Summary of Consolidated Financial Results [Japanese GAAP]
For the First Quarter of the Fiscal Year Ending March 31, 2027

August 3, 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 for start of dividend payments: –
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 First Quarter of the Fiscal Year Ending March 31, 2027 (April 1, 2026– June 30, 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	%
First quarter of fiscal year ending March 31, 2027	67,402	23.1	6,740	54.3	7,390	81.7	6,081	41.7
First quarter of fiscal year ended March 31, 2026	54,758	2.1	4,367	(21.6)	4,067	(44.1)	4,292	20.3

Note: Comprehensive income First quarter of fiscal year ending March 31, 2027: 11,549 million yen (125.9%)
First quarter of fiscal year ended March 31, 2026: 5,111 million yen ((45.5)%)

	Profit attributable to owners of parent per share – basic	Profit attributable to owners of parent per share – diluted
	Yen	Yen
First quarter of fiscal year ending March 31, 2027	41.08	41.08
First quarter of fiscal year ended March 31, 2026	27.29	27.29

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2026	419,884	283,669	67.3
As of March 31, 2026	398,736	280,104	70.0

Reference: Equity As of June 30, 2026: 282,556 million yen
As of March 31, 2026: 279,002 million yen

2. Status of Dividends

	Dividend amount per share				
	End of first quarter	End of second quarter	End of third quarter	End of year	Full year
	Yen				
Fiscal year ended March 31, 2026	–	30.00	–	36.00	66.00
Fiscal year ending March 31, 2027	–				
Fiscal year ending March 31, 2027 (forecast)		33.00	–	33.00	66.00

Note: Changes to the most recent dividend forecast: None

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	133,800	17.8	13,700	29.0	13,800	27.3	13,100	12.1	89.35
Full year	270,900	12.0	27,300	21.6	27,000	6.0	22,900	(7.1)	158.66

Note: Changes to the most recent forecast for consolidated business results: Yes

Notes

(1) Significant changes in subsidiaries during the first quarter (changes in designated subsidiaries that result in changes in scope of consolidation): 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]: Yes
[3] Changes to accounting estimates: Yes
[4] Restatements: None

* We have changed our depreciation method from the first quarter of this consolidated fiscal year. This change falls under the category of “cases where it is difficult to distinguish between a change in accounting policy and a change in accounting estimate. “For further details, please refer to “(3) Notes to Quarterly Consolidated Financial Statements (Changes in accounting policies that are difficult to distinguish from changes in accounting estimates)” on page 8 of the attached documents.

(4) Number of shares issued (common stock)
[1] Number of shares issued at end of the fiscal period (including treasury stock)
As of June 30, 2026: 148,700,000 shares
As of March 31, 2026: 160,000,000 shares
[2] Number of treasury stock at end of the fiscal period
As of June 30, 2026: 1,449,578 shares
As of March 31, 2026: 11,505,220 shares
[3] Average number of shares during the fiscal period (cumulative)
First quarter of fiscal year ending March 31, 2027: 148,023,775 shares
First quarter of fiscal year ended March 31, 2026: 157,280,496 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 supplementary materials for quarterly financial results)
We have scheduled a teleconference for securities analysts and institutional investors on Monday, August 3, 2026. The materials for the briefing will be posted on the corporate website.

Supplementary Information

Contents

1. Qualitative Information Concerning Results for the First Quarter

(1) Analysis of Operating Results

During the first quarter of the fiscal year ending March 31, 2027 (April 1 to June 30, 2026), the global economy maintained steady growth but faced continuing uncertainty from geopolitical risks, such as the protracted situation in Ukraine, heightened tensions in the Middle East, and the structuralization of the U.S.-China confrontation.

The Nippon Kayaku Group has launched its mid-term management plan “Evolution2035 Phase1” since the first quarter of the fiscal year ending March 31, 2027, amid such conditions. Under Phase 1, we aim to enhance medium- to long-term corporate value by improving capital efficiency and strengthening our capacity for sustainable growth. To this end, we have identified key company-wide initiatives, working to advance them.

