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Consolidated Financial Results for the Nine Months Ended December 31, 2025 [JGAAP]

February 13, 2026

Company Name: Kanto Denka Kogyo Co., Ltd.

Stock Exchange Listing: Tokyo

Code Number: 4047 <https://www.kantodenka.co.jp/english/>

Representative: Jun'ichi Hasegawa, President

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Scheduled date to commence dividend payments: —

Availability of supplementary briefing material on financial results: Yes

Financial results briefing session: None

(Amounts are rounded down to the nearest million yen)

1. Consolidated financial results for the third quarter of the fiscal year ending March 31, 2026

(April 1, 2025–December 31, 2025)

(1) Consolidated operating results

(% figures are the rate of year-on-year increase or decrease)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|-------------------------------------|-----------------|------|------------------|-----|-----------------|------|-----------------------------------------|-------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Nine months ended December 31, 2025 | 46,709 | 0.2 | 2,608 | 0.1 | 3,509 | 13.9 | 1,724 | –7.8 |
| Nine months ended December 31, 2024 | 46,621 | –5.0 | 2,606 | — | 3,081 | — | 1,869 | 726.5 |

(Note) Comprehensive income:

Nine months ended December 31, 2025: ¥3,254 million (81.3%)

Nine months ended December 31, 2024: ¥1,795 million (–15.7%)

| | Basic earnings per share | Diluted basic earnings per share |
|-------------------------------------|--------------------------|----------------------------------|
| | Yen | Yen |
| Nine months ended December 31, 2025 | 30.04 | — |
| Nine months ended December 31, 2024 | 32.53 | — |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|-------------------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of December 31, 2025 | 128,276 | 69,720 | 53.0 | 1,185.41 |
| As of March 31, 2025 | 123,617 | 67,622 | 53.4 | 1,147.96 |

(Reference) Equity capital:

As of December 31, 2025: ¥67,988 million

As of March 31, 2025: ¥65,958 million

2. Dividends

| | Annual dividends per share | | | | |
|----------------------------------------------|----------------------------|-----------|-----------|----------|-------|
| | End of 1Q | End of 2Q | End of 3Q | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 31, 2025 | — | 8.00 | — | 9.00 | 17.00 |
| Fiscal year ending March 31, 2026 | — | 9.00 | — | — | — |
| Fiscal year ending March 31, 2026 (Forecast) | — | — | — | 9.00 | 18.00 |

(Note) Revision of dividend forecast from the latest announcement: None

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026

(April 1, 2025–March 31, 2026)

(% figures are the rate of year-on-year increase or decrease)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|-----------|-----------------|-----|------------------|-----|-----------------|------|-----------------------------------------|-------|--------------------------|
| Full year | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| | 66,500 | 6.7 | 4,500 | 5.3 | 5,300 | 17.6 | 2,700 | −16.9 | 47.03 |

(Note) Revision of performance forecast from the latest announcement: Yes

Notes:

(1) Significant changes in the scope of consolidation during the current quarter: Not applicable

New: — companies (company names); Removed: — companies (company names)

(2) Application of special accounting for preparing quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

i. Changes in accounting policies accompanying amendments to accounting standards, etc.: None

ii. Changes in accounting policies other than i.: None

iii. Changes in accounting estimates: None

iv. Retrospective restatement: None

(4) Number of shares issued (common stock)

i. Number of shares issued at the end of the period (including treasury shares)

ii. Number of treasury shares at the end of the period

iii. Average number of shares during the period

| | | | |
|-------------------------|-------------------|-------------------------|-------------------|
| As of December 31, 2025 | 57,546,050 shares | As of March 31, 2025 | 57,546,050 shares |
| As of December 31, 2025 | 192,101 shares | As of March 31, 2025 | 88,481 shares |
| As of December 31, 2025 | 57,407,713 shares | As of December 31, 2024 | 57,455,163 shares |

Note: Review of the attached quarterly consolidated financial statements by a certified public accountant or auditing firm: None

Proper use of performance forecasts, and other special matters

(Notes to forward-looking statements)

The performance outlooks and other forward-looking statements in this document are based on information currently available to the Company and certain assumptions that the Company deems reasonable, and are not intended to be a promise by the Company that they will be realized. Actual results may differ significantly due to various factors. Please refer to “Consolidated earnings forecasts” on page 3 of the attached materials for information on the performance forecasts.

