Summary of (Semiannual) Consolidated Financial Results [Japanese GAAP]
For the Second Quarter of the Fiscal Year Ending March 31, 2027

November 10, 2026

Listed company: Nippon Kayaku Co., Ltd. (URL https://www.nipponkayaku.co.jp/english/)
Listed stock exchange: Prime Market, Tokyo Stock Exchange
Code No.: 4272

Representative (name, position): Shigeyuki Kawamura, President
Director in charge of inquiries: Tsutomu Kawamura, Senior Director, General Manager of Finance & Accounting Division

Filing date of semiannual securities report: November 11, 2026
Scheduled date for start of dividend payments: December 1, 2026
Preparation of supplementary materials for financial results: Yes
Financial results presentation meeting: Yes (for securities analysts and institutional investors)

1. Consolidated Business Results for the Second Quarter (Semiannual) of the Fiscal Year Ending March 31, 2027 (April 1, 2026–September 30, 2026)

(Figures shown are rounded down to the nearest million yen.)

(1) Consolidated Operating Results

(Percentages indicate amount of change from the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First half of fiscal year ending March 31, 2027	134,001	18.0	14,896	40.3	14,814	36.6	16,068	37.5
First half of fiscal year ended March 31, 2026	113,575	4.1	10,618	(4.9)	10,843	(7.0)	11,689	95.7

Note: Comprehensive income First half of fiscal year ending March 31, 2027: 16,071 million yen (1.4 %)
First half of fiscal year ended March 31, 2026: 15,851 million yen (–%)

	Profit attributable to owners of parent per share – basic	Profit attributable to owners of parent per share – diluted
	Yen	Yen
First half of fiscal year ending March 31, 2027	109.91	109.90
First half of fiscal year ended March 31, 2026	75.07	75.07

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2026	420,548	280,903	66.5
As of March 31, 2026	398,736	280,104	70.0

Reference: Equity As of September 30, 2026: 279,781 million yen
As of March 31, 2026: 279,002 million yen

This document is an English translation of parts of the Japanese-language original.
All financial information has been prepared in accordance with generally accepted accounting principles in Japan.

2. Status of Dividends

	Dividend amount per share				
	End of first quarter	End of second quarter	End of third quarter	End of year	Full year
	Yen				
Fiscal year ended March 31, 2026	–	30.00	–	36.00	66.00
Fiscal year ending March 31, 2027	–	33.00			
Fiscal year ending March 31, 2027 (forecast)				33.00	66.00

Note: Changes to the most recent dividend forecast: None

3. Consolidated Business Results Forecasts for the Fiscal Year Ending March 31, 2027 (April 1, 2026–March 31, 2027)
(Percentages indicate amount of change from the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit attributable to owners of parent per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	277,800	14.9	28,700	27.8	27,900	9.5	24,100	(2.2)	167.01

Note: Changes to the most recent forecast for consolidated business results: Yes

Notes

(1) Significant changes in subsidiaries during the first half (changes in designated subsidiaries that result in changes in scope of consolidation): Yes
Newly consolidated: 1 company (Sanko Chemical Industry Co., Ltd), Deconsolidated: – (company name)

(2) Adoption of special accounting methods for presenting the semiannual consolidated financial statements: None

(3) Changes to accounting policies and estimates and restatements
[1] Changes to accounting policies associated with revision of accounting standards or similar items: None
[2] Changes other than [1]: Yes
[3] Changes to accounting estimates: Yes
[4] Restatements: None

* We have changed our depreciation method from the first half of this consolidated fiscal year. This change falls under the category of “cases where it is difficult to distinguish between a change to accounting policy and a change to accounting estimate. “For further details, please refer to “(4) Notes to Semiannual Consolidated Financial Statements (Changes to accounting policies that are difficult to distinguish from changes to accounting estimates)”on page 10 of the attached documents.

