

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

May 12, 2026

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

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

Scheduled date of the Annual Shareholders Meeting: June 25, 2026
Scheduled date for start of dividend payments: June 26, 2026
Filing date of annual securities report: June 19, 2026
Preparation of supplementary materials for financial results: Yes
Financial results presentation meeting: Yes (for securities analysts and institutional investors)

1. Consolidated Business Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025–March 31, 2026)
(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	%
Fiscal year ended March 31, 2026	241,851	8.7	22,454	10.1	25,478	14.4	24,641	40.7
Fiscal year ended March 31, 2025	222,584	10.3	20,401	178.1	22,266	77.3	17,508	325.6

Note: Comprehensive income Fiscal year ended March 31, 2026: 38,650 million yen (194.5%)
Fiscal year ended March 31, 2025: 13,126 million yen ((44.0)%)

	Profit attributable to owners of parent per share – basic	Profit attributable to owners of parent per share – diluted	Return on equity	Ordinary income to total assets ratio	Operating income to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2026	161.18	161.18	9.0	6.6	9.3
Fiscal year ended March 31, 2025	107.17	107.16	6.5	6.0	9.2

Reference: Equity in earnings (losses) of affiliates
Fiscal year ended March 31, 2026: (42) million yen
Fiscal year ended March 31, 2025: 61 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2026	398,736	280,104	70.0	1,878.87
As of March 31, 2025	373,708	268,520	71.6	1,673.24

Reference: Equity As of March 31, 2026: 279,002 million yen
As of March 31, 2025: 267,528 million yen

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(3) Status of Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2026	28,784	(17,184)	(20,235)	53,368
Fiscal year ended March 31, 2025	25,530	(27,313)	(4,756)	57,926

2. Status of Dividends

	Dividend amount per share					Total dividend payment (full year)	Dividend payout ratio (consolidated)	Dividend pay-out to net assets ratio (consolidated)
	End of first quarter	End of second quarter	End of third quarter	End of year	Full year			
	Yen							
Fiscal year ended March 31, 2025	–	22.50	–	37.50	60.00	9,676	56.0	3.6
Fiscal year ended March 31, 2026	–	30.00	–	36.00	66.00	9,939	40.9	3.7
Fiscal year ending March 31, 2027 (forecast)	–	33.00	–	33.00	66.00		–	

3. Consolidated Business Results Forecasts for the Fiscal Year Ending March 31, 2027 (April 1, 2026–March 31, 2027)
(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
First half	123,500	8.7	11,800	11.1	11,900	9.7	11,800	0.9	80.49
Full year	260,600	7.8	25,400	13.1	25,200	(1.1)	22,300	(9.5)	154.50

Notes

- (1) Significant changes in subsidiaries during the fiscal period (changes in designated subsidiaries that result in changes in scope of consolidation): None
- (2) 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
- (3) Number of shares issued (common stock)
 - [1] Number of shares issued at end of the fiscal period (including treasury stock)
 - As of March 31, 2026: 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 March 31, 2026: 11,505,220 shares
 - As of March 31, 2025: 5,117,318 shares
 - [3] Average number of shares during the fiscal period
 - Fiscal year ended March 31, 2026: 152,876,411 shares
 - Fiscal year ended March 31, 2025: 163,370,767 shares

Reference: Overview of Non-consolidated Business Results

1. Non-consolidated Business Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025–March 31, 2026)

(1) Non-consolidated Operating Results

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

	Net sales		Operating income		Ordinary income	
	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2026	145,145	11.2	9,178	102.2	28,803	121.8
Fiscal year ended March 31, 2025	130,472	8.3	4,538	–	12,984	185.0

	Net income		Net income per share – basic	Net income per share – diluted
	Million yen	%	Yen	Yen
Fiscal year ended March 31, 2026	30,834	171.0	201.69	–
Fiscal year ended March 31, 2025	11,379	–	69.65	–

Notes to Non-consolidated Operating Results

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2026	280,688	180,039	64.1	1,212.36
As of March 31, 2025	265,421	177,345	66.8	1,109.15

Reference: Equity As of March 31, 2026: 180,039 million yen

As of March 31, 2025: 177,345 million yen

* Financial results reports are not subject to audit conducted by certified public accountants or an audit firm.

* 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 1. Overview of Operating Results, Financial Position, and Future Outlook, (4) Future Outlook* on page 5 of the Supplementary Information.

(How to obtain the supplementary materials for financial results)

We have scheduled a briefing on financial results for securities analysts and institutional investors on Wednesday, May 13, 2026. The materials for the briefing will be posted on the corporate website.

Supplementary Information

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1. Overview of Operating Results, Financial Position, and Future Outlook

(1) Overview of Operating Results for the Fiscal Year Ended March 31, 2026

During fiscal year ended March 31, 2026, the global economy maintained steady growth but faced continuing uncertainty from geopolitical risks, such as the prolongation of the Russia-Ukraine war, heightened tensions in the Middle East, and the structuralization of the U.S.-China confrontation.

