Business Results for the First Quarter of Fiscal Year Ending March 31, 2027 (April 1, 2026 – June 30, 2026)

August 10, 2026

(Tokyo Stock Exchange Prime Market, Securities Code: 4047)

KANTO DENKA KOGYO

Statement of Income

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- Net sales of specialty gases for semiconductors increased year over year due to higher volumes supported by improved operating rates and favorable effects from price revisions. Net sales of battery materials also increased due to expanded demand in North America.
- Operating profit increased year over year despite higher raw material and fuel prices, supported by the increase in net sales.
- WF6 continues production by diversifying its tungsten procurement sources.

(Billions of yen)

	Q1 FY2025	Q1 FY2026	Difference	% change
Net sales	15.1	19.7	4.6	30.6
Operating profit	0.7	3.9	3.1	410.7
Ordinary profit	0.7	4.5	3.8	515.5
Profit before income	0.7	4.5	3.8	522.2
Profit attributable to owners of parent	0.5	3.2	2.7	509.3
Basic earnings per share (yen)	9.24	56.41	47.17	

Balance Sheet

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(Billions of yen)

1.	FY2025	Q1 FY2026	Difference	% change
Assets	**131.3**	**140.7**	**9.4**	**7.2**
Cash and deposits	20.2	18.6	-1.5	-7.8
Trade receivables	18.8	21.0	2.1	11.6
Inventories	21.1	27.8	6.6	31.3
Non-current assets (tangible + intangible)	53.4	52.0	-1.3	-2.5
Liabilities	**57.0**	**62.7**	**5.7**	**10.0**
Interest-bearing debt	39.8	42.4	2.5	6.5
Trade payables	9.3	11.2	1.8	20.0
Income taxes payable	1.1	1.7	0.5	42.8
Net assets	**74.2**	**77.9**	**3.6**	**5.0**
Equity ratio (%)	55.1	54.1	-1.0	

Performance By Segment

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(Billions of yen)

	Net sales			Operating profit		
	Q1 FY2025	Q1 FY2026	Difference	Q1 FY2025	Q1 FY2026	Difference
Fundamental Chemicals	1.9	2.0	0.1	0.0	0.0	0.0
Fine Chemicals	11.9	16.5	4.5	0.5	3.7	3.1
Other*	1.2	1.1	-0.0	0.1	0.1	-0.0
Total	15.1	19.7	4.6	0.7	3.9	3.1
(Reference) Specialty gases (non-consolidated)	10.3	14.3	4.0	0.7	4.2	3.4
(Reference) Loss on valuation of inventories	-	-	-	(0.6)	(0.6)	-0.0

	Q1 FY2025	Q1 FY2026	Difference
Capital investment	3.1	0.9	-2.2
Depreciation	1.8	2.3	0.4
R&D expenses	0.5	0.5	0.0

* "Other" includes the Ferrochemicals, Commercial Business, Facilities Divisions, and consolidation adjustments.

Consolidated Operating Profit: Difference Analysis (Q1 FY2025 vs. Q1 FY2026)