(4) Number of shares issued (common stock)
[1] Number of shares issued at end of the fiscal period (including treasury stock)
As of September 30, 2026: 148,700,000 shares
As of March 31, 2026: 160,000,000 shares
[2] Number of treasury stock at end of the fiscal period
As of September 30, 2026: 5,073,124 shares
As of March 31, 2026: 11,505,220 shares
[3] Average number of shares during the fiscal period (cumulative)
First half of fiscal year ending March 31, 2027: 146,207,066 shares
First half of fiscal year ended March 31, 2026: 155,716,081 shares

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* Semiannual summary financial statements are not subject to audit by a certified public accountant or audit firm.
* Analysis related to appropriate use of the business results forecasts, and other notes
(Disclaimer concerning forward-looking statements)
The information in this report constitutes forward-looking statements regarding future events and performance. This information is based on the beliefs and assumptions of management in light of information currently available to it at the time of announcement and subject to a number of uncertainties that may affect future results. Actual business results may differ substantially from the forecasts herein due to various factors. For matters pertaining to business forecasts, please refer to “(3) Analysis of Forward-looking Statements, Including Consolidated Business Results Forecasts” on page 3 of the Supplementary Information.

(How to obtain the supplementary materials for semiannual financial results)
We have scheduled a briefing on financial results for securities analysts and institutional investors on Wednesday, November 11, 2026. The materials for the briefing will be posted on the corporate website.

Supplementary Information

Contents

1. Qualitative Information Concerning Results for the Second Quarter 2
(1) Analysis of Operating Results 2
(2) Analysis of Financial Position 3
(3) Analysis of Forward-looking Statements, Including Consolidated Business Results Forecasts 3
2. Semiannual Consolidated Financial Statements and Notes to Semiannual Consolidated Financial Statements 4
(1) Semiannual Consolidated Balance Sheets 4
(2) Semiannual Consolidated Statements of Income & Consolidated Statements of Comprehensive Income 6
(3) Semiannual Consolidated Statements of Cash Flows 8
(4) Notes to Semiannual Consolidated Financial Statements 10
(Notes on Changes in the Scope of Consolidation or the Scope of Application of the Equity-Method) 10
(Changes in Presentation) 10
(Notes Regarding Assumptions for the Going Concern) 10
(Notes in Case of Significant Change in Shareholders' Equity) 10
(Changes to Accounting Policies that are Difficult to Distinguish from Changes to Accounting Estimates) 10
(Segment Information) 11
(Business Combinations) 12
(Significant Subsequent Events) 13

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1. Qualitative Information Concerning Results for the Second Quarter

(1) Analysis of Operating Results

During the first half of the fiscal year ending March 31, 2027 (April 1 to September 30, 2026), the global economy maintained steady growth but faced continuing uncertainty from geopolitical risks, including the situations in Ukraine and the Middle East, as well as the impact of changes in the trade policies of various countries and fluctuations in foreign exchange rates.

The Nippon Kayaku Group has launched its mid-term management plan “Evolution2035 Phase1” since the fiscal year ending March 31, 2027, amid such conditions. Under Phase1, we aim to enhance medium- to long-term corporate value by improving capital efficiency and strengthening our capacity for sustainable growth. To this end, we have identified key company-wide initiatives, working to advance them.

As a result, net sales for the first half of the fiscal year ending March 31, 2027 totaled 134,001 million yen, an increase of 20,426 million yen (18.0%) year-on-year as sales in all business units outperformed the first half of the previous fiscal year.

Despite the underperformance of the Life Science Business Unit, outperformance of the Mobility & Imaging Business Unit and Fine Chemicals Business Unit compared to the first half of the previous fiscal year resulted in 14,896 million yen in operating income, an increase of 4,278 million yen (40.3%) year-on-year.

Ordinary income totaled 14,814 million yen, an increase of 3,970 million yen (36.6%) year-on-year.

Profit attributable to owners of parent was 16,068 million yen, an increase of 4,379 million yen (37.5%) year-on-year. The increase was mainly due to a gain on sale of investment securities and a gain on bargain purchase.

Performance by business segment is as described below.

[Mobility & Imaging Business Unit]

Sales rose to 54,109 million yen, an increase of 7,840 million yen (16.9%) year-on-year.

