

Supplemental Information Financial Results For FY 2026 1Q

2026/5/15

SHIKOKU KASEI HOLDINGS CORPORATION
(Tokyo Stock Exchange Prime Market 4099)

1. Consolidated Financial Results

Financial Highlights

Led by the continued strong performance in fine chemicals, all segments exceeded the previous year's performance, resulting in renewed record highs for net sales and profit at each level in 1Q.

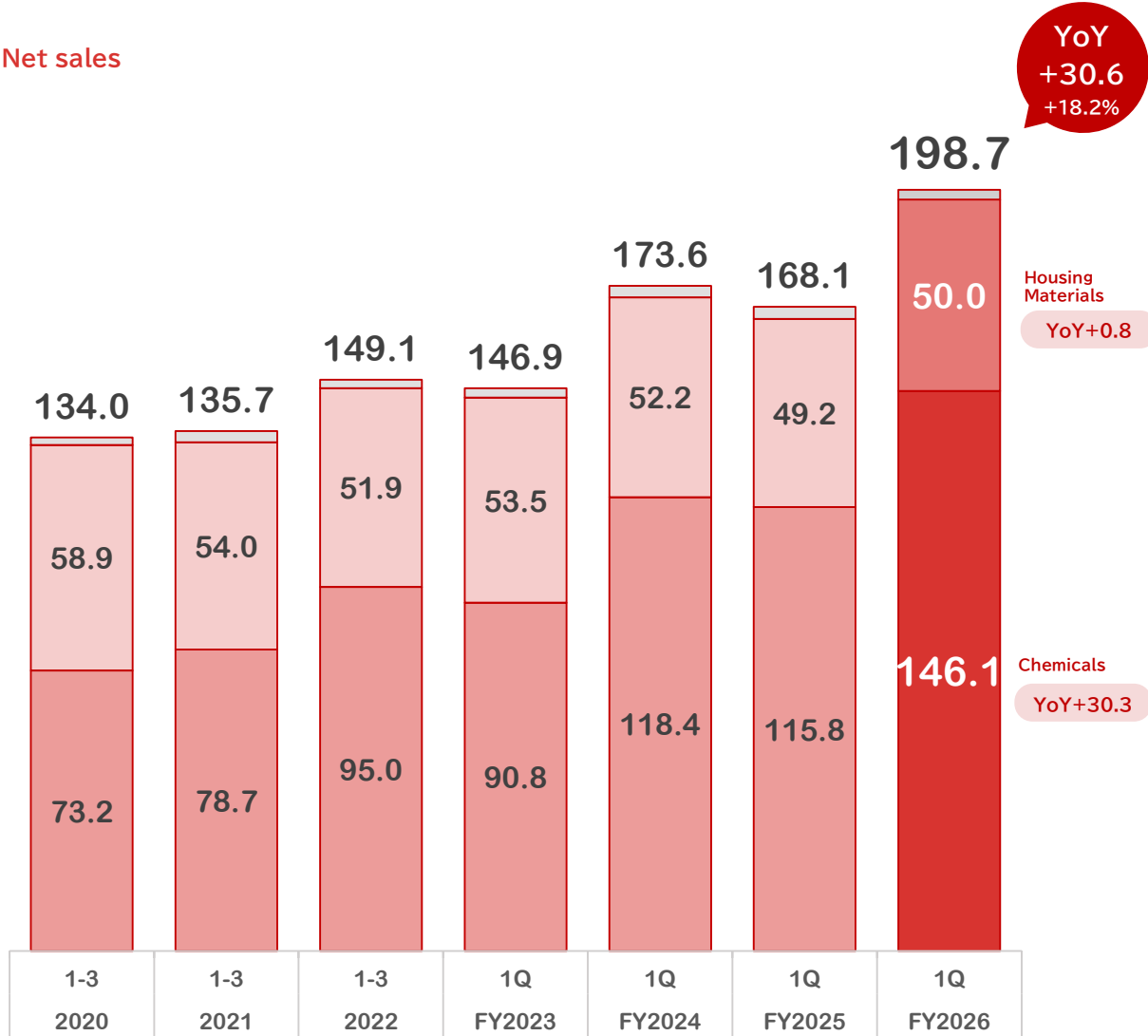
Million yen

	FY2025 1Q	FY2026 1Q	Change / Rate	Remarks
Net Sales	16,809	19,868	+3,058 +18.2%	•Chemicals operations increased due to strong sales of fine chemicals •Housing Materials operations increased slightly, due to the penetration of price increases and M&A
Operating profit	3,037	4,240	+1,202 +39.6%	•Operating profit increased significantly due to increased fine chemicals sales
Ordinary profit	2,811	4,520	+1,708 +60.8%	•Foreign exchange gains and losses 194 (YoY+547) •Interest income 172 (YoY+73)
Profit attributable to owners of parent	1,925	3,041	+1,116 +58.0%	•Gain and loss on sale of investment securities 95 (YoY▲51) •Loss of retirement of non-current assets ▲54 (YoY▲17)
Exchange rate	1USD 153JPY 1EUR 159JPY 1RMB 21.1JPY	1USD 155JPY 1EUR 184JPY 1RMB 22.5JPY	Net sales +0.22 billion yen Operating Profit +0.15 billion yen	•Foreign exchange impact on PL included in the change from the previous year (total of Chemicals and Housing Materials) Only the impact of exchange rate fluctuations on foreign currency transactions is shown. Many yen-denominated transactions are also substantially affected by changes in foreign exchange rates; however, they are not included.
ROE	9.2%	12.8%	+3.6%	

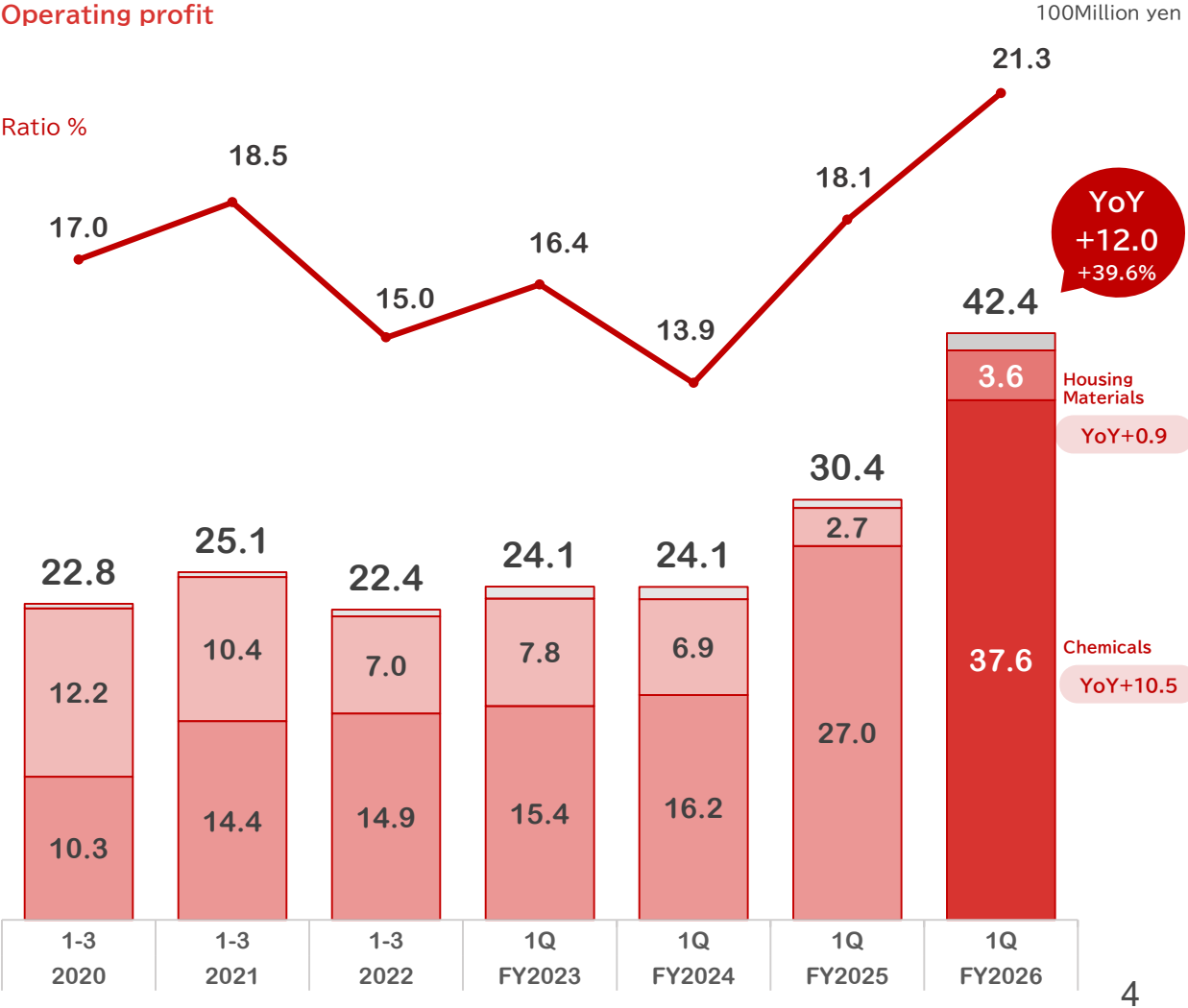
Trends in Net sales and Operating profit (YTD)

Total net sales increased (+3.06B) due to increased sales in Chemicals (+3.03B) despite decreased sales in Housing Materials(+80M)
 Total operating profit increased (+1.20B) due to increased profits in Chemicals(+1.05B) despite decreased profits in Housing Materials (+90M)

Net sales



Operating profit



Sales Overview by Segment

Segment		Overview of FY2026 1Q		
Inorganic chemicals		YoY	QoQ	- Sales of insoluble sulfur increased both YoY and QoQ due to strong exports to Asia. - Sales of carbon disulfide increased both YoY and QoQ due to strong export sales.
				