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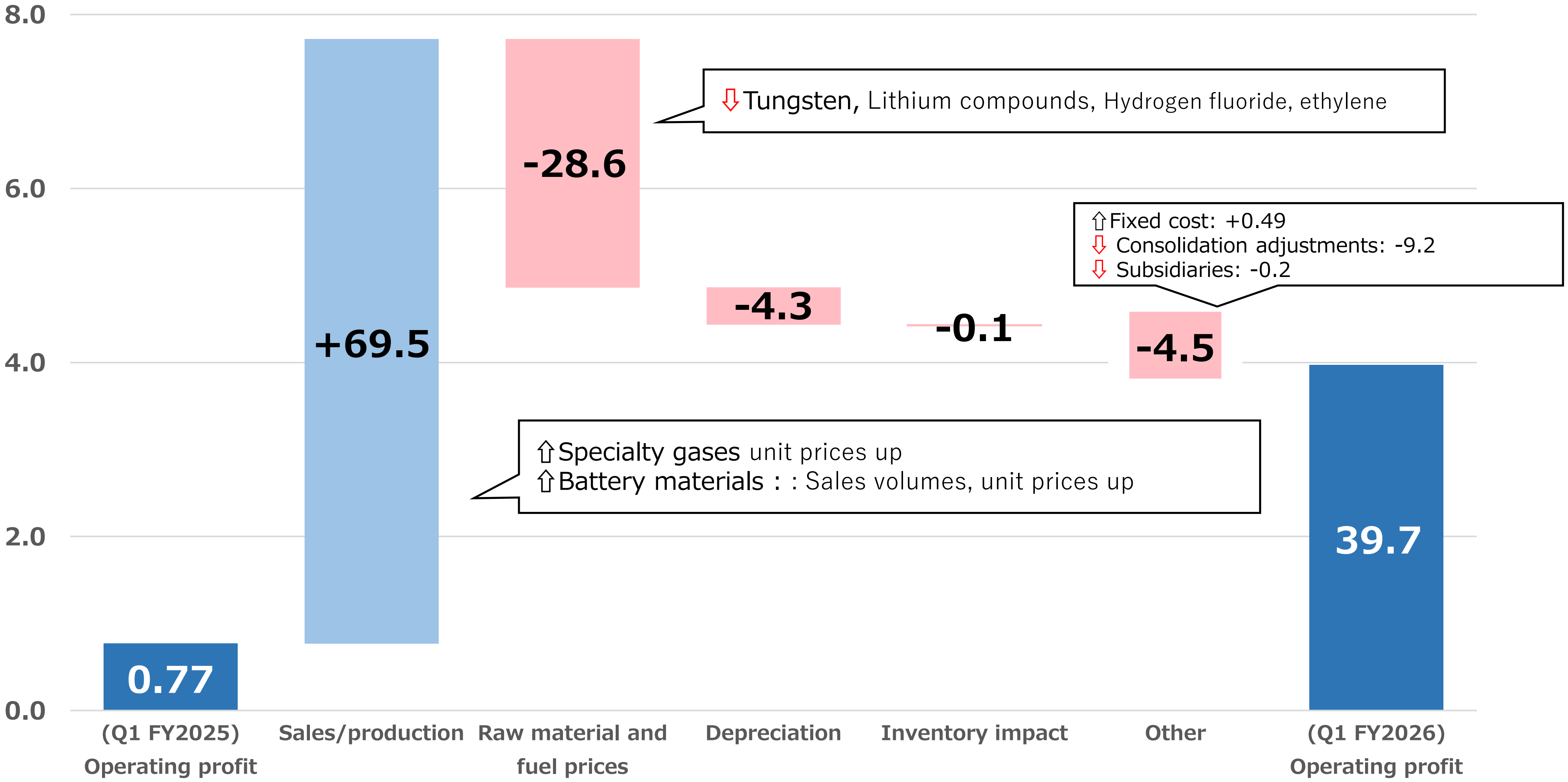
(Billions of yen)



Performance Adjustment (by Segment)

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- Net sales are expected to remain in line with the plan.
- Operating profit is expected to increase despite higher raw material and fuel prices, supported by factors such as price revision effects for specialty gases for semiconductors.
- The full-year earnings forecast is being reviewed for the impact of fluctuations in raw material and fuel prices; therefore, performance projections from the second quarter onward are kept unchanged from the initial plan

(Billions of yen)

	Net sales			Operating profit		
	FY2026 H1 initial forecast	FY2026 H1 revised forecast	Difference	FY2026 H1 initial forecast	FY2026 H1 revised forecast	Difference
Fundamental Chemicals	4.3	4.3	-	-0.3	-0.3	-
Fine Chemicals	35.6	35.6	-	5.4	6.7	1.3
Other*	2.3	2.3	-	0.2	0.2	-
Total	42.2	42.2	-	5.3	6.6	1.3

	Net sales			Operating profit (loss)		
	FY2026 initial forecast	FY2026 revised forecast	Difference	FY2026 initial forecast	FY2026 revised forecast	Difference
Fundamental Chemicals	8.5	8.5	-	0.1	0.1	-
Fine Chemicals	81.8	81.8	-	9.6	10.9	1.3
Other*	4.7	4.7	-	0.3	0.3	-
Total	95.0	95.0	-	10.0	11.3	1.3

* "Other" includes the Ferrochemicals, Commercial Business, Facilities Divisions, and consolidation adjustments.

Notes

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- This document does not constitute disclosure material as defined by the Financial Instruments and Exchange Act and other laws and regulations, and therefore the Company does not guarantee its accuracy or completeness.
- Performance forecasts in this document were created based on information available as of the date of this document's publishing, and actual results may differ versus forecasted figures due to a variety of factors arising in the future.