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1. Overview of operating results, etc.

(1) Operating results

In the first nine months of the fiscal year ending March 31, 2026, the Japanese economy showed signs of a gradual recovery. However, severe conditions persisted, with the impact of U.S. trade policies being felt particularly in the automotive industry. Overseas as well, trade issues became international points of contention, and the possibility that additional tariffs and retaliatory measures could affect the global economy through various channels contributed to continued uncertainty regarding the outlook.

Amid this business environment, net sales for the first nine months amounted to ¥46,709 million, up ¥88 million or 0.2% year on year. Although the Group was affected by the fire accident at the Shibukawa Plant that occurred in August 2025, higher sales mainly in the Fine Chemicals Division contributed to the increase in net sales. On the profit front, the Group recorded an ordinary profit of ¥3,509 million, up ¥427 million or 13.9% year on year. Despite the impact of the Shibukawa Plant fire accident, a decrease in technical support fees for battery materials in the Fine Chemicals Division, and an increase in fixed costs, primarily research and development expenses and depreciation, ordinary profit increased due to higher foreign exchange gains as well as improved profitability in the Fundamental Chemicals Division. On the bottom line, profit attributable to owners of parent amounted to ¥1,724 million, down ¥144 million or 7.8% year on year, due to the recording of loss on disaster.

The following provides an overview for each segment.

a. Fundamental Chemicals Division

For inorganic products, sales of caustic soda decreased year on year due to a decline in selling price associated with an increase in export sales and a reduction in sales volume resulting from the discontinuation of certain product lines. Hydrochloric acid sales increased due to price adjustments.

For organic products, a decrease in trichloroethylene sales volumes caused sales to decline year on year, despite the effects from price adjustments. Sales of perchloroethylene also decreased year on year due to a decline in sales volume. Sales of vinylidene chloride increased year on year due to higher sales volume.

As a result of the above, net sales in the Fundamental Chemicals Division amounted to ¥5,765 million, down ¥235 million or 3.9% year on year. On the operating front, operating profit amounted to ¥180 million (compared with an operating loss of ¥521 million in the same period of the previous year), due to the effects of price revisions for certain products, as well as lower raw material and fuel prices and reduced fixed costs resulting from inventory impact.

b. Fine Chemicals Division

Sales of specialty gases for semiconductors increased year on year due to higher sales volumes of KSG-14 and hexafluoro-1,3-butadiene. Sales of tungsten hexafluoride rose due to the effects of price revisions as well as increased sales volumes. Sales of carbonyl sulfide and nitrogen trifluoride decreased due to a decrease in sales volume, the latter of which saw reduced production as a result of the fire incident at the Shibukawa Plant.

Sales of lithium hexafluorophosphate, a battery material, were down due to a decrease in sales volume. Technical support fees received under license agreements decreased, as no such fees were recorded in the nine months ended December 31, 2025.

As a result of the above, net sales in the Fine Chemicals Division amounted to ¥37,293 million, up ¥240 million or 0.7% year on year. On the operating front, operating profit totaled ¥2,124 million, down ¥383 million or 15.3% year on year. Despite higher net sales and a reduction in loss on valuation of inventories related to battery materials, operating profit declined due to the impact of the Shibukawa Plant fire accident, a decrease in technical support fees for battery materials, higher raw material prices for specialty gases for semiconductors, and increased depreciation expenses.

c. Ferrochemicals Division

Sales of reprographic carriers, used in developers for copiers and printers, were down year on year due to lower sales volumes. Sales of iron oxide were up year on year due to higher sales of colorants.