In the safety systems business, global automobile production weakened due to slowing demand in China. However, the Group increased sales, as capacity expansion in China and Malaysia in response to the long-term increase in the number of installed automotive safety components proved effective. Accordingly, sales of airbag inflators, micro gas generators for seatbelt pretensioners, and squibs all outperformed year-on-year. The safety systems business overall outperformed year-on-year as a result.

In the Polatechno business, LCD projector components declined, while shades for HUDs recorded growth. Components for X-ray analysis systems outperformed year-on-year, although performance varied by product type. The Polatechno business overall outperformed year-on-year as a result.

In the Aero business, sales of drone safety equipment have been growing, mainly in North America.

Segment profit totaled 7,447 million yen, an increase of 2,238 million yen (43.0%) year-on-year. This increase resulted from an increase of net sales in the safety systems business and the Polatechno business.

[Fine Chemicals Business Unit]

Sales rose to 39,268 million yen, an increase of 5,023 million yen (14.7%) year-on-year.

The functional materials business as a whole outperformed the first half of the previous fiscal year. This outperformance resulted from firm demand across the semiconductor sector, including cutting-edge semiconductor areas such as AI and high-end servers, as well as the areas of semiconductor manufacturing equipment and semiconductor resins.

The color materials business as a whole outperformed the first half of the previous fiscal year. This resulted from firm sales of home inkjet printer colorants, despite sluggish sales of developer for thermal paper due to a stall in the shift to phenol-free products in Europe.

The catalyst business outperformed year-on-year.

Segment profit totaled 6,931 million yen, an increase of 1,966 million yen (39.6%) year-on-year. The increase stemmed from growth in sales in all business segments.

[Life Science Business Unit]

Sales rose to 40,623 million yen, an increase of 7,563 million yen (22.9%) year-on-year.

The pharmaceuticals business as a whole outperformed the first half of the previous fiscal year. This outperformance was due to increased market penetration of the anti-cancer drug IBTROZI® Capsules 200mg, PORTRAZZA® I.V. Infusion, an anti-EGFR human monoclonal antibody, and the antibody biosimilars BEVACIZUMAB BS and ADALIMUMAB BS for the Japanese market. Increases in exports and shipments of active pharmaceutical ingredients for the Japanese domestic market also contributed to this outperformance,

despite underperformance in sales of diagnostic drugs compared to the first half of the previous fiscal year.

The agrochemicals business as both sales in the domestic market and exports outperformed year-on-year.

Sales in the real estate business and other businesses outperformed the first half of the previous fiscal year.

Segment profit totaled 4,955 million yen, a decrease of 360 million yen (6.8%) year-on-year. This decrease resulted from an increase in selling expenses compared with the first half of the previous fiscal year.

(2) Analysis of Financial Position

[1] Status of Assets, Liabilities, and Net Assets

Total assets were 420,548 million yen, an increase of 21,812 million yen from the end of the previous fiscal year. The main increases were in long-term prepaid expenses, an increase of 15,003 million yen; raw materials and stores, an increase of 3,922 million yen; merchandise and finished goods, an increase of 3,748 million yen; and other, net under non-current assets, an increase of 2,101 million yen. The main decreases were in securities, a decrease of 2,761 million yen and cash and deposits, a decrease of 2,665 million yen.

Liabilities were 139,644 million yen, an increase of 21,012 million yen from the end of the previous fiscal year. The main increases were in long-term loans payable, an increase of 10,893 million yen; short-term loans payable, an increase of 4,001 million yen; and notes and accounts payable – trade, an increase of 3,993 million yen. The main decrease was in income taxes payable, a decrease of 2,112 million yen.

Net assets were 280,903 million yen, an increase of 799 million yen from the end of the previous fiscal year. The main increase was in treasury stock, an increase of 6,313 million yen. The main decrease was in retained earnings, a decrease of 5,491 million yen.

