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Consolidated Financial Results for the Six Months Ended September 30, 2026 [JGAAP]

November 10, 2026

Company Name: Kanto Denka Kogyo Co., Ltd. Stock Exchange Listing: Tokyo

Code Number: 4047 https://www.kantodenka.co.jp/english/

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Scheduled date for submitting the Semi-annual Securities Report: November 10, 2026
Scheduled date to commence dividend payments: December 8, 2026
Availability of supplementary briefing material on financial results: Yes
Financial results briefing session: Yes (For institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

1. Consolidated financial results for the first half of the fiscal year ending March 31, 2027 (April 1, 2026–September 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	%
Six months ended September 30, 2026	44,405	44.0	9,448	—	9,524	879.4	6,735	—
Six months ended September 30, 2025	30,841	–1.4	815	–52.6	972	–59.7	106	–92.6

(Note) Comprehensive income:
Six months ended September 30, 2026: ¥9,044 million (903.4%)
Six months ended September 30, 2025: ¥901 million (–61.8%)

	Basic earnings per share	Diluted basic earnings per share
	Yen	Yen
Six months ended September 30, 2026	117.43	—
Six months ended September 30, 2025	1.86	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2026	142,780	82,655	56.6	1,408.35
As of March 31, 2026	131,314	74,249	55.1	1,262.29

(Reference) Equity capital:
As of September 30, 2026: ¥80,797 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 ending March 31, 2026	—	9.00	—	11.00	20.00
Fiscal year ending March 31, 2027	—	26.00			
Fiscal year ending March 31, 2027 (Forecast)			—	26.00	52.00

(Note) Revision of dividend forecast from the latest announcement: Yes

For details on the dividend forecast, please refer to "Notice Regarding Dividends of Surplus (Interim Dividend) and Revised Year-End Dividend Forecast" announced today (November 10, 2026).

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
Full year	98,500	50.6	14,600	166.5	14,500	118.7	9,900	161.5	172.61

(Note) 1. Revision of performance forecast from the latest announcement: None

Notes:

(1) Significant changes in the scope of consolidation during the first half: Not applicable
New: — companies (company names); Removed: — companies (company names)

(2) Application of special accounting for preparing the 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 September 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 September 30, 2026	175,501 shares	As of March 31, 2026	192,101 shares
iii. Average number of shares during the period	As of September 30, 2026	57,359,060 shares	As of September 30, 2025	57,434,742 shares

Notes: The "Consolidated Financial Statements for the Six Months Ended September 30, 2026" are not subject to audit by a certified public accountant or an auditing firm.

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.

(How to obtain supplementary financial results briefing materials)

The Company plans to hold a financial results briefing for institutional investors and securities analysts on Thursday, November 19, 2026. Supplementary financial results briefing materials to be used at this briefing will be posted on the Company's website after the session.

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1. Overview of operating results, etc.

(1) Operating results

In the first half of the fiscal year ending March 31, 2027, the Japanese economy continued on a gradual recovery trend due to the positive effects of various government policies under a steadily improving employment and income environment. Meanwhile, despite gradual global economic recovery overseas, 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 half amounted to ¥44,405 million, up ¥13,564 million or 44.0% year on year, mainly due to higher sales in the Fine Chemicals Division. On the profit front, the Group recorded an ordinary profit of ¥9,524 million and profit attributable to owners of parent of ¥6,735 million (versus an ordinary profit of ¥972 million and profit attributable to owners of parent of ¥106 million in the first half of the previous fiscal year), due to increased sales in the Fine Chemicals Division and the positive impact on profits from the consumption of inventory purchased before raw material prices rose, among other factors, despite significant increases in raw material and fuel prices.

The following provides an overview for each segment.

a. Fundamental Chemicals Division

In inorganic products, sales of caustic soda were on par with the same period of the previous year. Hydrochloric acid sales increased due to higher sales volume and price adjustments.

For organic products, sales of trichloroethylene increased year on year due to an increase in sales volume. A decrease in perchloroethylene sales volumes caused sales to decline year on year, despite the effects from price adjustments.