As a result of the above, net sales in the Ferrochemicals Division amounted to ¥1,392 million, down ¥358 million or 20.5% year on year. Operating profit totaled ¥196 million, down ¥81 million or 29.4%.

d. Commercial Business Division

Commercial business sales were up year on year due to higher sales of chemical products.

As a result of the above, net sales in the Commercial Business Division amounted to ¥577 million, up ¥83 million or 16.8% year on year. Operating profit totaled ¥87 million, down ¥5 million or 5.9% year on year.

e. Facilities Division

Net sales in chemical facility plant and general industrial plant construction were up year on year due to an increase in contract work.

As a result of the above, net sales in the Facilities Division amounted to ¥1,679 million, up ¥357 million or 27.1% year on year. Operating profit totaled ¥252 million, down ¥3 million or 1.2%.

As previously disclosed, a fire occurred on August 7, 2025, within the premises of our Shibukawa Plant (Shibukawa City, Gunma Prefecture). We would like to once again express our deepest apologies for the significant inconvenience and concern this incident has caused to many stakeholders.

As stated in the “Notice of a Fire at Our Shibukawa Plant (Seventh Report)” released on January 7, 2026, restoration work on the nitrogen trifluoride production plant has been completed. After implementing safety measures and obtaining the necessary approvals from the relevant authorities, operations have been resumed while confirming safety at each stage.

To thoroughly prevent recurrence and further ensure safety, the Company has appointed a dedicated safety officer within the Technical Division at headquarters, who provides guidance and promotes safety initiatives at each business site. Through on-site activities, these efforts are aimed at raising safety awareness among all employees.

(2) Financial position

As of the end of the third quarter of the fiscal year ending March 31, 2026, total assets amounted to ¥128,276 million, up ¥4,658 million from the end of the previous consolidated fiscal year. This was mainly due to increases in inventories, investment securities, and notes and accounts receivable—trade, and contract assets, despite decreases in cash and deposits and property, plant and equipment.

Total liabilities amounted to ¥58,556 million, up ¥2,560 million, mainly due to an increase in borrowings and electronically recorded obligations—operating, despite a decrease in other current liabilities.

Net assets amounted to ¥69,720 million, up ¥2,098 million, mainly due to an increase in valuation difference on available-for-sale securities. The equity ratio was 53.0%, versus 53.4% at the end of the previous fiscal year.

(3) Consolidated earnings forecasts

The consolidated earnings forecast for the fiscal year ending March 31, 2026 has been revised from the forecast announced on November 10, 2025. For details, please refer to the “Notice of Revision of the Consolidated Earnings Forecast for the Fiscal Year Ending March 2026” released separately.

The above forecasts were created based on information available as of the date of this document's publishing, and actual results may differ versus forecast figures due to a variety of factors arising in the future.

2. Consolidated financial statements and notes

(1) Consolidated balance sheet

(Millions of yen)

| | As of March 31, 2025 | As of December 31, 2025 |
|----------------------------------------------------------|----------------------|-------------------------|
| Assets: | | |
| Current assets | | |
| Cash and deposits | 20,294 | 18,257 |
| Notes and accounts receivable—trade, and contract assets | 14,362 | 16,896 |
| Electronically recorded monetary claims—operating | 1,129 | 1,283 |
| Merchandise and finished goods | 7,218 | 6,865 |
| Work in process | 6,124 | 6,857 |
| Raw materials and supplies | 3,938 | 6,594 |
| Other | 4,387 | 4,648 |
| Allowance for doubtful accounts | (28) | (29) |
| Total current assets | 57,426 | 61,373 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 14,049 | 18,353 |
| Machinery and equipment, net | 17,876 | 23,688 |
| Construction in progress | 17,215 | 5,865 |
| Other, net | 6,069 | 5,948 |
| Total property, plant and equipment | 55,210 | 53,857 |
| Intangible assets | 632 | 649 |
| Investments and other assets | | |
| Investment securities | 8,181 | 10,980 |
| Retirement benefit assets | 8 | 10 |
| Deferred tax assets | 1,476 | 619 |
| Other | 692 | 797 |
| Allowance for doubtful accounts | (9) | (10) |
| Total investments and other assets | 10,348 | 12,396 |
| Total non-current assets | 66,191 | 66,902 |
| Total assets | 123,617 | 128,276 |