The Mobility & Imaging Business Unit is affected by trends in the global mobility market. Although the situation is constantly changing, such as with the re-evaluation of hybrids over electric vehicles, the need for development of products that improve safety and comfort is high, and this is a promising market where medium- to long-term expansion can be expected in the future.

In the Fine Chemicals Business Unit, the need for semiconductor materials is increasing as rapid advances in digital technology lead to higher performance in the next generation of high-speed (5G/6G) communications devices and other digital equipment, the proliferation and growth of AI servers and other servers for data centers, and increasingly sophisticated electronic equipment in automobiles. In the printing industry, the switch from conventional analog printing to digitalization is advancing, and the need for environmental friendliness is increasing, one example of which is the demand for non-phenolic materials in the area of developer for thermal paper.

In the Life Science Business Unit, we contribute to extending the healthy lifespan of people in Japan through innovative drug development while ensuring a stable supply of high quality pharmaceuticals. We must do this to pass on a society to the next generation where all people in Japan can be assured of receiving quality medical care. Nippon Kayaku must determine how to swiftly and consistently engage in pharmaceutical research, development, manufacturing, and supply to meet these expectations. However, the increase in medical and other social security expenses is straining consumer finances and achieving sustainable healthcare is a challenge for us amid even stricter government measures to curb drug prices and other medical expenses. Products that contribute both to increased food production and reduction in negative environmental impacts by the agriculture industry are necessary as the global population continues to increase and importance of food security is stressed. To achieve these missions, we must continue to provide excellent, environmentally friendly agrochemicals along with the technology and services for them, support food supply, and contribute to growth of sustainable agriculture.

The Nippon Kayaku Group entered the final year of *KAYAKU Vision 2025 (KV25)*, the mid-term business plan which began in April 2022, amid such conditions. We continued 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, consolidated net sales for the fiscal year ended March 31, 2026 totaled 241,851 million yen, an increase of 19,266 million yen (8.7%) year-on-year. Sales in the Mobility & Imaging Business Unit, Fine Chemicals Business Unit, and Life Science Business Unit all outperformed the previous fiscal year.

Operating income increased by 2,052 million yen (10.1%) to 22,454 million yen compared to the previous fiscal year.

Consolidated ordinary income totaled 25,478 million yen, an increase of 3,211 million yen (14.4%) year-on-year. This increase was due to growth in consolidated operating income and an increase in foreign exchange gains.

Profit attributable to owners of parent was 24,641 million yen, an increase of 7,132 million yen (40.7%) year-on-year. The increase was mainly due to a gain on sale of investment securities.

Performance by business segment is as described below.

[Mobility & Imaging Business Unit]

Sales rose to 94,714 million yen, an increase of 3,338 million yen (3.7%) year-on-year.

In the safety systems business, although there was some impact from U.S. government tariff policy, automobile production overall remained firm both in Japan and overseas. In the Chinese market in particular, sales to local manufacturers in China were strong, supported by subsidies and incentives continuing from the previous fiscal year. Accordingly, sales of airbag inflators, micro gas generators for seatbelt pretensioners, and squibs all outperformed 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, and components for X-ray analysis systems also underperformed year-on-year due to inventory adjustments by main customers. Polarizing films were nearly on par with the previous fiscal year. The Polatechno business overall underperformed year-on-year as a result.

Segment profit totaled 10,654 million yen, a decrease of 2,657 million yen (20.0%) year-on-year. This decrease resulted from the significant impact of steep price increases for raw materials, despite efforts to pass on costs to product prices.

[Fine Chemicals Business Unit]

Sales rose to 74,142 million yen, an increase of 7,935 million yen (12.0%) year-on-year.

The functional materials business as a whole outperformed 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 general-purpose semiconductor market.

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

The catalyst business outperformed year-on-year, as performance was firm in the fourth quarter despite being sluggish until the third quarter.

Segment profit totaled 11,929 million yen, an increase of 2,030 million yen (20.5%) year-on-year. Sales growth contributed to this increase in segment profit.

[Life Science Business Unit]

Sales rose to 72,994 million yen, an increase of 7,992 million yen (12.3%) year-on-year.

The pharmaceuticals business as a whole outperformed the previous fiscal year. This outperformance was due to the launch of the anti-cancer drug IBTROZI[®] and the generic drugs LENALIDOMIDE Capsules and ABIRATERONE ACETATE Tab. for the Japanese market, as well as the increased market penetration of the antibody biosimilars ADALIMUMAB BS and BEVACIZUMAB BS. These factors compensated for the year-on-year underperformance in sales of active pharmaceutical ingredients for the Japanese domestic market, exports, sales from contract production, and diagnostic drugs.

