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November 7, 2025

Consolidated Financial Results for the Six Months of the Fiscal Year Ending March 31, 2026 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 4046
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 Scheduled date to file quarterly securities report: November 10, 2025
 Scheduled date to commence dividend payments: December 4, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

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

1. Consolidated financial results for the Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	48,832	(2.7)	8,111	16.4	8,910	24.0	6,755	38.8
September 30, 2024	50,167	7.6	6,967	41.7	7,185	19.4	4,866	20.4

Note: Comprehensive income For the Six months ended September 30, 2025: ¥8,270 million [101.4%]
 For the Six months ended September 30, 2024: ¥4,105 million [(45.4)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	53.74	—
September 30, 2024	38.36	—

Note: The Company implemented a 5-for-1 stock split for common shares with an effective October 1, 2024.
 Basic earnings per share is calculated based on the assumption that the stock split was implemented at the beginning of previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2025	159,437	121,618	76.3
March 31, 2025	153,935	115,596	75.1

Reference: Equity
 As of September 30, 2025: ¥121,614 million
 As of March 31, 2025: ¥115,591 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, 2025	—	45.00	—	10.00	—
Fiscal year ending March 31, 2026	—	12.00			
Fiscal year ending March 31, 2026 (Forecast)			—	13.00	25.00

Note: 1. Revisions to the forecast of cash dividends most recently announced: Yes

- Regarding revision of forecast for dividend, please refer to “Notice Concerning Revisions to Financial Results Forecasts and the Interim Dividend and the Year-End Dividend Forecasts for the Fiscal Year Ending March 31, 2026” announced on November 7, 2025.
- The Company implemented a 5-for-1 stock split for common shares with an effective October 1, 2024. For the fiscal year ended March 31, 2025, the interim dividend is presented based on the number of shares before the stock split, while the year-end dividend is shown based on the number of shares after the stock split. As a result, the total full-year dividend is displayed as “-”.

3. Consolidated financial results forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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
Full year	102,000	5.8	17,300	30.6	18,700	32.1	13,500	30.7	108.28

Note: 1. Revisions to the forecast of consolidated financial results most recently announced: Yes

- Regarding revision of forecast for consolidated financial results, please refer to “Notice Concerning Revisions to Financial Results Forecasts and the Interim Dividend and the Year-End Dividend Forecasts for the Fiscal Year Ending March 31, 2026” announced on November 7, 2025.

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (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 September 30, 2025	133,660,085 shares
As of March 31, 2025	133,660,085 shares

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

As of September 30, 2025	8,323,335 shares
As of March 31, 2025	7,804,540 shares

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

Six months ended September 30, 2025	125,706,454 shares
Six months ended September 30, 2024	126,865,076 shares

Note: Total number of issued shares at the end of the period, Number of treasury shares at the end of period and Average number of shares outstanding during the period are calculated based on the assumption that the stock split was implemented at the beginning of previous fiscal year.

- * Review of the Japanese-language originals of the attached consolidated quarterly consolidated financial statement contained in this report by certified public accountants or an audit corporation: None

- * Proper use of earnings forecasts, and other special matters

In this document, statements other than historical facts are forward looking statements that reflect the Company's plans and expectations. These forward-looking statements involve risks, uncertainties and other factors that may cause our actual results and achievements to differ from those anticipated in these statements. Please refer to "1. Overview of operating results, etc. (3) Analysis of Forward-looking Statement, Including Consolidated financial results Forecasts" on page 3 of the attached documents.

(Attached Documents)

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1. Overview of operating results, etc.

(1) Overview of operating results for the first six months

For the first six months of the current consolidated fiscal year, the Japanese economy continued its gradual recovery, with an improvement in the employment and income situation and a pickup in consumer spending and capital investment. On the other hand, the risk of a downward swing in the economy is increasing due to factors such as the impact of U.S. tariffs, stagnation of the Chinese economy, and continuing price hikes, and the outlook remains uncertain.