As a result, net sales for the first quarter of the fiscal year ending March 31, 2027 totaled 67,402 million yen, an increase of 12,644 million yen (23.1%) year-on-year. Sales in all business units outperformed the first quarter of the previous fiscal year.

Operating income totaled 6,740 million yen, an increase of 2,372 million yen (54.3%) year-on-year. This increase was due to the outperformance of all business units.

Ordinary income totaled 7,390 million yen, an increase of 3,323 million yen (81.7%) year-on-year. This increase was mainly due to foreign exchange gains.

Profit attributable to owners of parent was 6,081 million yen, an increase of 1,788 million yen (41.7%) 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 26,927 million yen, an increase of 4,540 million yen (20.3%) year-on-year.

In the safety systems business, global automobile production weakened due to slowing demand in China. However, the Group increased sales, as capacity expansion in China and Malaysia in response to the long-term increase in the number of installed automotive safety components proved effective. 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, LCD projector components decline, while shades for HUDs recorded growth. Components for X-ray analysis systems outperformed year-on-year, although performance varied by product type. The Polatechno business overall outperformed year-on-year as a result.

In the Aero business, drone safety equipment have been growing, mainly in North America.

Segment profit totaled 3,392 million yen, an increase of 1,034 million yen (43.9%) year-on-year. This increase resulted from an increase of net sales in the safety systems business and the Polatechno business.

[Fine Chemicals Business Unit]

Sales rose to 20,554 million yen, an increase of 3,843 million yen (23.0%) year-on-year.

The functional materials business as a whole outperformed the first quarter of the previous fiscal year. This outperformance resulted from firm demand for every product group due to strong performance both in AI and high-end servers in cutting-edge areas of the semiconductor market and in the general-purpose semiconductor market.

The color materials business as a whole underperformed the first quarter of the previous fiscal year. This resulted from front-loaded demand due to concerns over U.S. tariffs during the first quarter of the previous fiscal year, despite firm sales of industrial inkjet ink and home inkjet printer colorants.

The catalyst business outperformed year-on-year.

Segment profit totaled 3,324 million yen, an increase of 828 million yen (33.2%) year-on-year. Sales growth in the functional materials business and the catalyst business contributed to this increase in segment profit.

[Life Science Business Unit]

Sales rose to 19,920 million yen, an increase of 4,260 million yen (27.2%) year-on-year.

The pharmaceuticals business as a whole outperformed the first quarter of the previous fiscal year. This outperformance was due to increased market penetration of the anti-cancer drug IBTROZI® Capsules 200mg, PORTRAZZA® I.V. Infusion, an anti-EGFR human monoclonal antibody, and the antibody biosimilars BEVACIZUMAB BS and ADALIMUMAB BS for the Japanese market. Exports also outperformed year-on-year, despite underperformance in sales of active pharmaceutical ingredients for the Japanese domestic market and diagnostic drugs.

The agrochemicals business as both sales in the domestic market and exports outperformed year-on-year.

Sales in the real estate business outperformed the first quarter of the previous fiscal year.

Segment profit totaled 2,184 million yen, an increase of 321 million yen (17.3%) year-on-year. This increase resulted from an increase in net sales in the pharmaceuticals business and the agrochemicals business.

(2) Analysis of Financial Position

Status of Assets, Liabilities, and Net Assets

Total assets were 419,884 million yen, an increase of 21,148 million yen from the end of the previous fiscal year. The main increases were in long-term prepaid expenses, an increase of 15,562 million yen; investment securities, an increase of 3,545 million yen; and merchandise and finished goods, an increase of 2,567 million yen. The main decrease was in securities, a decrease of 3,098 million yen.

Liabilities were 136,214 million yen, an increase of 17,582 million yen from the end of the previous fiscal year. The main increases were in short-term loans payable, an increase of 20,002 million yen; and deferred tax liabilities under non-current liabilities, an increase of 2,186 million yen. The main decrease was in income taxes payable, a decrease of 4,432 million yen.

