August 5, 2026

Consolidated Financial Results for the Three Months Ended June 30, 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
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Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: None
Holding of financial results briefing: None

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

1. Consolidated financial results for the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	38,676	20.9	5,129	176.0	6,559	187.0	4,679	(48.0)
June 30, 2025	31,987	(19.3)	1,858	(14.9)	2,285	(36.0)	8,992	274.2

Note: Comprehensive income For the three months ended June 30, 2026: ¥5,363 million [(49.1)%]
For the three months ended June 30, 2025: ¥10,537 million [146.3%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	211.53	-
June 30, 2025	406.51	-

(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
June 30, 2026	203,638	165,800	79.7	7,340.18
March 31, 2026	195,526	162,556	81.4	7,198.31

Reference: Equity
As of June 30, 2026: ¥162,372 million
As of March 31, 2026: ¥159,235 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	-	85.00	-	85.00	170.00
Fiscal year ending March 31, 2027	-				
Fiscal year ending March 31, 2027 (Forecast)		100.00	-	25.00	-

Note: Revisions to the forecast of cash dividends most recently announced: Yes
For details on the revision of the dividend forecast, please refer to the "Notice Regarding Revision of Earnings Forecast and Revision of Dividend Forecast (Increase in Dividend)" released today (August 5, 2026).
2. At the Board of Directors meeting held today (August 5, 2026), the Company resolved to implement a stock split at the ratio of four shares to one common share, effective October 1, 2026. Therefore, the year-end dividend per share for the fiscal year ending March 31, 2027 (forecast) is stated in consideration of the impact of the stock split, and the total annual dividend is "-". Excluding the stock split, the year-end dividend per share for the fiscal year ending March 31, 2027 (forecast) will be ¥100.00 and the total annual dividend will be ¥200.00. For details of the stock split, please refer to the "Notice Regarding a Share Split and Partial Amendment to the Articles of Incorporation in Connection with the Share Split" announced today (August 5, 2026).

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	8,000	86.5	9,000	78.9	6,500	(37.6)	294.14
Fiscal year ending March 31, 2027	150,000	17.3	13,000	29.9	15,000	22.4	11,000	(29.7)	125.32

Note: Revisions to the earnings forecasts most recently announced: Yes
For the revision of the consolidated earnings forecast, please refer to the "Notice Regarding Revision of Earnings Forecast and Revision of Dividend Forecast (Increase in Dividend)" announced today (August 5, 2026).
2. The Board of Directors of the Company resolved to repurchase treasury shares at its meeting held today (August 5, 2026). For this reason, the impact of share buybacks is taken into account in the consolidated earnings forecast for the fiscal year ending March 31, 2027. For details on the share buyback, please refer to the "Notice Regarding Decision on Matters Concerning Purchase of Treasury Shares and Cancellation of Treasury Shares (Purchase of Treasury Shares Pursuant to the Provisions of the Articles of Incorporation Pursuant to Article 165, Paragraph (2) of the Companies Act and Cancellation of Treasury Shares Pursuant to Article 178 of the Companies Act)" announced today (August 5, 2026).
3. Net income per share in the consolidated earnings forecast for the fiscal year ending March 31, 2027 (full year) takes into account the impact of the stock split (ratio of 4 shares to 1 common share). Net income per share, excluding the stock split, would be ¥501.29.

* **Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

(3) 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

(4) Number of issued shares (common shares)

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

As of June 30, 2026	23,534,752 shares
As of March 31, 2026	23,534,752 shares

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

As of June 30, 2026	1,413,669 shares
As of March 31, 2026	1,413,479 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2026	22,121,226 shares
Three months ended June 30, 2025	22,122,111 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.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm:None

* 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.

Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	34,525	35,098
Notes and accounts receivable - trade	32,545	39,471
Electronically recorded monetary claims - operating	123	154
Merchandise and finished goods	11,950	11,958
Semi-finished goods	5,219	5,151
Work in process	230	365
Raw materials and supplies	4,645	5,728
Other	2,640	2,283
Allowance for doubtful accounts	(486)	(490)
Total current assets	91,395	99,722
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,513	14,395
Machinery, equipment and vehicles, net	18,727	18,318
Land	8,913	8,913
Construction in progress	463	570
Other, net	2,078	1,966
Total property, plant and equipment	44,696	44,163
Intangible assets		
Software	3,991	3,606
Other	1,067	1,069
Total intangible assets	5,059	4,675
Investments and other assets		
Investment securities	44,377	45,147
Long-term loans receivable	2,150	2,145
Deferred tax assets	606	525
Retirement benefit asset	5,848	5,875
Other	1,412	1,403
Allowance for doubtful accounts	(20)	(20)
Total investments and other assets	54,375	55,076
Total non-current assets	104,131	103,916
Total assets	195,526	203,638

