SAKAI CHEMICAL INDUSTRY CO., LTD.

First Quarter Financial Results Presentation for the Fiscal Year Ending March 2027

August 7, 2026

[TSE Prime; Securities Code: 4078]

Key Points of This Presentation

Q1 FY03/27 results	➢ Net sales Strong performance in the electronic materials business—supported by continuously robust AI server-related demand—and from other businesses offset the negative sales impact attributable to the discontinuation of the pigment-grade titanium dioxide business. As a result, net sales increased 6.6% YoY. ➢ Operating profit Operating profit decreased 10.5% YoY due in part to lower titanium dioxide sales volumes attributable to the discontinuation of the pigment-grade titanium dioxide business. Also contributing to the downturn was a decline in sales of organic chemicals that primarily reflected an unfavorable YoY comparison with Q1 FY03/26, when we reported a disproportionately high concentration of pharmaceutical API and intermediate sales. ➢ Profit attributable to owners of parent Profit attributable to owners of parent increased 56.0% YoY, as we recorded a gain of approximately 1.0 billion yen on the sale of fixed assets we had been anticipating since the beginning of FY03/27.
FY03/27 forecast	➢ Forecasts for 1H and full-year FY03/27 remain unchanged from those announced on May 13, 2026. AI server-related demand in the electronic materials business remains strong, but we intend to continue monitoring movement in demand from Q2 onward.
Shareholder returns	➢ Our dividend forecast, as announced on May 13, 2026, remains unchanged.
Other	➢ Following the conversion of convertible bonds with stock acquisition rights, we issued approximately 1.519 million new shares. In response to the resulting increase in shares outstanding, we have launched a share buyback of up to 1.52 million shares, with a maximum aggregate purchase price of 7.0 billion yen. The buyback is intended to enhance shareholder value per share and improve capital efficiency. ➢ Our business alliance with IA Partners expired in May 2026. ➢ We have implemented a Special Career Transition Support Program.

Q1 FY03/27 Results Summary

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● YoY performance — Net sales: +6.6% / operating profit: -10.5%

- Net sales

→ Net sales increased as performance from the electronic materials business and other businesses more than offset lower titanium dioxide sales volumes attributable to the discontinuation of the pigment-grade titanium dioxide business.

- Operating profit

→ Operating profit declined due to lower titanium dioxide sales volumes attributable to the discontinuation of the pigment-grade titanium dioxide business. In addition, pharmaceutical API and intermediate sales decreased YoY mainly because a disproportionately large share of FY03/26's sales had been recorded in Q1.

External factors		Internal factors	
Positives	Negatives	Positives	Negatives
• Semiconductor market remained robust AI server-related demand was favorable Automotive-related demand also held firm	• Persistent economic stagnation in China • Sluggish Thai economy • Weak demand in the domestic building materials sector • Changing trends in the sunscreen market * Slowdown in shift from organic to inorganic materials	• Selling price revisions • Site consolidation completed in the catalysts business	• Decline in operating rate (discontinuation of the pigment-grade titanium dioxide business)

Q1 FY03/27 Results Overview (YoY Change)

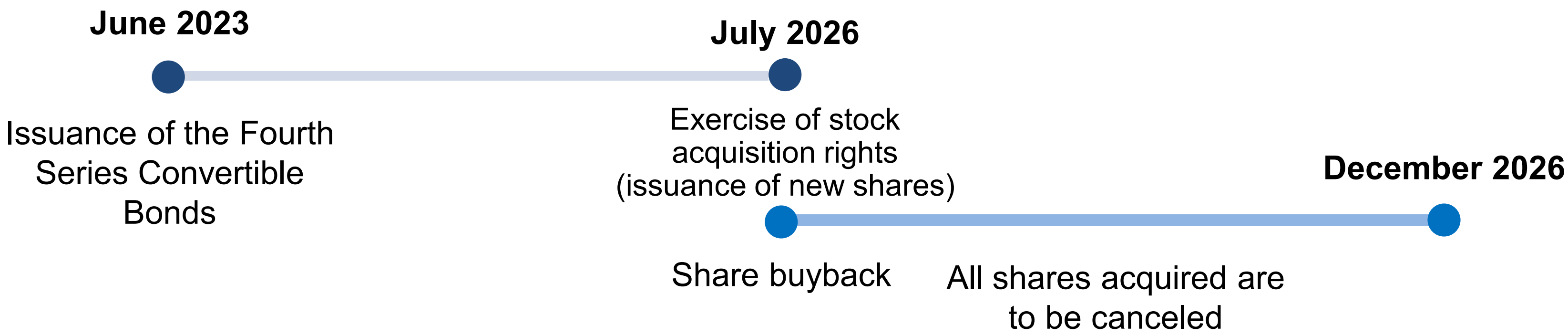
(Millions of yen)