(Millions of yen)

| | As of March 31, 2025 | As of December 31, 2025 |
|----------------------------------------------------------------------|----------------------|-------------------------|
| Liabilities: | | |
| Current liabilities | | |
| Notes and accounts payable—trade | 6,434 | 5,939 |
| Electronically recorded obligations—operating | 1,158 | 2,127 |
| Short-term borrowings | 3,151 | 2,735 |
| Current portion of long-term borrowings | 9,410 | 9,084 |
| Income taxes payable | 739 | 546 |
| Provision for loss on disaster | - | 135 |
| Other | 8,286 | 5,632 |
| Total current liabilities | 29,180 | 26,201 |
| Non-current liabilities | | |
| Long-term borrowings | 24,686 | 30,017 |
| Provision for retirement benefits for directors (and other officers) | 158 | 166 |
| Provision for share awards for directors (and other officers) | 52 | 51 |
| Retirement benefit liability | 1,364 | 1,585 |
| Other | 553 | 533 |
| Total non-current liabilities | 26,814 | 32,354 |
| Total liabilities | 55,995 | 58,556 |
| Net assets: | | |
| Shareholders' equity | | |
| Capital | 2,877 | 2,877 |
| Capital surplus | 1,859 | 1,859 |
| Retained earnings | 54,535 | 55,224 |
| Treasury shares | (62) | (159) |
| Total shareholders' equity | 59,210 | 59,802 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 3,449 | 5,366 |
| Foreign currency translation adjustment | 2,628 | 2,265 |
| Remeasurements of defined benefit plans | 670 | 554 |
| Total accumulated other comprehensive income | 6,748 | 8,186 |
| Non-controlling interests | 1,663 | 1,731 |
| Total net assets | 67,622 | 69,720 |
| Total liabilities and net assets | 123,617 | 128,276 |

(2) Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statement of income

(Millions of yen)

| | From April 1, 2024 to December 31, 2024 | From April 1, 2025 to December 31, 2025 |
|--------------------------------------------------|--------------------------------------------|--------------------------------------------|
| Net sales | 46,621 | 46,709 |
| Cost of sales | 36,791 | 36,572 |
| Gross profit | 9,829 | 10,137 |
| Selling, general and administrative expenses | 7,223 | 7,529 |
| Operating profit | 2,606 | 2,608 |
| Non-operating profit | | |
| Interest income | 32 | 66 |
| Dividend income | 434 | 354 |
| Foreign exchange gains | 240 | 987 |
| Other | 252 | 143 |
| Total non-operating profit | 960 | 1,551 |
| Non-operating expenses | | |
| Interest expenses | 322 | 354 |
| Loss on valuation of derivatives | 86 | 124 |
| Loss on cancellation of contracts | - | 141 |
| Other | 76 | 31 |
| Total non-operating expenses | 485 | 650 |
| Ordinary profit | 3,081 | 3,509 |
| Extraordinary income | | |
| Gain on sale of investment securities | 434 | 332 |
| Total extraordinary income | 434 | 332 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 77 | 115 |
| Environmental expenses | 300 | - |
| Loss on disaster | - | 1,043 |
| Total extraordinary losses | 377 | 1,158 |
| Profit before income taxes | 3,138 | 2,683 |
| Income taxes payable | 1,155 | 951 |
| Profit | 1,982 | 1,732 |
| Profit attributable to non-controlling interests | 113 | 7 |
| Profit attributable to owners of parent | 1,869 | 1,724 |

Consolidated Statement of Comprehensive Income

(Millions of yen)

| | From April 1, 2024 to December 31, 2024 | From April 1, 2025 to December 31, 2025 |
|-------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| Profit | 1,982 | 1,732 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (172) | 2,005 |
| Foreign currency translation adjustment | 36 | (366) |
| Remeasurements of defined benefit plans | (51) | (116) |
| Total other comprehensive income | (187) | 1,522 |
| Comprehensive income | 1,795 | 3,254 |
| Comprehensive income attributable to: | | |
| Owners of parent | 1,747 | 3,161 |
| Non-controlling interests | 48 | 93 |