[2] Cash Flows Status

Net cash provided by operating activities amounted to 11,945 million yen (versus a cash inflow of 18,288 million yen during the same period of the previous fiscal year). The positive cash flow was primarily generated from profit before income taxes of 21,098 million yen and depreciation and amortization of 7,011 million yen. The above factors more than compensated for the increase in inventories of 8,220 million yen and income tax paid of 7,298 million yen.

Net cash used in investing activities totaled 15,728 million yen (versus a cash outflow of 2,791 million yen during the same period of the previous fiscal year). The net outflow was mainly due to expenditures of 16,131 million yen for increased payments for long-term prepaid expenses and 7,907 million yen for the purchase of property, plant, and equipment, which exceeded 5,197 million yen in proceeds from the sale of investment securities and 1,913 million yen in proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation.

Net cash used in financing activities amounted to 635 million yen (versus a cash outflow of 3,691 million yen during the same period of the previous fiscal year). The net outflow was mainly due to expenditures for purchase of treasury stock of 9,993 million yen, dividends paid by the parent company of 5,326 million yen, and expenditures for repayment of long-term loans of 5,106 million yen, which exceeded proceeds from long-term loans of 20,000 million yen.

Reflecting the above cash flow performance, the balance of cash and cash equivalents at the end of the first half of the fiscal year ending March 31, 2027 was 48,319 million yen (versus 71,161 million yen at the end of the first half of the previous fiscal year), a decrease of 5,049 million yen from the end of the previous fiscal year.

(3) Analysis of Forward-looking Statements, Including Consolidated Business Results Forecasts

The business environment surrounding the Nippon Kayaku Group faces the risk of an economic downswing due to elevated geopolitical risks, changes in the trade policies of various countries, volatility in raw material and energy prices, fluctuations in foreign exchange rates, and other concerning factors.

Under these conditions, the Nippon Kayaku Group aims to respond flexibly to changes in the business environment and pursue optimal use of operating capital to increase shareholder value, as well as expand existing businesses in global growth markets, accelerate the development of new businesses and new products, and enhance profits.

The business results forecasts for the fiscal year ending March 31, 2027 announced on August 3, 2026 have been revised. See the Notice of Revisions to the Business Results Forecasts announced on November 10, 2026 for more information.

2. Semiannual Consolidated Financial Statements and Notes to Semiannual Consolidated Financial Statements

(1) Semiannual Consolidated Balance Sheets

	As of March 31, 2026	As of September 30, 2026
	Million yen	
Assets		
Current assets		
Cash and deposits	50,032	47,367
Notes and accounts receivable – trade	67,568	66,907
Electronically recorded monetary claims – operating	3,244	3,835
Securities	4,463	1,701
Merchandise and finished goods	53,225	56,973
Work in process	1,412	1,753
Raw materials and stores	29,672	33,594
Other	10,649	11,895
Allowance for doubtful accounts	(114)	(84)
Total current assets	220,153	223,944
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	51,976	52,598
Machinery, equipment and vehicles, net	30,563	32,184
Other, net	38,425	40,526
Total property, plant and equipment	120,966	125,309
Intangible assets		
Goodwill	499	439
Other	3,255	3,175
Total intangible assets	3,755	3,614
Investments and other assets		
Investment securities	30,600	30,919
Long-term prepaid expenses	6,791	21,794
Net defined benefit asset	12,285	12,388
Other	4,232	2,626
Allowance for doubtful accounts	(49)	(49)
Total investments and other assets	53,860	67,679
Total non-current assets	178,582	196,604
Total assets	398,736	420,548

