

August 1, 2025

Consolidated Financial Results for the Three Months Ended June 30, 2025 (Under Japanese GAAP)

Company name: Sanyo Chemical Industries, Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 4471
 URL: <https://www.sanyo-chemical.co.jp/>
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	31,987	(19.3)	1,858	(14.9)	2,285	(36.0)	8,992	274.2
June 30, 2024	39,654	1.9	2,183	209.8	3,571	25.7	2,402	(18.8)

Note: Comprehensive income For the three months ended June 30, 2025: ¥10,537 million [146.3%]
 For the three months ended June 30, 2024: ¥4,278 million [13.0%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2025	406.51	-
June 30, 2024	108.80	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2025	181,206	146,720	79.4	6,501.27
March 31, 2025	176,366	138,302	76.8	6,119.90

Reference:Equity As of June 30, 2025: ¥143,821 million
 As of March 31, 2025: ¥135,385 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	85.00	-	85.00	170.00
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		85.00		85.00	170.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	62,000	(19.5)	4,500	1.0	5,000	0.2	11,500	-	519.84
Fiscal year ending March 31, 2026	130,000	(8.6)	10,000	18.5	11,000	13.8	16,000	285.4	723.26

Note: Revisions to the earnings forecasts most recently announced: Yes

* For the revision of the consolidated earnings forecast, please refer to the " Notice Regarding Recognition of Deferred Tax Assets and Revisions to Consolidated Earnings Forecast for the Second Quarter (Interim Period) and the Full Fiscal Year Ending March 31, 2026" announced today (August 1, 2025).

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: Yes
Excluded: 1 company (SDP Global Co., Ltd.)
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2025	23,534,752 shares
As of March 31, 2025	23,534,752 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2025	1,412,712 shares
As of March 31, 2025	1,412,596 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2025	22,122,111 shares
Three months ended June 30, 2024	22,085,679 shares

Note: The Company's shares held by a trust with directors and others as beneficiaries are included in the treasury stock deducted in the calculation of the number of treasury shares at the end of the fiscal year and the average number of shares during the period.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: nothing

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors.

Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	24,532	23,392
Notes and accounts receivable - trade	35,059	35,363
Electronically recorded monetary claims - operating	146	128
Merchandise and finished goods	12,965	11,993
Semi-finished goods	5,118	5,246
Work in process	257	208
Raw materials and supplies	4,480	5,149
Other	2,867	3,641
Allowance for doubtful accounts	(485)	(472)
Total current assets	84,942	84,652
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,729	14,576
Machinery, equipment and vehicles, net	19,866	19,385
Land	8,850	8,850
Construction in progress	510	493
Other, net	2,185	2,048
Total property, plant and equipment	46,142	45,354
Intangible assets		
Software	5,231	4,860
Other	1,055	1,164
Total intangible assets	6,286	6,024
Investments and other assets		
Investment securities	30,713	31,891
Long-term loans receivable	2,255	2,331
Deferred tax assets	258	4,956
Retirement benefit asset	4,588	4,609
Other	1,204	1,410
Allowance for doubtful accounts	(25)	(25)
Total investments and other assets	38,994	45,174
Total non-current assets	91,423	96,553
Total assets	176,366	181,206

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	16,881	17,014
Electronically recorded obligations - operating	2,910	3,273
Short-term borrowings	441	443
Current portion of long-term borrowings	747	751
Accounts payable - other	4,581	4,135
Income taxes payable	669	322
Provision for bonuses	1,829	1,011
Provision for bonuses for directors (and other officers)	72	15
Electronically recorded obligations - non-operating	567	856
Other	1,629	2,617
Total current liabilities	30,332	30,441
Non-current liabilities		
Long-term borrowings	2,230	2,240
Deferred tax liabilities	2,808	-
Provision for share-based payments	366	394
Retirement benefit liability	91	93
Provision for business restructuring	1,664	765
Other	571	549
Total non-current liabilities	7,731	4,044
Total liabilities	38,063	34,485
Net assets		
Shareholders' equity		
Share capital	13,051	13,051
Capital surplus	13,289	13,289
Retained earnings	99,868	106,967
Treasury shares	(5,525)	(5,526)
Total shareholders' equity	120,683	127,782
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,412	12,482
Foreign currency translation adjustment	1,488	1,795
Remeasurements of defined benefit plans	1,800	1,761
Total accumulated other comprehensive income	14,702	16,039
Non-controlling interests	2,917	2,899
Total net assets	138,302	146,720
Total liabilities and net assets	176,366	181,206

