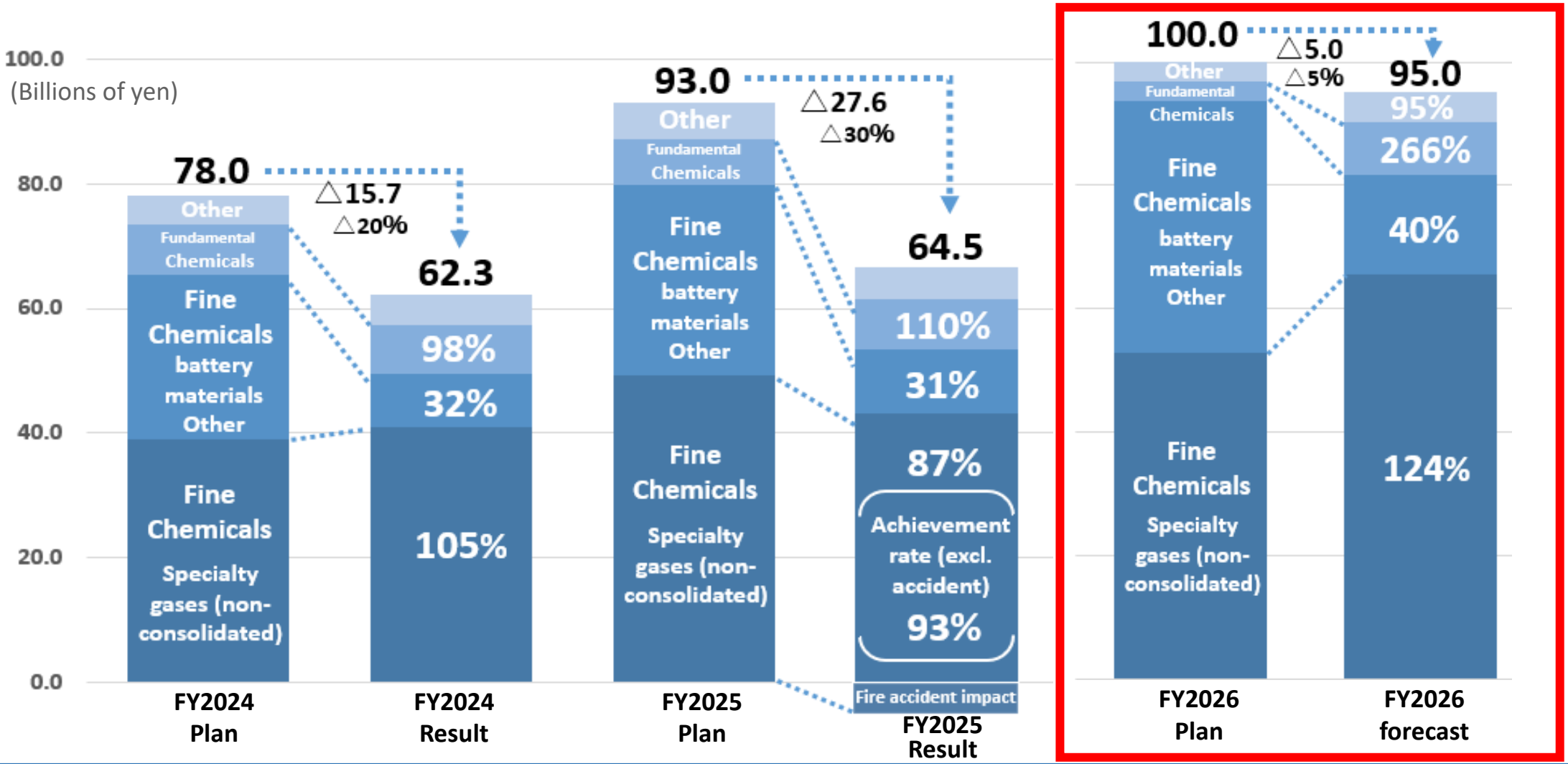
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Topics
(Differences from the Medium-term Management Plan)

- The sales achievement rate for the final year of the medium-term management plan is expected to be 95%.
- Special gases are expected to exceed the plan, but battery materials are forecasted to fall short.



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Topics (Xuancheng KDK Technology)

- Due to the impact of extended construction periods during the COVID-19 pandemic, 50% of the investment amount (2.3 billion yen) in Xuancheng KDK Technology, a factory in China, has been recorded as a special loss in the individual financial statements. (This will be eliminated in the consolidated financial statements, so there will be no impact on consolidated performance.)
- For the fiscal year 2026, Xuancheng KDK Technology's sales are expected to be approximately 4 billion yen (compared to 0.4 billion yen in the previous fiscal year), with a forecast for profitability starting in Q4 of 2026.

