

Supplemental Information Financial Results For FY 2025 3Q

2025/10/29

SHIKOKU KASEI HOLDINGS CORPORATION
(Tokyo Stock Exchange Prime Market 4099)

1. Consolidated Financial Results

Financial highlights

Net sales decreased, but operating profit increased due to increased sales in fine chemicals, despite decreases in sales of organic chemicals and Housing Materials operations.

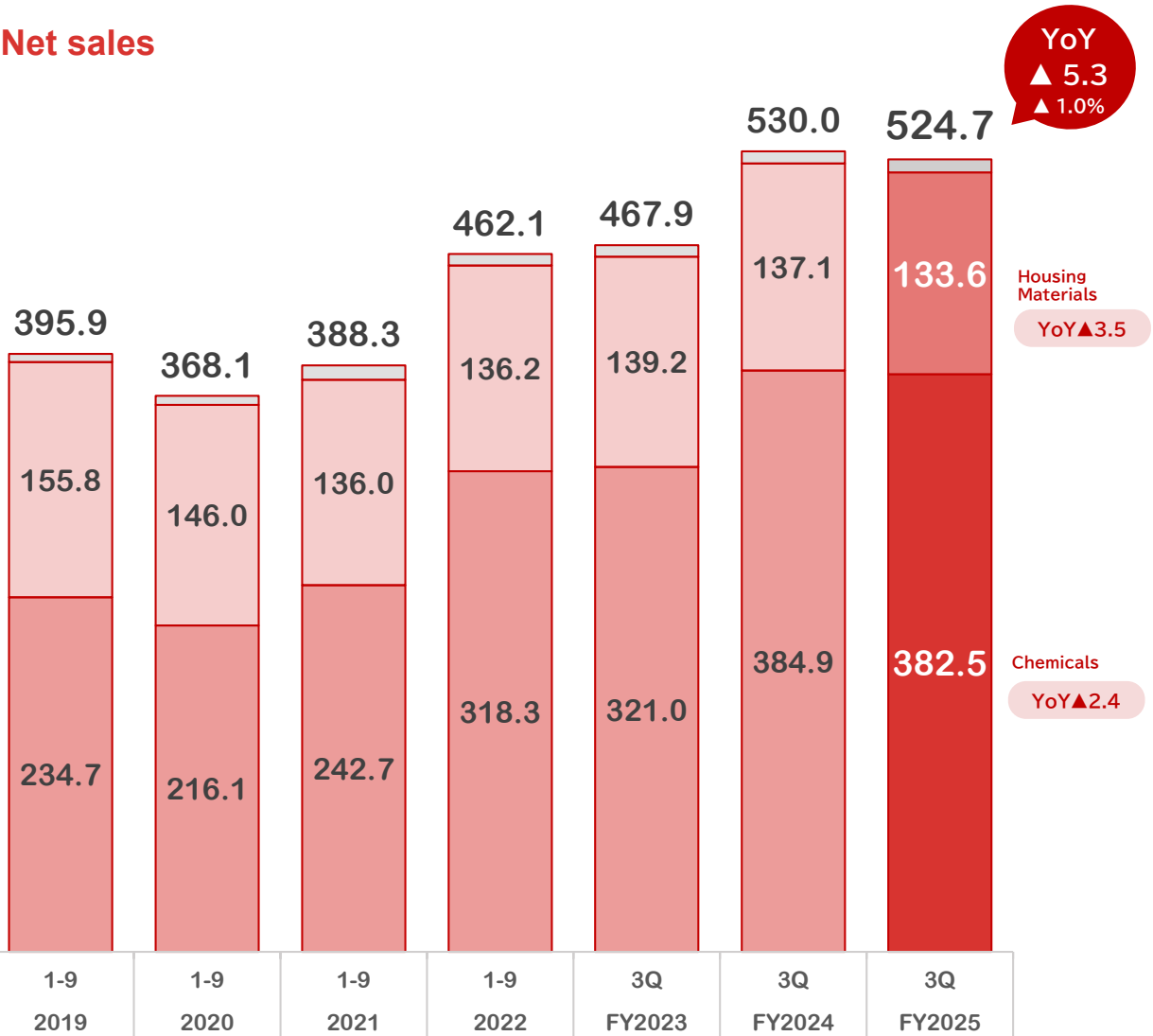
Million yen

	FY2024 3Q	FY2025 3Q	Change / Rate	Remarks
Net Sales	52,999	52,473	▲525 ▲1.0%	<ul style="list-style-type: none"> Chemicals operations decreased due to the absence of year-earlier strong sales of organic chemicals to North America Housing Materials operations decreased due to a sluggish detached housing market and extension of construction schedule
Operating profit	7,555	8,275	+720 +9.5%	<ul style="list-style-type: none"> Despite decreased profits in Housing Materials operations, total operating profit increased due to increased fine chemicals sales
Ordinary profit	7,884	8,510	+625 +7.9%	<ul style="list-style-type: none"> Foreign exchange gains and losses ▲360 (YoY▲209) Interest income 256 (YoY+40)
Profit attributable to owners of parent	6,764	6,022	▲741 ▲11.0%	<ul style="list-style-type: none"> Gain and loss on sale of investment securities 147 (YoY▲1,747) Loss of retirement of non-current assets ▲42 (YoY▲22)
Exchange rate	1USD 150 JPY 1EUR 165 JPY 1RMB 20.6 JPY	1USD 149 JPY 1EUR 165 JPY 1RMB 20.4 JPY	Net Sales ▲0.4 billion yen Operating Profit ▲0.2 billion yen	<ul style="list-style-type: none"> Foreign exchange impact on PL included in the change from the previous year (total of Chemicals and Housing Materials) Only the impact of exchange rate fluctuations on foreign currency transactions is shown. Many yen-denominated transactions are also substantially affected by changes in foreign exchange rates; however, they are not included.
ROE	10.8%	9.3%	▲1.5%	*Quarterly ROE is converted to the annual rate, and in 3Q, returns are multiplied by 4/3.

