

Supplemental Information Financial Results For FY 2025

2026/1/29

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

1. Consolidated Financial Results

Both net sales and profits increased due to increased sales in fine chemicals, despite decreases in sales of organic chemicals and Housing Materials operations.

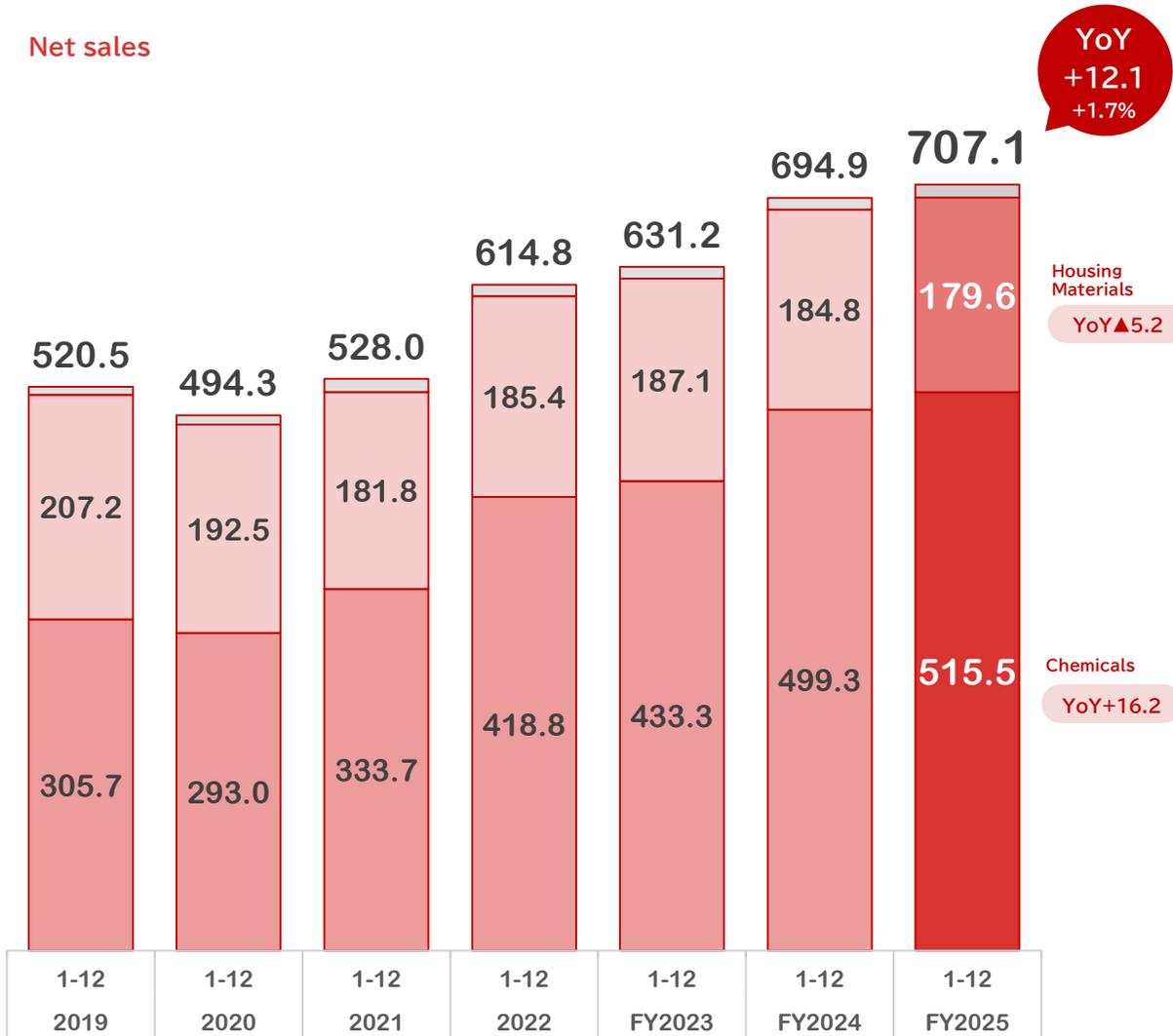
Million yen

	FY2024	FY2025	Change / Rate	Remarks
Net Sales	69,493	70,705	+1,211 +1.7%	<ul style="list-style-type: none"> Chemicals operations increased due to strong sales of fine chemicals Housing Materials operations decreased due to a sluggish detached housing market and extension of construction schedule
Operating profit	9,741	10,869	+1,127 +11.6%	<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	10,779	11,921	+1,141 +10.6%	<ul style="list-style-type: none"> Foreign exchange gains and losses 46 (YoY▲343) Interest income 323 (YoY+16)
Profit attributable to owners of parent	8,813	8,459	▲354 ▲4.0%	<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 ▲56 (YoY▲25)
Exchange rate	1USD 150JPY 1EUR 165JPY 1RMB 20.6JPY	1USD 150JPY 1EUR 167JPY 1RMB 20.8JPY	Net sales ▲0.3 billion yen Operating Profit +0.0 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	10.4%	9.5%	▲0.9%	