The agrochemicals business outperformed the previous fiscal year. Sales in the domestic market were maintained as the increased costs of agricultural materials were reflected in selling prices, while export sales of flometoquin, a mainstay product, grew steadily.

Sales in the real estate business were on par with the previous fiscal year.

Segment profit totaled 9,680 million yen, an increase of 3,326 million yen (52.3%) year-on-year.

(2) Overview of Financial Position for the Fiscal Year Ended March 31, 2026

Total assets were 398,736 million yen, an increase of 25,027 million yen from the end of the previous fiscal year. The main increases were in merchandise and finished goods, an increase of 8,307 million yen; raw materials and stores, an increase of 4,444 million yen; machinery, equipment and vehicles, net, an increase of 4,311 million yen; long-term prepaid expenses, an increase of 4,214 million yen; buildings and structures, net, an increase of 3,745 million yen; accounts receivable – trade, an increase of 3,559 million yen; and construction in progress, an increase of 2,493 million yen. The main decreases were in cash and deposits, a decrease of 5,392 million yen; and investment securities, a decrease of 4,792 million yen.

Liabilities were 118,631 million yen, an increase of 13,443 million yen from the end of the previous fiscal year. The main increases were in notes and accounts payable – trade, an increase of 4,356 million yen; income taxes payable, an increase of 4,096 million yen; short-term loans payable, an increase of 3,800 million yen; and long-term loans payable, an increase of 3,287 million yen. The main decrease was in accounts payable – other, a decrease of 2,455 million yen.

Net assets were 280,104 million yen, an increase of 11,583 million yen from the end of the previous fiscal year. The main increases were in translation adjustments, an increase of 14,424 million yen; and retained earnings, an increase of 7,608 million yen. The main decrease was in treasury stock, a decrease of 9,975 million yen.

(3) Overview of Cash Flows for the Fiscal Year Ended March 31, 2025

	Fiscal year ended March 31, 2025 (April 1, 2024– March 31, 2025)	Fiscal year ended March 31, 2026 (April 1, 2025– March 31, 2026)	YoY change
	Million yen		
Cash flows from operating activities	25,530	28,784	3,254
Cash flows from investing activities	(27,313)	(17,184)	10,129
Cash flows from financing activities	(4,756)	(20,235)	(15,478)
Cash and cash equivalents at end of the year	57,926	53,368	(4,557)

Net cash provided by operating activities amounted to 28,784 million yen (versus a cash inflow of 25,530 million yen in the previous fiscal year). The positive cash flow was generated from profit before income taxes of 33,592 million yen, and depreciation and amortization of 15,618 million yen. The above factors more than compensated for the increase in inventories of 9,630 million yen.

Net cash used in investing activities totaled 17,184 million yen (versus a cash outflow of 27,313 million yen in the previous fiscal year). The net outflow was mainly due to expenditures of 24,498 million yen for the purchase of property, plant and equipment, which exceeded 13,297 million yen in proceeds from the sale of investment securities.

Net cash used in financing activities amounted to 20,235 million yen (versus a cash outflow of 4,756 million yen in the previous fiscal year). The positive cash flow was primarily generated from proceeds from long-term loans payable of 15,000 million yen. However, this was not sufficient to compensate for expenditures for purchase of treasury stock of 16,581 million yen, dividends paid of 10,559 million yen, and expenditures for repayment of long-term loans payable of 8,712 million yen.

Reflecting the above cash flow performance, the balance of cash and cash equivalents at the end of the fiscal year ended March 31, 2026 was 53,368 million yen, a decrease of 4,557 million yen from the end of the previous fiscal year.

Reference: Trends in Cash Flow Indicators

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Equity ratio (%)	77.8	78.7	74.2	71.6	70.0
Market value-based equity ratio (%)	61.9	61.5	59.6	60.4	65.4
Ratio of cash flow to interest-bearing liabilities (years)	0.7	1.0	1.3	1.7	1.7
Interest coverage ratio	273.9	243.3	248.0	132.3	61.7

Equity ratio: Equity divided by total assets

Market-value-based equity ratio: Total market value of shares divided by total assets

Ratio of cash flow to interest-bearing liabilities: Interest-bearing debt divided by operating cash flows

Interest coverage ratio: Operating cash flows divided by interest payments

Notes 1: Each indicator is calculated using consolidated financial figures.

2: The total market value of shares is calculated on the number of total shares outstanding (less treasury stock) at end of year.

3: Operating cash flows makes use of the cash flows from operating activities.

4: Interest-bearing debt includes all liabilities declared in the Consolidated Balance Sheets on which interest is paid.

(4) Future Outlook

The business environment surrounding the Nippon Kayaku Group faces the risk of an economic downswing due to geopolitical risks, U.S. tariff hikes, soaring crude oil prices, and other concerning factors.

Under these conditions, the Nippon Kayaku Group aims to respond flexibly 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.