In light of these circumstances, for this final year of our medium-term management plan, Shape the Future-2025 (FY2023 to FY2025), our group has been steadily implementing specific measures in line with the plan's three basic policies: continuous strengthening of our base in existing businesses, strengthening of new product creation capabilities, and promotion of sustainability management.

In terms of the "continuous strengthening of our base in existing businesses," we have been working to enhance our business base by generating stable cash flows and actively investing in growth areas. In the Basic chemicals business, in addition to efforts aimed at reducing costs, we have been working to improve profitability by aggressively expanding sales of Epichlorohydrin as overseas market conditions improve. We will continue to invest in upgrading facilities to improve production efficiency and reduce costs in order to strengthen business foundations so that we can generate stable earnings. In the Functional chemicals business, we were able to increase sales by promoting sales expansion activities to existing customers and the promoting new business development, but sales for some products decreased as a result of reduced demand. In the Healthcare business, the demand for pharmaceutical purification materials for diabetes and obesity medications has continued to expand, and sales volume has been steadily increasing. Following the completion of new facilities at the Matsuyama Plant in September 2024, construction of the expansion of the Amagasaki Plant was also completed in September 2025, approximately one year ahead of schedule, creating a supply system that can meet the current increase in demand. Furthermore, in anticipation of future increases in demand, detailed analyses for the next production increase plan are also underway with a view to making a decision regarding investment before the end of 2025.

In terms of the "strengthening of new product creation capabilities," the development of materials for next-generation storage batteries, such as ultra-high ionic conductive polymers for all-solid batteries, which were selected as a NEDO Green Innovation Fund project, is progressing smoothly. We are considering building a pilot facility during this fiscal year to establish a mass production system.

Regarding the size exclusion and highly alkali-resistant columns launched last year, we are working to expand new adoption and sales are steadily increasing. For ADME gel for preparative use, we have started sample work for customers in working toward adoption.

For lactic acid bacterium OS-1010, following its function of maintaining skin elasticity, we started human trials on maintaining cognitive function, etc., which has been progressing smoothly.

In terms of the "promotion of sustainability management," we have reviewed our policy on ESG disclosure initiatives and improved our ESG score. We are expanding opportunities for dialogue with institutional investors, and, taking into account the opinions obtained through such discussions, we are working to enhance shareholder returns by improving capital efficiency and introducing progressive dividends.

Aiming to develop human resources by promoting operational reform activities as part of our investment in human capital, we relocated our head office in August 2025 in order to create a comfortable work environment and improve employee engagement.

Net sales for the first six months of the current consolidated fiscal year decreased 2.7% year on year to ¥48,832 million. In terms of profit, operating profit increased 16.4% year on year to ¥8,111 million, ordinary profit increased 24.0% year on year to ¥8,910 million, and profit attributable to owners of parent increased 38.8% year on year to ¥6,755 million.

< Basic chemicals >

Net sales of Chlor-Alkali products increased due to an increase in sales volume resulting from the resolution of supply problems caused by the manufacturing equipment problems at the Mizushima Plant.

Net sales of Epichlorohydrin increased due to an increase in sales volume resulting from the resolution of supply problems and improved overseas market conditions.

As a result of the above, net sales in the Basic chemicals business increased 10.3% year on year to ¥20,302 million.

< Functional chemicals >

In the Synthetic rubbers business, net sales of Acrylic Rubber increased due to increased production capacity resulting from the completion of last year's debottlenecking, but net sales of Epichlorohydrin Rubber decreased due to a decline in automobile production in regions such as Europe. For synthetic resins, net sales of DAP resin declined due to sluggish demand for UV inks in China and Japan, but net sales of DAP monomer increased due to replacing competing products in the U.S.

Net sales of Allyl Ethers decreased due to lower demand in Europe and softening market conditions in China.

As a result of the above, net sales in the Functional chemicals business decreased 14.8% year on year to ¥13,596 million.

