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Consolidated Financial Results for the Three Months Ended June 30, 2026 [JGAAP]

August 10, 2026

Company Name: Kanto Denka Kogyo Co., Ltd. Stock Exchange Listing: Tokyo
Code Number: 4047 https://www.kantodenka.co.jp/english/
Representative: Jun'ichi Hasegawa, President
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Scheduled date to commence dividend payments: —
Availability of supplementary briefing material on financial results: Yes
Financial results briefing session: None

(Amounts are rounded down to the nearest million yen)

1. Consolidated financial results for the first quarter of the fiscal year ending March 31, 2027 (April 1, 2026–June 30, 2026)

(1) Consolidated operating results

(% figures are the rate of year-on-year increase or decrease)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2026	19,774	30.6	3,979	410.7	4,573	515.5	3,235	509.3
Three months ended June 30, 2025	15,143	–2.0	779	–38.5	743	–61.3	531	–54.5

(Note) Comprehensive income:
Three months ended June 30, 2026: ¥4,346 million (–%)
Three months ended June 30, 2025: ¥(335) million (–%)

	Basic earnings per share	Diluted basic earnings per share
	Yen	Yen
Three months ended June 30, 2026	56.41	—
Three months ended June 30, 2025	9.24	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2026	140,726	77,941	54.1	1,326.97
As of March 31, 2026	131,314	74,249	55.1	1,262.29

(Reference) Equity capital:
As of June 30, 2026: ¥76,106 million
As of March 31, 2026: ¥72,397 million

2. Dividends

	Annual dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	—	9.00	—	11.00	20.00
Fiscal year ending March 31, 2027	—				
Fiscal year ending March 31, 2027 (Forecast)		18.00	—	18.00	36.00

(Note) Revision of dividend forecast from the latest announcement: None

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

(% figures are the rate of year-on-year increase or decrease)

	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
First half	42,200	36.8	6,600	709.6	6,600	578.7	4,400	―	76.72
Full year	95,000	45.3	11,300	106.2	11,300	70.4	7,600	100.8	132.51

(Note) 1. Revision of performance forecast from the latest announcement: Yes

Notes:

(1) Significant changes in the scope of consolidation during the current quarter: Not applicable
New: ― companies (company names); Removed: ― companies (company names)

(2) Application of special accounting for preparing quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

i. Changes in accounting policies accompanying amendments to accounting standards, etc.: None

ii. Changes in accounting policies other than i.: None

iii. Changes in accounting estimates: None

iv. Retrospective restatement: None

(4) Number of shares issued (common stock)

i. Number of shares issued at the end of the period (including treasury shares)	As of June 30, 2026	57,546,050 shares	As of March 31, 2026	57,546,050 shares
ii. Number of treasury shares at the end of the period	As of June 30, 2026	192,101 shares	As of March 31, 2026	192,101 shares
iii. Average number of shares during the period	As of June 30, 2026	57,353,949 shares	As of June 30, 2025	57,457,567 shares

Notes: 1. Review of the attached quarterly consolidated financial statements by a certified public accountant or auditing firm: None

2. Proper use of performance forecasts, and other special matters

(Notes to forward-looking statements)

The performance outlooks and other forward-looking statements in this document are based on information currently available to the Company and certain assumptions that the Company deems reasonable, and are not intended to be a promise by the Company that they will be realized. Actual results may differ significantly due to various factors. Please refer to "Consolidated earnings forecasts" on page 3 of the attached materials for information on the performance forecasts.

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1. Overview of operating results, etc.

(1) Operating results

In the first three months of the fiscal year ending March 31, 2027, the Japanese economy showed signs of a gradual recovery due to improvements in the employment and income environments, as well as a recovery in personal consumption and capital investment. However, severe conditions continued to prevail. Overseas, while there was a gradual recovery in the global economy, the outlook remained uncertain, with a need to closely monitor the situation in the Middle East and fluctuations in financial and capital markets.

Amid this business environment, net sales for the first three months amounted to ¥19,774 million, up ¥4,631 million or 30.6% year on year, mainly due to higher sales in the Fine Chemicals Division. On the profit front, the Group recorded an ordinary profit of ¥4,573 million, up ¥3,830 million or 515.5% year on year, due to the increased sales in the Fine Chemicals Division, despite significant increases in raw material and fuel prices. Profit attributable to owners of parent amounted to ¥3,235 million, up ¥2,704 million or 509.3% year on year.

The following provides an overview for each segment.

a. Fundamental Chemicals Division

In inorganic products, sales of caustic soda increased year on year due to higher sales volume. Hydrochloric acid sales increased due to higher sales volume and price adjustments.

For organic products, sales of trichloroethylene decreased year on year due to a decline in sales volume. Sales of perchloroethylene increase year on year due to higher sales volume.