As a result of the above, net sales in the Fundamental Chemicals Division amounted to ¥4,105 million, up ¥224 million or 5.8% year on year. Operating profit totaled ¥30 million, down ¥22 million or 41.9% year on year, due to increases in raw material and fuel prices.

b. Fine Chemicals Division

Regarding specialty gases for semiconductors, sales of nitrogen trifluoride and carbonyl sulfide increased year on year due to higher sales volumes and the effects of price adjustments. Sales of hexafluoro-1,3-butadiene increased year on year due to higher sales volume. Tungsten hexafluoride sales increased due to price adjustments, despite lower sales volume.

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

As a result of the above, net sales in the Fine Chemicals Division amounted to ¥37,916 million, up ¥13,482 million or 55.2% year on year. Operating profit totaled ¥9,105 million (versus an operating profit of ¥658 million in the first half of the previous fiscal year), due to increased sales and the positive impact on profits from the consumption of inventory purchased before raw material and fuel prices rose, among other factors, 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 progress in the shift to new products. Sales of iron oxide were down year on year due to lower sales of colorants.

As a result of the above, net sales in the Ferrochemicals Division amounted to ¥1,012 million, up ¥8 million or 0.9% year on year. Operating profit totaled ¥154 million, up ¥92 million or 147.8% 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 ¥398 million, up ¥31 million or 8.6% year on year. Operating profit totaled ¥62 million, down ¥10 million or 14.8% 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 ¥973 million, down ¥182 million or 15.8% year on year. Operating profit totaled ¥56 million, down ¥143 million or 71.8% year on year.

(2) Financial position

As of the end of the first half of the fiscal year ending March 31, 2027, total assets amounted to ¥142,780 million, up ¥11,466 million from the end of the previous consolidated fiscal year, mainly due to increases in inventories and investment securities, despite a decrease in cash and deposits.

Total liabilities amounted to ¥60,125 million, up ¥3,061 million, mainly due to increases in electronically recorded obligations—operating, income taxes payable, and deferred tax liabilities, despite a decrease in borrowings.

Net assets amounted to ¥82,655 million, up ¥8,405 million, mainly due to increases in retained earnings and valuation difference on available-for-sale securities. The equity ratio was 56.6%, 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 remains unchanged from the previous forecast announced on October 22, 2026.

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 September 30, 2026
Assets:		
Current assets		
Cash and deposits	20,220	16,324
Notes and accounts receivable—trade, and contract assets	17,644	20,061
Electronically recorded monetary claims—operating	1,186	1,717
Merchandise and finished goods	6,590	10,940
Work in process	7,666	10,495
Raw materials and supplies	6,921	10,097
Other	4,244	4,488
Allowance for doubtful accounts	(31)	(34)
Total current assets	64,442	74,091
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	18,452	18,147
Machinery and equipment, net	22,805	20,873
Construction in progress	5,651	4,752
Other, net	5,851	6,973
Total property, plant and equipment	52,760	50,746
Intangible assets	693	716
Investments and other assets		
Investment securities	12,184	16,003
Retirement benefit assets	6	5
Other	1,238	1,228
Allowance for doubtful accounts	(10)	(11)
Total investments and other assets	13,417	17,226
Total non-current assets	66,871	68,689
Total assets	131,314	142,780

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities:		
Current liabilities		
Notes and accounts payable—trade	7,740	7,367
Electronically recorded obligations—operating	1,620	5,362
Short-term borrowings	2,569	3,116
Current portion of long-term borrowings	9,399	9,667
Income taxes payable	1,191	3,302
Provision for loss on disaster	92	45
Other	5,121	5,432
Total current liabilities	27,734	34,293
Non-current liabilities		
Long-term borrowings	27,314	22,844
Deferred tax liabilities	1,048	1,933
Provision for retirement benefits for directors (and other officers)	168	116
Provision for share awards for directors (and other officers)	56	53
Retirement benefit liability	214	309
Other	528	574
Total non-current liabilities	29,330	25,832
Total liabilities	57,064	60,125
Net assets:		
Shareholders' equity		
Capital	2,877	2,877
Capital surplus	1,859	1,859
Retained earnings	57,285	63,388
Treasury shares	(159)	(144)
Total shareholders' equity	61,863	67,980
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,106	8,744
Foreign currency translation adjustment	2,913	2,612
Remeasurements of defined benefit plans	1,514	1,460
Total accumulated other comprehensive income	10,533	12,816
Non-controlling interests	1,852	1,857
Total net assets	74,249	82,655
Total liabilities and net assets	131,314	142,780

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

Consolidated statement of income

(Millions of yen)