<Healthcare>

Net sales of pharmaceutical purification materials increased due to a steady growth in demand for diabetes and obesity medications. Net sales of active pharmaceutical ingredients (APIs) and their intermediates decreased, as although sales of intermediates for anticancer drugs and antianginal drug substances increased, sales of intermediates of medications for diabetes complications and osteoporosis drug substances decreased.

As a result of the above, net sales in the Healthcare business increased 8.7% year on year to ¥6,709 million.

<Trading and Others>

Net sales decreased due to a decline in sales of inorganic chemicals and building materials.

As a result of the above, net sales in the Trading and others business decreased 14.6% year on year to ¥8,223 million.

(2) Overview of financial position for the first six months

(Assets)

Current assets were ¥95,477 million, an increase of 2.8% since March 31, 2025. This was due primarily to a decrease of ¥2,281 million in cash and deposits. Noncurrent assets were ¥63,959 million, an increase of 4.8% since March 31, 2025. This was due primarily to an increase of ¥2,278 million in investment securities. As a result, total assets at the end of the first six months of the consolidated accounting period were ¥159,437 million, an increase of 3.6% since March 31, 2025.

(Liabilities)

Current liabilities were ¥30,146 million, a decrease of 4.0% since March 31, 2025. This was due primarily to decreases of ¥1,075 million in accounts payable-other included in other. Noncurrent liabilities were ¥7,672 million, an increase of 10.4% since March 31, 2025. This was due primarily to an increase of ¥555 million in deferred tax liabilities. As a result, liabilities at the end of the first six months of the consolidated accounting period were ¥37,819 million, a decrease of 1.4% since March 31, 2025.

(Net assets)

Net assets at the end of the first six months of the consolidated accounting period were ¥121,618 million, an increase of 5.2% since March 31, 2025. This was due primarily to an increase of ¥5,496 million in retained earnings.

(Cash flows)

Cash and cash equivalents at the end of the first six months of the consolidated accounting period increased by ¥2,273 million compared to the end of the previous fiscal year to ¥45,587 million. Cash flows for the first six months of the consolidated fiscal year and their factors are as follows.

- ① Cash flow from operating activities was ¥7,988 million (compared to ¥10,117 million in the same period of the previous fiscal year). This was mainly due to a profit before income taxes of ¥9,623 million, depreciation expenses of ¥2,062 million and income taxes paid ¥2,707 million.
- ② Cash flow from investment activities was ¥2,733 million (compared to ¥4,483 million in the same period of the previous fiscal year). This was mainly due to the purchase of property, plant and equipment of ¥3,322 million.
- ③ Cash flow from financing activities was ¥2,724 million (compared to ¥1,226 million in the same period of the previous fiscal year). This was mainly due to the payment of ¥1,243 million in dividends and purchase of treasury shares ¥1,000 million.

(3) Analysis of forward-looking statement, including consolidated financial results forecasts

Based on factors such as recent performance trends, the full-year consolidated performance forecast announced on May 9, 2025, has been revised. For further details, please refer to “Notice Concerning Revisions to Financial Results Forecasts and the Interim Dividend and the Year-End Dividend Forecasts for the Fiscal Year Ending March 31, 2026” announced on November 7, 2025.

2. Quarterly Consolidated Financial Statements and significant notes thereto

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	16,339	18,620
Notes and accounts receivable - trade, and contract assets	25,742	25,697
Electronically recorded monetary claims - operating	4,576	4,948
Securities	26,974	26,966
Merchandise and finished goods	9,817	9,693
Work in process	2,280	3,042
Raw materials and supplies	5,707	4,939
Other	1,496	1,588
Allowance for doubtful accounts	△19	△19
Total current assets	92,916	95,477
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,490	9,545
Machinery, equipment and vehicles, net	14,675	14,074
Land	2,246	2,246
Leased assets, net	531	497
Construction in progress	1,979	3,069
Other, net	371	421
Total property, plant and equipment	29,295	29,854
Intangible assets		
Goodwill	118	95
Software	82	57
Other	1,320	1,713
Total intangible assets	1,521	1,866
Investments and other assets		
Investment securities	28,510	30,788
Long-term loans receivable	9	8
Deferred tax assets	715	460
Other	1,544	1,557
Allowance for doubtful accounts	△578	△577
Total investments and other assets	30,201	32,237
Total non-current assets	61,018	63,959
Total assets	153,935	159,437