	As of March 31, 2026	As of September 30, 2026
	Million yen	
Liabilities		
Current liabilities		
Notes and accounts payable – trade	24,225	28,219
Short-term loans payable	11,013	15,014
Accounts payable – other	16,342	18,268
Income taxes payable	5,588	3,475
Other	7,959	9,002
Total current liabilities	65,128	73,980
Non-current liabilities		
Bonds payable	14,000	14,000
Long-term loans payable	24,171	35,065
Net defined benefit liability	356	405
Other	14,975	16,193
Total non-current liabilities	53,503	65,664
Total liabilities	118,631	139,644
Net assets		
Shareholders' equity		
Common stock	14,932	14,932
Additional paid-in capital	15,879	15,879
Retained earnings	210,323	204,832
Treasury stock	(16,503)	(10,189)
Total shareholders' equity	224,632	225,454
Accumulated other comprehensive income		
Unrealized holding gains on available-for-sale securities	11,340	12,837
Translation adjustments	37,847	36,649
Remeasurements of defined benefit plans	5,181	4,839
Total accumulated other comprehensive income	54,369	54,326
Non-controlling interests	1,102	1,122
Total net assets	280,104	280,903
Total liabilities and net assets	398,736	420,548

(2) Semiannual Consolidated Statements of Income & Consolidated Statements of Comprehensive Income

Semiannual Consolidated Statements of Income

	First half of fiscal year ended March 31, 2026	First half of fiscal year ending March 31, 2027
	Million yen	
Net sales	113,575	134,001
Cost of sales	79,715	91,167
Gross profit on sales	33,859	42,834
Selling, general and administrative expenses	23,241	27,937
Operating income	10,618	14,896
Non-operating income		
Interest income	293	253
Dividend income	590	563
Equity in earnings of affiliates	174	150
Other	493	512
Total non-operating income	1,552	1,480
Non-operating expenses		
Interest expense	202	399
Foreign exchange losses	837	497
Compensation for damage	–	400
Other losses	287	265
Total non-operating expenses	1,326	1,562
Ordinary income	10,843	14,814
Extraordinary income		
Gain on sale of non-current assets	10	19
Gain on sale of investment securities	6,212	4,322
Gain on bargain purchase	–	3,019
National subsidies	–	321
Total extraordinary income	6,222	7,683
Extraordinary loss		
Loss on step acquisitions	–	657
Loss on disposal of non-current assets	491	377
Loss on tax purpose reduction entry of non-current assets	–	318
Extra retirement payments	–	45
Total extraordinary loss	491	1,399
Profit before income taxes	16,574	21,098
Income taxes – current	4,091	4,618
Income taxes – deferred	748	380
Total income taxes	4,840	4,999
Profit	11,734	16,098
Profit attributable to non-controlling interests	45	29
Profit attributable to owners of parent	11,689	16,068

Semiannual Consolidated Statements of Comprehensive Income

	First half of fiscal year ended March 31, 2026	First half of fiscal year ending March 31, 2027
	Million yen	
Profit	11,734	16,098
Other comprehensive income		
Unrealized holding gains (losses) on available-for-sale securities	(1,771)	1,505
Translation adjustments	5,856	(1,182)
Remeasurements of defined benefit plans	30	(344)
Share of other comprehensive income of companies accounted for by the equity-method	1	(5)
Total other comprehensive income	4,117	(26)
Comprehensive income	15,851	16,071
Comprehensive income attributable to:		
Owners of parent	15,795	16,026
Non-controlling interests	55	45

(3) Semiannual Consolidated Statements of Cash Flows

	First half of the fiscal year ended March 31, 2026	First half of the fiscal year ending March 31, 2027
	Million yen	
Cash flows from operating activities		
Profit before income taxes	16,574	21,098
Depreciation and amortization	7,478	7,011
Loss (gain) on step acquisitions	–	657
Amortization of goodwill	70	60
Increase (decrease) in other provisions	(121)	(105)
Interest and dividend income	(884)	(817)
Interest expense	202	399
Foreign exchange losses (gains)	387	434
Equity in (earnings) losses of affiliates	(174)	(150)
Loss (gain) on sales of property, plant and equipment	(10)	(19)
Loss (gain) on disposal of property, plant and equipment	491	377
Loss (gain) on sales of investment securities	(6,212)	(4,322)
Gain on bargain purchase	–	(3,019)
Gain on receipt of national subsidies	–	(321)
Loss on tax purpose reduction entry of non-current assets	–	318
(Increase) decrease in notes and accounts receivable – trade	4,705	(12)
(Increase) decrease in inventories	(5,321)	(8,220)
(Increase) decrease in prepaid expenses	(392)	(447)
(Increase) decrease in accounts receivable – other	800	1,687
(Increase) decrease in advance payments	(184)	(975)
Increase (decrease) in notes and accounts payable – trade	3,260	4,037
Increase (decrease) in notes and accounts payable – other	(69)	(515)
Increase (decrease) in accrued expenses	(178)	617
(Increase) decrease in long-term prepaid expenses	259	1,139
Increase (decrease) in net defined benefit liability	131	11
(Increase) decrease in net defined benefit asset	(497)	(592)
Other	(669)	217
Subtotal	19,646	18,546
Interest and dividends received	883	899
Interest paid	(231)	(342)
Income tax paid	(2,421)	(7,298)
Income tax refund	411	140
Net cash provided by operating activities	18,288	11,945

