

Summary of Consolidated Financial Results [Japanese GAAP] For the Third Quarter of the Fiscal Year Ending March 31, 2026

February 2, 2026

Listed company: Nippon Kayaku Co., Ltd.
Listed stock exchange: Prime Market, Tokyo Stock Exchange
Code No.: 4272 URL: <https://www.nipponkayaku.co.jp/english/>

Representative (name, position): Shigeyuki Kawamura, President
Director in charge of inquiries: Tsutomu Kawamura, Senior Director, General Manager of Finance & Accounting Division

Scheduled date for start of dividend payments: –
Preparation of supplementary materials for quarterly financial results: Yes
Quarterly results presentation meeting: Yes (for securities analysts and institutional investors)

1. Consolidated Business Results for the First Three Quarters of the Fiscal Year Ending March 31, 2026 (April 1, 2025–December 31, 2025)

(Figures shown are rounded down to the nearest million yen.)

(1) Consolidated Operating Results

(Percentages indicate amount of change from the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First three quarters of fiscal year ending March 31, 2026	174,598	4.0	16,321	(9.9)	18,702	(11.0)	17,323	30.1
First three quarters of fiscal year ended March 31, 2025	167,955	12.2	18,114	340.6	21,003	181.1	13,312	370.5

Note: Comprehensive income

First three quarters of fiscal year ending March 31, 2026: 29,689 million yen (119.9%)

First three quarters of fiscal year ended March 31, 2025: 13,502 million yen (5.8%)

	Profit attributable to owners of parent per share-primary	Profit attributable to owners of parent per share-diluted
	Yen	Yen
First three quarters of fiscal year ending March 31, 2026	112.39	112.38
First three quarters of fiscal year ended March 31, 2025	81.02	81.00

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2025	405,977	274,087	67.2
As of March 31, 2025	373,708	268,520	71.6

Reference: Equity As of December 31, 2025: 273,012 million yen

As of March 31, 2025 267,528 million yen

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2. Status of Dividends

	Dividend amount per share				
	End of first quarter	End of second quarter	End of third quarter	End of year	Year
	Yen				
Fiscal year ended March 31, 2025	–	22.50	–	37.50	60.00
Fiscal year ending March 31, 2026	–	30.00	–		
Fiscal year ending March 31, 2026 (forecast)				30.00	60.00

Note: Changes to the most recent dividend forecast: None

3. Consolidated Business Results Forecasts for the Fiscal Year Ending March 31, 2026 (April 1, 2025–March 31, 2026)

(Percentages indicate amount of change from the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit attributable to owners of parent per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	239,800	7.7	21,300	4.4	20,900	(6.1)	20,400	16.5	133.54

Note: Changes to the most recent forecast for consolidated business results: None

Notes

- (1) Significant changes in subsidiaries during the first three quarters: None
Newly consolidated: (company name), Deconsolidated: (company name)
- (2) Adoption of special accounting methods for presenting the quarterly consolidated financial statements: None
- (3) Changes to accounting policies and estimates and restatements
 - [1] Changes to accounting policies associated with revision of accounting standards or similar items: None
 - [2] Changes other than [1]: None
 - [3] Changes to accounting estimates: None
 - [4] Restatements: None
- (4) Number of shares issued (common stock)
 - [1] Number of shares issued at end of the fiscal period (including treasury stock)
As of December 31, 2025: 160,000,000 shares
As of March 31, 2025: 165,003,570 shares
 - [2] Number of treasury stock at end of the fiscal period
As of December 31, 2025: 9,847,254 shares
As of March 31, 2025: 5,117,318 shares
 - [3] Average number of shares during the fiscal period (cumulative)
First three quarters of fiscal year ending March 31, 2026: 154,142,125 shares
First three quarters of fiscal year ended March 31, 2025: 164,312,092 shares

*Quarterly consolidated financial statements subject to review by a certified public accountant or audit firm: No

*Analysis related to appropriate use of the business results forecasts, and other notes

(Disclaimer concerning forward-looking statements)

The information in this report constitutes forward-looking statements regarding future events and performance. This information is based on the beliefs and assumptions of management in light of information currently available to it at the time of announcement and subject to a number of uncertainties that may affect future results. Actual business results may differ substantially from the forecasts herein due to various factors. For matters pertaining to business forecasts, please refer to “(3) Analysis of Forward-looking Statements, Including Consolidated Business Results Forecasts” on page 3 of the Supplementary Information.

