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For immediate release

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Notice Regarding Revision of Earnings Forecast and Revision of Dividend Forecast (Increase in Dividend)

Sanyo Chemical Industries, Ltd. (the “Company”) hereby announces that, at its Board of Directors’ meeting held on August 5, 2026, it resolved to revise the consolidated earnings forecasts for the second quarter (interim period) and the full fiscal year ending March 2027, both of which were announced on May 13, 2026, as well as the dividend forecast. The details are described below.

1. Revisions to earnings forecasts

(1) Reason for revisions to earnings forecasts

At the time of our previous announcement, we expected profits to remain in line with the previous fiscal year, given the uncertainty surrounding the situation in the Middle East. However, in the first quarter of the current fiscal year, operating profit and ordinary profit exceeded those of the corresponding period of the previous fiscal year, reflecting increased demand for high-value-added products, particularly semiconductor and electronic component-related materials, higher sales volumes driven by temporary disruptions in the supply of imported products resulting from the situation in the Middle East, and a time lag before higher raw material prices were reflected in cost of sales. Based on these results, the Company’s consolidated earnings forecasts for the second quarter (interim period) and the full fiscal year have been revised upward with respect to operating profit, ordinary profit, and profit attributable to owners of parent, as shown in the table below.

(2) Revised Consolidated Earnings Forecast for the Second Quarter (Interim Period) of the Fiscal Year Ending March 2027 (April 1, 2026 to September 30, 2026)

(Millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share (interim)
Previous Forecast (May 13, 2026) (A)	74,000	5,000	5,700	4,500	203.42 yen
Revised forecast (B)	74,000	8,000	9,000	6,500	294.14 yen
Change (B-A)	-	3,000	3,300	2,000	
Change (%)	-	60.0	57.9	44.4	
Second quarter results for the previous fiscal year (Second quarter of the fiscal year ended March 2026)	63,779	4,290	5,030	10,417	470.92 yen

(3) Revised consolidated earnings forecast for the fiscal year ending March 2027 (April 1, 2026 to March 31, 2027)

(Millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previous Forecast (May 13, 2026) (A)	150,000	10,000	11,500	9,000	406.85 yen
Revised forecast (B)	150,000	13,000	15,000	11,000	125.32 yen
Change (B-A)	-	3,000	3,500	2,000	
Change (%)	-	30.0	30.4	22.2	
Full-year results for the fiscal year ended March 2026	127,859	10,007	12,256	15,637	706.89 yen

* The above forecasts are based on information available as of the date of this announcement, and actual results may differ from these forecast figures due to various factors.

As the Company plans to repurchase its own shares (repurchase period: August 6, 2026 to February 26, 2027), the impact of this share repurchase has been taken into account in calculating basic earnings per share for the interim period and basic earnings per share. For details of the share repurchase, please refer to the "Notice Regarding Decision on Matters Concerning Purchase of Treasury Shares and Cancellation of Treasury Shares" disclosed separately today.

As the Company plans to conduct a 4-for-1 share split effective October 1, 2026, the impact of the share split has been taken into account in calculating basic earnings per share. Basic earnings per share without giving effect to the share split would be ¥501.29. For details of the share split, please refer to the "Notice Regarding a Share Split and Partial Amendment to the Articles of Incorporation in Connection with the Share Split" disclosed separately today.

2. Revision to dividend forecast

(1) Reason for revision to dividend forecast

The Company considers enhancing shareholder returns while strengthening its corporate foundation for the future through improved group profitability to be an important management priority. The Company's shareholder return policy is to secure internal reserves necessary for growth investments, target a consolidated total payout ratio of 40% or higher, and, in principle, implement a progressive dividend policy to maintain and enhance long-term, stable dividends.

Based on the above policy, the Company has decided to revise its dividend forecast upward after comprehensively considering the revised earnings forecast, shareholder return measures through the repurchase and cancellation of treasury shares resolved on the same day, and its financial position. As a result, the consolidated total payout ratio for the current fiscal year, including the share repurchase, is expected to be 62.6%.

Since the Company plans to conduct a 4-for-1 share split effective October 1, 2026, the year-end dividend per share included in the revised forecast has been adjusted to reflect the effect of the share split. For details of the share split, please refer to the "Notice Regarding a Share Split and Partial Amendment to the Articles of Incorporation in Connection with the Share Split" disclosed separately today. For details of the repurchase and cancellation of treasury shares, please refer to the "Notice Regarding Decision on Matters Concerning Purchase of Treasury Shares and Cancellation of Treasury Shares" disclosed separately today.

(2) Details of revision

	Second quarter	Fiscal year-end	Total
Previous forecast (May 13, 2026)	yen 87.50	yen 87.50	yen 175.00
Revised forecasts (On a pre-share split basis)	100.00	25.00 (100.00)	- (200.00)
Previous fiscal year results (Fiscal year ended March 2026)	85.00	85.00	170.00

(Note 1) As the share split will become effective on October 1, 2026, the interim dividend for which the record date is September 30, 2026 will be paid on a pre-share-split basis.

(Note 2) The forecast for total annual dividends per share is shown as "—" because it cannot be calculated on a simple basis due to the share split.