	First half of the fiscal year ended March 31, 2026	First half of the fiscal year ending March 31, 2027
	Million yen	
Cash flows from investing activities		
Payments into time deposits	(629)	(706)
Proceeds from withdrawal of time deposits	954	1,103
Purchase of property, plant and equipment	(11,977)	(7,907)
Proceeds from sale of property, plant and equipment	10	24
Purchase of intangible assets	(123)	(271)
Purchase of investment securities	(49)	(200)
Proceeds from sale of investment securities	9,404	5,197
Proceeds from redemption of securities	381	–
National subsidies received	–	518
Purchase of shares of subsidiaries and affiliates	(35)	–
Payments for long-term prepaid expenses	(444)	(16,131)
Payment for retirement of property, plant and equipment	(287)	(278)
Proceeds from refund of guarantee deposits	–	1,000
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	–	1,913
Other	6	8
Net cash used in investing activities	(2,791)	(15,728)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	196	–
Proceeds from long-term loans	15,000	20,000
Repayment of long-term loans	(3,606)	(5,106)
Purchase of treasury stock	(9,205)	(9,993)
Dividends paid	(5,978)	(5,326)
Dividends paid to non-controlling interests	(62)	(153)
Other	(35)	(55)
Net cash used in financing activities	(3,691)	(635)
Effect of exchange rate change on cash and cash equivalents	1,430	(630)
Increase (decrease) in cash and cash equivalents	13,235	(5,049)
Cash and cash equivalents at beginning of period	57,926	53,368
Cash and cash equivalents at end of period	71,161	48,319

(4) Notes to Semiannual Consolidated Financial Statements

(Notes on Changes in the Scope of Consolidation or the Scope of Application of the Equity-Method)

During the first half of the fiscal year ending March 31, 2027, as the Company purchased additional shares of Sanko Chemical Industry Co., Ltd., which was an affiliate accounted for by the equity-method, the Company included Sanko Chemical Industry Co., Ltd. in the scope of consolidation and excluded it from the scope of application of the equity-method.

(Changes in Presentation)

(Semiannual Consolidated Statements of Cash Flows)

"(Increase) decrease in long-term prepaid expenses" previously included in "Other" under "Cash flows from operating activities" for the first half of the fiscal year ended March 31, 2026 has been presented separately from the first half of the fiscal year ending March 31, 2027 due to its increased monetary materiality. Accordingly, the semiannual consolidated financial statements for the first half of the fiscal year ended March 31, 2026 have been reclassified to reflect this change in presentation.

As a result, negative 410 million yen presented in "Other" under "Cash flows from operating activities" in the semiannual consolidated statements of cash flows for the first half of the fiscal year ended March 31, 2026 has been reclassified as 259 million yen in "(Increase) decrease in long-term prepaid expenses" and negative 669 million yen in "Other."

(Notes Regarding Assumptions for the Going Concern)

No items to report

(Notes in Case of Significant Change in Shareholders' Equity)

[1] Acquisition of Treasury Stock

The Company purchased 4,918,600 shares of treasury stock for 9,992 million yen during the first half of the fiscal year ending March 31, 2027 as approved by resolution of the Board of Directors on May 12, 2026.

