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Business Results for the First Quarter of Fiscal Year Ending March 31, 2026 (April 1, 2025 – June 30, 2025)

August 8, 2025

(Tokyo Stock Exchange Prime Market, Securities Code: 4047)



KANTO DENKA KOGYO

Statement of Income



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- Net sales decreased by ¥0.3 billion primarily due to the absence of technical support fees for battery materials, despite increased sales of specialty gases resulting from improved operating rates at semiconductor manufacturers.
- Operating profit has decreased by ¥0.4 billion due to a decline in sales and an increase in the loss on valuation of inventories.
- Ordinary profit decreased by ¥1.1 billion, primarily due to the decrease in operating profit and the decline in foreign exchange gains.

(Billions of yen)

| | Q1 FY2024 | Q1 FY2025 | Difference | % change |
|---|-----------|-----------|------------|----------|
| Net sales | 15.4 | 15.1 | -0.3 | -2.0 |
| Operating profit | 1.2 | 0.7 | -0.4 | -38.5 |
| Ordinary profit | 1.9 | 0.7 | -1.1 | -61.3 |
| Profit before income taxes | 1.8 | 0.7 | -1.1 | -61.2 |
| Profit attributable to owners of parent | 1.1 | 0.5 | -0.6 | -54.5 |
| Basic earnings per share (yen) | 20.29 | 9.24 | -11.05 | |

Balance Sheet



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(Billions of yen)

| | FY2024 | Q1 FY2025 | Difference | % change |
|--|--------------|--------------|-------------|-------------|
| Assets | 123.6 | 123.3 | -0.2 | -0.2 |
| Cash and deposits | 20.2 | 17.7 | -2.5 | -12.4 |
| Trade receivables | 15.4 | 15.8 | 0.4 | 2.6 |
| Inventories | 17.2 | 18.4 | 1.1 | 6.5 |
| Non-current assets (tangible + intangible) | 55.8 | 55.9 | 0.0 | 0.1 |
| Liabilities | 55.9 | 56.6 | 0.6 | 1.1 |
| Interest-bearing debt | 37.8 | 36.7 | -1.1 | -3.0 |
| Trade payables | 7.5 | 8.9 | 1.3 | 18.1 |
| Income taxes payable | 0.7 | 0.2 | -0.4 | -64.4 |
| Net assets | 67.6 | 66.7 | -0.8 | -1.3 |
| Equity ratio (%) | 53.4 | 52.8 | -0.6 | |

Performance By Segment



KANTO DENKA KOGYO

(Billions of yen)

