

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



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
 Contact: Masanobu Shirokura, General Manager, Public Relations & Investor Relations Phone: +81-3-4236-8804
 Dept.
 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
Fiscal year ended March 31, 2025	Yen —	Yen 8.00	Yen —	Yen 9.00	Yen 17.00
Fiscal year ending March 31, 2026	—	9.00	—	9.00	18.00
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
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	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.

Contents

1. Overview of operating results, etc.	2
(1) Operating results	2
(2) Financial position.....	3
(3) Consolidated earnings forecasts	3
2. Consolidated financial statements and notes.....	4
(1) Consolidated balance sheet.....	4
(2) Consolidated statement of income and consolidated statement of comprehensive income	6
Consolidated Statement of Income	6
Consolidated Statement of Comprehensive Income.....	7
(3) Notes to the consolidated financial statements	8
(Special accounting for preparing quarterly consolidated financial statements)	8
(Notes on significant changes in the amount of shareholders' equity)	9
(Notes on premise of going concern)	9
(Notes on statement of cash flows)	9

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	<u>57,426</u>	<u>61,373</u>
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	<u>55,210</u>	<u>53,857</u>
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	<u>10,348</u>	<u>12,396</u>
Total non-current assets	<u>66,191</u>	<u>66,902</u>
Total assets	<u>123,617</u>	<u>128,276</u>

(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

	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

	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