As a result of the above, net sales in the Fundamental Chemicals Division amounted to ¥2,082 million, up ¥118 million or 6.0% year on year. Operating profit totaled ¥71 million, up ¥32 million or 81.9% year on year.

b. Fine Chemicals Division

Regarding specialty gases for semiconductors, sales of nitrogen trifluoride decreased compared with the previous fiscal year due to lower sales volume, despite price adjustments. Tungsten hexafluoride sales increased due to price adjustments, despite lower sales volume. Sales of hexafluoro-1,3-butadiene were on par with the same period of the previous year. Sales of carbonyl sulfide were up year on year due to higher sales volume.

Sales of lithium hexafluorophosphate, a battery material, increased year on year due to higher sales volume and the effects of price revisions.

As a result of the above, net sales in the Fine Chemicals Division amounted to ¥16,518 million, up ¥4,575 million or 38.3% year on year. Operating profit totaled ¥3,752 million, up ¥3,175 million or 549.7% year on year, mainly due to increased sales, despite significant increases in raw material and fuel prices.

c. Ferrochemicals Division

Sales of reprographic carriers, used in developers for copiers and printers, were up year on year due to higher sales volumes. Sales of iron oxide were up year on year due to higher sales of colorants.

As a result of the above, net sales in the Ferrochemicals Division amounted to ¥550 million, up ¥17 million or 3.3% year on year. Operating profit totaled ¥104 million, up ¥36 million or 54.2% year on year.

d. Commercial Business Division

Commercial business sales were up year on year due to higher sales of chemical products.

As a result of the above, net sales in the Commercial Business Division amounted to ¥209 million, up ¥34 million or 19.5% year on year. Operating profit totaled ¥39 million, down ¥10 million or 20.6% year on year.

e. Facilities Division

Net sales in chemical facility plant and general industrial plant construction were down year on year due to a decrease in contract work.

As a result of the above, net sales in the Facilities Division amounted to ¥412 million, down ¥114 million or 21.7% year on year. There was an operating loss of ¥15 million (versus an operating profit of ¥46 million in the first three months of the previous fiscal year).

(2) Financial position

As of the end of the first quarter of the fiscal year ending March 31, 2027, assets amounted to ¥140,726 million, up ¥9,411 million from the end of the previous fiscal year. This was mainly due to increases in inventories, other current assets, notes and accounts receivable―trade, contract assets, and investment securities, despite a decrease in cash and deposits.

Total liabilities amounted to ¥62,784 million, up ¥5,719 million, mainly due to increases in notes and accounts payable—trade and other current liabilities, despite a decrease in borrowings.

Net assets amounted to ¥77,941 million, up ¥3,692 million, mainly due to a decrease in foreign currency translation adjustment. The equity ratio was 54.1%, versus 55.1% at the end of the previous fiscal year.

(3) Consolidated earnings forecasts

The consolidated earnings forecast for the fiscal year ending March 31, 2027 has been revised from the previous forecast announced on May 15, 2026. For details, please refer to the “Notice Concerning Revisions to Financial Results Forecasts” released separately.

The above forecasts were created based on information available as of the date of this document's publishing, and actual results may differ versus forecast figures due to a variety of factors arising in the future.

2. Consolidated financial statements and notes

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets:		
Current assets		
Cash and deposits	20,220	18,650
Notes and accounts receivable—trade, and contract assets	17,644	19,669
Electronically recorded monetary claims—operating	1,186	1,337
Merchandise and finished goods	6,590	9,197
Work in process	7,666	8,806
Raw materials and supplies	6,921	9,808
Other	4,244	5,515
Allowance for doubtful accounts	(31)	(33)
Total current assets	64,442	72,952
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	18,452	18,279
Machinery and equipment, net	22,805	21,712
Construction in progress	5,651	5,573
Other, net	5,851	5,808
Total property, plant and equipment	52,760	51,373
Intangible assets	693	718
Investments and other assets		
Investment securities	12,184	14,464
Retirement benefit assets	6	5
Other	1,238	1,222
Allowance for doubtful accounts	(10)	(11)
Total investments and other assets	13,417	15,681
Total non-current assets	66,871	67,773
Total assets	131,314	140,726

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities:		
Current liabilities		
Notes and accounts payable—trade	7,740	7,420
Electronically recorded obligations—operating	1,620	3,816
Short-term borrowings	2,569	7,250
Current portion of long-term borrowings	9,399	9,128
Income taxes payable	1,191	1,701
Provision for loss on disaster	92	91
Other	5,121	5,396
Total current liabilities	27,734	34,805
Non-current liabilities		
Long-term borrowings	27,314	25,441
Deferred tax liabilities	1,048	1,461
Provision for retirement benefits for directors (and other officers)	168	171
Provision for share awards for directors (and other officers)	56	61
Retirement benefit liability	214	270
Other	528	572
Total non-current liabilities	29,330	27,978
Total liabilities	57,064	62,784
Net assets:		
Shareholders' equity		
Capital	2,877	2,877
Capital surplus	1,859	1,859
Retained earnings	57,285	59,888
Treasury shares	(159)	(159)
Total shareholders' equity	61,863	64,466
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,106	7,677
Foreign currency translation adjustment	2,913	2,475
Remeasurements of defined benefit plans	1,514	1,487
Total accumulated other comprehensive income	10,533	11,640
Non-controlling interests	1,852	1,835
Total net assets	74,249	77,941
Total liabilities and net assets	131,314	140,726