In the safety systems business, we will continue to enhance the product line-up and expand sales of airbag inflators, micro gas generators for seatbelt pretensioners, and squibs, and will continue to focus on research and development of new products that utilize explosives, a core technology.

In the Polatechno business, products under development include shades for HUDs required in vehicles, components for X-ray analysis systems used in mobile X-ray analysis systems, electron microscopes and other products.

In the functional materials business, the products being developed include circuit boards and high-performance resins used for semiconductor encapsulation in the rapidly proliferating next generation of high-speed (5G/6G) communications, AI servers, and other data center equipment in the information and communications fields and the increasingly sophisticated electronic equipment in automobiles, epoxy resins used in carbon fiber-reinforced plastics, and semiconductor cleaners and semiconductor manufacturing equipment. In the color materials business, such products include industrial inkjet ink, functional colorants for use in image sensors, and dichromatic colorants for light-controlled glass. In the catalyst business, products under development include high-yield catalysts for the manufacture of acrylic acid and methacrylic acid, which contribute to energy and resource conservation, and green catalysts to contribute to the realization of a carbon neutral, hydrogen-based society.

In the pharmaceuticals business, we are targeting market penetration of new drugs such as IBTROZI[®], an anti-tumor agent for lung cancer, PORTRAZZA[®], a biomedicine for lung cancer; DARVIAS[®], a drug for blood cancer; and ALAGLIO[®], a photodynamic diagnostic agent. We are working to expand our product line-up in antibody biosimilars, distinctive generic drugs created through ingenuity in pharmaceutical formulations, and other products in the cancer-related areas, and to further strengthen stable supply and the quality assurance system.

In the agrochemicals business, we are focusing on expanding domestic and export sales volume for flometoquin, an insecticide, working toward the development of new unique drug formulations and new insecticides, and development and introduction of biostimulants.

In the fiscal year ending March 31, 2027, Nippon Kayaku forecasts a 7.8% year-on-year increase in net sales to 260,600 million yen. We forecast operating income of 25,400 million yen, an increase of 13.1% year-on-year; ordinary income of 25,200 million yen, a decrease of 1.1% year-on-year; and profit attributable to owners of parent of 22,300 million yen, a decrease of 9.5% year-on-year.

The main exchange rate assumption for the business results forecast is JPY148/USD.

(5) Basic Policy Concerning Profit Distribution and Dividends for the Fiscal Year Ended March 31, 2026 and Fiscal Year Ending March 31, 2027

The Nippon Kayaku Group focuses heavily on returning profits to shareholders. We are targeting a payout ratio at 40% or more of profit attributable to owners of parent during *KV25*, the mid-term business plan which began in the fiscal year ended March 31, 2023. This takes into account stable and consistent profit returns and the level of retained earnings. The Company will also be flexible in acquiring treasury stock as part of the return to shareholders, while securing sufficient retained earnings. Retained earnings will be used to invest in R&D, capital, and other investment and lending targeting sustained growth aimed at future development.

We plan to pay a year-end dividend of 36.00 yen per share. Combined with the dividend paid at the end of the second quarter, total dividends per share for the full year will be 66.00 yen.

The dividend for next fiscal year is forecast at 66.00 yen per share. This will consist of a dividend of 33.00 yen per share at the end of the second quarter and a year-end dividend of 33.00 yen per share.

2. Basic Stance on Selection of Accounting Principles

The Nippon Kayaku Group, for the time being, employs generally accepted accounting principles in Japan to prepare its consolidated financial statements. This decision takes into account comparability of different fiscal periods in the consolidated financial statements and with industry peers.

It should be noted that the Company plans to adopt the use of the International Financial Reporting Standards (IFRS) in a timely and adequate fashion should certain circumstances in Japan and abroad give rise to this need.

3. Consolidated Financial Statements and Notes to Consolidated Financial Statements

(1) Consolidated Balance Sheets

	As of March 31, 2025	As of March 31, 2026
	Million yen	
Assets		
Current assets		
Cash and deposits	55,425	50,032
Notes receivable – trade	4,137	5,032
Accounts receivable – trade	58,975	62,535
Electronically recorded monetary claims – operating	1,529	3,244
Securities	4,337	4,463
Merchandise and finished goods	44,917	53,225
Work in process	1,397	1,412
Raw materials and stores	25,227	29,672
Accounts receivable – other	6,639	5,751
Other	4,436	4,897
Allowance for doubtful accounts	(229)	(114)
Total current assets	206,794	220,153
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	48,231	51,976
Machinery, equipment and vehicles, net	26,252	30,563
Land	9,507	9,923
Construction in progress	21,277	23,770
Other, net	4,049	4,731
Total property, plant and equipment	109,317	120,966
Intangible assets		
Goodwill	640	499
Other	3,411	3,255
Total intangible assets	4,051	3,755
Investments and other assets		
Investment securities	35,393	30,600
Long-term loans receivable	521	474
Long-term prepaid expenses	2,576	6,791
Net defined benefit asset	11,032	12,285
Deferred tax assets	2,092	1,796
Other	1,977	1,962
Allowance for doubtful accounts	(49)	(49)
Total investments and other assets	53,544	53,860
Total non-current assets	166,914	178,582
Total assets	373,708	398,736