(How to obtain the materials for the briefing on quarterly financial results)

We have scheduled a teleconference for securities analysts and institutional investors on Monday, February 2, 2026. The materials for the briefing will be posted on the corporate website.

Supplementary Information

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1. Qualitative Information Concerning Results for the First Three Quarters

(1) Analysis of Operating Results

During the first three quarters of this consolidated fiscal year (April 1 to December 31, 2025), the global economy maintained steady growth but faced continuing uncertainty from U.S. government tariff policy and other geopolitical risks.

The Nippon Kayaku Group entered the final year of **KAYAKU Vision 2025**, the mid-term business plan which began in fiscal year ended March 31, 2023, amid such conditions. We continue to implement the roadmap to the vision specified for each business while advancing initiatives to address key company-wide issues aimed at achieving the vision.

As a result, net sales for the first three quarters of this consolidated fiscal year totaled 174,598 million yen, an increase of 6,643 million yen (4.0%) year-on-year. Sales in the Fine Chemicals Business Unit underperformed while sales in the Mobility & Imaging Business Unit and Life Science Business Unit outperformed the first three quarters of the previous fiscal year.

Despite the outperformance of the Life Science Business Unit, underperformance of the Mobility & Imaging Business Unit and Fine Chemicals Business Unit compared to the first three quarters of the previous fiscal year resulted in 16,321 million yen in operating income, a decrease of 1,793 million yen (9.9%) year-on-year.

Ordinary income totaled 18,702 million yen, a decrease of 2,300 million yen (11.0%) year-on-year.

Profit attributable to owners of parent was 17,323 million yen, an increase of 4,011 million yen (30.1%) year-on-year. The increase was mainly due to a gain on sales of investment securities.

Performance by business segment is as described below.

[Mobility & Imaging Business Unit]

Sales rose to 70,440 million yen, an increase of 1,147 million yen (1.7%) year-on-year.

In the safety systems business, problems with irregularities in certificates of conformance which halted production and shipments at some major auto manufacturers were resolved and sales of micro gas generators for seatbelt pretensioners outperformed year-on-year. Sales of airbag inflators underperformed, mainly due to cessation of production for models in which the inflators were installed. Overseas, sales of airbag inflators, micro gas generators for seatbelt pretensioners, and squibs to the Chinese market continued the steady performance of the previous period, outperforming year-on-year. The safety systems business overall outperformed year-on-year as a result.

In the Polatechno business, shades for HUDs recorded year-on-year growth, while LCD projector components underperformed year-on-year. Components for X-ray analysis systems underperformed year-on-year due to inventory adjustments by main customers. The Polatechno business overall underperformed year-on-year as a result.

Segment profit totaled 7,900 million yen, a decrease of 2,914 million yen (26.9%) year-on-year. This decrease resulted from steep price increases for raw materials in the safety systems business, partially owing to fluctuation in foreign exchange rates, in addition to the decline in sales in the Polatechno business.

[Fine Chemicals Business Unit]

Sales were 50,084 million yen, a decrease of 443 million yen (0.9%) year-on-year.

The functional materials business as a whole outperformed the first three quarters of the previous fiscal year. This outperformance resulted from firm demand for every product group due to expanding demand for AI and high-end servers in cutting-edge areas of semiconductors and signs of rebound in the semiconductor market in general.

The color materials business as a whole underperformed the first three quarters of the previous fiscal year. This resulted from underperformance of home inkjet printer colorants compared to the same period of the previous fiscal year, despite the contribution from strong sales of developer for thermal paper due to the shift toward phenol-free products, mainly due to stricter regulations in the U.S. market, and the launch of new dichromatic colorants.

