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KIZUNA Bonds Our Future Lives



September 14, 2026

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(Securities code: 4968, Tokyo Stock Exchange Prime Market)
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Notice Regarding Recognition of Extraordinary Income and Extraordinary Loss in Connection with Receipt of Government Subsidies

ARAKAWA CHEMICAL INDUSTRIES, LTD. (the “Company”) hereby announces that it will recognize extraordinary income and an extraordinary loss for the second quarter of the fiscal year ending March 31, 2027, as described below.

1. Details of Extraordinary Income and Extraordinary Loss

The Company previously applied to the Ministry of Economy, Trade and Industry (METI) for the “Program for Promoting Investment in Japan to Strengthen Supply Chains” related to its Fine Chemicals & Electronics business. The Company received a notice of finalization dated September 10, 2026, regarding the subsidy.

Accordingly, the Company will recognize subsidy income of 934 million yen as extraordinary income for the second quarter of the fiscal year ending March 31, 2027. Simultaneously, the Company will apply reduction entry (asshuku-kicho) accounting, where the amount of the subsidy is directly deducted from the acquisition cost of the fixed assets. Consequently, the Company will recognize a loss on reduction of fixed assets of 775 million yen as an extraordinary loss.

In its Fine Chemicals & Electronics Business, the Company, together with its wholly owned consolidated subsidiary, KOATSU CHEMICAL INDUSTRIES, LTD. (Taisho-ku, Osaka City), provides fine chemical products for fields such as electronic materials, utilizing its extensive experience in precise synthesis technology and various cleanroom infrastructure. To meet anticipated demand growth in semiconductor-related advanced materials, the Company constructed new production facilities at its Mizushima Plant (Kurashiki City, Okayama Prefecture) in 2025. These facilities are scheduled to commence operations in the second half of fiscal year 2026, aiming to achieve further expansion and development through a dual-site production system.

2. Impact on Earnings Forecasts

The above extraordinary income and extraordinary loss have already been included in the consolidated earnings forecast for the fiscal year ending March 31, 2027, announced on May 14, 2026. The Company will promptly announce any matters that require further disclosure should they arise.