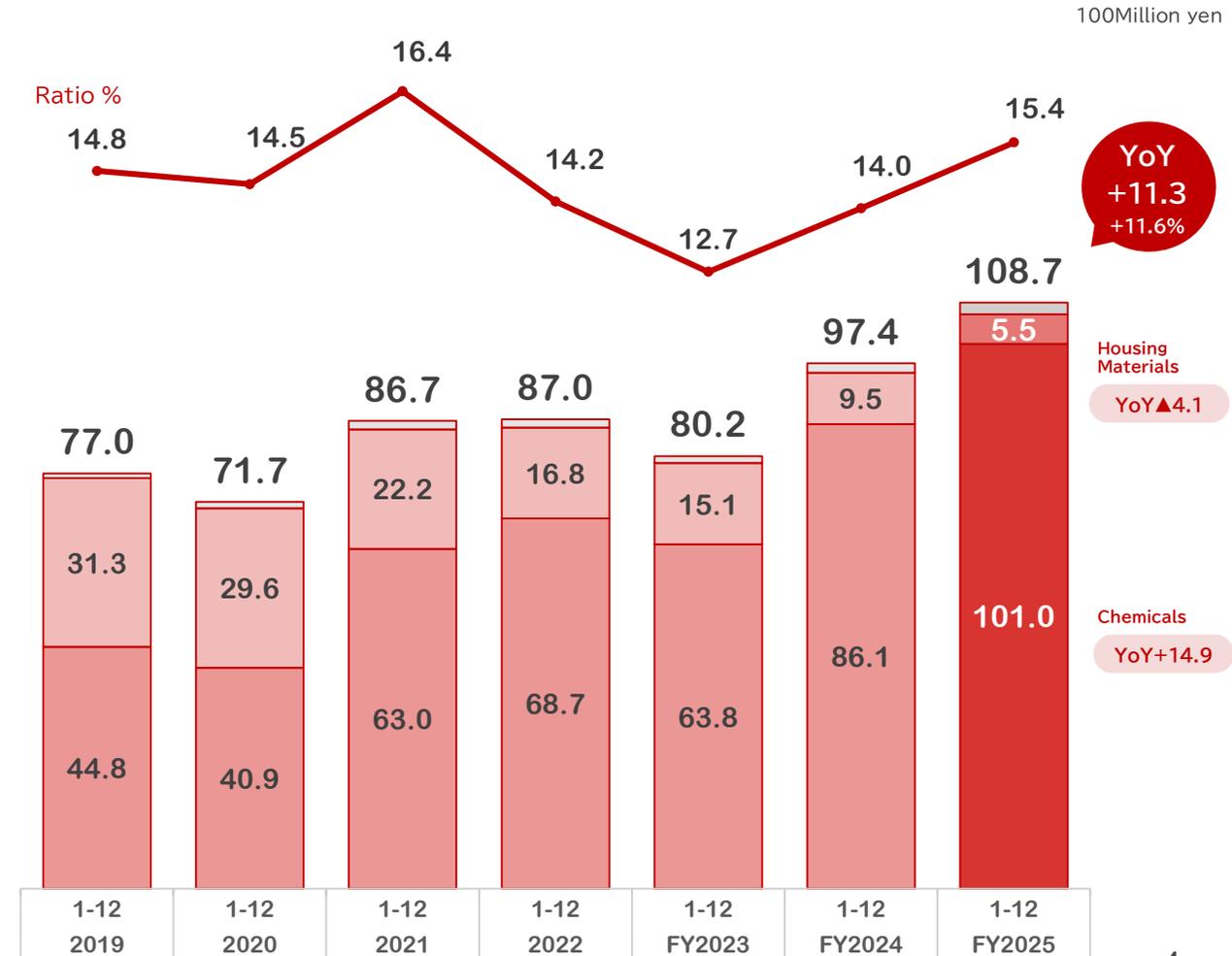
Trends in Net sales and Operating profit (YTD)

Total net sales increased (+1.21B) due to increased sales in Chemicals (+1.62B) despite decreased sales in Housing Materials(-520M)
 Total operating profit increased (+1.13B) due to increased profits in Chemicals(+1.49B) despite decreased profits in Housing Materials (-410M)