Organic chemicals		YoY	QoQ	Sales of Neo-Chlor increased QoQ due to steady sales ahead of the pool season, and also increased YoY due to a reactive increase from sluggish performance in the previous year.
				
Fine chemicals	Advanced & specialty chemicals	YoY	QoQ	- Sales of resin curing agent (imidazoles) increased both YoY and QoQ, driven by strong demand. - Sales of resin modifiers increased both YoY and QoQ, due to strong performance in existing applications as well as low-dielectric materials. - Sales of semiconductor process materials increased both YoY and QoQ, backed by robust semiconductor market conditions.
				
	Electronic chemicals	YoY	QoQ	- Sales of Glicoat-SMD decreased QoQ due to a surge in shipments in FY2025 4Q, but remained flat YoY. - Sales of GliCAP were strong against the backdrop of growing AI-related demand, and increased both YoY and QoQ.
				
Housing Materials		YoY	QoQ	Despite the YoY sales volume decrease, sales increased slightly due to the price increases implemented in April 2025 and the M&A in interior, exterior finishes and paving materials. Sales increased QoQ because the peak demand period for landscape exterior products fell between January and March.
				

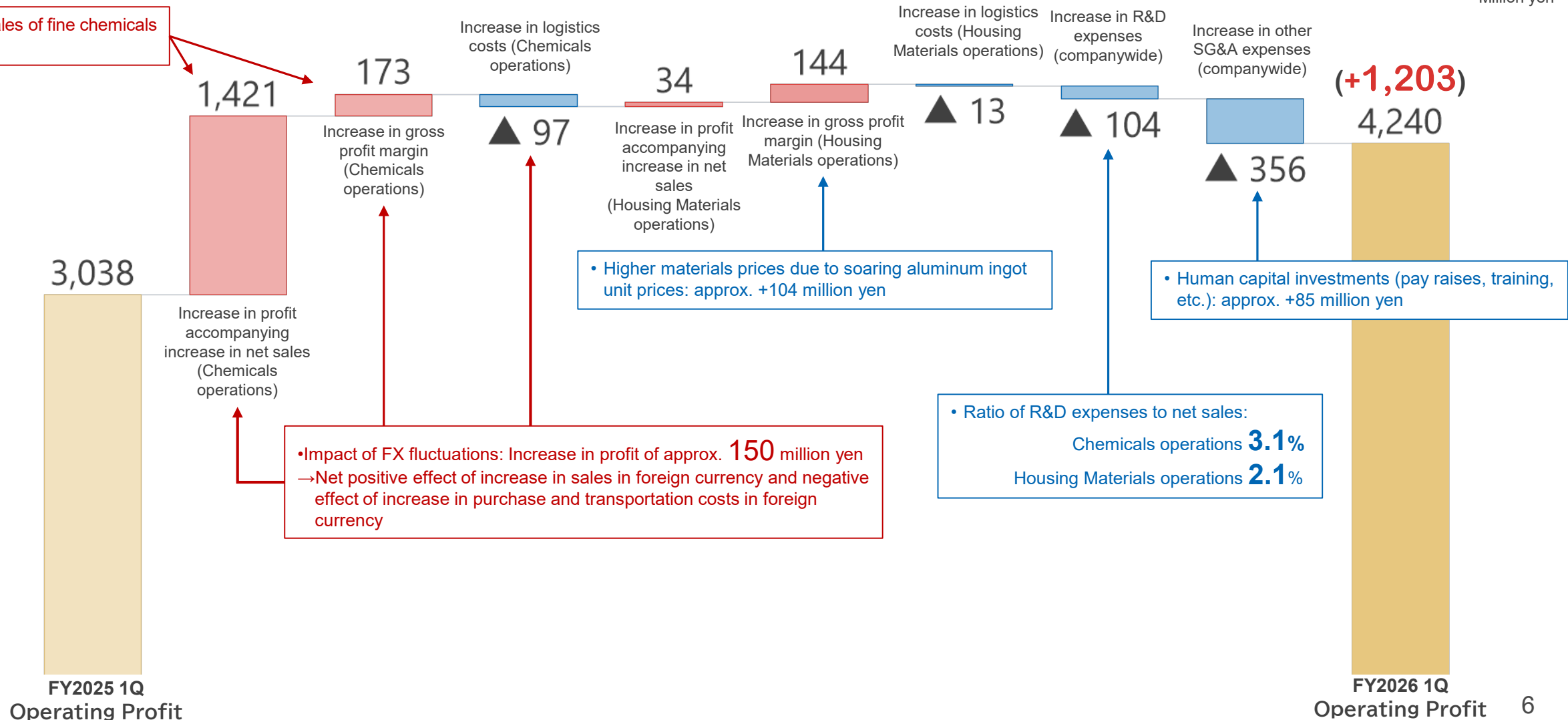
Total	YoY	QoQ
		

YoY Changes in Operating profit

Operating profit increased significantly, driven by higher net sales in all segments as well as strong performance in high-margin fine chemicals.