Net assets were 283,669 million yen, an increase of 3,565 million yen from the end of the previous fiscal year. The main increases were in treasury stock, an increase of 13,611 million yen; translation adjustments, an increase of 3,111 million yen; and unrealized holding gains on available-for-sale securities, an increase of 2,483 million yen. The main decrease was in retained earnings, a decrease of 15,481 million yen.

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

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.

The business results forecasts for the fiscal year ending March 31, 2027 announced on May 12, 2026 have been revised. See the Notice of Revisions to the Business Results Forecasts announced on August 3, 2026 for more information.

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

(1) Quarterly Consolidated Balance Sheets

	As of March 31, 2026	As of June 30, 2026
	Million yen	
Assets		
Current assets		
Cash and deposits	50,032	51,053
Notes and accounts receivable – trade	67,568	68,348
Electronically recorded monetary claims – operating	3,244	3,740
Securities	4,463	1,364
Merchandise and finished goods	53,225	55,792
Work in process	1,412	1,487
Raw materials and stores	29,672	27,984
Other	10,649	11,072
Allowance for doubtful accounts	(114)	(105)
Total current assets	220,153	220,739
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	51,976	52,689
Machinery, equipment and vehicles, net	30,563	32,268
Other, net	38,425	37,664
Total property, plant and equipment	120,966	122,623
Intangible assets		
Goodwill	499	463
Other	3,255	3,294
Total intangible assets	3,755	3,758
Investments and other assets		
Investment securities	30,600	34,146
Long-term prepaid expenses	6,791	22,353
Net defined benefit asset	12,285	12,341
Other	4,232	3,971
Allowance for doubtful accounts	(49)	(49)
Total investments and other assets	53,860	72,763
Total non-current assets	178,582	199,145
Total assets	398,736	419,884

	As of March 31, 2026	As of June 30, 2026
	Million yen	
Liabilities		
Current liabilities		
Notes and accounts payable – trade	24,225	23,647
Short-term loans payable	11,013	31,015
Accounts payable – other	16,342	16,950
Income taxes payable	5,588	1,156
Other	7,959	8,836
Total current liabilities	65,128	81,606
Non-current liabilities		
Bonds payable	14,000	14,000
Long-term loans payable	24,171	23,168
Net defined benefit liability	356	358
Other	14,975	17,081
Total non-current liabilities	53,503	54,608
Total liabilities	118,631	136,214
Net assets		
Shareholders' equity		
Common stock	14,932	14,932
Additional paid-in capital	15,879	15,879
Retained earnings	210,323	194,842
Treasury stock	(16,503)	(2,891)
Total shareholders' equity	224,632	222,763
Accumulated other comprehensive income		
Unrealized holding gains on available-for-sale securities	11,340	13,823
Translation adjustments	37,847	40,958
Remeasurements of defined benefit plans	5,181	5,010
Total accumulated other comprehensive income	54,369	59,793
Non-controlling interests	1,102	1,113
Total net assets	280,104	283,669
Total liabilities and net assets	398,736	419,884

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

Quarterly Consolidated Statements of Income

	First quarter of fiscal year ended March 31, 2026	First quarter of fiscal year ending March 31, 2027
	Million yen	
Net sales	54,758	67,402
Cost of sales	38,191	46,488
Gross profit on sales	16,566	20,914
Selling, general and administrative expenses	12,198	14,174
Operating income	4,367	6,740
Non-operating income		
Interest income	136	119
Dividend income	463	366
Equity in earnings of affiliates	81	85
Foreign exchange gains	–	249
Other	237	171
Total non-operating income	918	992
Non-operating expenses		
Interest expense	142	233
Foreign exchange losses	929	–
Other losses	147	109
Total non-operating expenses	1,218	342
Ordinary income	4,067	7,390
Extraordinary income		
Gain on sale of non-current assets	2	11
Gain on sale of investment securities	2,131	1,725
National subsidies	–	98
Total extraordinary income	2,133	1,834
Extraordinary loss		
Loss on disposal of non-current assets	188	197
Loss on tax purpose reduction entry of non-current assets	–	96
Extra retirement payments	–	40
Total extraordinary loss	188	334
Profit before income taxes	6,013	8,891
Income taxes – current	996	1,385
Income taxes – deferred	699	1,414
Total income taxes	1,696	2,800
Profit	4,316	6,091
Profit attributable to non-controlling interests	24	9
Profit attributable to owners of parent	4,292	6,081