[2] Cancellation of Treasury Stock

The Company canceled 11,300,000 shares of treasury stock on May 22, 2026 as approved by resolution of the Board of Directors on May 12, 2026. This resulted in decreases of 16,216 million yen in other retained earnings and 16,216 million yen in treasury stock.

[3] Distribution of Treasury Stock

The Company allocated 43,463 shares of treasury stock as restricted stock compensation on July 17, 2026 as approved by resolution of the Board of Directors resolution on June 25, 2026. This resulted in decreases of 87 million yen in other retained earnings and 87 million yen in treasury stock.

As a result, retained earnings stood at 204,832 million yen and treasury stock, at 10,189 million yen as of the end of the first half of the fiscal year ending March 31, 2027.

(Changes to Accounting Policies that are Difficult to Distinguish from Changes to Accounting Estimates)

(Change in the Depreciation Method for Property, Plant and Equipment)

The Company and its domestic consolidated subsidiaries have changed the depreciation method for property, plant and equipment (excluding leased assets), which had primarily used the declining-balance method, to the straight-line method, effective from the fiscal year ending March 31, 2027.

In formulating the Group's new mid-term management plan, the Group reviewed and examined how its property, plant and equipment is used in light of changes in the business environment and revisions to its management policies. As a result, the Group concluded that allocating the acquisition cost evenly over the useful life is more suited to its actual use and that the operation of production facilities is expected to remain stable going forward. Accordingly, the Group determined that the straight-line method is more reasonable and more appropriately reflects its actual business conditions.

As a result, compared to the previous method, operating income, ordinary income, and profit before income taxes for the first half of the fiscal year ending March 31, 2027 each increased by 442 million yen.

(Segment Information)

I. First half of the fiscal year ended March 31, 2026 (April 1, 2025– September 30, 2025)

1, Information on sales and profit (loss) by reportable segment

	Reportable segments				Adjustments (Note 1)	Consolidated (Note 2)
	Mobility & Imaging Business Unit	Fine Chemicals Business Unit	Life Science Business Unit	Total		
	Million yen					
Sales						
Sales to third parties	46,269	34,245	33,060	113,575	–	113,575
Intersegment sales and transfers	6	106	0	113	(113)	–
Total	46,276	34,352	33,060	113,689	(113)	113,575
Segment profit	5,208	4,965	5,316	15,490	(4,871)	10,618

Note 1: The 4,871 million yen downward adjustment to segment profit reflects 4,809 million yen in corporate expenses not allocable to the reportable segments and 62 million yen in eliminations for intersegment transactions. The corporate expenses are mainly a general and administrative expense that is not attributed to the reportable segments.

Note 2: Segment profit has been adjusted to correspond with the total operating income as shown in the semiannual consolidated statements of income.

2. Information concerning impairment losses on non-current assets, goodwill, etc. by reportable segment

No items to report

II. First half of the fiscal year ending March 31, 2027 (April 1, 2026– September 30, 2026)

1, Information on sales and profit (loss) by reportable segment

	Reportable segments				Adjustments (Note 1)	Consolidated (Note 2)
	Mobility & Imaging Business Unit	Fine Chemicals Business Unit	Life Science Business Unit	Total		
	Million yen					
Sales						
Sales to third parties	54,109	39,268	40,623	134,001	–	134,001
Intersegment sales and transfers	7	1	–	8	(8)	–
Total	54,117	39,269	40,623	134,010	(8)	134,001
Segment profit	7,447	6,931	4,955	19,334	(4,437)	14,896

Note 1: The 4,437 million yen downward adjustment to segment profit reflects 4,455 million yen in corporate expenses not allocable to the reportable segments and 17 million yen in eliminations for intersegment transactions. The corporate expenses are mainly a general and administrative expense that is not attributed to the reportable segments.

Note 2: Segment profit has been adjusted to correspond with the total operating income as shown in the semiannual consolidated statements of income.

2. Information concerning impairment losses on non-current assets, goodwill, etc. by reportable segment

In the Life Science Business Unit, the Company has recognized a gain on bargain purchase of 3,019 million yen in connection with making Sanko Chemical Industry Co., Ltd. a consolidated subsidiary.