(3) Notes to the consolidated financial statements

(Special accounting for preparing quarterly consolidated financial statements)

Tax expenses are calculated by multiplying profit before income taxes by the reasonably estimated effective tax rate after the application of tax effect accounting to profit before income taxes for the fiscal year ending March 31, 2025, including the third quarter. However, in cases where calculating tax expenses using the estimated effective tax rate would significantly lack rationality, tax expenses are calculated using the statutory effective tax rate.

(Segment information)

I. From April 1, 2024 to December 31, 2024

1. Information on net sales, profit or loss by reportable segment

(Millions of yen)

| | Reportable segment | | | | | | Adjustment (Note 1) | Amount recorded on the statement of income (Note 2) |
|------------------------------------------|--------------------------|-------------------|----------------|------------------------|------------|--------|------------------------|-----------------------------------------------------------------|
| | Fundamental Chemicals | Fine Chemicals | Ferrochemicals | Commercial Business | Facilities | Total | | |
| Net sales | | | | | | | | |
| (1) Net sales to external customers | 6,001 | 37,052 | 1,750 | 494 | 1,321 | 46,621 | — | 46,621 |
| (2) Inter-segment net sales or transfers | — | — | 0 | 815 | 1,943 | 2,758 | (2,758) | — |
| Total | 6,001 | 37,052 | 1,750 | 1,309 | 3,265 | 49,380 | (2,758) | 46,621 |
| Segment profit (loss) | (521) | 2,507 | 277 | 92 | 256 | 2,612 | (6) | 2,606 |

(Notes) 1. The segment loss adjustment of ¥6 million is elimination of inter-segment transactions.

2. Segment profit (loss) is adjusted with operating profit in the consolidated statement of income.

2. Information about impairment loss and goodwill on non-current assets by reportable segment

Not applicable.

II. From April 1, 2025 to December 31, 2025

1. Information on net sales, profit or loss by reportable segment

(Millions of yen)

| | Reportable segment | | | | | | Adjustment (Note 1) | Amount recorded on the statement of income (Note 2) |
|------------------------------------------|--------------------------|-------------------|----------------|------------------------|------------|--------|------------------------|-----------------------------------------------------------------|
| | Fundamental Chemicals | Fine Chemicals | Ferrochemicals | Commercial Business | Facilities | Total | | |
| Net sales | | | | | | | | |
| (1) Net sales to external customers | 5,765 | 37,293 | 1,392 | 577 | 1,679 | 46,709 | — | 46,709 |
| (2) Inter-segment net sales or transfers | — | — | 0 | 894 | 1,689 | 2,584 | (2,584) | — |
| Total | 5,765 | 37,293 | 1,392 | 1,472 | 3,368 | 49,293 | (2,584) | 46,709 |
| Segment profit | 180 | 2,124 | 196 | 87 | 252 | 2,840 | (232) | 2,608 |

(Notes) 1. The segment profit adjustment of ¥232 million is elimination of inter-segment transactions.

2. Segment profit is adjusted with operating profit in the consolidated statement of income.

2. Information about impairment loss and goodwill on non-current assets by reportable segment

Not applicable.

(Notes on significant changes in the amount of shareholders' equity)

Not applicable.

(Notes on premise of going concern)

Not applicable.

(Notes on statement of cash flows)

A quarterly consolidated cash flow statement for the first quarter has not been prepared. Depreciation expenses (including amortization expenses related to intangible assets) for the first nine months are as follows.

| | (Millions of yen) | |
|--------------|--------------------------------------------|--------------------------------------------|
| | From April 1, 2024 to December 31, 2024 | From April 1, 2025 to December 31, 2025 |
| Depreciation | 6,126 | 6,673 |