(2) Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statement of income

(Millions of yen)

	From April 1, 2025 to June 30, 2025	From April 1, 2026 to June 30, 2026
Net sales	15,143	19,774
Cost of sales	11,879	12,976
Gross profit	3,263	6,797
Selling, general and administrative expenses	2,483	2,818
Operating profit	779	3,979
Non-operating profit		
Interest income	6	9
Dividend income	212	242
Foreign exchange gains	-	437
Other	50	56
Total non-operating profit	268	746
Non-operating expenses		
Interest expenses	113	135
Foreign exchange losses	30	-
Loss on valuation of derivatives	144	-
Other	16	16
Total non-operating expenses	304	151
Ordinary profit	743	4,573
Extraordinary losses		
Loss on retirement of non-current assets	10	12
Total extraordinary losses	10	12
Profit before income taxes	733	4,560
Income taxes payable	182	1,315
Profit	551	3,245
Profit attributable to non-controlling interests	20	10
Profit attributable to owners of parent	531	3,235

Consolidated Statement of Comprehensive Income

(Millions of yen)

	From April 1, 2025 to June 30, 2025	From April 1, 2026 to June 30, 2026
Profit	551	3,245
Other comprehensive income		
Valuation difference on available-for-sale securities	207	1,563
Foreign currency translation adjustment	(1,004)	(435)
Remeasurements of defined benefit plans	(89)	(27)
Total other comprehensive income	(886)	1,100
Comprehensive income	(335)	4,346
Comprehensive income attributable to:		
Owners of parent	(336)	4,341
Non-controlling interests	0	4

(3) Notes to the consolidated financial statements

(Special accounting for preparing quarterly consolidated financial statements)

Tax expenses are calculated by multiplying profit before income taxes by the reasonably estimated effective tax rate after the application of tax effect accounting to profit before income taxes for the fiscal year ending March 31, 2027, including the first quarter. However, in cases where calculating tax expenses using the estimated effective tax rate would significantly lack rationality, tax expenses are calculated using the statutory effective tax rate.

(Segment information)

I. From April 1, 2025 to June 30, 2025

1. Information on net sales, profit or loss by reportable segment

(Millions of yen)

	Reportable segment						Adjustment (Note 1)	Amount recorded on the statement of income (Note 2)
	Fundamental Chemicals	Fine Chemicals	Ferrochemicals	Commercial Business	Facilities	Total		
Net sales								
(1) Net sales to external customers	1,963	11,943	533	175	526	15,143	—	15,143
(2) Inter-segment net sales or transfers	—	—	0	287	525	812	(812)	—
Total	1,963	11,943	533	462	1,052	15,955	(812)	15,143
Segment profit	39	577	67	49	46	780	(1)	779

(Notes) 1. The segment loss adjustment of –¥1 million is elimination of inter-segment transactions.
2. Segment profit is adjusted with operating profit in the consolidated statement of income.

2. Information about impairment loss and goodwill on non-current assets by reportable segment

Not applicable.

II. From April 1, 2026 to June 30, 2026

1. Information on net sales, profit or loss by reportable segment

(Millions of yen)

	Reportable segment						Adjustment (Note 1)	Amount recorded on the statement of income (Note 2)
	Fundamental Chemicals	Fine Chemicals	Ferrochemicals	Commercial Business	Facilities	Total		
Net sales								
(1) Net sales to external customers	2,082	16,518	550	209	412	19,774	—	19,774
(2) Inter-segment net sales or transfers	—	—	0	268	411	680	(680)	—
Total	2,082	16,518	550	478	824	20,454	(680)	19,774
Segment profit (loss)	71	3,752	104	39	(15)	3,953	26	3,979

(Notes) 1. The segment profit (loss) adjustment of ¥26 million is elimination of inter-segment transactions.
2. Segment profit (loss) is adjusted with operating profit in the consolidated statement of income.

2. Information about impairment loss and goodwill on non-current assets by reportable segment

Not applicable.

(Notes on significant changes in the amount of shareholders' equity)

Not applicable.

(Notes on premise of going concern)

Not applicable.

(Notes on statement of cash flows)

A quarterly consolidated cash flow statement for the first quarter has not been prepared. Depreciation expenses (including amortization expenses related to intangible assets) for the first quarter are as follows.

(Millions of yen)

	From April 1, 2025 to June 30, 2025	From April 1, 2026 to June 30, 2026
Depreciation	1,882	2,315