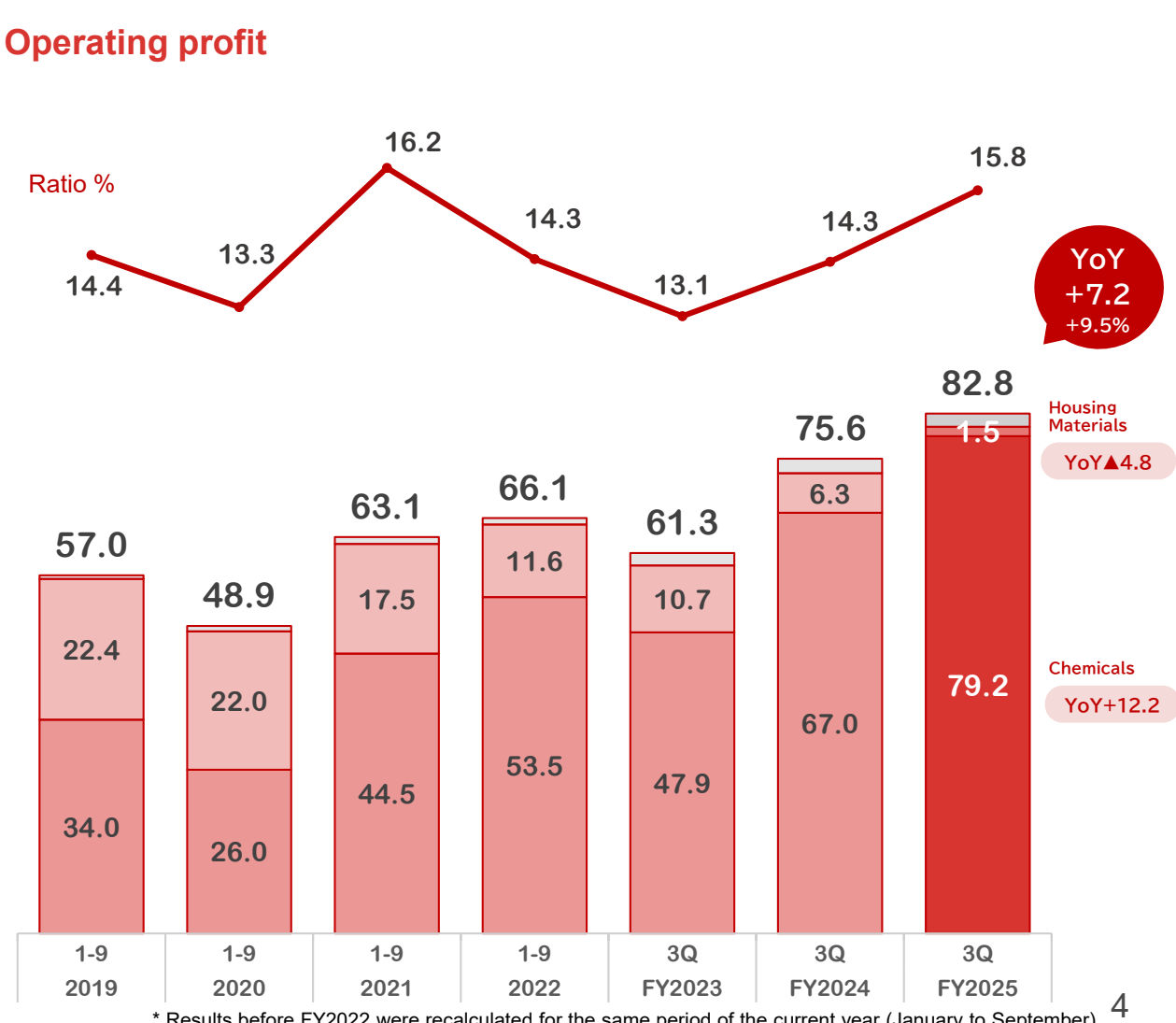
Trends in Net sales and Operating profit (YTD)

Net sales decreased in both Chemicals (-240M) and Housing Materials (-350M), resulting in a companywide decrease in sales (-530M). Total operating profit increased (+720M) due to increased profit in Chemicals (+1.22B), despite decreased profit in Housing Materials (-480M).











Net sales



Operating profit



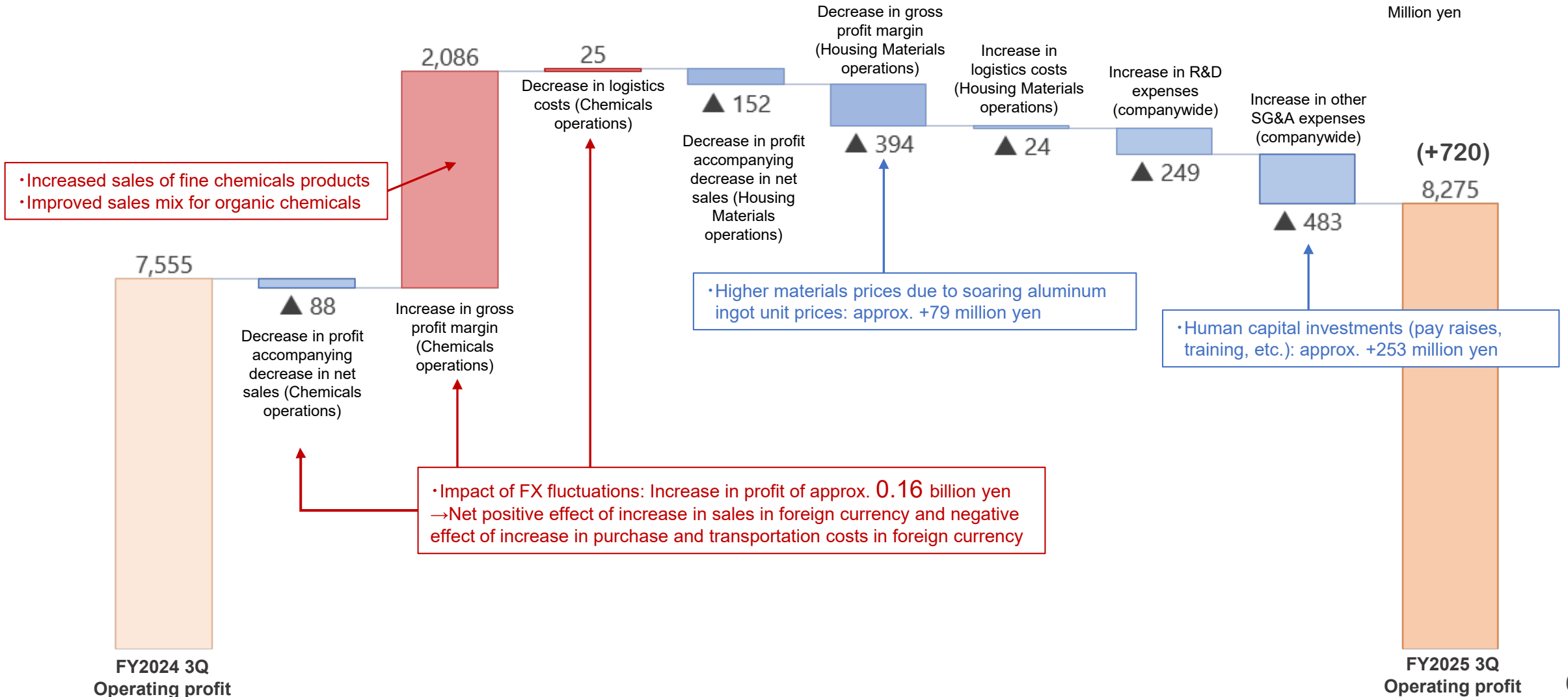
* Results before FY2022 were recalculated for the same period of the current year (January to September).