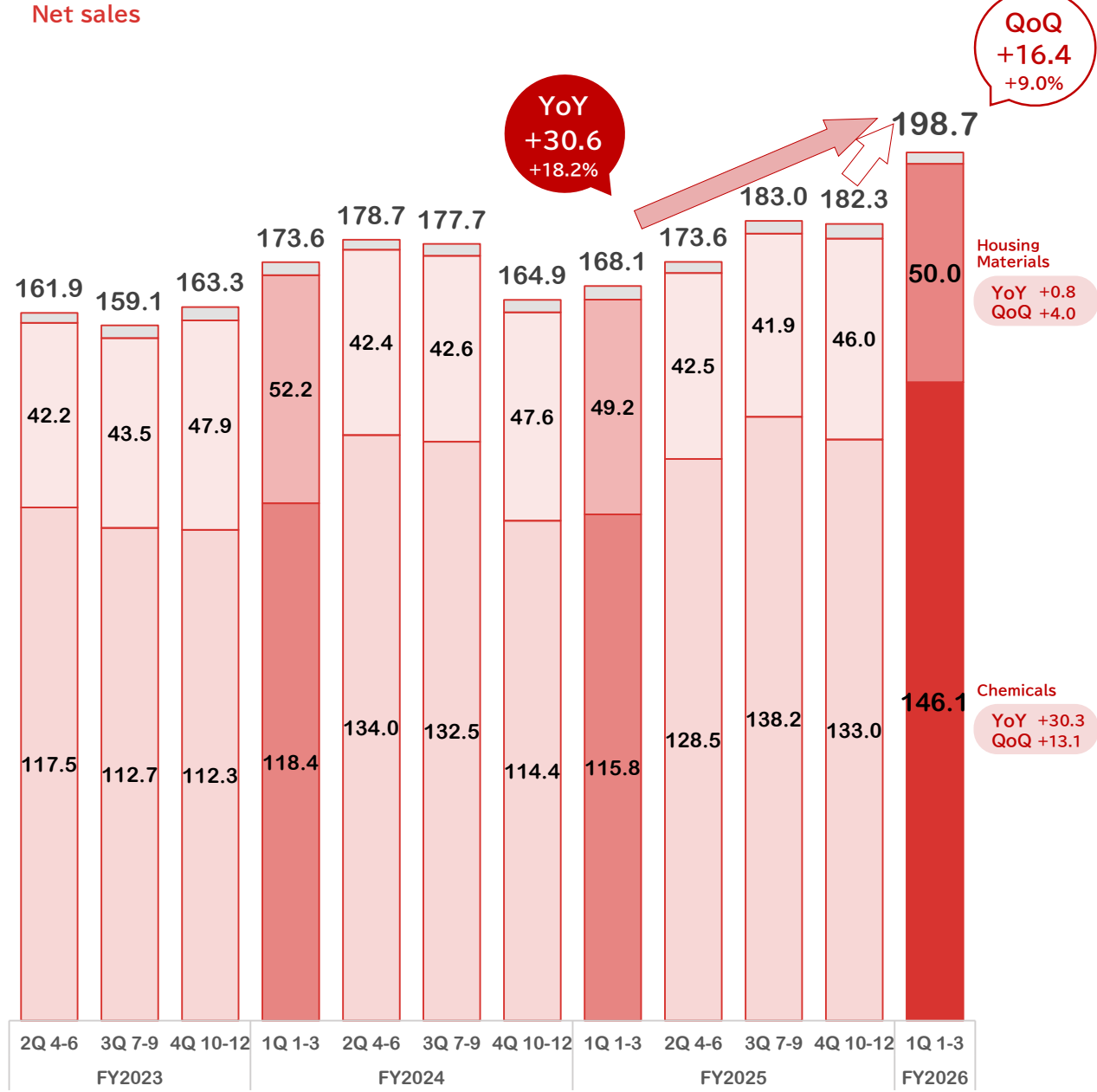
Million yen

• Increased sales of fine chemicals products



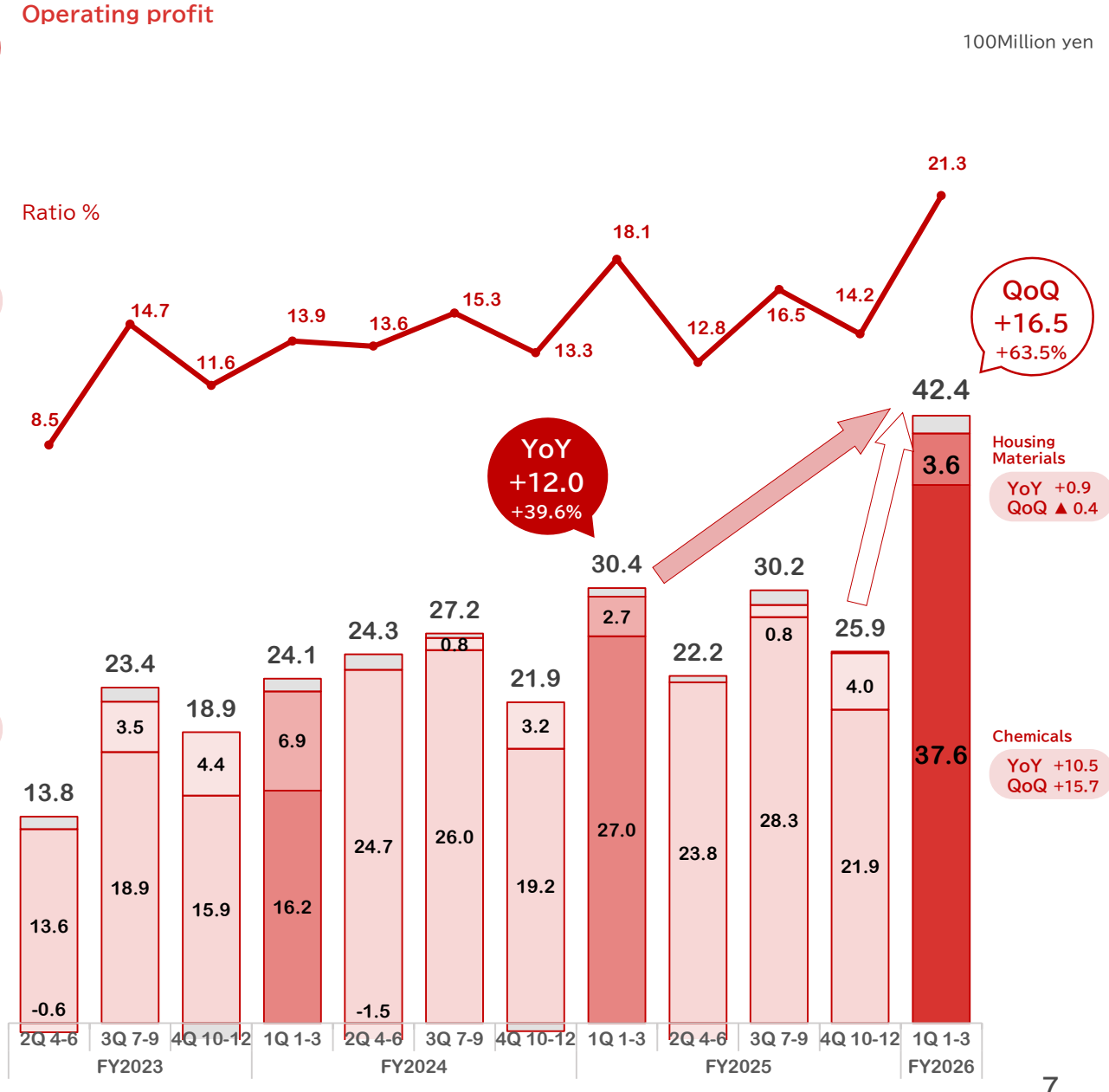
Trends in Net sales and Operating profit (QTD)