Investment valuation loss in associated companies (individual financial statements only)

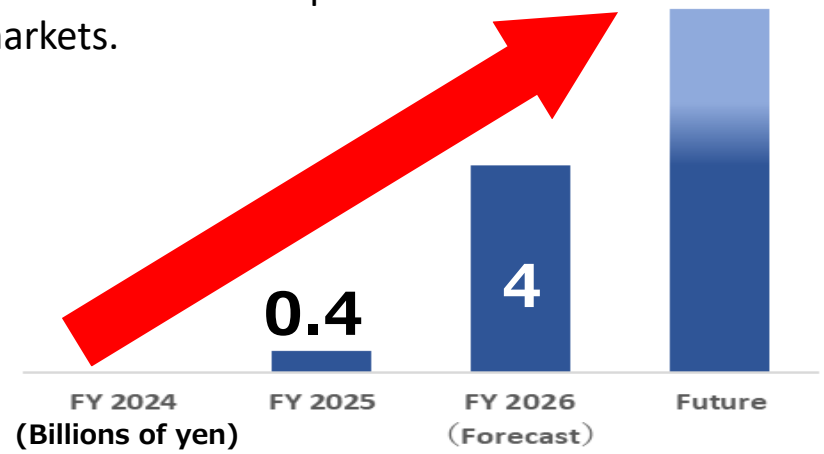
- Due to the impact of the COVID-19 pandemic, the completion of construction has been significantly delayed compared to initial expectations.
- As a result of this delay, the investment recovery period has been pushed back, leading to a decrease in net assets compared to the original projections. Consequently, an investment valuation loss in associated companies has been recorded as a special loss.

	Product items	Initial plan	Trial operation	Delay
Ⅰ期	Ammonium fluoride	Jan 2021	Sep 2023	**2 years 8 months**
Ⅱ期	C4F6、CF4、WF6	Mar 2024	Oct 2024	**7 months**

Investment amount: 323 million yuan × 50% = 161 million yuan
161 million yuan (2.3 billion yen) has been recorded as a special loss.

Xuancheng KDK Technology sales

- or the fiscal year ending March 2027, sales are projected to be approximately 4 billion yen.
- Profitability is expected to begin in Q4 of the fiscal year 2027.
- In addition to local sales in China, sales to Japan will also be initiated, with plans for further expansion in both the Chinese and Japanese markets.