	Q1 FY03/26 Actual		Q1 FY03/27 Actual		YoY Change	
	Amount	%	Amount	%	Amount	%
Net sales	20,136	―	21,466	―	1,330	6.6
Operating profit	1,904	9.5	1,705	7.9	-199	-10.5
Ordinary profit	1,927	9.6	1,879	8.8	-48	-2.5
Profit attributable to owners of parent	1,282	6.4	2,000	9.3	718	56.0
EPS	79.66		130.66		―	

	YoY Comparison
Net sales	Net sales increased 6.6% YoY, as strong performance in the electronic materials business and other businesses more than offset the decline in titanium dioxide sales attributable to the discontinuation of the pigment-grade titanium dioxide business. ✓ Electronic materials: AI server-related demand was favorable.
Operating profit	Operating profit decreased 10.5% YoY, mainly reflecting lower titanium dioxide sales volumes attributable to the discontinuation of the pigment-grade titanium dioxide business and lower sales performance from the organic chemicals business. ✓ Titanium dioxide: Sales volumes declined following the discontinuation of the pigment-grade titanium dioxide business. ✓ Organic chemicals: Sales of pharmaceutical API and intermediates were lower YoY, largely because sales in FY03/26 had been disproportionately concentrated in Q1, creating an unfavorable baseline for comparison. Sales performance from organic sulfur compounds, however, held firm.
Net income	Profit attributable to owners of parent increased 56% due to a gain of approximately 1.0 billion yen on the sale of fixed assets disclosed on March 24, 2026.

Conversion of Convertible Bonds with Stock Acquisition Rights and Share Buyback

- Through the share buyback, we aim primarily to enhance shareholder value on a per-share basis and improve capital efficiency.
- The shareholder return plan we announced on May 13, 2026—an annual dividend forecast of 160 yen per share for FY03/27—remains unchanged.



1. Overview of convertible-bond (CB) conversion

Total cumulative conversion amount	3.0 billion yen (conversion ratio: 100%)
Total number of shares to be issued upon conversion	1,518,987 (9.5% of total shares issued)
Total number of issued shares following conversion	17,518,987
CB issuance date	June 2023
Conversion price—amount paid in upon exercise	1,975 yen per share

2. Overview and progress of share buyback

Maximum total acquisition cost	7.0 billion yen
Maximum number of shares to be acquired	1,520,000 (9.9% of total issued shares, excluding treasury shares)
Acquisition period	From July 1, 2026 to December 31, 2026
Acquisition method	Market purchases (all shares acquired scheduled to be canceled after completion of acquisition)
Progress as of July 31, 2026	2.4 billion yen; 596,100 shares

Termination of the Business Alliance with IA Partners Inc.