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

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	As of March 31, 2025	As of March 31, 2026
	Million yen	
Liabilities		
Current liabilities		
Notes and accounts payable – trade	19,869	24,225
Short-term loans payable	7,212	11,013
Accounts payable – other	18,797	16,342
Accrued expenses	6,490	6,611
Income taxes payable	1,492	5,588
Refund liability	412	106
Provision for directors’ bonuses	195	170
Other	1,136	1,070
Total current liabilities	55,606	65,128
Non-current liabilities		
Bonds payable	14,000	14,000
Long-term loans payable	20,884	24,171
Deferred tax liabilities	10,358	10,500
Provision for directors’ retirement benefits	10	13
Net defined benefit liability	434	356
Long-term deposits received	3,311	3,227
Other	582	1,234
Total non-current liabilities	49,581	53,503
Total liabilities	105,188	118,631
Net assets		
Shareholders’ equity		
Common stock	14,932	14,932
Additional paid-in capital	15,861	15,879
Retained earnings	202,714	210,323
Treasury stock	(6,527)	(16,503)
Total shareholders’ equity	226,981	224,632
Accumulated other comprehensive income		
Unrealized holding gains on available-for-sale securities	12,374	11,340
Translation adjustments	23,422	37,847
Remeasurements of defined benefit plans	4,749	5,181
Total accumulated other comprehensive income	40,546	54,369
Non-controlling interests	992	1,102
Total net assets	268,520	280,104
Total liabilities and net assets	373,708	398,736

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

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	Million yen	
Net sales	222,584	241,851
Cost of sales	151,102	168,971
Gross profit on sales	71,482	72,880
Selling, general and administrative expenses		
Selling expenses	20,849	21,247
General and administrative expenses	30,231	29,178
Total selling, general, and administrative expenses	51,080	50,426
Operating income	20,401	22,454
Non-operating income		
Interest income	906	571
Dividend income	1,023	927
Equity in earnings of affiliates	61	-
Foreign exchange gains	-	1,674
Insurance dividends received	197	132
Other	754	843
Total non-operating income	2,944	4,149
Non-operating expenses		
Interest expense	224	472
Equity in losses of affiliates	-	42
Foreign exchange losses	267	-
Expenses from under-utilized real estate	40	37
Other losses	547	573
Total non-operating expenses	1,080	1,125
Ordinary income	22,266	25,478
Extraordinary income		
Gain on sale of non-current assets	9	109
Gain on liquidation of subsidiaries and associates	-	120
Gain on sale of investment securities	3,849	9,431
Total extraordinary income	3,858	9,661
Extraordinary loss		
Loss on disposal of non-current assets	1,176	828
Loss on valuation of investment securities	2,605	284
Extra retirement payments	335	100
Loss on disaster	-	334
Total extraordinary loss	4,117	1,546
Profit before income taxes	22,007	33,592
Income taxes – current	5,077	8,188
Income taxes – deferred	(649)	692
Total income taxes	4,428	8,880
Profit	17,578	24,711
Profit attributable to non-controlling interests	69	70
Profit attributable to owners of parent	17,508	24,641

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All financial information has been prepared in accordance with generally accepted accounting principles in Japan.

Nippon Kayaku Co., Ltd.
Summary of Consolidated Financial Results [Japanese GAAP]
For the Fiscal Year Ended March 31, 2026

Consolidated Statements of Comprehensive Income

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	Million yen	
Profit	17,578	24,711
Other comprehensive income		
Unrealized holding gains (losses) on available-for-sale securities	(4,133)	(1,036)
Translation adjustments	(2,829)	14,540
Remeasurements of defined benefit plans	2,507	447
Share of other comprehensive income of companies accounted for by the equity-method	3	(12)
Total other comprehensive income	(4,452)	13,939
Comprehensive income	13,126	38,650
Comprehensive income attributable to:		
Owners of parent	13,067	38,464
Non-controlling interests	58	186

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(3) Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2025 (April 1, 2024–March 31, 2025)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
	Million yen				
Balance at beginning of the fiscal year	14,932	15,840	199,214	(5,413)	224,573
Changes during the fiscal year					
Dividends paid			(7,412)		(7,412)
Profit attributable to owners of parent			17,508		17,508
Purchase of treasury stock				(7,875)	(7,875)
Cancellation of treasury stock		(15)	(6,595)	6,611	–
Transfer-restricted stock remuneration		8		150	159
Change in treasury stock of parent arising from transactions with non-controlling shareholders		28			28
Net change in items other than shareholders' equity					
Total changes during the fiscal year	–	21	3,500	(1,113)	2,408
Balance at end of the fiscal year	14,932	15,861	202,714	(6,527)	226,981