Segment		Overview of FY2025 3Q		
Inorganic chemicals		YoY	QoQ	<ul style="list-style-type: none">Sales of insoluble sulfur increased slightly both YoY and QoQ, driven by strong sales to Europe and Asia, which contributed to an overall increase in sales volume, despite a downward trend in unit sales prices.Sales of carbon disulfide decreased YoY due to lower sales for domestic demand, but remained flat QoQ.
				
Organic chemicals		YoY	QoQ	<ul style="list-style-type: none">Sales were strong and remained unchanged QoQ due to favorable summer weather in North America, but decreased YoY due to the absence of year-earlier strong sales.
				
Fine chemicals	Advanced & specialty chemicals	YoY	QoQ	<ul style="list-style-type: none">Sales of resin curing agent (imidazoles) remained unchanged both YoY and QoQ.Sales of resin modifiers decreased QoQ due to the reaction to the advance shipment in 2Q, but increased YoY.Sales of semiconductor process materials increased QoQ and significantly increased YoY due to strong sales.
				
	Electronic chemicals	YoY	QoQ	<ul style="list-style-type: none">Sales of Glicoat-SMD increased QoQ due to the absence of the reactionary decline seen in 2Q, but decreased YoY.Sales of GliCAP were strong against the backdrop of growing AI-related demand, and significantly increased both YoY and QoQ
				
Housing Materials		YoY	QoQ	<ul style="list-style-type: none">Sales slightly decreased both YoY and QoQ due to lower sales volume, despite the spread of price revisions.
				

Total	YoY	QoQ
		

YoY Changes in Operating profit

Operating profit increased, as increased sales of fine chemicals products canceled out the decreased profit of organic chemicals and the Housing Materials operations caused by weak sales thereof.



Trends in Net sales and Operating profit (QTD)