Net sales



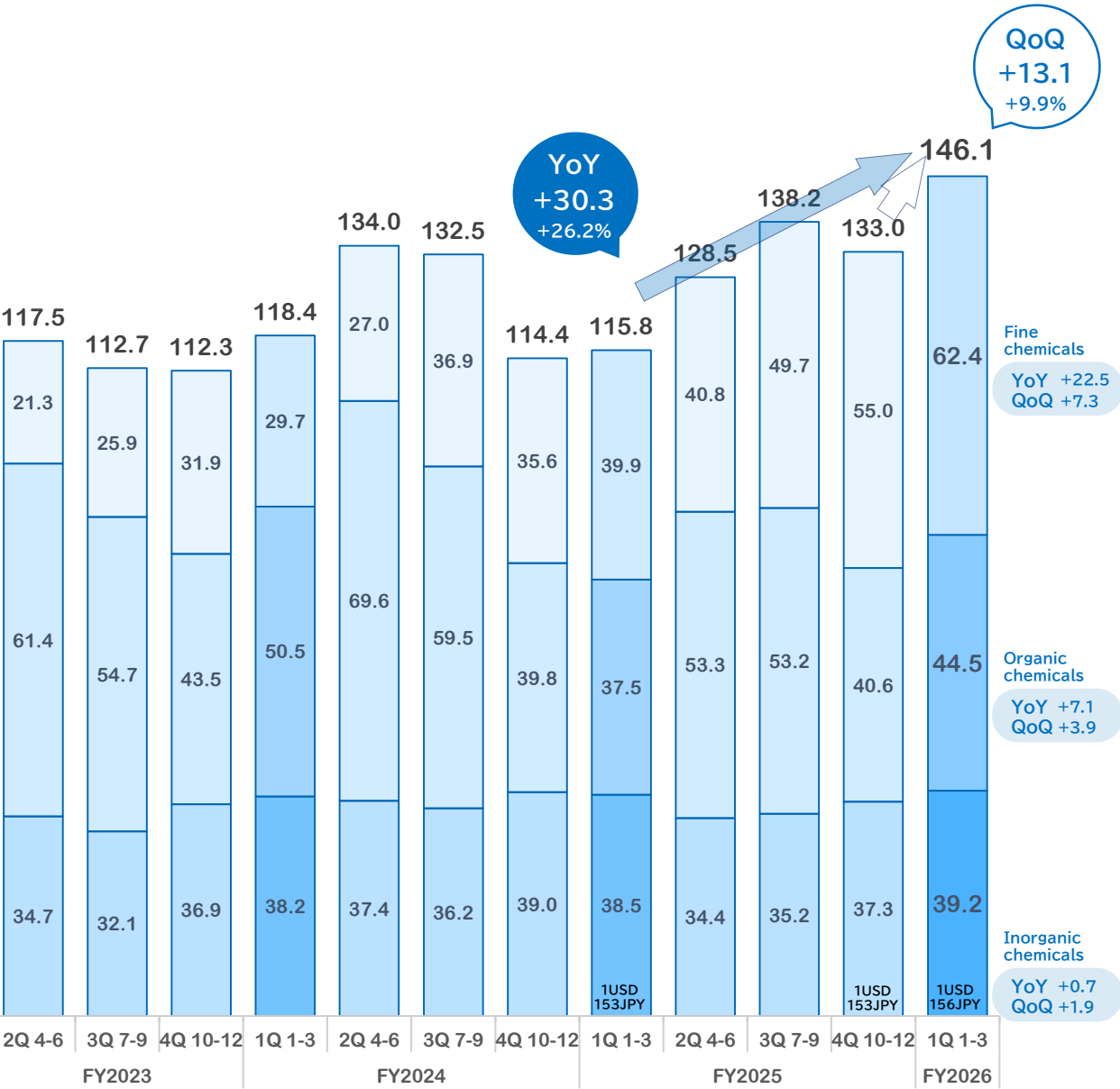
Operating profit

100 Million yen



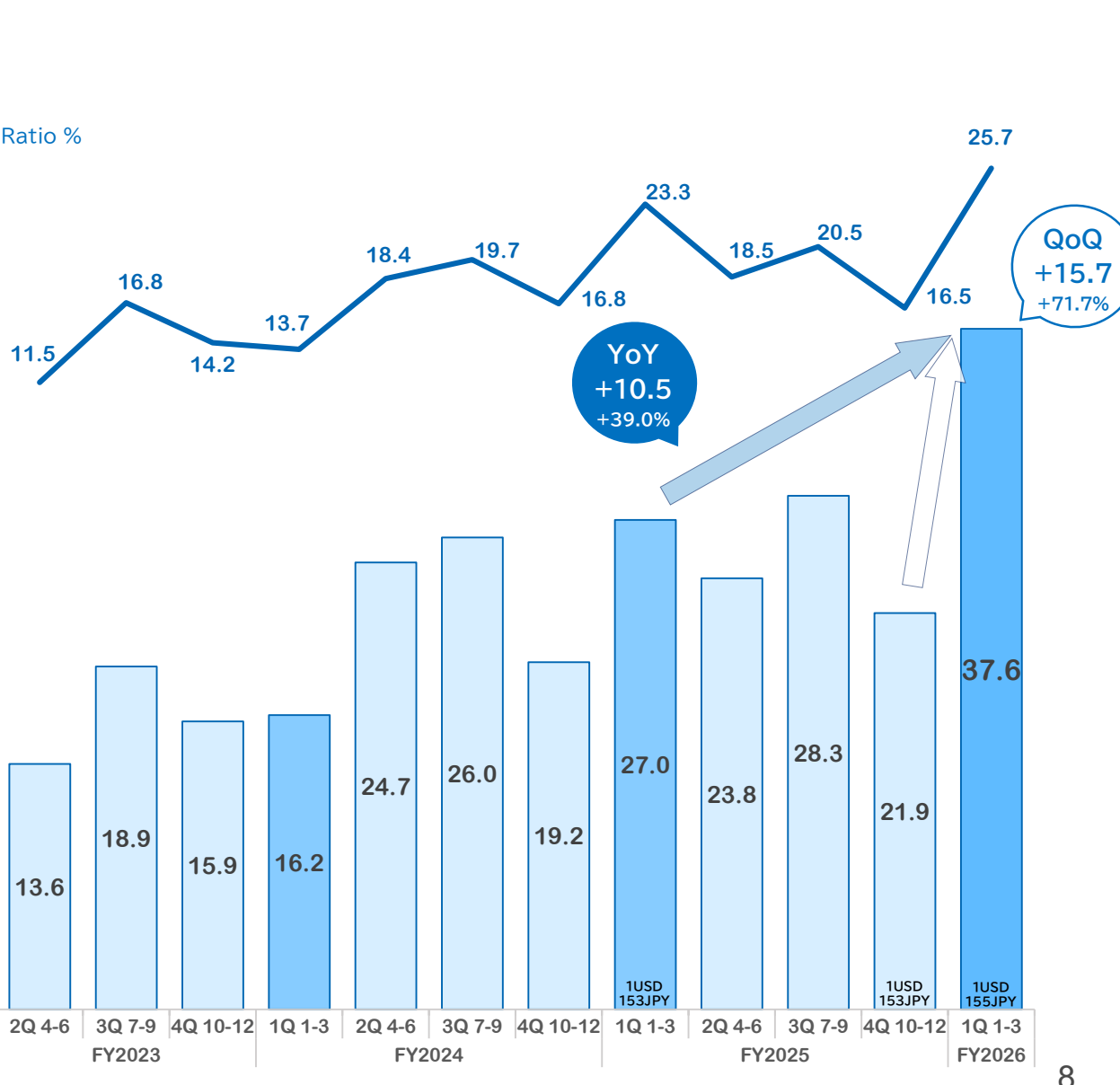
Operating results by segment : Chemicals (QTD)

Net sales



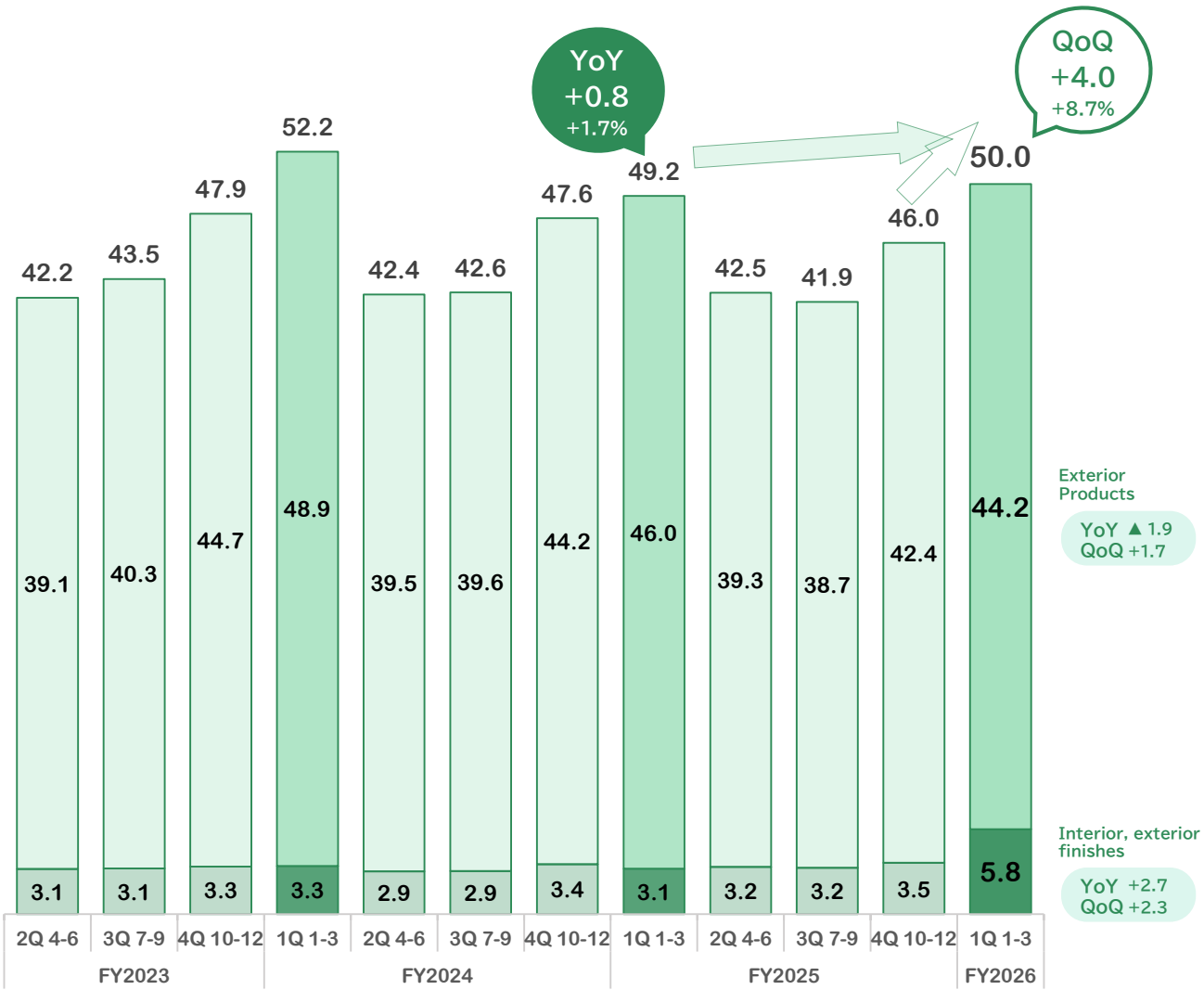
Operating profit

100 Million yen



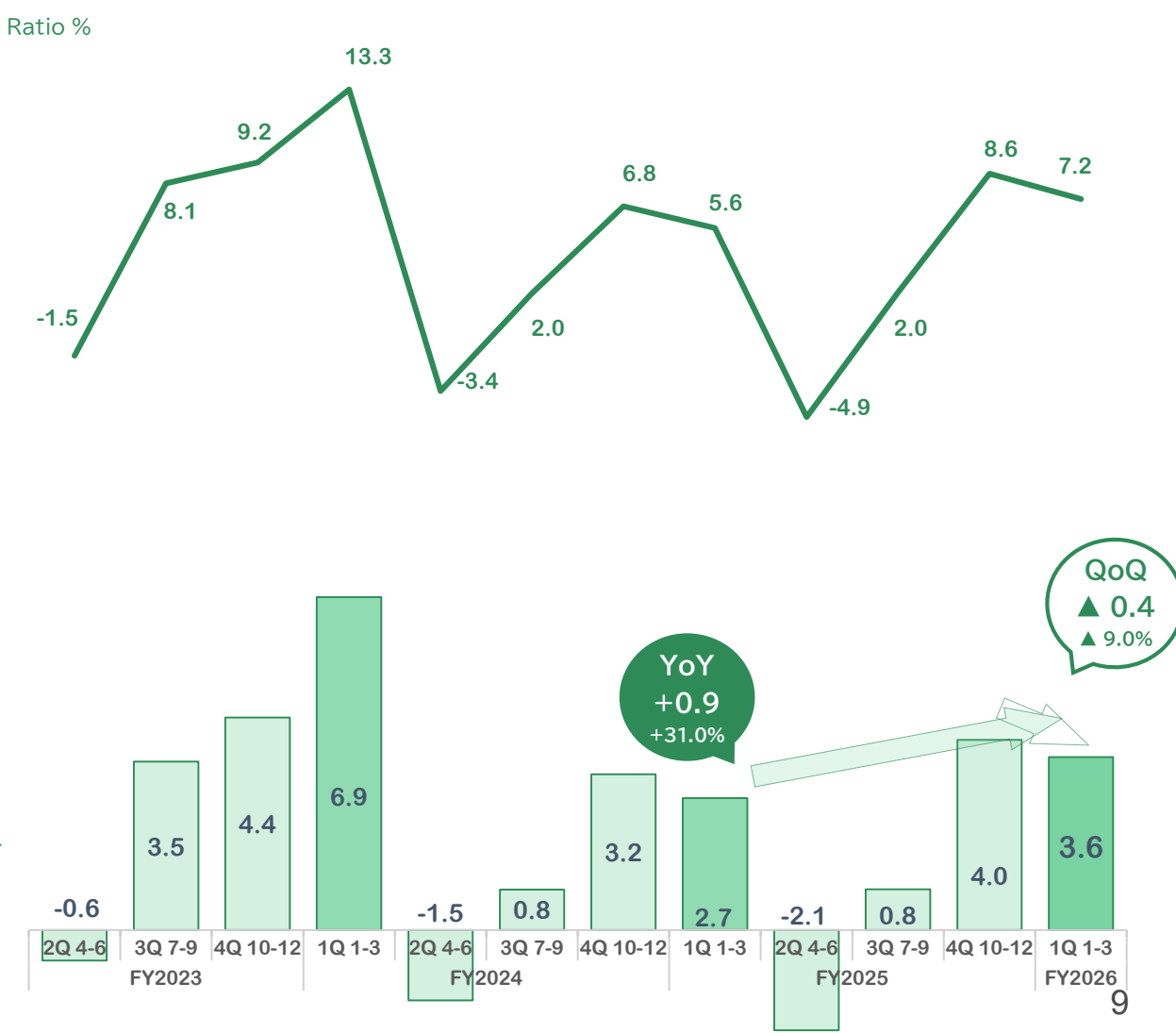
Operating results by segment : Housing Materials (QTD)

