

November 5, 2025

Consolidated Financial Results for the Six Months Ended September 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 file semi-annual securities report: November 13, 2025
 Scheduled date to commence dividend payments: December 8, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for analysts)

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

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

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	63,779	(17.2)	4,290	(3.7)	5,030	0.8	10,417	-
September 30, 2024	77,030	(2.8)	4,453	120.5	4,991	0.9	940	(78.6)

Note: Comprehensive income

For the six months ended September 30, 2025: ¥14,889 million [-%]

For the six months ended September 30, 2024: ¥(545) million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	470.92	-
September 30, 2024	42.55	-

(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
September 30, 2025	186,158	151,222	79.6	6,696.23
March 31, 2025	176,366	138,302	76.8	6,119.90

Reference: Equity

As of September 30, 2025: ¥148,131 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	-	85.00			
Fiscal year ending March 31, 2026 (Forecast)				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
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: None

* **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 semi-annual 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 September 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 September 30, 2025	1,413,064 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)

Six months ended September 30, 2025	22,121,965 shares
Six months ended September 30, 2024	22,097,785 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.

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* 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.

Semi-annual consolidated balance sheet

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	24,532	28,542
Notes and accounts receivable - trade	35,059	34,577
Electronically recorded monetary claims - operating	146	125
Merchandise and finished goods	12,965	12,021
Semi-finished goods	5,118	5,116
Work in process	257	225
Raw materials and supplies	4,480	4,773
Other	2,867	3,097
Allowance for doubtful accounts	(485)	(485)
Total current assets	84,942	87,993
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,729	14,524
Machinery, equipment and vehicles, net	19,866	18,802
Land	8,850	8,879
Construction in progress	510	1,065
Other, net	2,185	2,024
Total property, plant and equipment	46,142	45,296
Intangible assets		
Software	5,231	4,597
Other	1,055	1,044
Total intangible assets	6,286	5,641
Investments and other assets		
Investment securities	30,713	35,428
Long-term loans receivable	2,255	1,945
Deferred tax assets	258	3,791
Retirement benefit asset	4,588	4,633
Other	1,204	1,453
Allowance for doubtful accounts	(25)	(24)
Total investments and other assets	38,994	47,226
Total non-current assets	91,423	98,165
Total assets	176,366	186,158

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	16,881	17,108
Electronically recorded obligations - operating	2,910	3,400
Short-term borrowings	441	391
Current portion of long-term borrowings	747	863
Accounts payable - other	4,581	3,913
Income taxes payable	669	535
Provision for bonuses	1,829	1,935
Provision for bonuses for directors (and other officers)	72	29
Electronically recorded obligations - non-operating	567	802
Other	1,629	1,994
Total current liabilities	30,332	30,976
Non-current liabilities		
Long-term borrowings	2,230	2,070
Deferred tax liabilities	2,808	-
Provision for share-based payments	366	423
Retirement benefit liability	91	97
Provision for business restructuring	1,664	813
Other	571	555
Total non-current liabilities	7,731	3,960
Total liabilities	38,063	34,936
Net assets		
Shareholders' equity		
Share capital	13,051	13,051
Capital surplus	13,289	13,289
Retained earnings	99,868	108,515
Treasury shares	(5,525)	(5,527)
Total shareholders' equity	120,683	129,328
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,412	14,941
Foreign currency translation adjustment	1,488	2,139
Remeasurements of defined benefit plans	1,800	1,722
Total accumulated other comprehensive income	14,702	18,803
Non-controlling interests	2,917	3,090
Total net assets	138,302	151,222
Total liabilities and net assets	176,366	186,158

Semi-annual consolidated statement of income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	77,030	63,779
Cost of sales	60,415	47,980
Gross profit	16,614	15,798
Selling, general and administrative expenses	12,161	11,508
Operating profit	4,453	4,290
Non-operating income		
Interest income	113	86
Dividend income	510	680
Foreign exchange gains	-	104
Share of profit of entities accounted for using equity method	463	-
Other	165	85
Total non-operating income	1,253	956
Non-operating expenses		
Interest expenses	70	56
Foreign exchange losses	444	-
Share of loss of entities accounted for using equity method	-	50
Compensation expenses	-	73
Other	200	37
Total non-operating expenses	715	216
Ordinary profit	4,991	5,030
Extraordinary losses		
Loss on retirement of non-current assets	309	695
Impairment losses	308	-
Loss on valuation of investment securities	8	110
Business restructuring expenses	2,151	225
Total extraordinary losses	2,778	1,031
Profit before income taxes	2,212	3,998
Income taxes	920	(6,795)
Profit	1,292	10,794
Profit attributable to non-controlling interests	352	376
Profit attributable to owners of parent	940	10,417

Semi-annual consolidated statement of comprehensive income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	1,292	10,794
Other comprehensive income		
Valuation difference on available-for-sale securities	(64)	3,528
Foreign currency translation adjustment	(1,723)	645
Remeasurements of defined benefit plans, net of tax	(50)	(78)
Total other comprehensive income	(1,838)	4,095
Comprehensive income	(545)	14,889
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(920)	14,491
Comprehensive income attributable to non-controlling interests	375	398

Semi-annual consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	2,212	3,998
Depreciation	5,119	4,598
Loss on retirement of non-current assets	309	695
Impairment losses	308	-
Increase (decrease) in provision for bonuses	(69)	104
Changes in net defined benefit asset and liability	(107)	(157)
Increase (decrease) in provision for bonuses for directors (and other officers)	5	(42)
Increase (decrease) in provision for share-based payments	51	57
Interest and dividend income	(624)	(766)
Interest expenses	70	56
Share of loss (profit) of entities accounted for using equity method	(463)	50
Loss (gain) on valuation of investment securities	8	110
Decrease (increase) in trade receivables	6,469	746
Decrease (increase) in inventories	1,472	778
Increase (decrease) in trade payables	(5,228)	257
Business restructuring expenses	2,151	225
Other, net	(2,509)	(761)
Subtotal	9,176	9,950
Interest and dividends received	703	947
Interest paid	(78)	(60)
Income taxes paid	(1,227)	(750)
Payment for business restructuring	(3,668)	(896)
Net cash provided by (used in) operating activities	4,905	9,191
Cash flows from investing activities		
Purchase of non-current assets	(3,877)	(3,106)
Proceeds from collection of loans receivable	734	428
loan advances	(84)	(80)
Other, net	(247)	(144)
Net cash provided by (used in) investing activities	(3,475)	(2,902)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(4,437)	(67)
Repayments of long-term borrowings	(166)	(173)
Net decrease (increase) in treasury shares	(2)	(1)
Dividends paid	(1,880)	(1,880)
Dividends paid to non-controlling interests	(175)	(225)
Other, net	(115)	(46)
Net cash provided by (used in) financing activities	(6,777)	(2,394)
Effect of exchange rate change on cash and cash equivalents	(119)	124
Net increase (decrease) in cash and cash equivalents	(5,466)	4,018
Cash and cash equivalents at beginning of period	27,188	24,010
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	-	369
Cash and cash equivalents at end of period	21,722	28,399