

For immediate release



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**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**

Sanyo Chemical Industries, Ltd. (“we” or “the Company”) hereby announces that it has recognized deferred tax assets in the first quarter of the fiscal year ending March 31, 2026, as outlined below.

Accordingly, we have revised its consolidated earnings forecasts for the six-month period ending September 30, 2025 and the full fiscal year ending March 31, 2026, originally disclosed on May 8, 2025, as follows.

1. Recognition of Deferred Tax Assets

The Company completed an absorption-type merger with its former consolidated subsidiary, SDP Global Co., Ltd., on April 1, 2025. Following this transaction, the Company carefully assessed the recoverability of the tax loss carryforwards and deductible temporary differences inherited from the merged subsidiary. As a result, the Company recognized the corresponding deferred tax assets and an income tax benefit including related adjustments, totaling 8 billion yen in its consolidated financial results for the first quarter of the fiscal year ending March 31, 2026.

2. Revisions to Earnings Forecast

(1) Revision to Six Months Ending September 30, 2025 *Interim FY2025

(April 1, 2025 – September 30, 2025)

(Millions of yen)

	Net sales	Operating profit	Ordinary profit	Interim profit attributable to owners of parent	Basic earnings per share (yen)
Previous forecast (May 8) (A)	62,000	4,500	5,000	3,500	158.21
Revised forecast (B)	62,000	4,500	5,000	11,500	519.84
Amount of change (B – A)	0	0	0	8,000	
Percentage change (%)	0	0	0	228.6	
Results for the previous period (Interim FY2024)	77,030	4,453	4,991	940	42.55

(2) Revision to Consolidated Forecast for the Fiscal Year Ending March 31, 2026

(April 1, 2025 – March 31, 2026)

(Millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share (yen)
Previous forecast (May 8) (A)	130,000	10,000	11,000	8,000	361.63
Revised forecast (B)	130,000	10,000	11,000	16,000	723.26
Amount of change (B – A)	0	0	0	8,000	
Percentage change (%)	0	0	0	100.0	
Results for the previous period (Full year FY2023)	142,258	8,439	9,670	4,151	187.79

3. Reason for the Revisions

As stated in section 1, the recognition of deferred tax assets and the related income tax benefit in the first quarter resulted in variances from the consolidated earnings forecasts announced on May 8, 2025, for both the six-month period and the full fiscal year.

* The above forecasts were based on information available at the time of the announcement. Actual earnings may differ due to various factors occurring in the future.