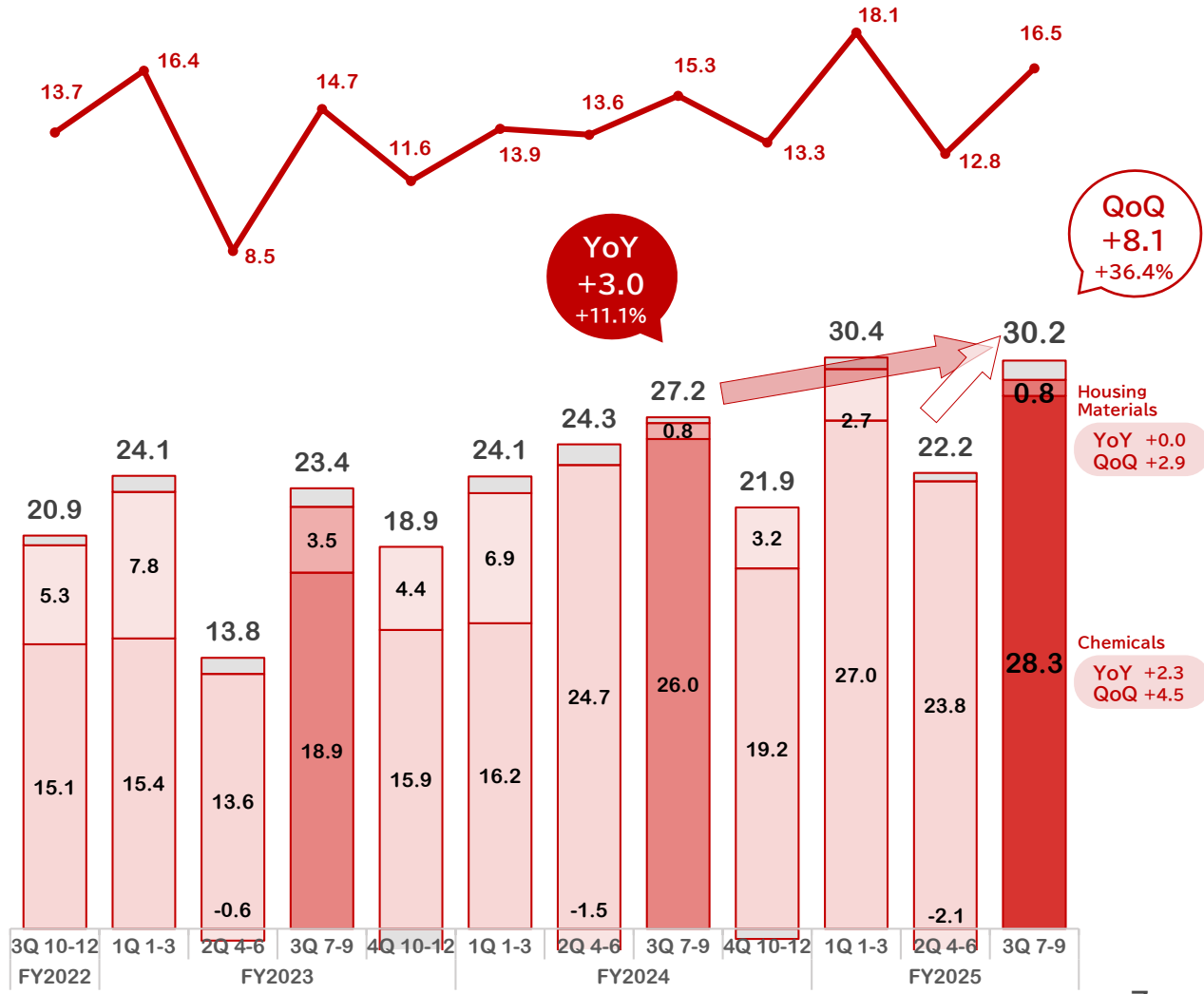
Net sales



Operating profit

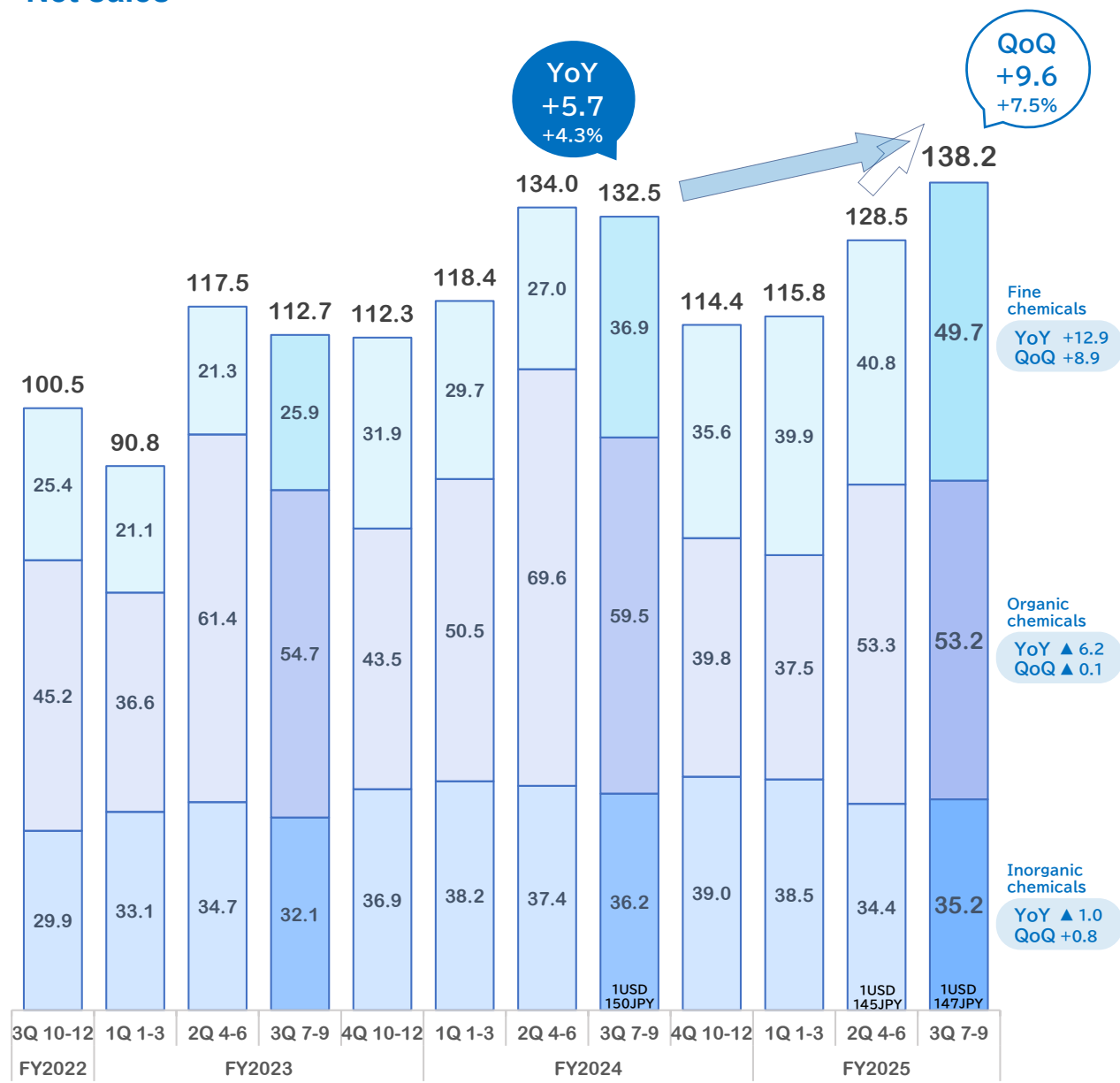
100Million yen

Ratio %



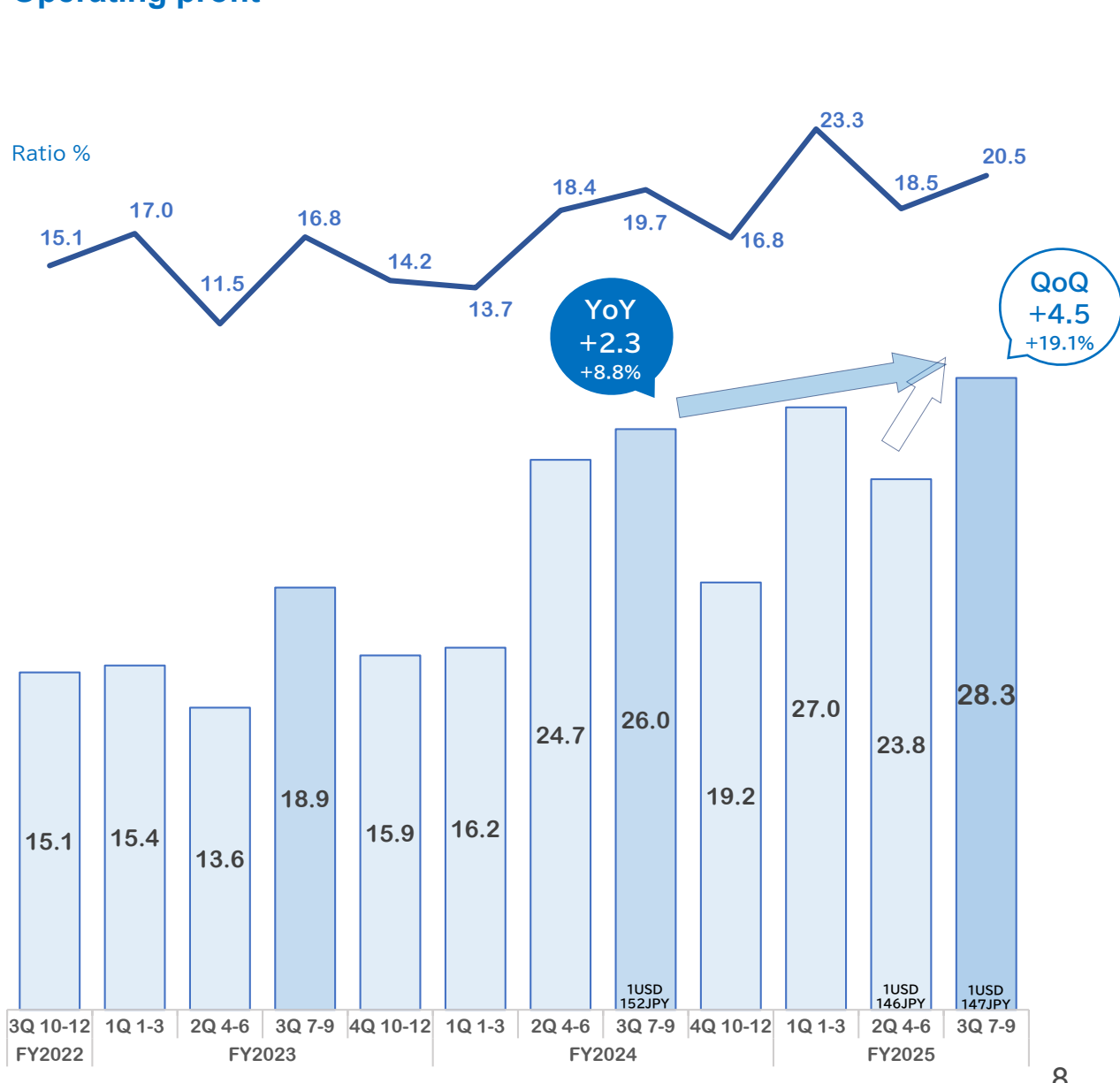
Operating results by segment: Chemicals (QTD)