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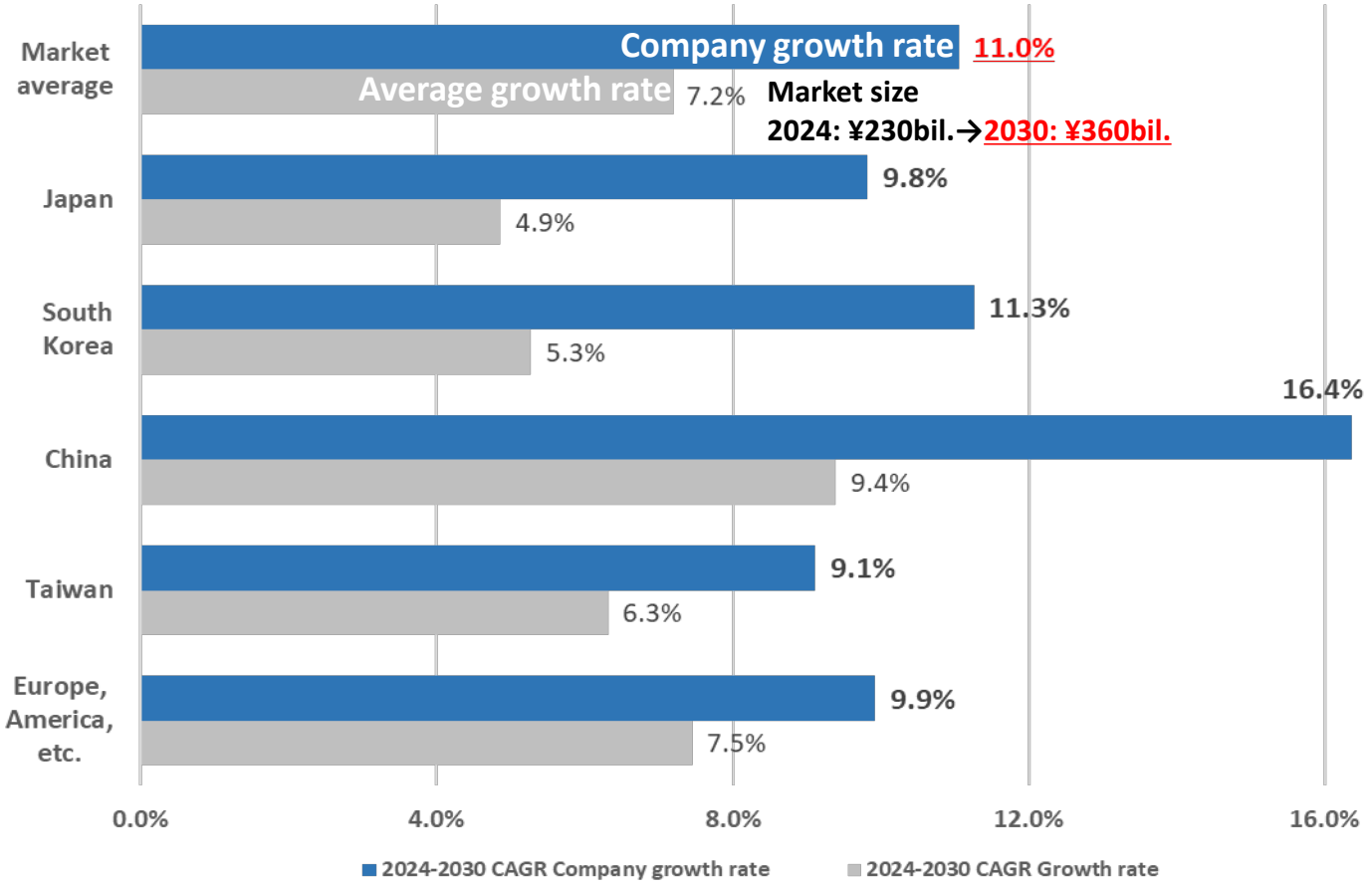
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Outlook and Strategy for Specialty Gases

- **The market size of etching and cleaning gases for semiconductor is expected to grow to JPY 360 billion* by 2030.**
- **Our CAGR (2024-2030) is assumed to be 11.0% compared to a market average of 7.2%*.** *Our forecast
- **Our target share (2030) is at least 25%.**