Net sales



Operating profit

100 Million yen



2. Financial Forecast for the Fiscal Year Ending 2026

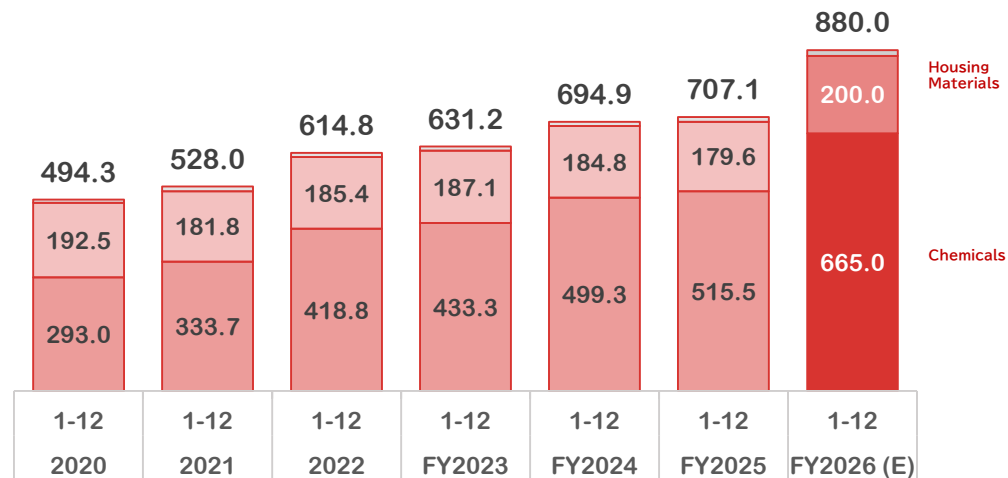
Forecast of Consolidated Financial Results

Net sales and profit at each level in 1Q exceeded the initial forecast, thanks to the boost from sales growth for fine chemicals.
Following the Timuraya acquisition, the financial results forecast was revised by factoring in Timuraya's full-year plan.

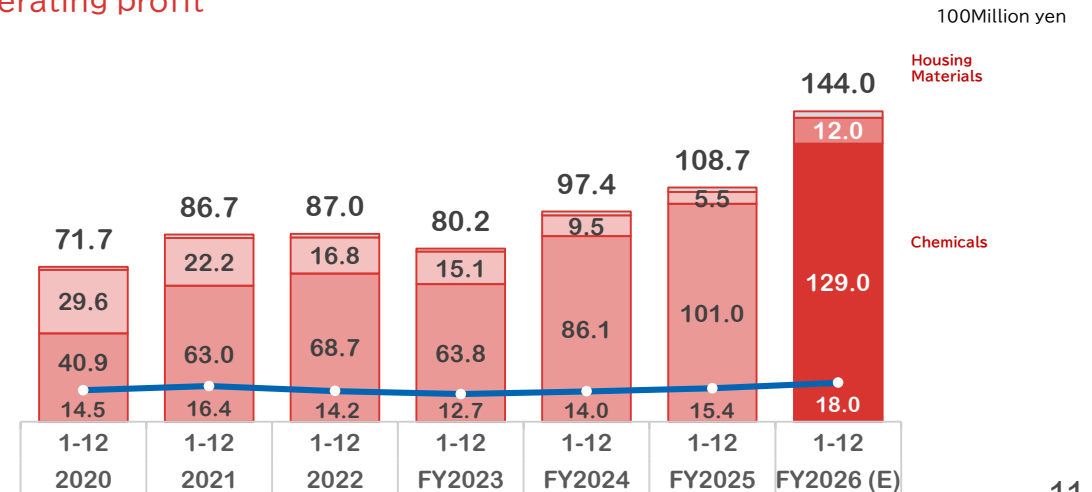
Million yen

	FY2026 initial forecast	FY2026 revised forecast	Change / Rate	FY2026 1Q	Progress Rate vs. Initial Forecast	Remarks
Net Sales	80,000 (Chemicals) 58,500 (Housing Materials) 20,000	88,000 (Chemicals) 66,500 (Housing Materials) 20,000	+8,000 +10.0%	19,868 (Chemicals) 14,611 (Housing Materials) 4,997	25% (Chemicals) 25% (Housing Materials) 25%	- Net sales of Chemicals operations exceeded the forecast due to strong sales of fine chemicals. - As for net sales of Housing Materials operations, while strong sales of interior, exterior finishes and paving materials exceeded the forecast, exterior products fell below the forecast due to lower sales volume. As a result, overall net sales also fell below the forecast. - The full-year net sales forecast was revised upward by factoring in Timuraya's full-year plan. - Operating profit of Chemicals operations exceeded the forecast, due to improved mix driven by increased sales of fine chemicals. - Operating profit of Housing Materials operations trailed the forecast, due to the miss in exterior products as well as rising aluminum ingot prices. - Ordinary profit exceeded the forecast, thanks to a foreign exchange gain of 194 million yen in 1Q reflecting the weakening yen. - Potential impacts of tensions in the Middle East, including higher raw material prices, procurement difficulties, and logistics disruptions, are not factored into the forecast because they cannot be reasonably estimated at this time.
Operating profit	14,400 (Chemicals) 12,900 (Housing Materials) 1,200	14,400 (Chemicals) 12,900 (Housing Materials) 1,200	—	4,240 (Chemicals) 3,756 (Housing Materials) 359	29% (Chemicals) 29% (Housing Materials) 29%	
Ordinary profit	14,500	14,500	—	4,520	31%	
Profit attributable to owners of parent	10,000	10,000	—	3,050	31%	
Exchange rate	1USD 150JPY 1EUR 175JPY 1RMB 21.0JPY	1USD 150JPY 1EUR 175JPY 1RMB 21.0JPY	—	1USD 155JPY 1EUR 184JPY 1RMB 22.5JPY		

Net sales



Operating profit



* In comparison and in the graphs, performance in prior years is adjusted to the same period in FY2022 (January to December).

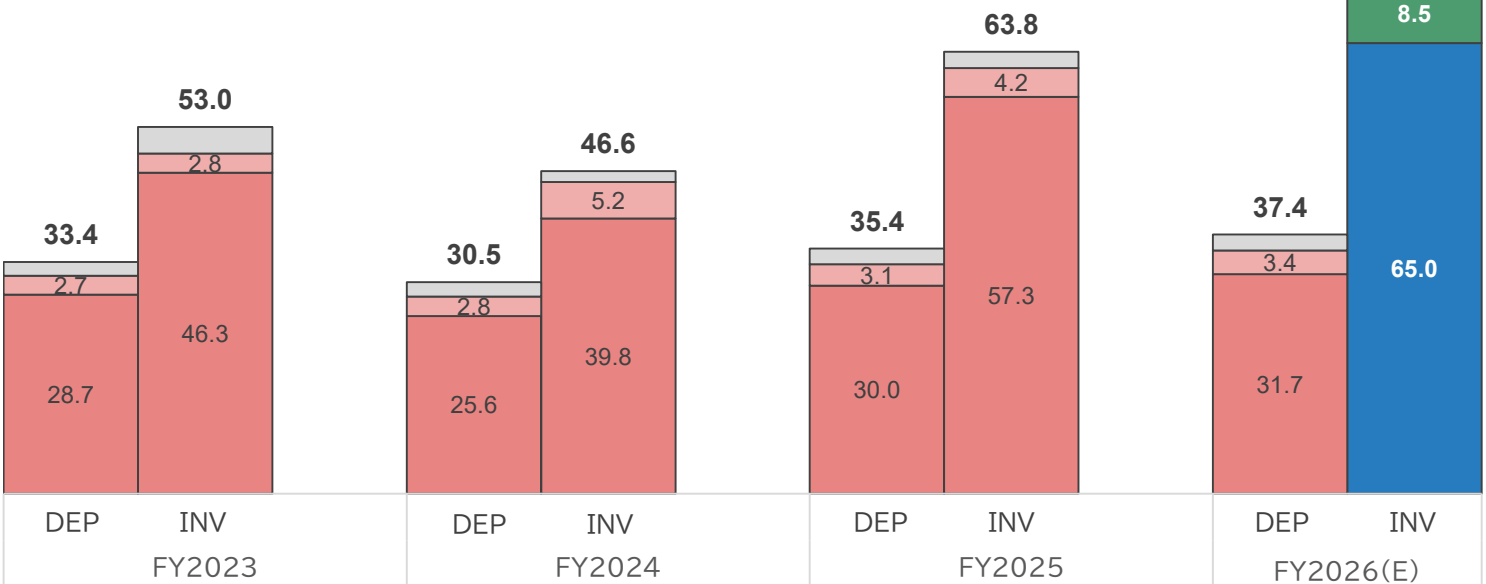
Capital investment and Depreciation

[Progress with major capital investments in FY2026 1Q]