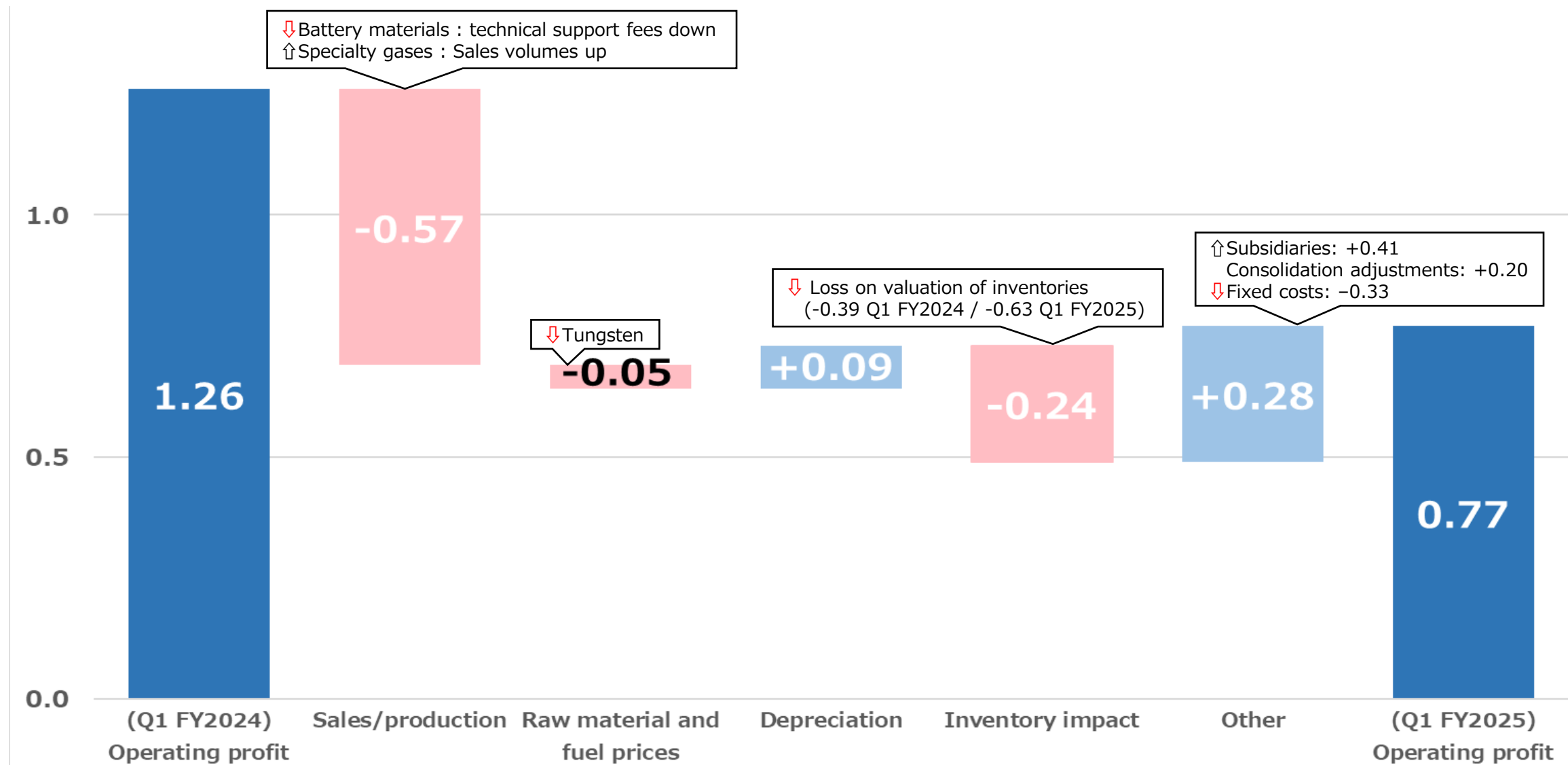
| | Net sales | | | Operating profit | | |
|---|-----------|-----------|------------|--|-----------|------------|
| | Q1 FY2024 | Q1 FY2025 | Difference | Q1 FY2024 | Q1 FY2025 | Difference |
| Fundamental Chemicals | 1.9 | 1.9 | -0.0 | (0.3) | 0.0 | 0.3 |
| Fine Chemicals | 12.2 | 11.9 | -0.2 | 1.3 | 0.5 | -0.7 |
| Other* | 1.2 | 1.2 | 0.0 | 0.2 | 0.1 | -0.0 |
| Total | 15.4 | 15.1 | -0.3 | 1.2 | 0.7 | -0.4 |
| (Reference) Specialty gases (non-consolidated) | 9.9 | 10.3 | 0.4 | 1.1 | 0.7 | -0.3 |
| (Reference) Loss on valuation of inventories | - | - | - | (0.3) | (0.6) | -0.2 |
| Capital investment | 4.2 | 3.1 | -1.0 | * "Other" includes the Ferrochemicals, Commercial Business, Facilities Divisions, and consolidation adjustments. | | |
| Depreciation | 1.9 | 1.8 | -0.0 | | | |
| R&D expenses | 0.4 | 0.5 | 0.1 | | | |

Consolidated Operating Profit: Difference Analysis (Q1 FY2024 vs. Q1 FY2025)



KANTO DENKA KOGYO

(Billions of yen)



Performance Adjustment (by Segment)



関東電化工業
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- Due to the sales of specialty chemicals falling short of initial expectations, we are revising our sales and profit forecasts downward.
- The impact of the fire incident at the Shibukawa factory that occurred on August 7, 2025, is not reflected in our performance forecasts.

(Billions of yen)

| | Net sales | | | Operating profit | | |
|-----------------------|-------------------------------|-------------------------------|------------|-------------------------------|-------------------------------|------------|
| | FY2025 H1 initial forecast | FY2025 H1 revised forecast | Difference | FY2025 H1 initial forecast | FY2025 H1 revised forecast | Difference |
| Fundamental Chemicals | 3.9 | 3.9 | 0.0 | 0.0 | 0.0 | 0.0 |
| Fine Chemicals | 26.2 | 25.3 | -0.9 | 1.6 | 0.7 | -0.9 |
| Other* | 2.6 | 2.6 | 0.0 | 0.3 | 0.3 | 0.0 |
| Total | 32.7 | 31.8 | -0.9 | 1.9 | 1.0 | -0.9 |

| | Net sales | | | Operating profit (loss) | | |
|-----------------------|----------------------------|----------------------------|------------|----------------------------|----------------------------|------------|
| | FY2025 initial forecast | FY2025 revised forecast | Difference | FY2025 initial forecast | FY2025 revised forecast | Difference |
| Fundamental Chemicals | 8.5 | 8.5 | 0.0 | 0.2 | 0.2 | 0.0 |
| Fine Chemicals | 54.6 | 53.1 | -1.5 | 4.3 | 3.3 | -1.0 |
| Other* | 4.9 | 4.9 | 0.0 | 0.5 | 0.5 | 0.0 |
| Total | 68.0 | 66.5 | -1.5 | 5.0 | 4.0 | -1.0 |

* "Other" includes the Ferrochemicals, Commercial Business, Facilities Divisions, and consolidation adjustments.

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