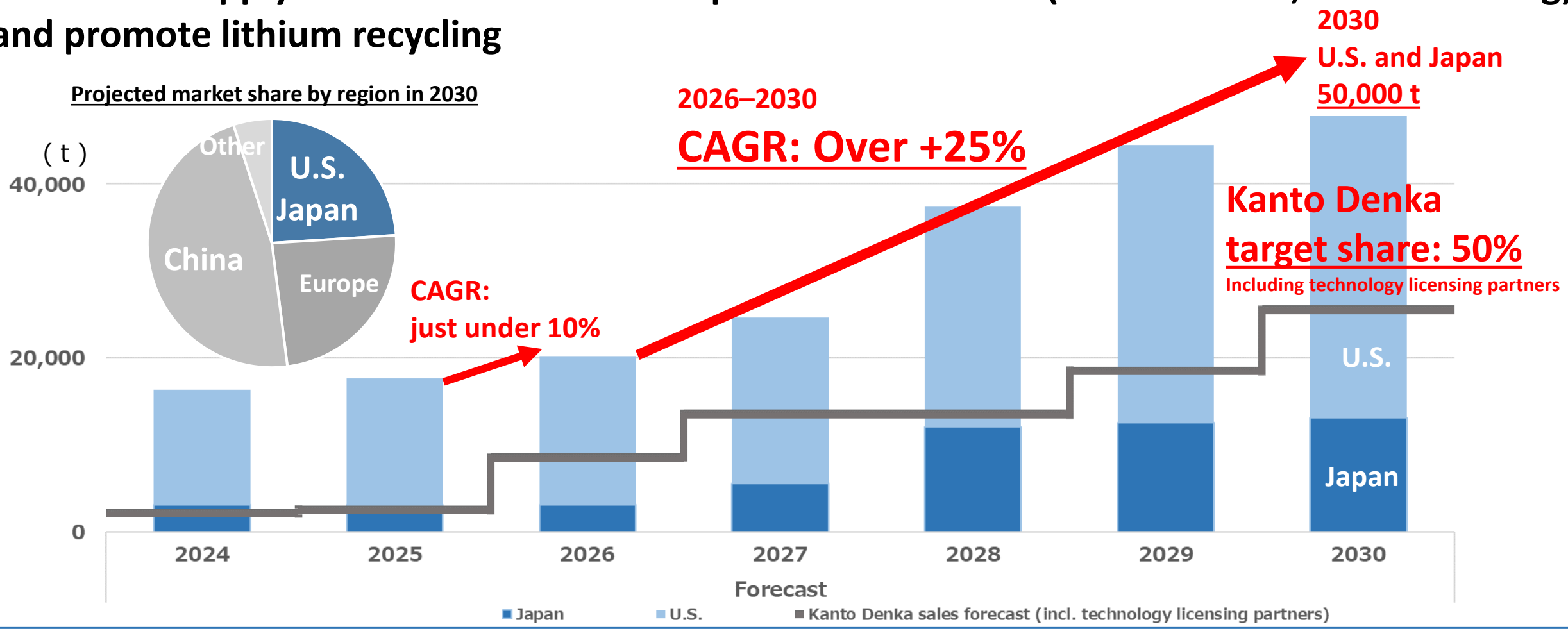


	Measures/Strategy
Japan	・Expansion of production facilities at the Shibukawa and Mizushima plant ・Expanding sales of the KSG series
South Korea	・Expanding production, increasing product variety, and adding new products at the South Korean plant ・Vitalizing the development site in South Korea
China	・Beginning full-scale operation of the Chinese plant ・Production linked between the South Korean plant, the Shibukawa plant, and the Mizushima plant ・Collaboration with Chinese partner companies
Europe, America, etc.	・Starting consideration of manufacturing sites, including licensing agreement ・Establishing a new site to promote development with equipment manufacturers and customers

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Outlook for Future Battery Materials ($LiPF_6$)

- We target U.S. and Japanese markets.
- These two markets are expected to grow to 50,000* tons in 2030. *Our forecast
- Establish a supply chain that eliminates dependence on China (raw materials, manufacturing) and promote lithium recycling