- Business Alliance with IA Partners: Background, Purpose, and Termination
  - ✓ Background and purpose: In May 2023, we entered into a business alliance with IA Partners to support the formulation of our medium-term management plan, particularly in the areas of portfolio strategy and M&A, and financial and IR strategy. In connection with this alliance, we secured financing through a third-party allotment.
  - ✓ The business alliance expired in May 2026.
- Results of the business alliance (as of March 31, 2026)
  - ✓ Business portfolio transformation and an improved earnings base (terminated the pigment-grade titanium dioxide business; improved the profitability of businesses under efficiency review, supporting their transition to stable businesses; achieved more accurate business planning through PDCA-based management)
  - ✓ Formulation and execution of financial strategy (improved asset efficiency and cash flow generation through a shorter cash conversion cycle and the sale of idle assets; clearly articulated our capital allocation policy; implemented management practices conscious of cost of capital)
  - ✓ Comprehensive review of the medium-term management plan period—FY03/25 through FY03/27—scheduled for May 2027
- Convertible bonds (CBs) and stock acquisition rights issued in connection with the fundraising process
  - ✓ The Fourth Series Unsecured Convertible Bonds with Stock Acquisition Rights were converted in full into common shares in July 2026.
  - ✓ IA Partners, or IAP, continues to hold separately issued stock acquisition rights.* Any proceeds received upon exercise of these rights are intended to fund business expansion through M&A. As of the date of this presentation, the Company has no M&A transactions requiring disclosure.

* Issue price: Approximately 35 million yen; number of underlying shares (shares deliverable upon full exercise): 1,012,600; exercise price: 1,975 yen per share; exercise deadline: December 31, 2027.

FY03/27 Earnings Forecast

FY03/27 Earnings Forecast

➢ Our 1H and full-year forecasts remain as announced on May 13, 2026.
* Although we anticipate AI server-related demand in the electronic materials business will remain strong, we intend to closely monitor demand from Q2 onward.

(Millions of yen)

	Q1 FY03/27		FY03/27						
	Actual		1H forecast		2H forecast		Full-year forecast		
	Amount	Margin %	Amount	Margin %	Amount	Margin %	Amount	Margin %	YoY %
Net sales	21,466	―	41,700	―	40,000	―	81,700	―	0.3
Operating profit	1,705	7.9	3,100	7.4	2,900	7.3	6,000	7.3	(7.0)
Ordinary profit	1,879	8.8	3,200	7.7	2,900	7.3	6,100	7.5	(6.8)
Profit attributable to owners of parent	2,000	9.3	2,800	6.7	1,600	4.0	4,400	5.4	59.9

External Factors (Assumptions)		Internal Factors (Assumptions)	
Positives	Negatives	Positives	Negatives
• Favorable semiconductor market conditions driven by strong AI-related demand • Thai economy has bottomed out	• Persistent economic stagnation in China • Shift in sunscreen market trends (from inorganic products to organic products) * Slowdown in shift from organic to inorganic materials	• Improved sales mix (electronic materials)	• Increase in fixed cost ratio

*Due to the difficulty of predicting their impact, our projections do not reflect potential effects from reciprocal U.S. tariff policies or the situation in the Middle East.

Reportable Segment Details for Q1 FY03/27

Q1 FY03/27 Results by Segment: Sales and Operating Profit

(Millions of yen)

	Q1 FY03/26 Actual			Q1 FY03/27 Actual			Difference			
	Sales	Operating profit	OPM	Sales	Operating profit	OPM	Sales		Operating profit	
	Amount	Amount	%	Amount	Amount	%	Amount	%	Amount	%
Electronic materials	2,870	476	16.6	3,364	581	17.3	494	17.2	105	22.1
Cosmetic materials	337	(63)	(18.7)	534	(105)	(19.7)	197	58.5	(42)	—
Organic chemicals	2,121	459	21.6	1,922	256	13.3	(199)	(9.4)	(203)	(44.2)
Hygienic products	1,283	79	6.2	1,428	142	9.9	145	11.3	63	79.7
Contract processing	1,596	171	10.7	1,730	231	13.4	134	8.4	60	35.1
Titanium dioxide and zinc products	2,688	409	15.2	1,866	142	7.6	(822)	(30.6)	(267)	(65.3)
Plastic additives	3,012	341	11.3	3,114	322	10.3	102	3.4	(19)	(5.6)
Catalysts	472	(3)	(0.6)	702	84	12.0	230	48.7	87	—
Barium	1,341	289	21.6	1,484	303	20.4	143	10.7	14	4.8
Medical	2,097	6	0.3	2,107	(19)	(0.9)	10	0.5	(25)	(416.7)
Others	2,313	314	13.6	3,211	448	14.0	898	38.8	134	42.7
Companywide expenses	—	(574)	—	—	(683)	—	—	—	(109)	—
Consolidated	**20,136**	**1,904**	**9.5**	**21,466**	**1,705**	**7.9**	**1,330**	**6.6**	**(199)**	**(10.5)**