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Unrealized holding gains on available-for-sale securities	Translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
	Million yen					
Balance at beginning of the fiscal year	16,508	26,241	2,237	44,987	987	270,548
Changes during the fiscal year						
Dividends paid						(7,412)
Profit attributable to owners of parent						17,508
Purchase of treasury stock						(7,875)
Cancellation of treasury stock						–
Transfer-restricted stock remuneration						159
Change in treasury stock of parent arising from transactions with non-controlling shareholders						28
Net change in items other than shareholders' equity	(4,134)	(2,818)	2,511	(4,441)	4	(4,436)
Total changes during the fiscal year	(4,134)	(2,818)	2,511	(4,441)	4	(2,028)
Balance at end of the fiscal year	12,374	23,422	4,749	40,546	992	268,520

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Nippon Kayaku Co., Ltd.
Summary of Consolidated Financial Results [Japanese GAAP]
For the Fiscal Year Ended March 31, 2026

Fiscal year ended March 31, 2026 (April 1, 2025–March 31, 2026)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
	Million yen				
Balance at beginning of the fiscal year	14,932	15,861	202,714	(6,527)	226,981
Changes during the fiscal year					
Dividends paid			(10,589)		(10,589)
Profit attributable to owners of parent			24,641		24,641
Purchase of treasury stock				(16,581)	(16,581)
Cancellation of treasury stock		(2)	(6,443)	6,446	–
Transfer-restricted stock remuneration		2		159	162
Change in treasury stock of parent arising from transactions with non-controlling shareholders		17			17
Net change in items other than shareholders' equity					
Total changes during the fiscal year	–	17	7,608	(9,975)	(2,349)
Balance at end of the fiscal year	14,932	15,879	210,323	(16,503)	224,632

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Unrealized holding gains on available-for-sale securities	Translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
	Million yen					
Balance at beginning of the fiscal year	12,374	23,422	4,749	40,546	992	268,520
Changes during the fiscal year						
Dividends paid						(10,589)
Profit attributable to owners of parent						24,641
Purchase of treasury stock						(16,581)
Cancellation of treasury stock						–
Transfer-restricted stock remuneration						162
Change in treasury stock of parent arising from transactions with non-controlling shareholders						17
Net change in items other than shareholders' equity	(1,034)	14,424	432	13,823	109	13,932
Total changes during the fiscal year	(1,034)	14,424	432	13,823	109	11,583
Balance at end of the fiscal year	11,340	37,847	5,181	54,369	1,102	280,104

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(4) Consolidated Statements of Cash Flows

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Million yen		
Cash flows from operating activities		
Profit before income taxes	22,007	33,592
Depreciation and amortization	13,935	15,618
Amortization of goodwill	142	141
Increase (decrease) in other provisions	124	(449)
Interest and dividend income	(1,930)	(1,499)
Interest expense	224	472
Foreign exchange losses (gains)	(174)	(1,403)
Equity in (earnings) losses of affiliates	(61)	42
Gain on sales of property, plant and equipment	(9)	(109)
Loss (gain) on disposal of property, plant and equipment	1,176	828
Loss (gain) on valuation of investment securities	2,605	284
Loss (gain) on sales of investment securities	(3,849)	(9,431)
(Increase) decrease in notes and accounts receivable – trade	(2,884)	(2,655)
(Increase) decrease in inventories	(4,978)	(9,630)
(Increase) decrease in prepaid expenses	265	194
(Increase) decrease in accounts receivable – other	(2,265)	932
(Increase) decrease in advance payments	(1,295)	(123)
Increase (decrease) in notes and accounts payable – trade	961	3,271
Increase (decrease) in notes and accounts payable – other	1,749	1,244
Increase (decrease) in accrued expenses	927	(100)
Increase (decrease) in net defined benefit liability	12	(141)
(Increase) decrease in net defined benefit asset	(609)	(609)
Other	2,373	1,795
Subtotal	28,449	32,263
Interest and dividends received	2,203	1,658
Interest paid	(192)	(466)
Income tax paid	(5,401)	(5,085)
Income tax refund	471	415
Net cash provided by operating activities	25,530	28,784