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,117	13,540
Short-term borrowings	7,172	7,172
Current portion of long-term borrowings	76	—
Income taxes payable	2,947	3,060
Provision for bonuses	953	952
Other	7,119	5,420
Total current liabilities	31,385	30,146
Non-current liabilities		
Long-term borrowings	387	—
Lease liabilities	675	606
Deferred tax liabilities	3,973	4,528
Retirement benefit liability	1,207	1,094
Asset retirement obligations	557	656
Other	150	787
Total non-current liabilities	6,953	7,672
Total liabilities	38,339	37,819
Net assets		
Shareholders' equity		
Share capital	15,871	15,871
Capital surplus	17,020	17,026
Retained earnings	76,151	81,647
Treasury shares	△6,410	△7,405
Total shareholders' equity	102,633	107,140
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,316	12,895
Deferred gains or losses on hedges	△56	22
Foreign currency translation adjustment	1,026	902
Remeasurements of defined benefit plans	671	653
Total accumulated other comprehensive income	12,957	14,473
Non-controlling interests	4	3
Total net assets	115,596	121,618
Total liabilities and net assets	153,935	159,437

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	50,167	48,832
Cost of sales	35,513	32,880
Gross profit	14,654	15,951
Selling, general and administrative expenses	7,686	7,840
Operating profit	6,967	8,111
Non-operating income		
Interest income	27	83
Dividend income	456	618
Share of profit of entities accounted for using equity method	10	10
Foreign exchange gains	—	7
Subsidy income	99	111
Other	86	68
Total non-operating income	679	899
Non-operating expenses		
Interest expenses	55	75
Foreign exchange losses	299	—
Loss on tax purpose reduction entry of non-current assets	25	—
Other	81	25
Total non-operating expenses	462	100
Ordinary profit	7,185	8,910
Extraordinary income		
Gain on sale of businesses	—	314
Gain on sale of investment securities	—	562
Total extraordinary income	—	877
Extraordinary losses		
Loss on retirement of non-current assets	84	102
Head office relocation expenses	—	62
Total extraordinary losses	84	164
Profit before income taxes	7,100	9,623
Income taxes - current	2,237	2,829
Income taxes - deferred	△0	37
Total income taxes	2,236	2,866
Profit	4,864	6,756
Profit (Loss) attributable to non-controlling interests	△2	1
Profit attributable to owners of parent	4,866	6,755

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	4,864	6,756
Other comprehensive income		
Valuation difference on available-for-sale securities	△708	1,579
Deferred gains or losses on hedges	△280	78
Foreign currency translation adjustment	236	△114
Remeasurements of defined benefit plans, net of tax	△7	△17
Share of other comprehensive income of entities accounted for using equity method	2	△12
Total other comprehensive income	△758	1,513
Comprehensive income	4,105	8,270
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,105	8,271
Comprehensive income attributable to non-controlling interests	0	△0

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	7,100	9,623
Depreciation	1,873	2,062
Amortization of goodwill	22	22
Increase (decrease) in allowance for doubtful accounts	0	△0
Increase (decrease) in provision for bonuses	1	△1
Increase (decrease) in retirement benefit liability	△97	△113
Interest and dividend income	△483	△702
Interest expenses	55	75
Foreign exchange losses (gains)	121	△8
Loss on retirement of non-current assets	84	102
Loss on tax purpose reduction entry of non-current assets	24	—
Share of loss (profit) of entities accounted for using equity method	△10	△10
Subsidy income	△99	△111
Loss (gain) on sale of short-term and long-term investment securities	—	△562
Loss (gain) on sale of businesses	—	△314
Decrease (increase) in accounts receivable - trade, and contract assets	3,619	97
Decrease (increase) in inventories	△120	97
Increase (decrease) in trade payables	△1,238	△19
Increase (decrease) in accrued consumption taxes	4	1
Other, net	△107	△195
Subtotal	10,751	10,041
Subsidies received	25	11
Interest and dividends received	483	717
Interest paid	△55	△75
Income taxes paid	△1,087	△2,707
Net cash provided by (used in) operating activities	10,117	7,988