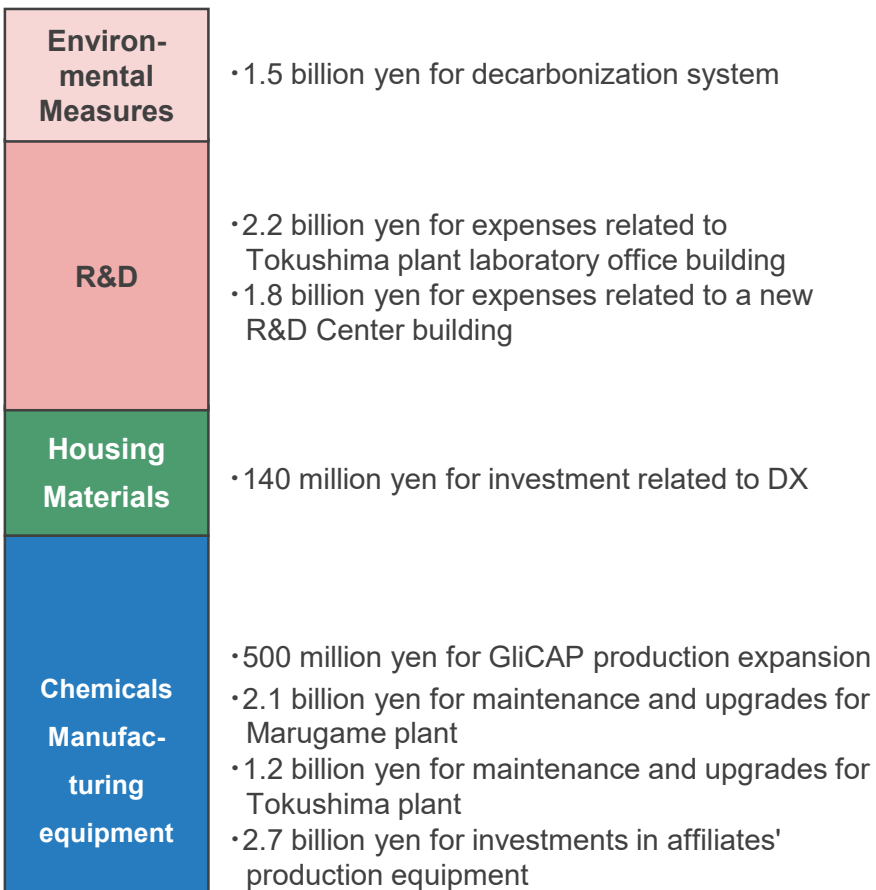
- Approx. 250 million yen for GliCAP production expansion
- Approx. 320 million yen for expenses related to the Tokushima plant laboratory office building
- Approx. 100 million yen for maintenance and upgrades for Marugame plant
- Approx. 130 million yen for maintenance and upgrades for Tokushima plant
- Approx. 1.05 billion yen for investments in affiliates' production equipment

■ Chemicals
■ Housing Materials
■ Others

100 Million yen



[Planned major capital investments for FY2026]



[Shareholder Return Policy]

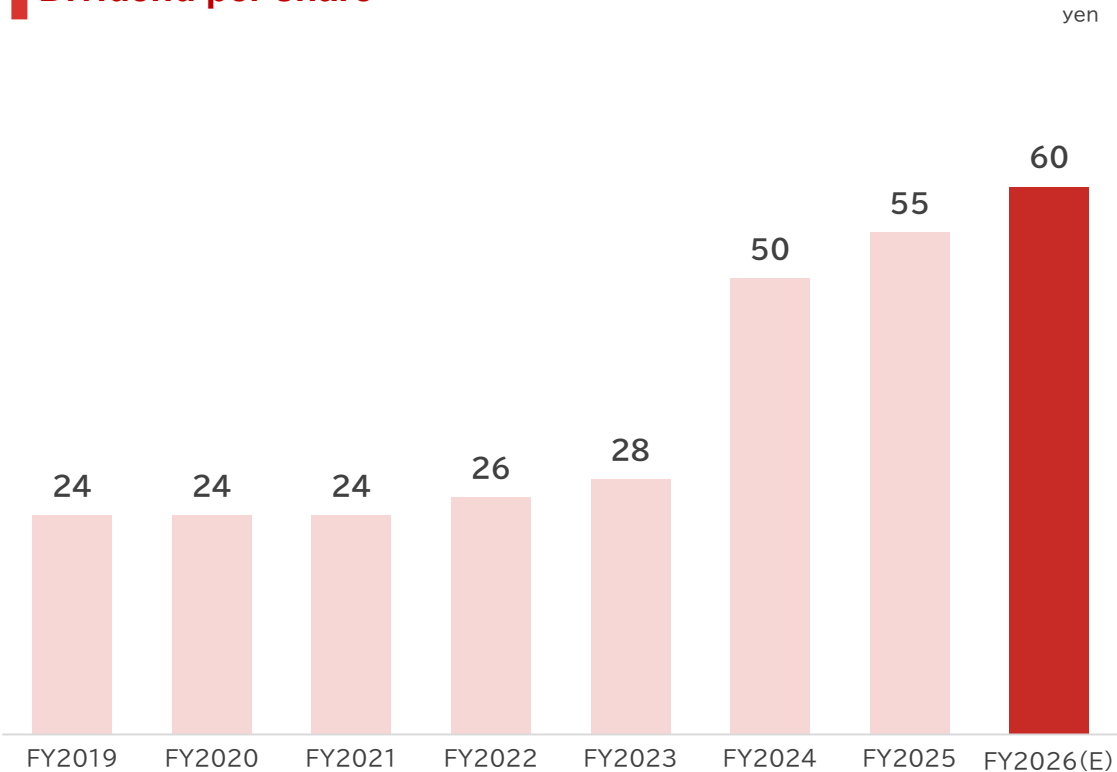
- Dividend payout ratio 30%
- Total return ratio 50%
- DOE (consolidated dividend on equity) 3%

Under the "Challenge 1000" long-term vision, aims for the above shareholder returns based on consolidated results.

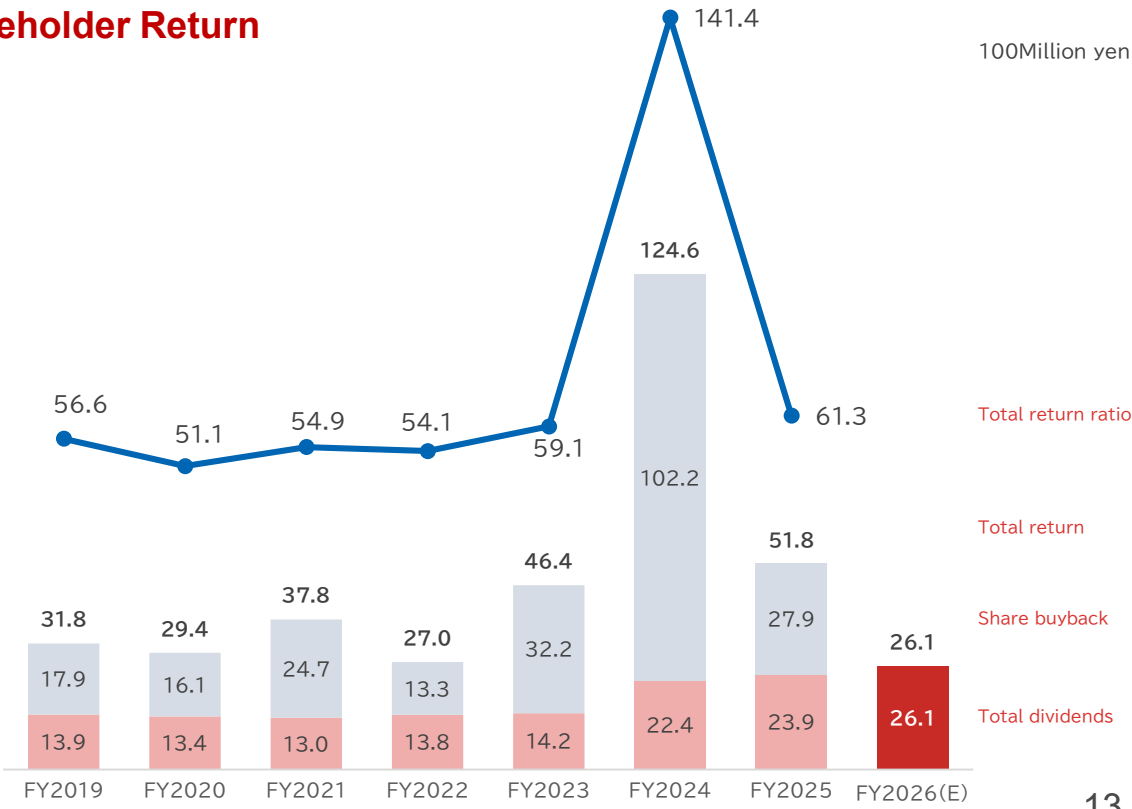
[FY2026 Shareholder Return Policy (plan)]

- Plans to set the dividends of 60 yen per share (interim dividend of 30 yen and year-end dividend of 30 yen).
- Premised upon the shareholder return policy, the Company will repurchase its shares in a flexible manner and promote the reduction of excess capital to improve the value of shares.