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

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Million yen		
Cash flows from investing activities		
Payments into time deposits	(371)	(1,269)
Proceeds from withdrawal of time deposits	160	1,609
Short-term loan advances	(153)	–
Purchase of property, plant and equipment	(29,259)	(24,498)
Proceeds from sale of property, plant and equipment	12	110
Purchase of intangible assets	(1,140)	(366)
Purchase of securities	(109)	(0)
Proceeds from redemption of securities	247	393
Purchase of investment securities	(958)	(99)
Proceeds from sale of investment securities	6,016	13,297
Proceeds from redemption of investment securities	15	–
Purchase of shares of subsidiaries and affiliates	–	(697)
Long-term loan advances	(0)	–
Collection of long-term loans receivable	58	46
Payments for long-term prepaid expenses	(1,166)	(5,183)
Payment for retirement of property, plant and equipment	(609)	(530)
Other	(55)	4
Net cash used in investing activities	(27,313)	(17,184)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	–	792
Proceeds from long-term loans	10,100	15,000
Repayment of long-term loans	(5,453)	(8,712)
Proceeds from issuance of bonds	14,000	–
Redemption of bonds	(8,000)	–
Purchase of treasury stock of subsidiaries	–	(11)
Purchase of treasury stock	(7,882)	(16,581)
Dividends paid	(7,395)	(10,559)
Dividends paid to non-controlling interests	(47)	(62)
Other	(77)	(100)
Net cash used in financing activities	(4,756)	(20,235)
Effect of exchange rate change on cash and cash equivalents	(310)	4,076
Increase (decrease) in cash and cash equivalents	(6,851)	(4,557)
Cash and cash equivalents at beginning of the year	64,777	57,926
Cash and cash equivalents at end of the year	57,926	53,368

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(5) Notes to Consolidated Financial Statements
(Notes Regarding Assumptions for the Going Concern)
No items to report

(Segment Information)

[1] Summary of reportable segments

The reportable segments of the Nippon Kayaku Group are structural units of the Group for which separate financial information can be acquired. These segments are subject to be examined periodically by the Board of Directors in order to evaluate business results and make decisions on the allocation of business resources.

Business groups are established by product and service for each reportable segment within the Nippon Kayaku Group. Each group develops comprehensive domestic and overseas strategies for the products and services it handles, and introduces business activities accordingly.

Business groups are established by product and service for each reportable segment within the Nippon Kayaku Group. There are three reportable segments: “Mobility & Imaging Business Unit,” “Fine Chemicals Business Unit,” and “Life Science Business Unit.”

The types of main products and services provided by the reportable segments are shown in the table below.

Reportable segment	Sales segment	Main products and services
Mobility & Imaging Business Unit	Safety Systems	Airbag inflators, micro gas generators for seatbelt pretensioners, and squibs
	Polatechno	Components for LCD displays, LCD projector components, and components for X-ray analysis systems
Fine Chemicals Business Unit	Functional Materials	Epoxy resins, maleimide resins, epoxy resin hardeners, reactive flame retardants, acrylic acid esters, UV-curable resins for resist, resist for MEMS (liquid and dry film resist), cleaners for LCDs and semiconductors, liquid crystal display sealants, and semiconductor manufacturing equipment (laminator, remover, mounter, UV irradiation equipment)
	Color Materials	Colorants for inkjet printers, dyes for inkjet textile printing, inks for industrial inkjet printers, image sensor materials, dichotomous colorants for dimmable glass, near infrared absorbers, dyes for textiles and paper, colorants for resins, developers for thermal paper, and pigment derivatives (synergists)
	Catalysts	Catalysts for the production of acrylic acid, acrolein, and methacrylic acid
Life Science Business Unit	Pharmaceuticals	Anti-cancer drugs, biological drugs, cardiovascular agents, photodynamic diagnostic agents, in-vitro diagnostic drugs, embolization materials, pharmaceutical API and intermediates, food additives, health food ingredients, preservatives for food quality, and cleaners and disinfectants
	Agrochemicals	Insecticides, herbicides, fungicides, miticides, public health insecticides, soil fumigants, and animal repellents
	Real Estate	Real estate business

[2] Methods for calculating the amounts for sales, profit (loss), assets, liabilities, and other items by reportable segment

The accounting treatment of the reportable segments is generally the same as described in Significant Accounting Policies for Preparing Consolidated Financial Statements. The profit reported in each reportable segment is operating profit. Intersegment sales and transfers are calculated based primarily on market prices and manufacturing costs.

Nippon Kayaku Co., Ltd.
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For the Fiscal Year Ended March 31, 2026

[3] Information concerning the amounts for sales, profit (loss), assets, liabilities, and other items by reportable segment

Fiscal year ended March 31, 2025 (April 1, 2024–March 31, 2025)

	Reportable segments				Total	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	91,376	66,206	65,001	222,584	222,584	–	222,584
Intersegment sales and transfers	–	196	0	196	196	(196)	–
Total	91,376	66,403	65,001	222,781	222,781	(196)	222,584
Segment profit	13,311	9,899	6,354	29,565	29,565	(9,163)	20,401
Segment assets	130,799	94,497	86,720	312,017	312,017	61,691	373,708
Other items							
Depreciation and amortization	6,734	3,811	2,795	13,342	13,342	593	13,935
Amortization of goodwill	0	142	–	142	142	–	142
Changes in the amount of property, plant and equipment and intangible assets	9,040	12,632	4,846	26,519	26,519	1,079	27,598

Note 1: The amounts of adjustments are as shown below.