Quarterly Consolidated Statements of Comprehensive Income

	First quarter of fiscal year ended March 31, 2026	First quarter of fiscal year ending March 31, 2027
	Million yen	
Profit	4,316	6,091
Other comprehensive income		
Unrealized holding gains (losses) on available-for-sale securities	(885)	2,480
Translation adjustments	1,552	3,146
Remeasurements of defined benefit plans	127	(172)
Share of other comprehensive income of companies accounted for by the equity-method	1	4
Total other comprehensive income	795	5,458
Comprehensive income	5,111	11,549
Comprehensive income attributable to:		
Owners of parent	5,110	11,505
Non-controlling interests	1	44

(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 1,244,100 shares of treasury stock for 2,604 million yen during the first quarter of the fiscal year ending March 31, 2027 as approved by resolution of the Board of Directors on May 12, 2026.

[2] Cancellation of Treasury Stock
The Company canceled 11,300,000 shares of treasury stock on May 22, 2026 as approved by resolution of the Board of Directors on May 12, 2026. This resulted in decreases of 16,216 million yen in other retained earnings and 16,216 million yen in treasury stock.

As a result, retained earnings stood at 194,842 million yen and treasury stock, at 2,891 million yen as of the end of the first quarter of the fiscal year ending March 31, 2027.

(Changes to Accounting Policies that are Difficult to Distinguish from Changes to Accounting Estimates)
(Change in the Depreciation Method for Property, Plant and Equipment)
The Company and its domestic consolidated subsidiaries have changed the depreciation method for property, plant and equipment (excluding leased assets), which had primarily used the declining-balance method, to the straight-line method, effective from the first quarter of the fiscal year ending March 31, 2027.

In formulating the Group's new mid-term management plan, the Group reviewed and examined how its property, plant and equipment is used in light of changes in the business environment and revisions to its management policies. As a result, the Group concluded that allocating the acquisition cost evenly over the useful life is more suited to its actual use and that the operation of production facilities is expected to remain stable going forward. Accordingly, the Group determined that the straight-line method is more reasonable and more appropriately reflects its actual business conditions.

As a result, compared to the previous method, operating income, ordinary income, and profit before income taxes for the first quarter of the fiscal year ending March 31, 2027 each increased by 189 million yen.

(Segment Information)
I. First quarter of the fiscal year ended March 31, 2026 (April 1, 2025–June 30, 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	22,387	16,710	15,659	54,758	–	54,758
Intersegment sales and transfers	3	51	0	55	(55)	–
Total	22,391	16,762	15,659	54,813	(55)	54,758
Segment profit	2,357	2,496	1,863	6,717	(2,349)	4,367

Note 1: The 2,349 million yen downward adjustment to segment profit reflects 2,318 million yen in corporate expenses not allocable to the reportable segments and 30 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.
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

II. First quarter of the fiscal year ending March 31, 2027 (April 1, 2026–June 30, 2026)

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	26,927	20,554	19,920	67,402	–	67,402
Intersegment sales and transfers	–	0	–	0	(0)	–
Total	26,927	20,555	19,920	67,403	(0)	67,402
Segment profit	3,392	3,324	2,184	8,901	(2,161)	6,740

Note 1: The 2,161 million yen downward adjustment to segment profit reflects 2,169 million yen in corporate expenses not allocable to the reportable segments and 8 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.

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 quarter of the fiscal year ending March 31, 2027. The amounts for depreciation and amortization (excluding goodwill and including amortization of intangible assets) and amortization of goodwill for the first quarter of the fiscal year ending March 31, 2027 are shown below.

	First quarter of fiscal year ended March 31, 2026	First quarter of fiscal year ending March 31, 2027
	Million yen	
Depreciation and amortization	3,568	3,453
Amortization of goodwill	35	36