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from investing activities		
Purchase of property, plant and equipment	△3,457	△3,322
Purchase of intangible assets	△789	△430
Purchase of investment securities	△10	△10
Proceeds from sale of investment securities	—	600
Proceeds from sale of businesses	—	419
Subsidies received	74	100
Other, net	△300	△89
Net cash provided by (used in) investing activities	△4,483	△2,733
Cash flows from financing activities		
Repayments of long-term borrowings	△39	△433
Purchase of treasury shares	△1	△1,000
Dividends paid	△1,127	△1,243
Other, net	△57	△47
Net cash provided by (used in) financing activities	△1,226	△2,724
Effect of exchange rate change on cash and cash equivalents	123	△256
Net increase (decrease) in cash and cash equivalents	4,531	2,273
Cash and cash equivalents at beginning of period	38,432	43,314
Cash and cash equivalents at end of period	42,963	45,587

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on Premise of Going Concern)

Not applicable

(Notes on Major Changes in Shareholders' Equity)

Not applicable

(Notes on Segment Information and Other Items)

The Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(Millions of yen)

	Basic chemicals	Functional chemicals	Healthcare	Trading and Others	Total	Adjustments *1	Consolidated *2
Net sales							
Japan	17,250	4,387	1,504	7,512	30,654		30,654
China	—	4,388	653	1,759	6,801	—	6,801
Asia	815	2,991	1,195	244	5,246	—	5,246
Europe	166	2,391	2,345	105	5,008	—	5,008
Others	171	1,804	472	5	2,454	—	2,454
Revenue from Contracts with Customers	18,403	15,963	6,172	9,627	50,167	—	50,167
Other Revenue	—	—	—	—	—	—	—
External sales	18,403	15,963	6,172	9,627	50,167	—	50,167
Intersegment sales or reclassifications	0	376	—	1,812	2,189	(2,189)	—
Total	18,404	16,339	6,172	11,440	52,356	(2,189)	50,167
Segment income	1,047	2,560	3,424	570	7,603	(635)	6,967

Notes:

- (1) Adjustments of segment income of ¥ (635) million are corporate expenses not allocated to reportable segments. Most of above-mentioned corporate expenses are not attributable to a reporting segment and related to fundamental research and development.
- (2) Segment income is adjusted to operating income of consolidated statement of income.

The Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(Millions of yen)

	Basic chemicals	Functional chemicals	Healthcare	Trading and Others	Total	Adjustments *1	Consolidated *2
Net sales							
Japan	17,070	4,034	1,571	7,322	29,999	—	29,999
China	—	4,337	1,032	607	5,977	—	5,977
Asia	2,322	2,507	1,812	219	6,861	—	6,861
Europe	381	1,475	1,744	59	3,660	—	3,660
Others	527	1,240	548	15	2,331	—	2,331
Revenue from Contracts with Customers	20,302	13,596	6,709	8,223	48,832	—	48,832
Other Revenue	—	—	—	—	—	—	—
External sales	20,302	13,596	6,709	8,223	48,832	—	48,832
Intersegment sales or reclassifications	2	344	—	1,742	2,089	(2,089)	—
Total	20,304	13,941	6,709	9,965	50,921	(2,089)	48,832
Segment income	2,946	1,926	3,447	462	8,782	(671)	8,111

Notes:

- (1) Adjustments of segment income of ¥ (671) million are corporate expenses not allocated to reportable segments. Most of above-mentioned corporate expenses are not attributable to a reporting segment and related to fundamental research and development.
- (2) Segment income is adjusted to operating income of consolidated statement of income.