Net sales



Operating profit

100 Million yen



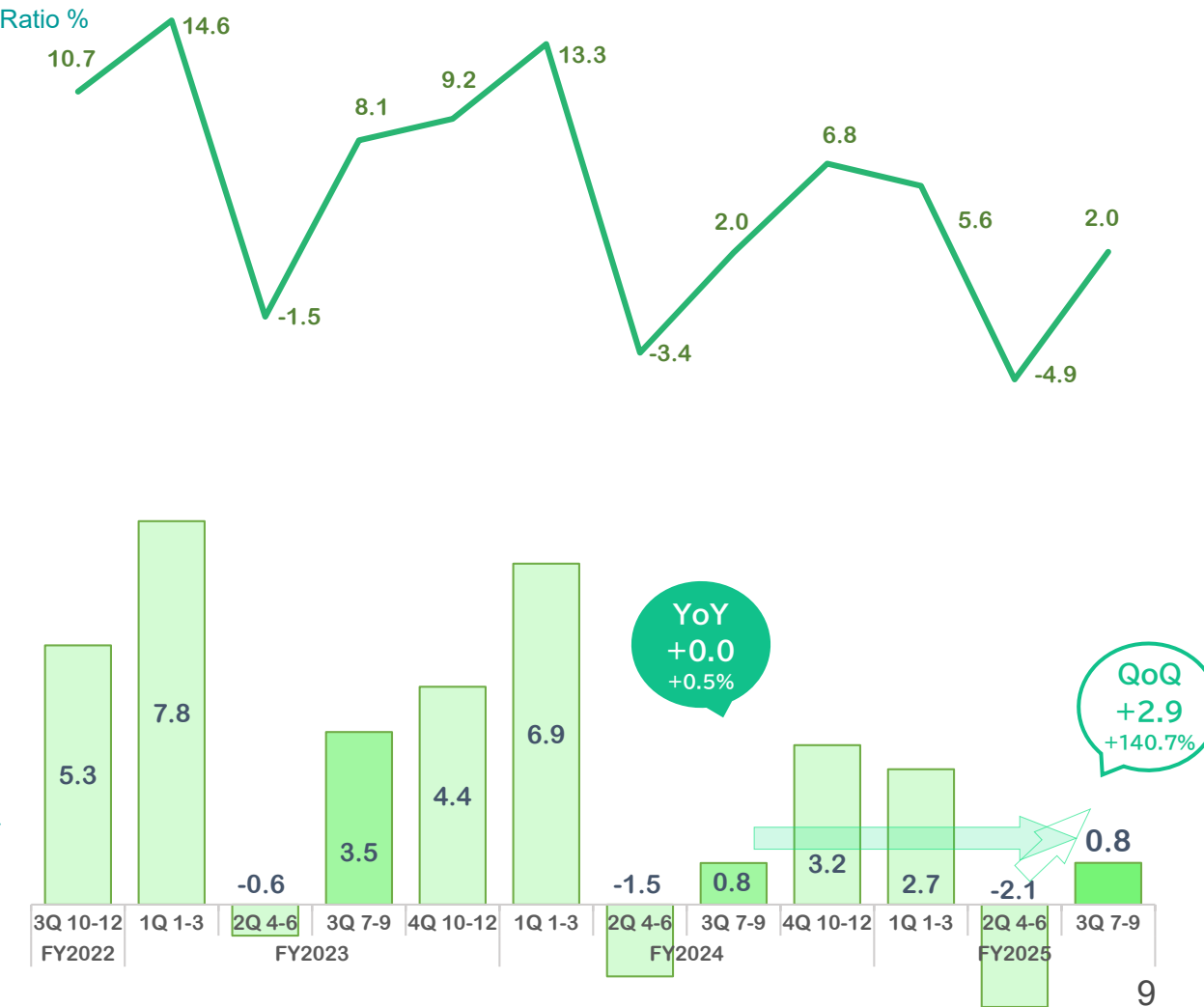
Operating results by segment: Housing Materials (QTD)

Net sales



Operating profit

100Million yen



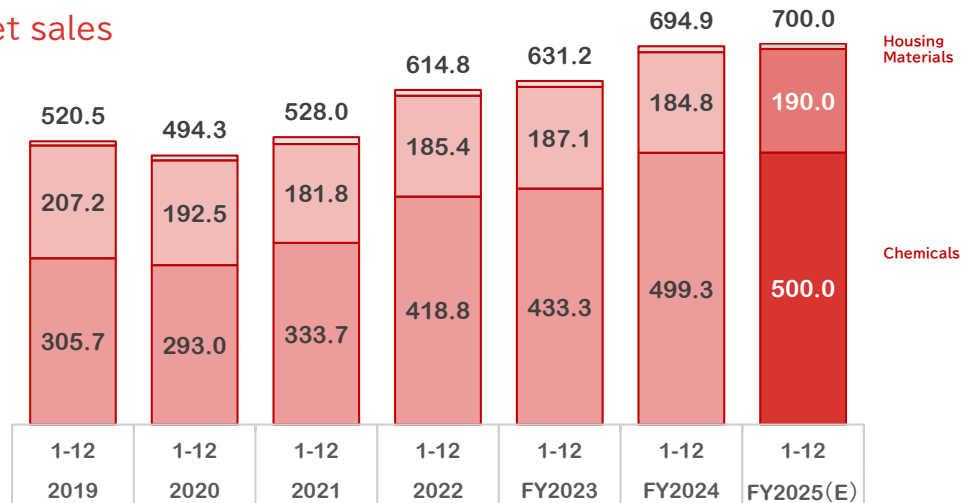
2. Financial Forecast for the Fiscal Year Ending 2025