The catalyst business underperformed the first three quarters of the previous fiscal year.

The decline in sales in the color materials and catalyst businesses led to segment profit of 7,017 million yen, a decline of 965 million yen (12.1%) from the first three quarters of the previous fiscal year.

[Life Science Business Unit]

Sales rose to 54,073 million yen, an increase of 5,938 million yen (12.3%) year-on-year.

The pharmaceuticals business as a whole outperformed the first three quarters of the previous fiscal year. This outperformance was due to the launch of the anti-cancer drug, IBTROZI[®], and the generic drug, ABIRATERONE ACETATE Tab., in addition to increased market penetration of the antibody biosimilars BEVACIZUMAB BS and ADALIMUMAB BS in pharmaceuticals for the Japanese market.

The agrochemicals business as a whole outperformed the first three quarters of the previous fiscal year due to steady domestic sales and substantial growth in orders for flometoquin agents in exports.

Sales in the real estate business were on par with the first three quarters of the previous fiscal year.

Segment profit totaled 8,706 million yen, an increase of 2,686 million yen (44.6%) year-on-year.

(2) Analysis of Financial Position

Total assets were 405,977 million yen, an increase of 32,268 million yen from the end of the previous consolidated fiscal year. The main increases were in merchandise and finished goods, an increase of 9,865 million yen; raw materials and stores, an increase of 8,797 million yen; machinery, equipment and vehicles, net, an increase of 5,547 million yen; buildings and structures, net, an increase of 4,146 million yen; other in investments and other assets, an increase of 4,106 million yen; notes and accounts receivable-trade, an increase of 3,867 million yen; and electronically recorded monetary claims-operating, an increase of 3,087 million yen. The main decreases were in cash and deposits, a decrease of 4,636 million yen; and investment securities, a decrease of 3,265 million yen.

Liabilities were 131,889 million yen, an increase of 26,701 million yen compared to the end of the previous consolidated fiscal year. The main increases were in notes and accounts payable-trade, an increase of 10,739 million yen; long-term loans payable, an increase of 7,390 million yen; short-term loans payable, an increase of 3,801 million yen; and income taxes payable, an increase of 3,154 million yen.

Net assets were 274,087 million yen, an increase of 5,567 million yen compared to the end of the previous consolidated fiscal year. The main increase was in translation adjustments, an increase of 12,935 million yen. The main decrease was in treasury stock, a decrease of 7,038 million yen.

(3) Analysis of Forward-looking Statements, including Consolidated Business Results Forecasts

Despite the anticipated continued gradual rebound, there is still concern because the business environment surrounding the Nippon Kayaku Group faces the risk of an economic downswing due to the impact of changes in Japan-China relations on trade and supply chains, in addition to geopolitical risks, the risk of fluctuation in foreign exchange rates, and the risk of U.S. tariff hikes.

Under these conditions, the Nippon Kayaku Group aims to respond flexibly and agilely to changes in the business environment and pursue optimal use of operating capital to increase shareholder value, as well as expand existing businesses in global growth markets, accelerate the development of new businesses and new products, and enhance profits.

The business results forecasts for the fiscal year ending March 31, 2026, announced on November 11, 2025, remain the same.

2. Quarterly Consolidated Financial Statements and Notes to Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

	As of March 31, 2025	As of December 31, 2025
	Million yen	
Assets		
Current assets		
Cash and deposits	55,425	50,788
Notes and accounts receivable-trade	63,112	66,979
Electronically recorded monetary claims-operating	1,529	4,616
Securities	4,337	4,273
Merchandise and finished goods	44,917	54,783
Work in process	1,397	1,184
Raw materials and stores	25,227	34,025
Other	11,075	10,962
Allowance for doubtful accounts	(229)	(134)
Total current assets	206,794	227,480
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	48,231	52,377
Machinery, equipment and vehicles, net	26,252	31,800
Other, net	34,834	35,829
Total property, plant and equipment	109,317	120,007
Intangible assets		
Goodwill	640	535
Other	3,411	3,294
Total intangible assets	4,051	3,829
Investments and other assets		
Investment securities	35,393	32,127
Net defined benefit asset	11,032	11,306
Other	7,168	11,275
Allowance for doubtful accounts	(49)	(49)
Total investments and other assets	53,544	54,660
Total non-current assets	166,914	178,497
Total assets	373,708	405,977