Reference Materials

- **Performance Trends, etc.**

Quarterly Performance (Former Reportable Segment Structure)

単位：百万円 (Unit：Million Yen)			26.3期（FY 2025）				FY 2026 27.3期
			1Q	2Q	3Q	4Q	1Q
電子材料	売上高	Net Sales	2,870	2,976	2,821	2,708	3,364
Electronic materials	営業利益	Operating Profit	476	538	424	377	581
化粧品材料	売上高	Net Sales	337	357	426	598	534
Cosmetics Materials	営業利益	Operating Profit	-63	-152	0	-220	-105
有機化学品	売上高	Net Sales	2,121	1,692	1,613	1,757	1,922
Organic chemicals	営業利益	Operating Profit	459	43	206	12	256
衛生材料	売上高	Net Sales	1,283	1,287	1,417	1,365	1,428
Hygienic products	営業利益	Operating Profit	79	101	127	149	142
受託加工	売上高	Net Sales	1,596	1,695	1,702	1,683	1,730
Contract processing	営業利益	Operating Profit	171	180	248	204	231
酸化チタン・亜鉛製品	売上高	Net Sales	2,688	2,450	2,496	2,608	1,866
Titanium dioxide and zinc products	営業利益	Operating Profit	409	248	167	397	142
樹脂添加剤	売上高	Net Sales	3,012	2,808	2,886	2,799	3,114
Plastic additives	営業利益	Operating Profit	341	178	282	265	322
触　媒	売上高	Net Sales	472	748	1,222	1,018	702
Catalysts	営業利益	Operating Profit	-3	154	392	105	84
無機材料	売上高	Net Sales	1,341	1,291	1,317	1,149	1,484
Barium business	営業利益	Operating Profit	289	201	396	312	303
医療事業	売上高	Net Sales	2,097	2,258	2,224	1,810	2,107
Medical business	営業利益	Operating Profit	6	65	89	-209	-19
その他	売上高	Net Sales	2,313	2,649	2,888	2,575	3,211
Other	営業利益	Operating Profit	314	410	411	362	448
全社費用 (HQ expenses)		HQ Expenses	-574	-591	-662	-672	-683
合　計	**売上高**	**Net Sales**	**20,136**	**20,216**	**21,017**	**20,076**	**21,466**
TOTAL	**営業利益**	**Operating Profit**	**1,904**	**1,379**	**2,083**	**1,084**	**1,705**

Sales and Operating Profit (Former Reportable Segment Structure)