Forecast of Consolidated Financial Results

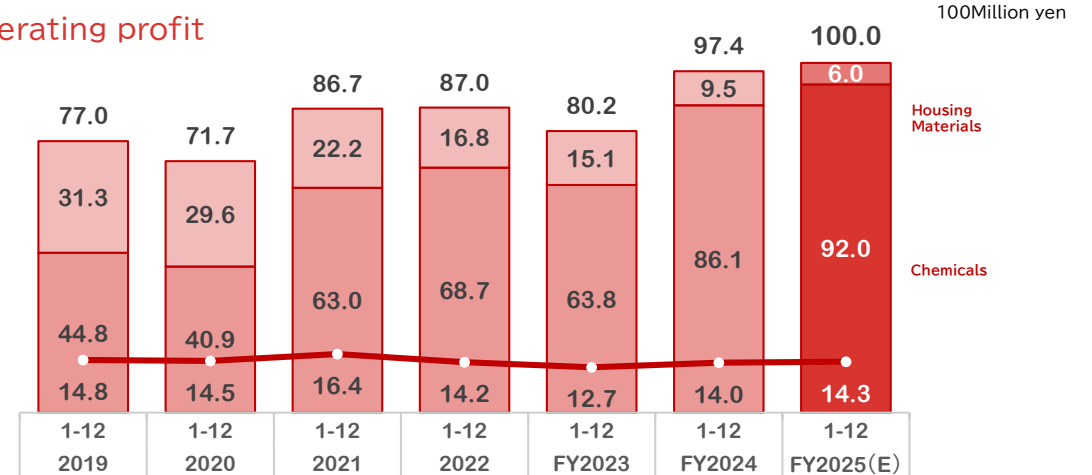
The profit at each level was revised upward, reflecting increased sales in fine chemicals.

	Previous announced forecast (2025/7/30)	Revisions of the forecast (2025/10/29)	Change /Rate	FY2024	Change /Rate	Remarks
Net Sales	70,000 (Chemicals) 50,000 (Housing Materials) 19,000	70,000 (Chemicals) 50,000 (Housing Materials) 19,000	—	69,493 (Chemicals) 49,993 (Housing Materials) 18,477	+507 +0.7%	<ul style="list-style-type: none"> Sales of Chemicals operations are expected to remain unchanged from the previous forecast due to sales expansion of fine chemicals, despite lower-than-planned sales of organic chemicals. Sales of Housing Materials operations are expected to remain unchanged from the previous forecast due to the effect of raising prices, despite continued sluggish housing starts.
Operating profit	9,400 (Chemicals) 8,600 (Housing Materials) 600	10,000 (Chemicals) 9,200 (Housing Materials) 600	+600 +6.4%	9,741 (Chemicals) 8,611 (Housing Materials)954	+259 +2.7%	<ul style="list-style-type: none"> Operating profit of Chemicals operations is expected to increase from the previous forecast due to an increase in sales of fine chemicals. Operating profit of Housing Materials operations is expected to remain unchanged from the previous forecast.
Ordinary profit	9,800	10,400	+600 +6.1%	10,779	▲379 ▲3.5%	<ul style="list-style-type: none"> Ordinary profit is expected to increase from the previous forecast due to an increase in sales of fine chemicals. Ordinary profit is expected to decrease compared to the previous fiscal year due to foreign exchange losses.
Profit attributable to owners of parent	6,500	7,000	+500 +7.7%	8,813	▲1,813 ▲20.6%	<ul style="list-style-type: none"> Profit is expected to increase from the previous forecast due to an increased profit in fine chemicals. Profit is expected to decrease compared to the previous fiscal year due to the absence of gain on sale of investment securities resulting from the elimination of cross-shareholdings.
Exchange rate	1USD 145JPY 1EUR 165JPY 1RMB 20.5JPY	1USD 145JPY 1EUR 165JPY 1RMB 20.5JPY		1USD 151JPY 1EUR 164JPY 1RMB 20.8JPY		

Net sales



Operating profit

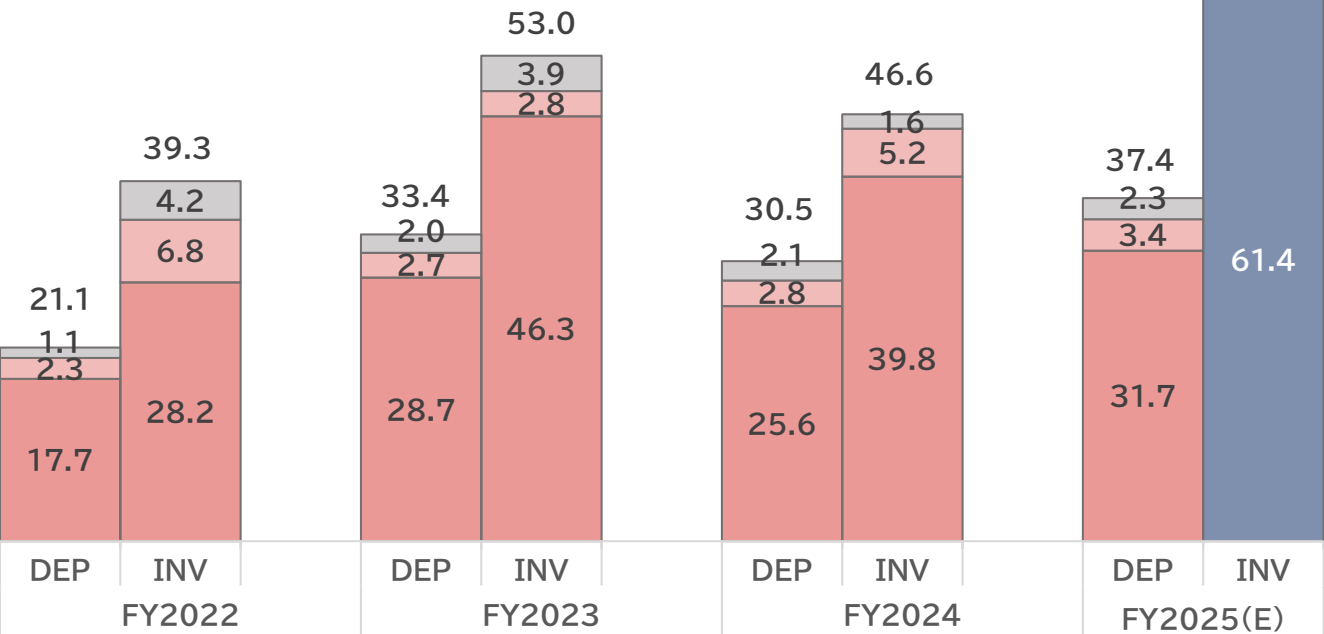


* In comparison and in the graphs, performance in prior years is adjusted to the same period in FY2022 (January to December).