Quarterly consolidated statement of income

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	39,654	31,987
Cost of sales	31,381	24,347
Gross profit	8,272	7,640
Selling, general and administrative expenses	6,089	5,781
Operating profit	2,183	1,858
Non-operating income		
Interest income	63	36
Dividend income	483	605
Rental income from real estate	22	19
Foreign exchange gains	569	-
Share of profit of entities accounted for using equity method	317	-
Other	54	60
Total non-operating income	1,511	723
Non-operating expenses		
Interest expenses	33	28
Rental costs on real estate	16	12
Foreign exchange losses	-	139
Share of loss of entities accounted for using equity method	-	103
Other	72	11
Total non-operating expenses	123	296
Ordinary profit	3,571	2,285
Extraordinary income		
Other	110	-
Total extraordinary income	110	-
Extraordinary losses		
Loss on retirement of non-current assets	137	256
Loss on valuation of investment securities	8	73
Other	-	20
Total extraordinary losses	146	350
Profit before income taxes	3,535	1,934
Income taxes	945	(7,262)
Profit	2,590	9,197
Profit attributable to non-controlling interests	187	204
Profit attributable to owners of parent	2,402	8,992

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit	2,590	9,197
Other comprehensive income		
Valuation difference on available-for-sale securities	513	1,069
Foreign currency translation adjustment	1,199	309
Remeasurements of defined benefit plans, net of tax	(25)	(39)
Total other comprehensive income	1,688	1,339
Comprehensive income	4,278	10,537
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,073	10,329
Comprehensive income attributable to non-controlling interests	205	207

Quarterly consolidated statement of cash flows

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Cash flows from operating activities		
Profit before income taxes	3,535	1,934
Depreciation	2,534	2,301
Loss on retirement of non-current assets	137	256
Increase (decrease) in provision for bonuses	(1,075)	(816)
Changes in net defined benefit asset and liability	(53)	(77)
Increase (decrease) in provision for bonuses for directors (and other officers)	(13)	(57)
Increase (decrease) in provision for share-based payments	(149)	28
Interest and dividend income	(547)	(642)
Interest expenses	33	28
Share of loss (profit) of entities accounted for using equity method	(317)	103
Loss (gain) on valuation of investment securities	8	73
Decrease (increase) in trade receivables	591	(317)
Decrease (increase) in inventories	1,836	190
Increase (decrease) in trade payables	547	523
Other, net	(1,017)	376
Subtotal	6,051	3,905
Interest and dividends received	648	852
Interest paid	(44)	(23)
Income taxes paid	(1,198)	(944)
Payment for business restructuring	(3,509)	(854)
Net cash provided by (used in) operating activities	1,947	2,935
Cash flows from investing activities		
Purchase of non-current assets	(2,040)	(1,431)
Proceeds from collection of loans receivable	141	9
Other, net	(150)	(492)
Net cash provided by (used in) investing activities	(2,049)	(1,914)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(4,365)	-
Net decrease (increase) in treasury shares	(0)	(0)
Dividends paid	(1,855)	(1,861)
Dividends paid to non-controlling interests	(175)	(225)
Other, net	(55)	(28)
Net cash provided by (used in) financing activities	(6,451)	(2,114)
Effect of exchange rate change on cash and cash equivalents	523	(65)
Net increase (decrease) in cash and cash equivalents	(6,030)	(1,158)
Cash and cash equivalents at beginning of period	27,188	24,010
Cash and cash equivalents at end of period	21,158	22,852