単位：百万円 (Unit：Million Yen)			FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	新集計 FY 2023	FY 2024	FY 2025
			21.3	22.3	23.3	24.3	25.3 参考値	24.3	25.3	26.3
電子材料	売上高	Net Sales	9,723	10,857	8,939	8,978	11,555	7,857	10,014	11,377
Electronic materials	営業利益	Operating Profit	23	1,700	946	280	1,337	616	1,493	1,816
化粧品材料	売上高	Net Sales	1,698	2,460	2,790	2,498	2,677	2,496	2,676	1,720
Cosmetics Materials	営業利益	Operating Profit	292	301	430	-93	23	120	293	-437
有機化学品	売上高	Net Sales	6,882	7,321	8,014	7,813	6,664	7,799	6,638	7,185
Organic chemicals	営業利益	Operating Profit	1,476	1,639	1,600	1,395	689	1,293	770	721
衛生材料	売上高	Net Sales	9,254	5,388	5,496	5,455	5,709	5,340	5,623	5,353
Hygienic products	営業利益	Operating Profit	440	331	327	404	552	448	427	457
受託加工	売上高	Net Sales	6,550	6,947	6,244	6,177	6,404	6,193	6,422	6,677
Contract processing	営業利益	Operating Profit	632	1,029	587	546	605	563	620	805
酸化チタン・亜鉛製品	売上高	Net Sales	11,866	13,257	15,067	14,269	13,464	13,931	13,118	10,244
Titanium dioxide and zinc products	営業利益	Operating Profit	227	744	-34	-432	1,090	-22	1,479	1,222
樹脂添加剤	売上高	Net Sales	11,543	12,489	13,354	13,418	13,080	13,345	13,061	11,507
Plastic additives	営業利益	Operating Profit	397	966	404	636	1,220	762	1,393	1,068
触　媒	売上高	Net Sales	3,210	3,644	4,193	3,527	3,135	3,160	3,186	3,462
Catalysts	営業利益	Operating Profit	-82	190	179	73	-223	351	18	648
無機材料	売上高	Net Sales						4,967	5,175	5,100
Barium business	営業利益	Operating Profit						177	826	1,200
医療事業	売上高	Net Sales	8,096	7,892	7,868	7,995	8,264	8,054	8,321	8,391
Medical business	営業利益	Operating Profit	452	418	272	86	-40	89	-24	-48
そ の 他	売上高	Net Sales	16,079	9,875	11,890	11,970	13,256	8,956	10,169	10,427
Other	営業利益	Operating Profit	2,327	2,284	1,930	2,274	3,212	762	1,171	1,498
全社費用 (HQ expenses)		HQ Expenses	-1,880	-2,114	-2,236	-2,227	-2,377	-2,218	-2,376	-2,500
合　計	**売上高**	**Net Sales**	**84,918**	**80,135**	**83,861**	**82,105**	**84,409**	**82,105**	**84,409**	**81,447**
TOTAL	**営業利益**	**Operating Profit**	**4,304**	**7,494**	**4,407**	**2,942**	**6,093**	**2,942**	**6,093**	**6,452**

*Figures for FY03/25 have not been reviewed by an external auditor and should therefore be regarded solely as reference data.

Balance Sheet Comparison

Consolidated B/S (Millions of yen)	End-March 2026	End-June 2026	Change
Cash and deposits	15,502	17,548	2,046
Notes and accounts receivable - trade	25,056	25,454	398
Inventories	23,879	23,078	-801
Other	912	1,150	238
Total current assets	**65,352**	**67,230**	**1,878**
Property, plant and equipment	43,167	42,568	-599
Other	8,697	10,006	1,309
Total non-current assets	**51,864**	**52,575**	**711**
Total assets	**117,216**	**119,806**	**2,590**
Notes and accounts payable - trade	8,632	10,202	1,570
Short-term borrowings	8,357	8,474	117
Other	8,281	8,124	-157
Total current liabilities	**25,272**	**26,800**	**1,528**
Long-term borrowings	4,643	4,050	-593
Convertible-bond-type bonds with share acquisition rights	3,000		-3,000
Other	5,376	5,267	-109
Total non-current liabilities	**13,021**	**9,317**	**-3,704**
Total liabilities	**38,293**	**36,117**	**-**
Shareholders' equity	72,771	76,547	3,776
Other	6,150	7,141	991
Total net assets	**78,923**	**83,688**	**4,765**
Total liabilities and net assets	**117,216**	**119,806**	**2,590**

[Key Factors Driving Change]

• **Inventories -801 million yen (-3.4%)**
Decreased mainly due to sales of titanium dioxide products held in inventory.

• **Shareholders' equity +3,776 million yen (+5.2%)**
Increased due to the conversion of convertible bonds with stock acquisition rights

	Target	End-March 2026	End-June 2026
Equity ratio	—	66.3%	68.8%
CCC	180 days or less	178 days	161 days

(*CCC: Cash Conversion Cycle)
(Calculation formula: Working capital ÷ sales × 12 months × 30 days)