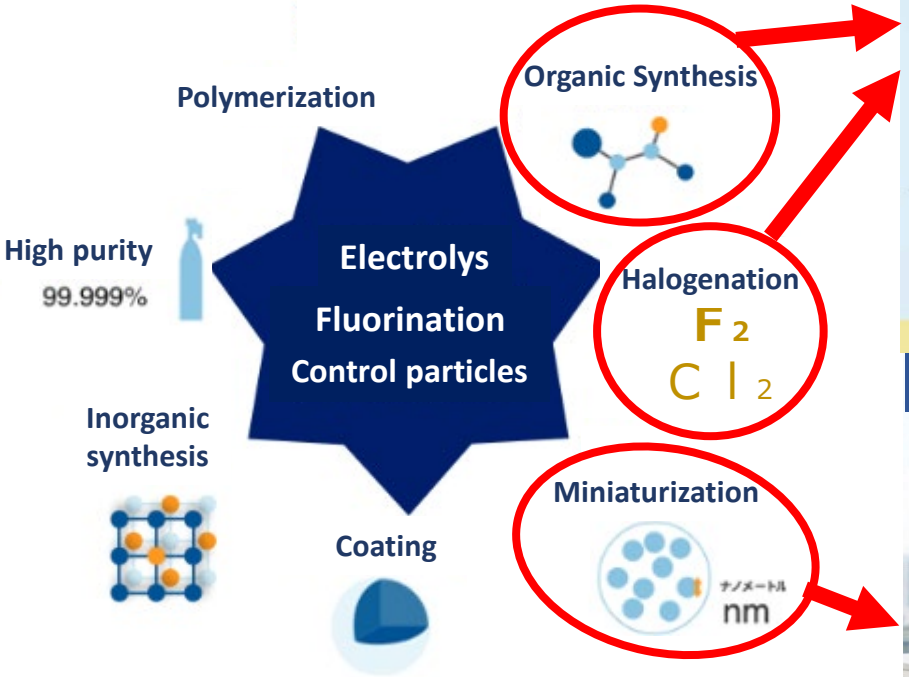


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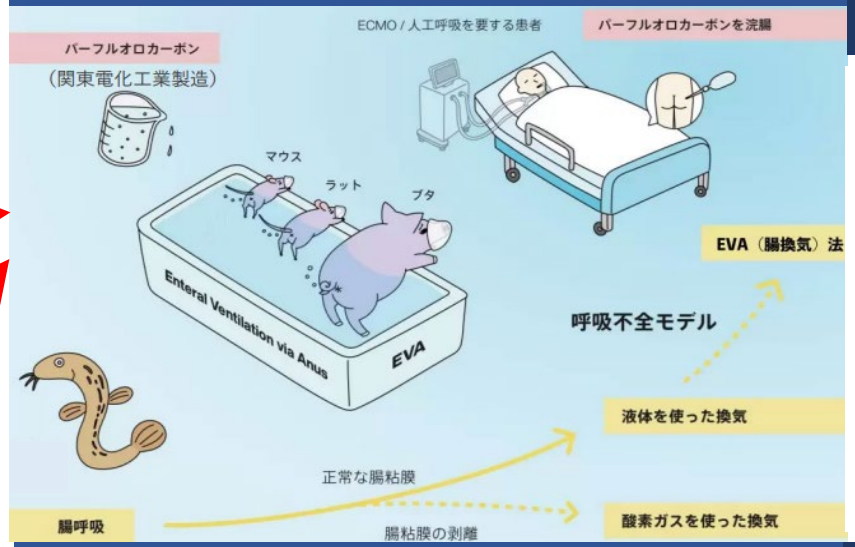
Research and Development

・The use of perfluorocarbons based on our technology is anticipated with the intestinal ventilation method.
・High-refractive materials utilizing miniaturization technology are being developed, intended for use in devices such as next-generation AI smart glasses.

KDK-Core Technology



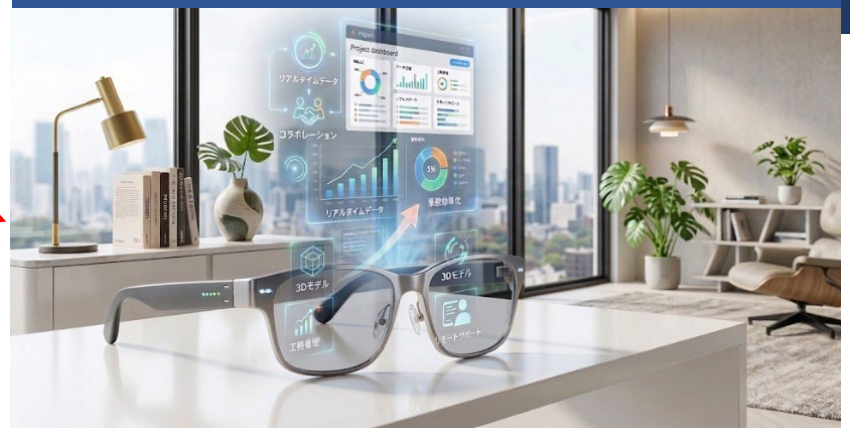
Achieving intestinal respiration through fluorine chemistry



Development of a new respiratory management method using intestinal ventilation technology

- Invented by a research team led by Professor Takanori Takebe of Institute of Science Tokyo.
- Intestinal ventilation technology received the Ig Nobel Prize in 2024.
- Our company supplies core medical materials, perfluorocarbons.

Next-generation AI smart glasses



Nano high-refractive materials

- Developing high-refractive materials using unique technology for controlling the surface properties of nano-particles.

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Business Segments

Name		Products and services
Fundamental Chemicals	Inorganic products	Caustic soda, hydrochloric acid, sodium hypochlorite, aluminum chloride, etc.
	Organic products	Trichloroethylene, perchloroethylene, vinylidene chloride, cyclohexanol, etc.
Fine Chemicals	Specialty gas products	Sulfur hexafluoride, Carbon tetrafluoride, Trifluoromethane, Nitrogen trifluoride, Hexafluoro-1,3-butadiene, Octafluoropropane, Tungsten hexafluoride, Silicon tetrafluoride, Chlorine trifluoride, Octafluorocyclobutane, Monofluoromethane, Carbonyl sulfide, Fluorine gas mixture, KSG-14, KSG-5, etc.
	Battery material products	Lithium hexafluorophosphate, lithium tetrafluoroborate, lithium difluorophosphate, etc.
Ferrochemicals	Ferrochemical products	Carriers, magnetite, pigments, etc.
Commercial Business	Kanden Kosan Co., Ltd.	Sale of chemical products, maintenance of containers, insurance agency services, etc.
Facilities	Jobi Engineering Co., Ltd.	Factory plant construction, plant facility maintenance work, etc.

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Notes

- This document does not constitute disclosure material as defined by the Financial Instruments and Exchange Act and other laws and regulations, and therefore the Company does not guarantee its accuracy or completeness.
- Performance forecasts in this document were created based on information available as of the date of this document's publishing, and actual results may differ versus forecasted figures due to a variety of factors arising in the future.

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