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	As of March 31, 2025	As of December 31, 2025
	Million yen	
Liabilities		
Current liabilities		
Notes and accounts payable-trade	19,869	30,609
Short-term loans payable	7,212	11,013
Accounts payable-other	18,797	20,753
Income taxes payable	1,492	4,646
Other	8,234	7,751
Total current liabilities	55,606	74,775
Non-current liabilities		
Bonds payable	14,000	14,000
Long-term loans payable	20,884	28,274
Net defined benefit liability	434	352
Other	14,263	14,487
Total non-current liabilities	49,581	57,114
Total liabilities	105,188	131,889
Net assets		
Shareholders' equity		
Common stock	14,932	14,932
Additional paid-in capital	15,861	15,873
Retained earnings	202,714	203,005
Treasury stock	(6,527)	(13,566)
Total shareholders' equity	226,981	220,245
Accumulated other comprehensive income		
Unrealized holding gains on other securities	12,374	11,725
Translation adjustments	23,422	36,357
Remeasurements of defined benefit plans	4,749	4,684
Total accumulated other comprehensive income	40,546	52,767
Non-controlling interests	992	1,074
Total net assets	268,520	274,087
Total liabilities and net assets	373,708	405,977

This document is an English translation of the Japanese-language original.
All financial information has been prepared in accordance with generally accepted accounting principles in Japan.

(2) Quarterly Consolidated Statements of Income & Consolidated Statements of Comprehensive Income

Quarterly Consolidated Statements of Income

	First three quarters of fiscal year ended March 31, 2025	First three quarters of fiscal year ending March 31, 2026
	Million yen	
Net sales	167,955	174,598
Cost of sales	113,776	122,337
Gross profit on sales	54,178	52,261
Selling, general and administrative expenses	36,063	35,939
Operating income	18,114	16,321
Non-operating income		
Interest income	686	422
Dividend income	966	868
Equity in earnings of affiliates	3	212
Foreign exchange gains	1,151	955
Other	676	766
Total non-operating income	3,484	3,225
Non-operating expenses		
Interest expense	197	427
Other losses	397	416
Total non-operating expenses	595	843
Ordinary income	21,003	18,702
Extraordinary income		
Gain on sales of non-current assets	6	78
Gain on liquidation of subsidiaries and associates	—	118
Gain on sales of investment securities	1,056	6,251
Total extraordinary income	1,063	6,449
Extraordinary loss		
Loss on disposal of non-current assets	666	630
Loss on valuation of investment securities	2,330	0
Extra retirement payments	158	98
Total extraordinary loss	3,154	729
Profit before income taxes	18,912	24,422
Income taxes-current	5,093	6,264
Income taxes-deferred	450	770
Total income taxes	5,544	7,035
Profit	13,368	17,387
Profit attributable to non-controlling interests	56	63
Profit attributable to owners of parent	13,312	17,323

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Quarterly Consolidated Statements of Comprehensive Income

	First three quarters of fiscal year ended March 31, 2025	First three quarters of fiscal year ending March 31, 2026
	Million yen	
Profit	13,368	17,387
Other comprehensive income		
Unrealized holding gains on other securities	(1,200)	(649)
Translation adjustments	1,497	13,016
Remeasurements of defined benefit plans	(166)	(66)
Share of other comprehensive income of companies accounted for by the equity-method	3	2
Total other comprehensive income	134	12,302
Comprehensive income	13,502	29,689
Comprehensive income attributable to:		
Owners of parent	13,402	29,544
Non-controlling interests	100	144

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(3) Notes to Quarterly Consolidated Financial Statements

(Notes Regarding Assumptions for the Going Concern)

No items to report

(Notes in Case of Significant Change in Shareholders' Equity)

[1] Acquisition of Treasury Stock

The Company purchased 9,855,000 shares of treasury stock for 13,644 million yen during the first three quarters of this consolidated fiscal year, as approved by resolution of the Board of Directors on November 11, 2024 and March 28, 2025.

