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To whom it may concern

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Notice Regarding the Difference Between the Forecast and Actual Consolidated Financial Results for the Second Quarter (Interim Period) of the Fiscal Year Ending March 2027 and Revision of the Full-Year Consolidated Earnings Forecast

The Company hereby inform you that there was a difference between the forecast and actual consolidated financial results for the second quarter (interim period) of the fiscal year ending March 2027 (April 1, 2026 to September 30, 2026) as announced on August 7, 2026, as detailed below.

In addition, based on recent business performance trends, we have revised the full-year consolidated earnings forecast, which was announced on August 7, 2026, as detailed below.

1. Differences between the forecast and actual consolidated financial results for the second quarter (interim period) of the fiscal year ending March 2027 (April 1, 2026 to September 30, 2026)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previously announced forecasts (A)	Millions of yen 75,000	Millions of yen 3,100	Millions of yen 3,800	Millions of yen 700	Yen 18.29
Actual results (B)	73,571	3,080	3,854	-999	-26.09
Change (B-A)	-1,428	-19	54	-1,699	
Change (%)	-1.9	-0.6	1.4	—	
(Reference) Results for the first half of the previous fiscal year	76,459	7,371	8,501	5,649	147.66

2. Revision of full-year consolidated earnings forecast for the fiscal year ending March 2027 (April 1, 2026 to March 31, 2027)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previously announced forecasts (A)	Millions of yen 150,000	Millions of yen 14,200	Millions of yen 13,300	Millions of yen －	Yen －
Revised forecasts (B)	151,000	16,000	15,500	7,100	185.29
Change (B-A)	1,000	1,800	2,200	－	
Change (%)	0.7	12.7	16.5	－	
(Reference) Results for the previous fiscal year (Fiscal year ended March 2026)	154,897	19,077	21,737	16,636	434.78

3. Reasons for differences and revision

Regarding the consolidated financial results for the second quarter (interim period), net sales, operating profit and ordinary profit were generally in line with the previous forecasts announced on August 7, 2026. However, profit attributable to owners of parent for the interim period was a loss and fell below the previous forecast. This was because the reaction to the exceptionally strong performance in the previous fiscal year led to a temporary write-down of deferred tax assets that was larger than expected.

Regarding the full-year consolidated earnings forecast, net sales are expected to be generally in line with the previous forecast.

Operating profit and ordinary profit are both expected to exceed the previous forecasts. In the organic chemicals business, sales of herbicides in agrochemicals increased in North America and India. In the inorganic chemicals business, sales of electronic materials were strong, driven by increased demand for AI data servers, and sales of functional color materials and fine chemicals also remained solid.

However, as announced in the “Notice Concerning Implementation of Additional Measures Related to Structural Reform of the Inorganic Chemicals Business” dated August 7, 2026, the Company will record additional structural reform costs as extraordinary losses. As a result, profit attributable to owners of parent for the fiscal year is expected to fall below the forecast announced on May 8, 2026.

The extraordinary losses related to the structural reform of the inorganic chemicals business include special retirement benefits associated with the Company's implementation of an early retirement program and costs related to the withdrawal from the titanium dioxide business of Fuji Titanium Industry Co., Ltd. Both have been reflected in the forecast based on information currently available and certain assumptions.

(Note) The forecast above is based on currently available information. Actual results may differ from the forecast due to various factors.

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