Capital investment and Depreciation

[Progress with major capital investments in FY2025 3Q]

- 400 million yen for the construction of a new plant for insoluble sulfur
- 110 million yen for expenses related to a new R&D Center building
- 360 million yen for equipment upgrades for the Marugame plant
- 820 million yen for equipment upgrades for the Tokushima plant
- 180 million yen for Chemicals R&D equipment
- 300 million yen for expenses related to the Sakaide plant



[Major capital investment in FY2025]

- Other**
 - 200 million yen for system-related upgrades, etc.
 - 100 million yen for other upgrades, etc.
- Housing Materials**
 - 120 million yen for set-up costs for online pricing calculator
 - 820 million yen for plant equipment upgrades, etc.
- Chemicals R&D**
 - 1.76 billion yen for expenses related to new R&D Center building
 - 540 million yen for Chemicals R&D equipment, etc.
- Chemicals Manufacturing equipment**
 - 1.40 billion yen for decarbonization system
 - 780 million yen for new insoluble sulfur plant
 - 990 million yen for increased production of Neo-Chlor, tableting machines, etc.
 - 1.03 billion yen for Marugame plant equipment upgrades
 - 1.14 billion yen for Tokushima plant equipment upgrades
 - 800 million yen for other equipment upgrades

Dividend and Share buyback Trends

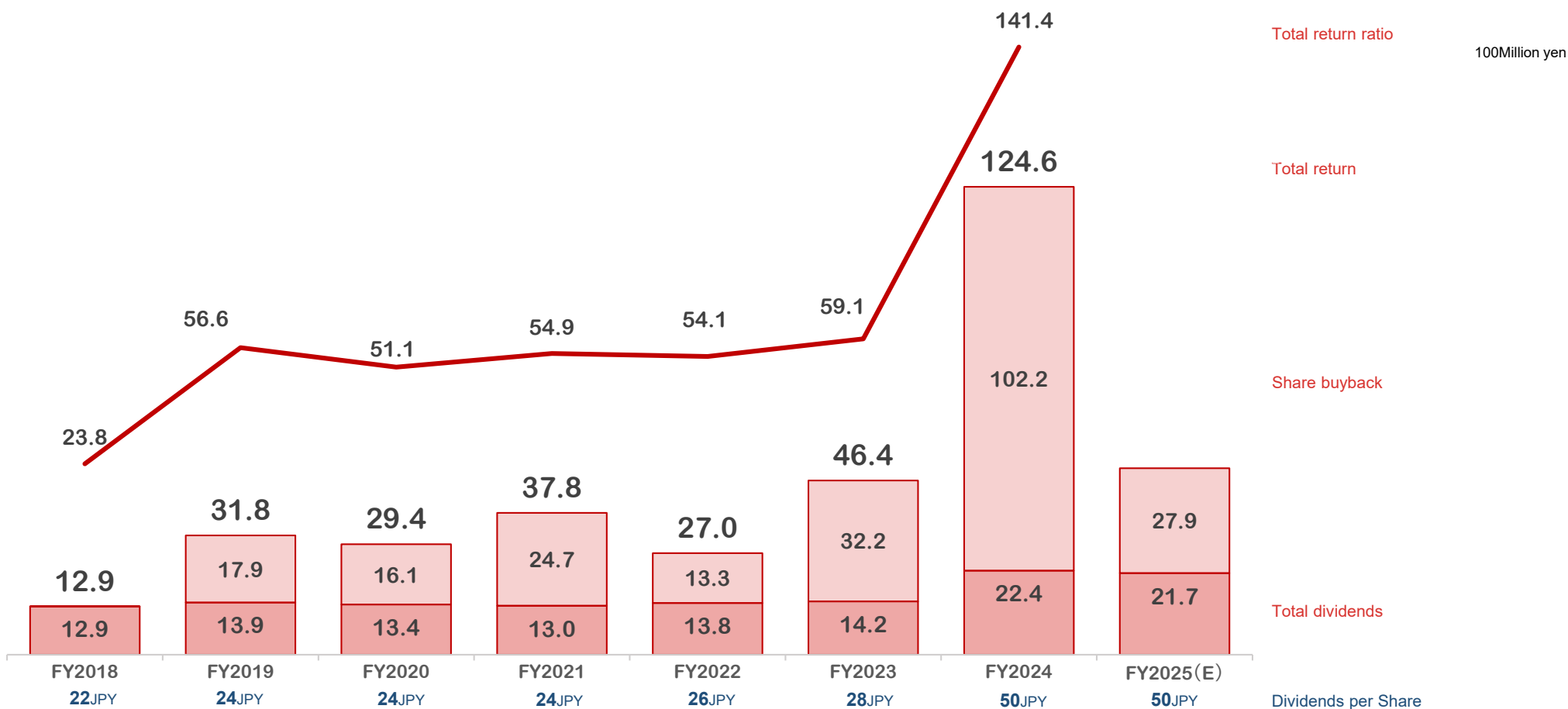
[Shareholder Return Policy]

- Dividend payout ratio **30%**
- Total return ratio **50%**
- DOE (consolidated dividend on equity) **3%**

[FY2025 Shareholder Return Policy (plan)]

- Plans to maintain dividends of 50 yen per share (interim dividend of 25 yen, year-end dividend of 25 yen).
- Premised upon the shareholder return policy, the Company will repurchase its shares in a flexible manner and promote the reduction of excess capital and cross-shareholdings to improve the value of shares.

Under the “Challenge 1000” long-term vision, aims for the above shareholder returns based on consolidated results.



3. Action to Implement Management that is Conscious of Cost of Capital and Stock Price

Analysis of current situation and policies for the present

Companywide ROIC increased due to repayment of borrowings.
ROE decreased due to the absence of year-earlier gain on sale of
Investment securities.

Consolidated Balance Sheets (as of 9/30/2025)

[Financial assets]

(Current status and basic policy)

Financial assets balance decreased 5bn yen compared with December 31, 2024 due to repayment of borrowings. While using interest-bearing debt for capital needs, actively reduce excess via repayments.

	FY2024	FY2025 3Q
	72.9bn	67.7bn
	(▲5.16bn from the beginning of the year)	

Cash and deposits	33.7bn	28.5bn
Securities	14.6bn	11.3bn
Investment securities	24.5bn	27.8bn

[Business assets]

Trade receivables
Inventories
Property, plant and equipment/ Intangible assets

	FY2024	FY2025 3Q
[Chemicals]	43.9bn	46.2bn
	(+2.3bn from the beginning of the year)	

[Housing Materials]	14.9bn	14.2bn
	(▲0.7bn from the beginning of the year)	

[Excess capital]

(Current status)

Current policy is to retain ¼ of annual net sales. Of 67.7bn yen in financial assets, approximately 25.0bn yen is excess capital, after deducting 21.7bn yen in interest-bearing debt and approx. 20.0bn yen in risk buffer.

(Basic policy)

In the final stage of the long-term management plan, a time for implementing the framework for growth from 2030 onward, prioritize growth investments as well as investments in human capital and environment. Consider reducing cross-shareholdings and promptly carry out shareholder returns according to progress.