[2] Cancellation of Treasury Stock

The Company canceled 5,003,570 shares of treasury stock on May 23, 2025 as approved by resolution of the Board of Directors on May 13, 2025. This resulted in decreases of 6,446 million yen in other retained earnings and 6,446 million yen in treasury stock.

[3] Distribution of Treasury Stock

Based on a Board of Directors resolution on June 26, 2025, the Company allocated 84,307 shares of treasury stock as restricted stock compensation on July 18, 2025. Based on a Board of Directors resolution on August 26, 2025, the Company allocated 38,200 shares of treasury stock as restricted stock compensation on October 17, 2025. This increased other retained earnings by 2 million yen and decreased treasury stock by 159 million yen.

As a result, retained earnings stood at 203,005 million yen and treasury stock, at 13,566 million yen as of the end of the first three quarters of consolidated fiscal year ending March 31, 2026.

(Segment Information and Other Items)

I. First three quarters of the fiscal year ended March 31, 2025 (April 1, 2024–December 31, 2024)

1. Information on sales and profit (loss) by reportable segment

	Reportable segments				Adjustments (Note 1)	Consolidated (Note 2)
	Mobility & Imaging Business Unit	Fine Chemicals Business Unit	Life Science Business Unit	Total		
	Million yen					
Sales						
Sales to third parties	69,292	50,527	48,134	167,955	–	167,955
Intersegment sales and transfers	–	141	0	141	(141)	–
Total	69,292	50,669	48,134	168,096	(141)	167,955
Segment profit	10,814	7,983	6,020	24,818	(6,703)	18,114

Note 1: The 6,703 million yen downward adjustment to segment profit reflects a negative 6,620 million yen in corporate expense not allocable to the reportable segments and 83 million yen in eliminations for intersegment transactions. The corporate expense is mainly a general and administrative expense that is not attributed to the reportable segments.

Note 2: Segment profit has been adjusted to correspond with the total operating income as shown in the consolidated statements of income.

2. Information concerning impairment losses on non-current assets, goodwill, etc. by reportable segment

No items to report

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II. First three quarters of the fiscal year ending March 31, 2026 (April 1, 2025–December 31, 2025)

1. Information on sales and profit (loss) by reportable segment

	Reportable segments				Adjustments (Note 1)	Consolidated (Note 2)
	Mobility & Imaging Business Unit	Fine Chemicals Business Unit	Life Science Business Unit	Total		
	Million yen					
Sales						
Sales to third parties	70,440	50,084	54,073	174,598	–	174,598
Intersegment sales and transfers	27	107	0	134	(134)	–
Total	70,468	50,191	54,073	174,733	(134)	174,598
Segment profit	7,900	7,017	8,706	23,624	(7,302)	16,321

Note 1: The 7,302 million yen downward adjustment to segment profit reflects a negative 7,249 million yen in corporate expense not allocable to the reportable segments and 53 million yen in eliminations for intersegment transactions. The corporate expense is mainly a general and administrative expense that is not attributed to the reportable segments.

Note 2: Segment profit has been adjusted to correspond with the total operating income as shown in the consolidated statements of income.

2. Information concerning impairment losses on non-current assets, goodwill, etc. by reportable segment

No items to report

(Notes on Statements of Cash Flows)

We do not produce Statements of Cash Flows for the first three quarters of the fiscal year. The amounts for depreciation and amortization (excluding goodwill and including amortization of intangible assets) and amortization of goodwill for the first three quarters of the fiscal year ending March 31, 2026 are shown below.

	First three quarters of fiscal year ended March 31, 2025	First three quarters of fiscal year ending March 31, 2026
	Million yen	
Depreciation and amortization	10,222	11,441
Amortization of goodwill	106	106