Dividend per share



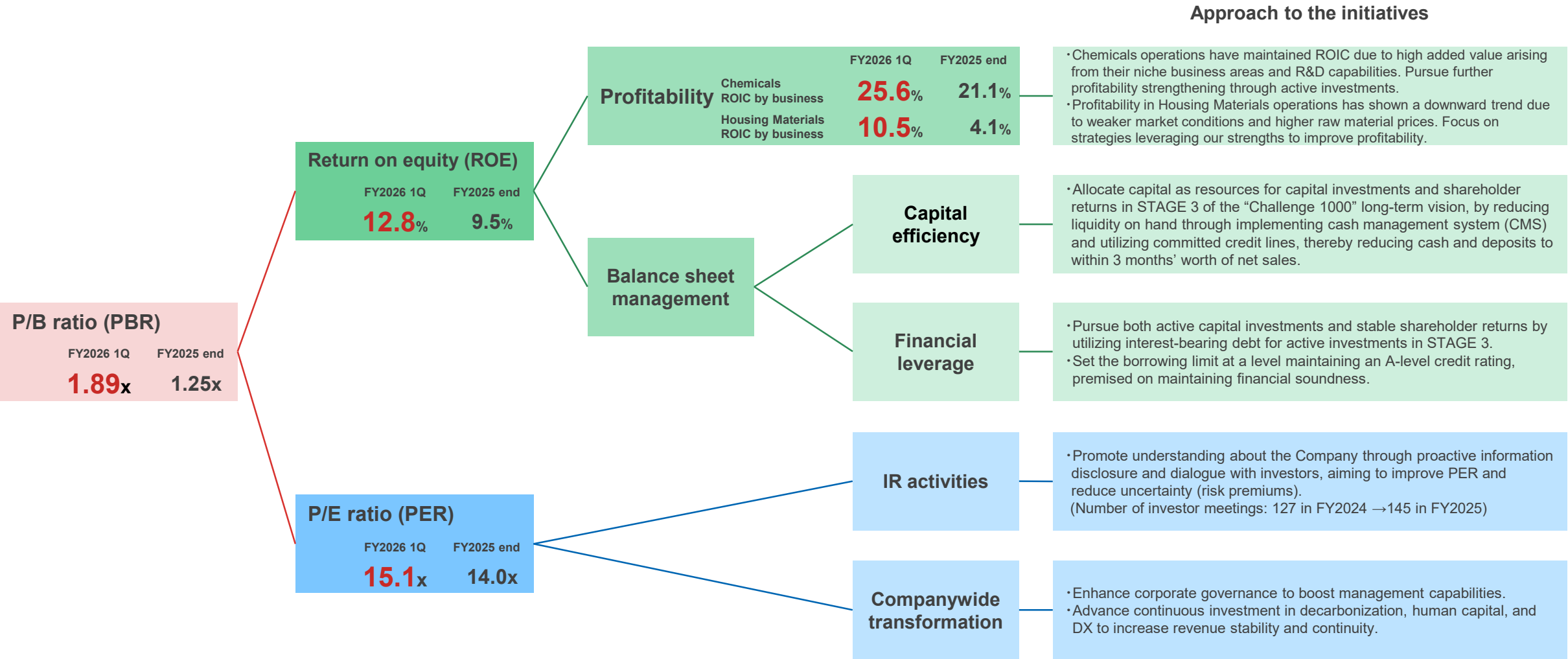
Shareholder Return



3. Action to Implement Management that is Conscious of Cost of Capital and Stock Price

Current Assessment and Future Initiatives for Enhancing Corporate Value

PBR increased significantly due to growth expectations centered on fine chemicals. (FY2025 end: 1.25x→ FY2026 1Q end: 1.89x)
 Going forward: While aiming to maintain and raise ROE levels that meet market expectations through further profitability improvements and reduction of excess capital, we will enhance corporate governance to boost management capabilities and further strengthen our influence over the stock market.

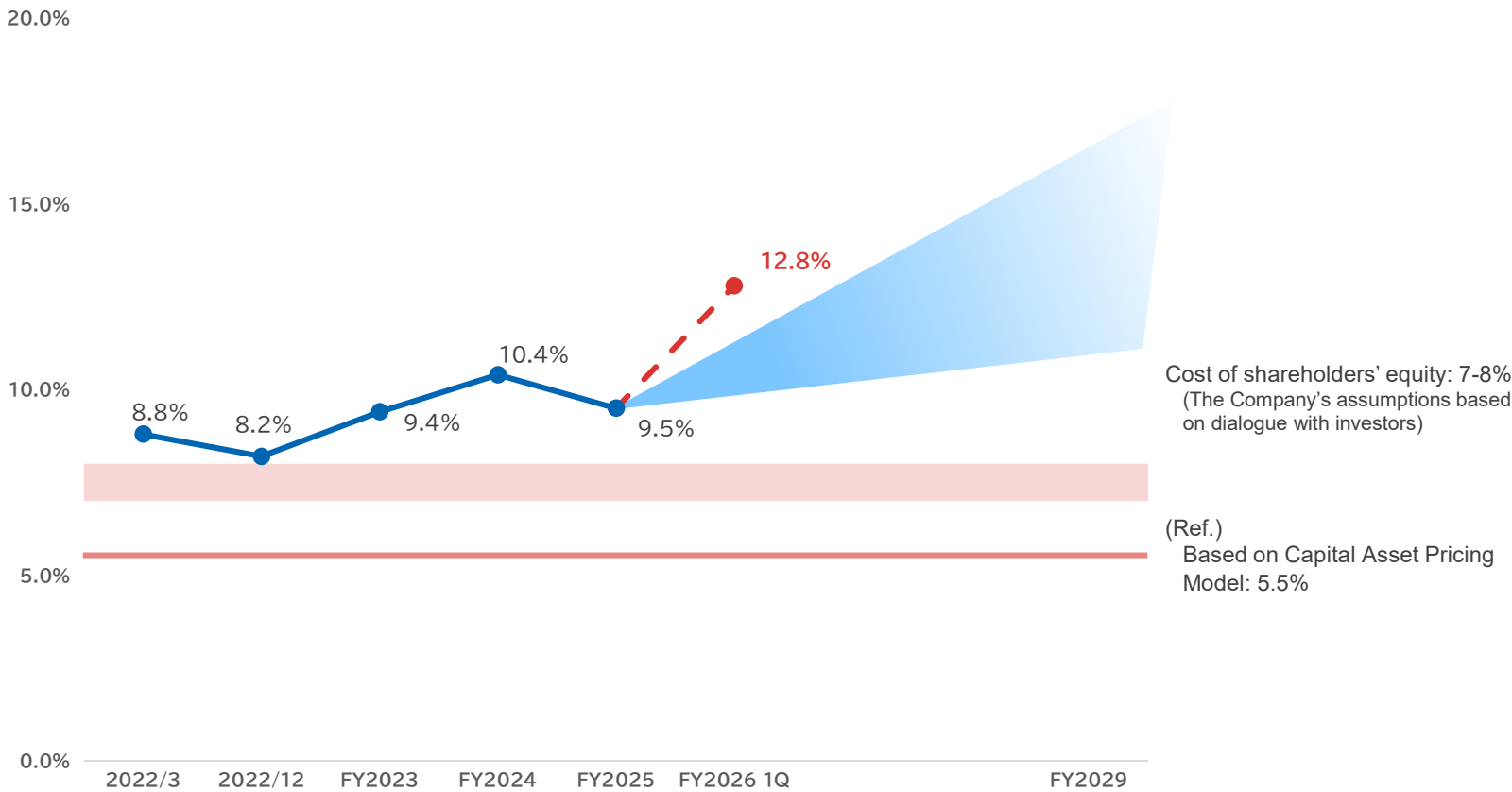


*Quarterly ROIC and ROE are converted to the annual rate, and in 1Q, returns are multiplied by 4.
 *PBR and PER are calculated using the following figures: Closing share price on the fiscal year-end: 4,250 yen.
 Number of shares issued excluding treasury shares as of the fiscal year-end: 43,249,220 shares.