[Investment capital]

(Profit indicators to be compared)

Operating profit after tax by business → ROIC by business

	FY2024	FY2025 3Q
[Chemicals]	31.4bn	35.1bn
	(+3.7bn from the beginning of the year)	
ROIC by business	19.6%	22.2%

[Housing Materials]	9.1bn	9.3bn
	(+0.2bn from the beginning of the year)	
ROIC by business	7.7%	1.5%

[Business liabilities]

Trade payable
Labor liabilities and provisions

[Group capital invested]

(Profit indicators to be compared)

Profit after tax (operating profit + financial revenue)

→ Group ROIC

(Current status)

Current WACC estimated at 4.5-5.5%. Group ROIC currently exceeds WACC but we will continue with initiatives to expand ROIC-WACC spread.

	FY2024	FY2025 3Q
	114.7bn	111.5bn
	(▲3.1bn from the beginning of the year)	
Group ROIC	6.6%	7.4%

[Future earnings to be acquired (FCF)]

(Shareholder return)

Carry out promptly, targeting 50% of profit

(Internal reserve)

Prioritize investments in growth and human capital as risk capital

[Net assets in carrying amount]

(Profit indicators to be compared)
Profit → ROE

(Target ROE)

Set to 8% as hurdle rate in the short term, and aim to stably exceed 10% by capital reduction.

	FY2024	FY2025 3Q
	83.3bn	88.9bn
	(+5.5bn from the beginning of the year)	
ROE	10.4%	9.3%

[Interest-bearing debt]

(Basic policy)

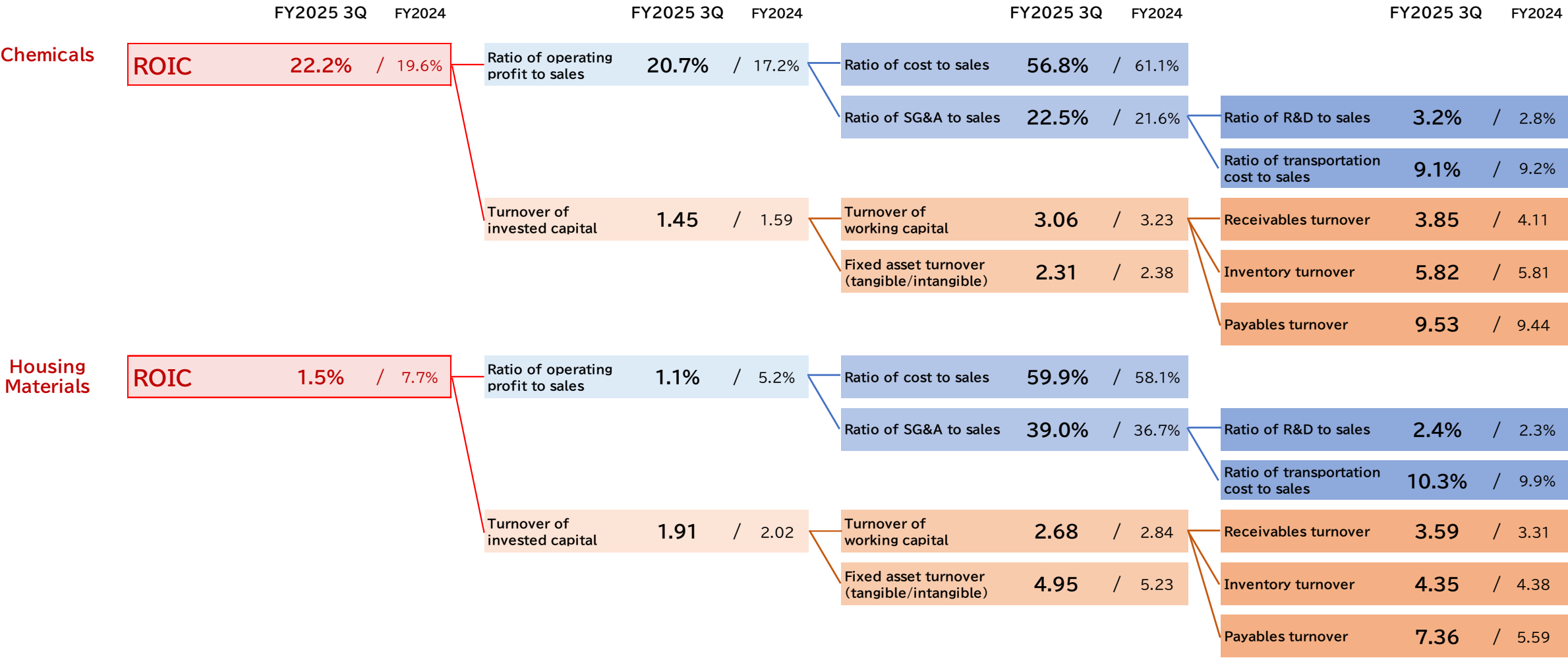
Utilize interest-bearing debt for active investments to achieve 2029 targets and sustainable growth from 2030 onward. Pursue optimal capital structure while considering present financial status, assuming maintaining current credit ratings (A-, R&I).

	FY2024	FY2025 3Q
	30.5bn	21.7bn
	(▲8.7bn from the beginning of the year)	

[Future net assets]

Maintain ROE and net asset levels that exceed the cost of shareholders' equity at all times through balance sheet management to secure both aggressive growth strategies and capital efficiency.

Both Chemicals and Housing Materials operations maintained high capital turnover due to high added value based on low cost ratio and high ROS arising from their niche business areas and R&D capabilities as well as a lower investment burden on production facilities.



※Quarterly ROIC is converted to the annual rate, and in 3Q, returns are multiplied by 4/3.

Disclaimer

- ◆ This material is intended to help shareholders, investors, etc., understand pertinent information such as the Company's management policy, plans, and financial status, and it does not solicit investment such as purchasing or selling stocks in the Company.
- ◆ The information contained in this document has been presented with the utmost care, but there is no guarantee as to whether the content is accurate or currently up to date. Additionally, the Company assumes no responsibility for any damage or disability arising out of or in connection with this document, such as published information or errors, regardless of the reason.
- ◆ Among the Company's current plans, forecasts, and strategies as presented in this material, those that are not historical facts are forward-looking statements or projections based on the judgment of the Company's management according to the information that was available at the time of the relevant decision; hence, risks and uncertainties are involved. Actual performance and business results may differ greatly from these prospects due to various factors.
- ◆ If you understand the above and are interested in exploring investment opportunities, please peruse additional materials such as the Company's securities report and make your investment decision at your own discretion.

Contact information

SHIKOKU KASEI HOLDINGS CORPORATION, Corporate Planning Dept.

TEL: +81-(0)877-21-4119

<https://www.shikoku.co.jp>