(1) The 9,163 million yen downward adjustment to segment profit reflects 9,050 million yen in corporate expense not allocable to the reportable segments and 112 million yen in eliminations for intersegment transactions. The corporate expenses are mainly a general and administrative expense that is not attributed to the reportable segments.

(2) The 61,691 million yen upward adjustment to segment assets factors in 61,836 million yen in corporate assets not allocable to reportable segments and minus 144 million yen in eliminations for intersegment transactions. Corporate assets primarily consist of excess operating funds (cash and securities) and long-term investment funds (investment securities, etc.) belonging to the parent company.

(3) The 593 million yen adjustment to depreciation and amortization is related to corporate assets.

(4) The 1,079 million yen upward adjustment to property, plant and equipment and intangible assets is related to the administrative divisions of the parent company head office.

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

Nippon Kayaku Co., Ltd.
Summary of Consolidated Financial Results [Japanese GAAP]
For the Fiscal Year Ended March 31, 2026

Fiscal year ended March 31, 2026 (April 1, 2025–March 31, 2026)

	Reportable segments				Total	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	94,714	74,142	72,994	241,851	241,851	–	241,851
Intersegment sales and transfers	53	84	0	138	138	(138)	–
Total	94,768	74,226	72,994	241,989	241,989	(138)	241,851
Segment profit	10,654	11,929	9,680	32,263	32,263	(9,809)	22,454
Segment assets	144,188	97,021	104,101	345,311	345,311	53,424	398,736
Other items							
Depreciation and amortization	7,107	4,978	2,943	15,030	15,030	588	15,618
Amortization of goodwill	-	141	–	141	141	–	141
Changes in the amount of property, plant and equipment and intangible assets	8,107	6,153	5,798	20,058	20,058	402	20,460

Note 1: The amounts of adjustments are as shown below.

(1) The 9,809 million yen downward adjustment to segment profit reflects 9,763 million yen in corporate expense not allocable to the reportable segments and 46 million yen in eliminations for intersegment transactions. The corporate expenses are mainly a general and administrative expense that is not attributed to the reportable segments.

(2) The 53,424 million yen upward adjustment to segment assets factors in 53,573 million yen in corporate assets not allocable to reportable segments and minus 148 million yen in eliminations for intersegment transactions. Corporate assets primarily consist of excess operating funds (cash and securities) and long-term investment funds (investment securities, etc.) belonging to the parent company.

(3) The 588 million yen adjustment to depreciation and amortization is related to corporate assets.

(4) The 402 million yen upward adjustment to property, plant and equipment and intangible assets is related to the administrative divisions of the parent company head office.

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

(Significant Subsequent Events)
(Acquisition of Treasury Stock)

At the Board of Directors meeting held on May 12, 2026, the Company resolved to purchase its own shares pursuant to the provisions of Article 156 of the Companies Act, as applied by replacing the relevant terms pursuant to the provisions of Article 165, Paragraph 3 of the same Act.

1. Reason for purchase of treasury stock

To further enhance the return of profits to shareholders and improve capital efficiency, the Company will purchase its own shares in accordance with the policy set forth in the “Measures for Delivering Management with an Awareness of the Cost of Capital and Stock Prices” announced on March 28, 2025.

2. Contents of the Board of Directors resolution on purchase of treasury stock

- | | |
|---|--|
| (1) Type of shares to be purchased: | Common stock of the Company |
| (2) Total number of shares to be purchased: | 13,000,000 shares (maximum)
(8.75% of total number of shares issued (excluding treasury stock)) |
| (3) Total amount of purchase price: | 15,000 million yen (maximum) |
| (4) Purchase period: | From May 13, 2026 to March 31, 2027 |
| (5) Method of purchase: | Market purchase on the Tokyo Stock Exchange |

(Cancellation of Treasury Stock)

At the Board of Directors meeting held on May 12, 2026, the Company resolved to cancel its own shares pursuant to the provisions of Article 178 of Companies Act.

1. Reason for cancellation of treasury stock

To eliminate concerns over future dilution of shares and further improve capital efficiency and share value by decreasing the total number of shares issued

2. Contents of the Board of Directors resolution on cancellation of treasury stock

- | | |
|---|---|
| (1) Type of shares to be cancelled: | Common stock of the Company |
| (2) Total number of shares to be cancelled: | 11,300,000 shares
(7.06% of total shares issued before cancellation) |
| (3) Scheduled cancellation date: | May 22, 2026 |
| (4) Total number of shares issued after cancellation: | The total number of shares issued after the cancellation (including treasury stock) will be 148,700,000 shares. |