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	15,431	20,213
Electronically recorded obligations - operating	3,071	3,272
Short-term borrowings	414	413
Current portion of long-term borrowings	914	912
Accounts payable - other	4,406	3,863
Income taxes payable	609	791
Provision for bonuses	2,258	1,048
Provision for bonuses for directors (and other officers)	70	15
Electronically recorded obligations - non-operating	474	852
Other	2,110	3,289
Total current liabilities	29,762	34,672
Non-current liabilities		
Long-term borrowings	1,554	1,550
Deferred tax liabilities	0	0
Provision for share-based payments	483	416
Retirement benefit liability	187	188
Provision for business restructuring	466	466
Other	515	541
Total non-current liabilities	3,207	3,164
Total liabilities	32,970	37,837
Net assets		
Shareholders' equity		
Share capital	13,051	13,051
Capital surplus	13,289	13,289
Retained earnings	111,842	114,628
Treasury shares	(5,529)	(5,530)
Total shareholders' equity	132,652	135,437
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	21,161	21,390
Foreign currency translation adjustment	2,971	3,156
Remeasurements of defined benefit plans	2,450	2,388
Total accumulated other comprehensive income	26,582	26,934
Non-controlling interests	3,320	3,428
Total net assets	162,556	165,800
Total liabilities and net assets	195,526	203,638

Quarterly consolidated statement of income

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Net sales	31,987	38,676
Cost of sales	24,347	27,432
Gross profit	7,640	11,243
Selling, general and administrative expenses	5,781	6,113
Operating profit	1,858	5,129
Non-operating income		
Interest income	36	68
Dividend income	605	675
Foreign exchange gains	-	181
Share of profit of entities accounted for using equity method	-	428
Other	80	111
Total non-operating income	723	1,466
Non-operating expenses		
Interest expenses	28	20
Foreign exchange losses	139	-
Share of loss of entities accounted for using equity method	103	-
Other	24	15
Total non-operating expenses	296	35
Ordinary profit	2,285	6,559
Extraordinary losses		
Loss on retirement of non-current assets	256	151
Loss on valuation of investment securities	73	56
Business restructuring expenses	-	52
Other	20	-
Total extraordinary losses	350	259
Profit before income taxes	1,934	6,300
Income taxes	(7,262)	1,287
Profit	9,197	5,013
Profit attributable to non-controlling interests	204	334
Profit attributable to owners of parent	8,992	4,679

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Profit	9,197	5,013
Other comprehensive income		
Valuation difference on available-for-sale securities	1,069	229
Foreign currency translation adjustment	309	183
Remeasurements of defined benefit plans, net of tax	(39)	(61)
Total other comprehensive income	1,339	350
Comprehensive income	10,537	5,363
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,329	5,031
Comprehensive income attributable to non-controlling interests	207	332

Quarterly consolidated statement of cash flows

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Cash flows from operating activities		
Profit before income taxes	1,934	6,300
Depreciation	2,301	2,199
Loss on retirement of non-current assets	256	151
Increase (decrease) in provision for bonuses	(816)	(1,210)
Changes in net defined benefit asset and liability	(77)	(115)
Increase (decrease) in provision for bonuses for directors (and other officers)	(57)	(55)
Increase (decrease) in provision for share-based payments	28	(67)
Interest and dividend income	(642)	(744)
Interest expenses	28	20
Share of loss (profit) of entities accounted for using equity method	103	(428)
Loss (gain) on valuation of investment securities	73	56
Decrease (increase) in trade receivables	(317)	(6,905)
Decrease (increase) in inventories	190	(1,139)
Increase (decrease) in trade payables	523	4,907
Business structure reform expenses	-	52
Other, net	376	418
Subtotal	3,905	3,439
Interest and dividends received	852	821
Interest paid	(23)	(20)
Income taxes paid	(944)	(645)
Payment for business restructuring	(854)	(13)
Net cash provided by (used in) operating activities	2,935	3,581
Cash flows from investing activities		
Purchase of non-current assets	(1,431)	(1,148)
Purchase of investment securities	-	(25)
Proceeds from collection of loans receivable	9	156
Other, net	(492)	(39)
Net cash provided by (used in) investing activities	(1,914)	(1,057)
Cash flows from financing activities		
Net decrease (increase) in treasury shares	(0)	(0)
Dividends paid	(1,861)	(1,864)
Dividends paid to non-controlling interests	(225)	(225)
Other, net	(28)	(16)
Net cash provided by (used in) financing activities	(2,114)	(2,106)
Effect of exchange rate change on cash and cash equivalents	(65)	154
Net increase (decrease) in cash and cash equivalents	(1,158)	572
Cash and cash equivalents at beginning of period	24,010	34,378
Cash and cash equivalents at end of period	22,852	34,951