As the gain is recorded as extraordinary income, it is not included in segment profit.

(Business Combinations)
(Business Combination Through Acquisition)
(Making Sanko Chemical Industry Co., Ltd. a Subsidiary Through the Purchase of Its Shares)

(1) Overview of the business combination
[1] Name and business description of the acquired company
Sanko Chemical Industry Co., Ltd. (hereinafter referred to as “Sanko”)
Methyl bromide business and real estate leasing business

[2] Main reasons for the business combination
To further improve the efficiency of the Nippon Kayaku Group’s management and make effective use of its business resources

[3] Date of the business combination
September 1, 2026

[4] Legal form of the business combination
Acquisition of shares for cash consideration

[5] Company name after the business combination
The company name will remain unchanged.

[6] Percentage of voting rights acquired

Percentage of voting rights held immediately before the business combination:	45.02%
Percentage of voting rights additionally acquired:	52.14%
Percentage of voting rights held after the acquisition:	97.16%

[7] Main basis for determining the acquiring company
This is because the Company acquired the shares for cash consideration.

(2) Period of the acquired company’s results included in the consolidated financial statements
From September 1, 2026 to September 30, 2026

(3) Acquisition cost of the acquired company and breakdown by type of consideration

Fair value of the equity interest held immediately before the business combination as of the date of the business combination:	648 million yen
Consideration paid for the additional acquisition (cash):	751 million yen
Acquisition cost:	1,400 million yen

(4) Details and amount of major acquisition-related expenses
Advisory fees, etc.: 40 million yen

(5) Loss (gain) on step acquisitions
The Company had held Sanko as an affiliate accounted for by the equity-method. As the Company acquired control of Sanko through the acquisition of additional voting rights on the date of the business combination, the shares of Sanko held immediately before the date of the business combination were revalued to the fair value as of the date of the business combination. As a result, the Company recorded a loss on step acquisition of 657 million yen as an extraordinary loss.

(6) Amount of gain on bargain purchase and reason for recognition
[1] Gain on bargain purchase
3,019 million yen
As the allocation of the acquisition cost had not been completed as of the end of the first half of the fiscal year ending March 31, 2027, The amount of gain on bargain purchase is a provisionally calculated amount.

[2] Factor in recognition
As the fair value of the net assets of the acquired company at the time of the business combination exceeded the acquisition cost, the Company recognized the difference as a gain on bargain purchase.

(7) Allocation of acquisition cost

As of the end of the first half of the fiscal year ending March 31, 2027, the identification of identifiable assets and liabilities and the calculation of their fair values, both as of the date of the business combination, as well as the allocation of the acquisition cost, had not been completed. Therefore, provisional accounting treatment has been applied based on reasonable information available at that time.

(8) Amounts of assets acquired and liabilities assumed on the date of the business combination, and their principal components

Current assets:	2,826 million yen
Non-current assets:	2,804 million yen
Total assets:	5,630 million yen
Current liabilities:	73 million yen
Non-current liabilities:	1,009 million yen
Total liabilities:	1,082 million yen

In October 2026, after the end of the first half of the fiscal year ending March 31, 2027, the Company purchased additional shares of Sanko and made it a wholly-owned subsidiary.

(Significant Subsequent Events)

(Unauthorized Access at Consolidated Subsidiaries)

Unauthorized access by third parties occurred at the Company's consolidated subsidiaries—Kayaku Safety Systems Europe a.s. in the Czech Republic and Kayaku Safety Systems Malaysia Sdn. Bhd. in Malaysia—in October and November 2026.

After the discovery of the incident, the Nippon Kayaku Group implemented initial response measures, including the isolation of the affected systems, and is working on identifying the scope of impact, determining whether any information has been leaked, and restoring the systems, in coordination with external experts.

The Company is currently assessing the impact of this matter on the business results of our group. Should the Company determine that it is likely to have a material impact, the Company will disclose it promptly.