Enhancing Capital Efficiency

Raise profit levels (numerator) through active growth investments while controlling net asset value (denominator).
 Maintain ROE of 10% or higher level, exceeding market expectations (the cost of shareholders' equity of 7-8%) in even STAGE 3, where increased depreciation expenses are anticipated, by balancing growth investments with stable and prompt shareholder returns.

ROE trends



Toward maintaining and improving ROE levels stably above the cost of shareholders' equity

Elevate profit levels

Strengthen and accelerate business strategy

Improve capital efficiency

Improve balance sheet management to minimize excess capital

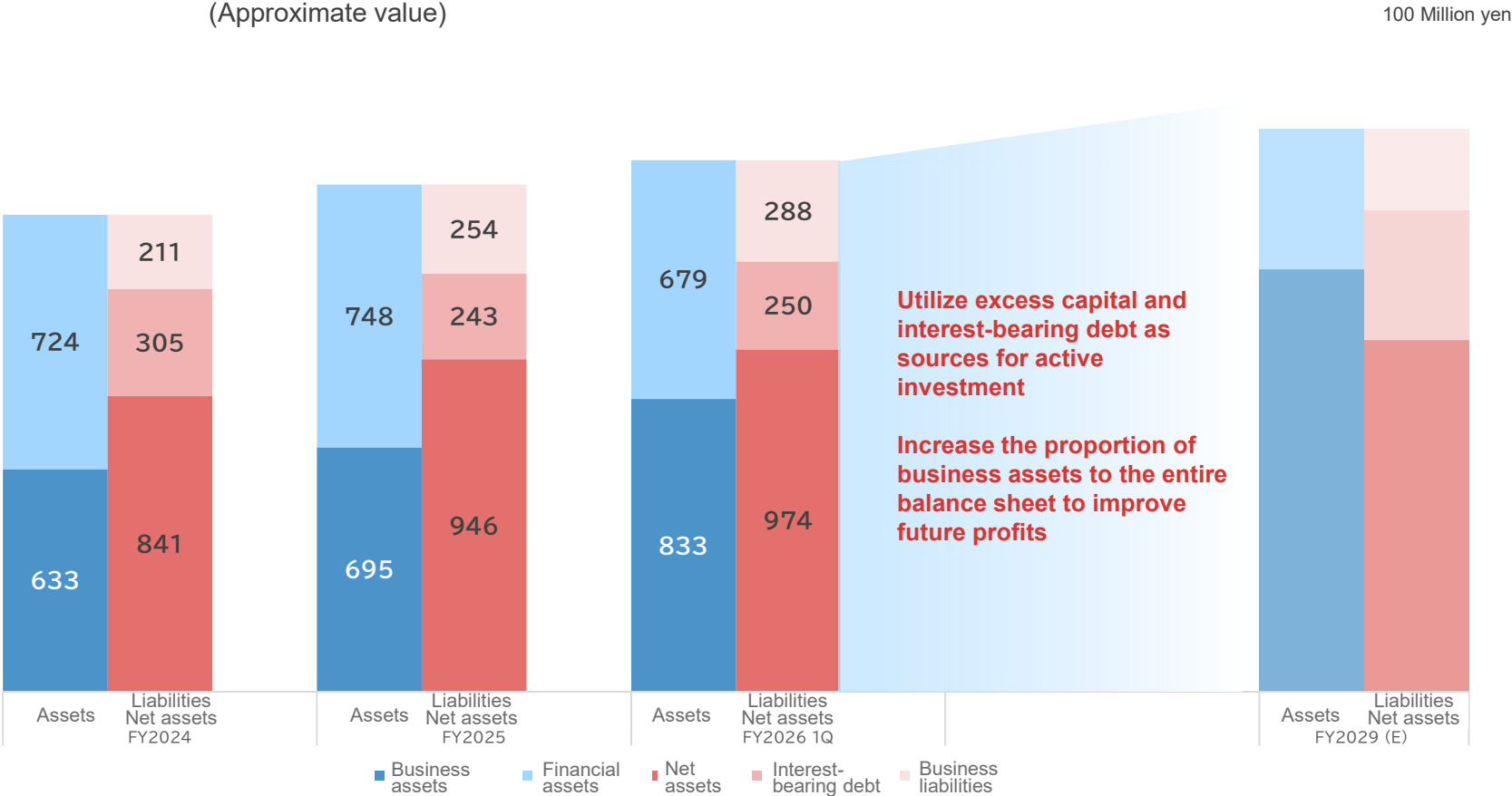
Reduce cost of capital

Promote understanding about the Company through IR activities
 Enhance management quality through governance improvements

Improving Balance Sheet Management

Capital efficiency is being dragged down by holding cash and securities (cash and deposits + securities + investment securities, etc.) as financial assets, which exceed the Company’s capital policy (within 3 months’ worth of net sales).
 Going forward: Enhance capital efficiency by implementing CMS and committed credit lines, and redirect excess financial assets toward growth investments, converting them into business assets. Concurrently, allocate cash flow from operating activities to further growth investments and shareholder returns.

Consolidated balance sheet trends
 (Approximate value)



Toward improving balance sheet management

Conduct active investment in growth and new businesses

Expand overseas operations through M&A (Timuraya acquisition) and continuously invest in new businesses

Manage intra-Group capital efficiently

Utilize intra-Group capital as a source for active investment through CMS implementation

Reduce financial assets

Sell corporate bonds and eliminate cross-shareholdings

Financial soundness

While leveraging interest-bearing debt for STAGE 3 investments, maintain financial soundness by securing debt financing only under the premise of maintaining an A-level credit rating

Analysis of current situation and Policies for the present

Financial assets decreased approximately 7.0 billion yen due to the Timuraya acquisition.

The Company sold approximately 3.0 billion yen worth of corporate bonds as part of its efforts to reduce investment securities holdings.

Consolidated Balance Sheet (as of 3/31/2026)

[Financial assets]

(Current status and basic policy)

Financial assets balance decreased 5.0bn yen compared with December 31, 2025, due to repayment of borrowings. While using interest-bearing debt for capital needs, actively reduce excess via repayments.

	FY2025	FY2026 1Q
	74.8bn	67.9bn
	(▲6.95bn from the beginning of the year)	

Cash and deposits	35.5bn	32.6bn
Securities	11.8bn	11.8bn
Investment securities	27.4bn	24.1bn

[Business assets]

Trade receivables
Inventories
Property, plant and equipment / Intangible assets

	FY2025	FY2026 1Q
[Chemicals]	49.9bn	63.1bn
	(+13.2bn from the beginning of the year)	

[Housing Materials]	14.9bn	15.3bn
	(+0.4bn from the beginning of the year)	

[Excess capital]

(Current status and basic policy)

Set the Company's policy to retain 3 months' worth of net sales. Reduce liquidity on hand through utilizing CMS and committed credit lines. Cross-shareholdings are being gradually sold off following discussions with business partners and will continue to be reduced.

Prioritize allocating excess capital to growth investments in STAGE 3, as well as investments in human capital and environment. Stably and continuously carry out shareholder returns in line with our current return policy, while also reviewing investment opportunities in a timely manner and considering prompt returns for excess capital.

[Investment capital]

(Profit indicators to be compared)
Operating profit after tax by business → ROIC by business

	FY2025	FY2026 1Q
[Chemicals]	35.6bn	46.3bn
	(+10.7bn from the beginning of the year)	
ROIC by business	21.1%	25.6%

	FY2025	FY2026 1Q
[Housing Materials]	9.5bn	9.7bn
	(+0.22bn from the beginning of the year)	
ROIC by business	4.1%	10.5%

[Business liabilities]

Trade payable
Labor liabilities and provisions

[Group capital invested]

(Profit indicators to be compared)
Profit after tax (operating profit + financial revenue)
→ Group ROIC

(Current status)

Current WACC estimated at 4.5-5.5%. Group ROIC currently exceeds WACC but we will continue with initiatives to expand ROIC-WACC spread.

	FY2025	FY2026 1Q
	118.9bn	122.4bn
	(+3.4bn from the beginning of the year)	
Group ROIC	7.2%	10.4%

[Future earnings to be acquired (FCF)]

(Shareholder return)

Carry out promptly, targeting 50% of profit

(Internal reserve)

Prioritize investments in growth and human capital as risk capital

[Net assets in carrying amount]

(Profit indicators to be compared)
Profit → ROE

(Target ROE)

Maintain a 10% ROE even during phases prioritizing growth investments, and aim to improve medium-to long-term capital efficiency by advancing investment recovery and capital policy.

	FY2025	FY2026 1Q
	93.7bn	96.5bn
	(+2.7bn from the beginning of the year)	
ROE	9.5%	12.8%

[Interest-bearing debt]

(Basic policy)

Utilize interest-bearing debt for active investments to achieve 2029 targets and sustainable growth from 2030 onward. Set borrowing limit at a level that maintains the credit rating (A-, R&I), with a medium-to long-term target D/E ratio of 0.3x range.

	FY2025	FY2026 1Q
	24.3bn	25.0bn
	(+0.7bn from the beginning of the year)	

[Future net assets]

Maintain 10% ROE through balance sheet management to secure both aggressive growth strategies and capital efficiency.

FY2029 end target

	105.0bn or less
ROE	10.0% or higher

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- ◆ If you understand the above and are interested in exploring investment opportunities, please peruse additional materials such as the Company's securities report and make your investment decision at your own discretion.

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