	From April 1, 2025 to September 30, 2025	From April 1, 2026 to September 30, 2026
Net sales	30,841	44,405
Cost of sales	24,999	29,136
Gross profit	5,841	15,269
Selling, general and administrative expenses	5,026	5,820
Operating profit	815	9,448
Non-operating profit		
Interest income	18	25
Dividend income	191	219
Foreign exchange gains	203	11
Other	97	140
Total non-operating profit	511	396
Non-operating expenses		
Interest expenses	220	288
Loss on valuation of derivatives	112	-
Other	20	32
Total non-operating expenses	354	321
Ordinary profit	972	9,524
Extraordinary income		
Insurance claim income	-	219
Total extraordinary income	-	219
Extraordinary losses		
Loss on retirement of non-current assets	66	50
Loss on disaster	517	-
Total extraordinary losses	583	50
Profit before income taxes	388	9,692
Income taxes payable	288	2,906
Profit	100	6,785
Profit (loss) attributable to non-controlling interests	(6)	50
Profit attributable to owners of parent	106	6,735

Consolidated statement of comprehensive income

(Millions of yen)

	From April 1, 2025 to September 30, 2025	From April 1, 2026 to September 30, 2026
Profit	100	6,785
Other comprehensive income		
Valuation difference on available-for-sale securities	1,354	2,610
Foreign currency translation adjustment	(450)	(296)
Remeasurements of defined benefit plans	(103)	(54)
Total other comprehensive income	801	2,259
Comprehensive income	901	9,044
Comprehensive income attributable to:		
Owners of parent	880	9,018
Non-controlling interests	20	26

(3) Consolidated statement of cash flows

(Millions of yen)

	From April 1, 2025 to September 30, 2025	From April 1, 2026 to September 30, 2026
Cash flows from operating activities		
Profit before income taxes	388	9,692
Depreciation	4,091	4,685
Interest and dividend income	(209)	(244)
Interest expenses	220	288
Foreign exchange losses (gains)	369	(635)
Increase (decrease) in provision for loss on disaster	126	(46)
Loss on retirement of non-current assets	66	50
Decrease (increase) in trade receivables	(759)	(2,873)
Decrease (increase) in inventories	(2,775)	(10,403)
Increase (decrease) in trade payables	2,419	3,379
Decrease (increase) in other current assets	(206)	(484)
Increase (decrease) in other current liabilities	(1,617)	243
Other	26	7
Subtotal	2,141	3,657
Interest and dividends received	208	236
Interest paid	(223)	(292)
Income taxes refund (paid)	(626)	(1,067)
Net cash provided by operating activities	1,499	2,533
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,403)	(2,332)
Purchase of investment securities	(14)	(15)
Other	(505)	(117)
Net cash used in investing activities	(5,924)	(2,465)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,724	547
Proceeds from long-term borrowings	1,181	-
Repayments of long-term borrowings	(4,153)	(4,138)
Dividends paid	(517)	(632)
Dividends paid to non-controlling interests	(24)	(21)
Purchase of treasury shares	(112)	-
Other	(86)	(78)
Net cash used in financing activities	(1,989)	(4,324)
Effect of exchange rate change on cash and cash equivalents	160	304
Net increase (decrease) in cash and cash equivalents	(6,253)	(3,952)
Cash and cash equivalents at beginning of period	20,098	19,362
Cash and cash equivalents at end of period	13,845	15,410

(4) Notes to the consolidated financial statements

(Notes on premise of going concern)

Not applicable.

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

Not applicable.

(Special accounting for preparing the 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 half. 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 September 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	3,880	24,434	1,003	366	1,156	30,841	—	30,841
(2) Inter-segment net sales or transfers	—	—	0	613	1,116	1,729	(1,729)	—
Total	3,880	24,434	1,004	979	2,272	32,570	(1,729)	30,841
Segment profit	53	658	62	73	200	1,048	(233)	815

(Notes) 1. The segment profit adjustment of –¥233 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 September 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	4,105	37,916	1,012	398	973	44,405	—	44,405
(2) Inter-segment net sales or transfers	—	—	0	544	932	1,477	(1,477)	—
Total	4,105	37,916	1,012	942	1,906	45,882	(1,477)	44,405
Segment profit	30	9,105	154	62	56	9,410	38	9,448

(Notes) 1. The segment profit adjustment of ¥38 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.