Net sales



Operating profit



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

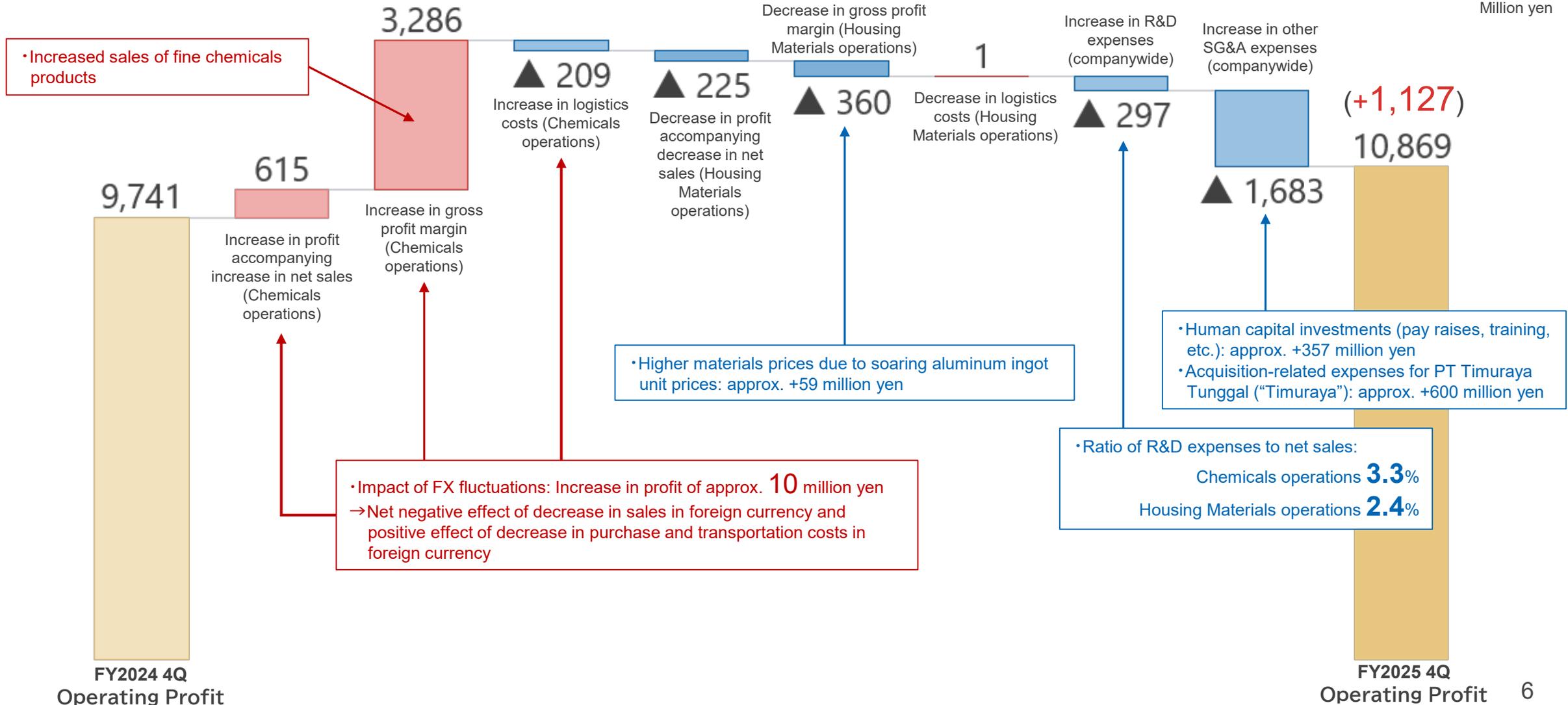
Sales Overview by Segment

Segment		Overview of FY2025 4Q		
Inorganic chemicals		YoY	QoQ	<ul style="list-style-type: none"> Sales of insoluble sulfur remained unchanged both YoY and QoQ. Sales of carbon disulfide decreased YoY due to lower sales for domestic demand, but increased QoQ.
Organic chemicals		YoY	QoQ	<ul style="list-style-type: none"> Despite decreased sales of Neo-Chlor QoQ due to seasonal demand, driven by lower sales for pools, sales remained on par with the previous year thanks to strong sales in the sanitary market.
Fine chemicals	Advanced & specialty chemicals	YoY	QoQ	<ul style="list-style-type: none"> Sales of resin curing agent (imidazoles) increased both YoY and QoQ. Sales of resin modifiers decreased both YoY and QoQ due to the reaction to the advance shipment in 2Q. Sales of semiconductor process materials decreased QoQ but increased YoY, due to shipping timing shifts. Sales of Gliccoat-SMD increased both YoY and QoQ due to strong exports. Sales of GliCAP were strong against the backdrop of growing AI-related demand, and significantly increased both YoY and QoQ.
	Electronic chemicals	YoY	QoQ	
Housing Materials		YoY	QoQ	

Total	YoY	QoQ

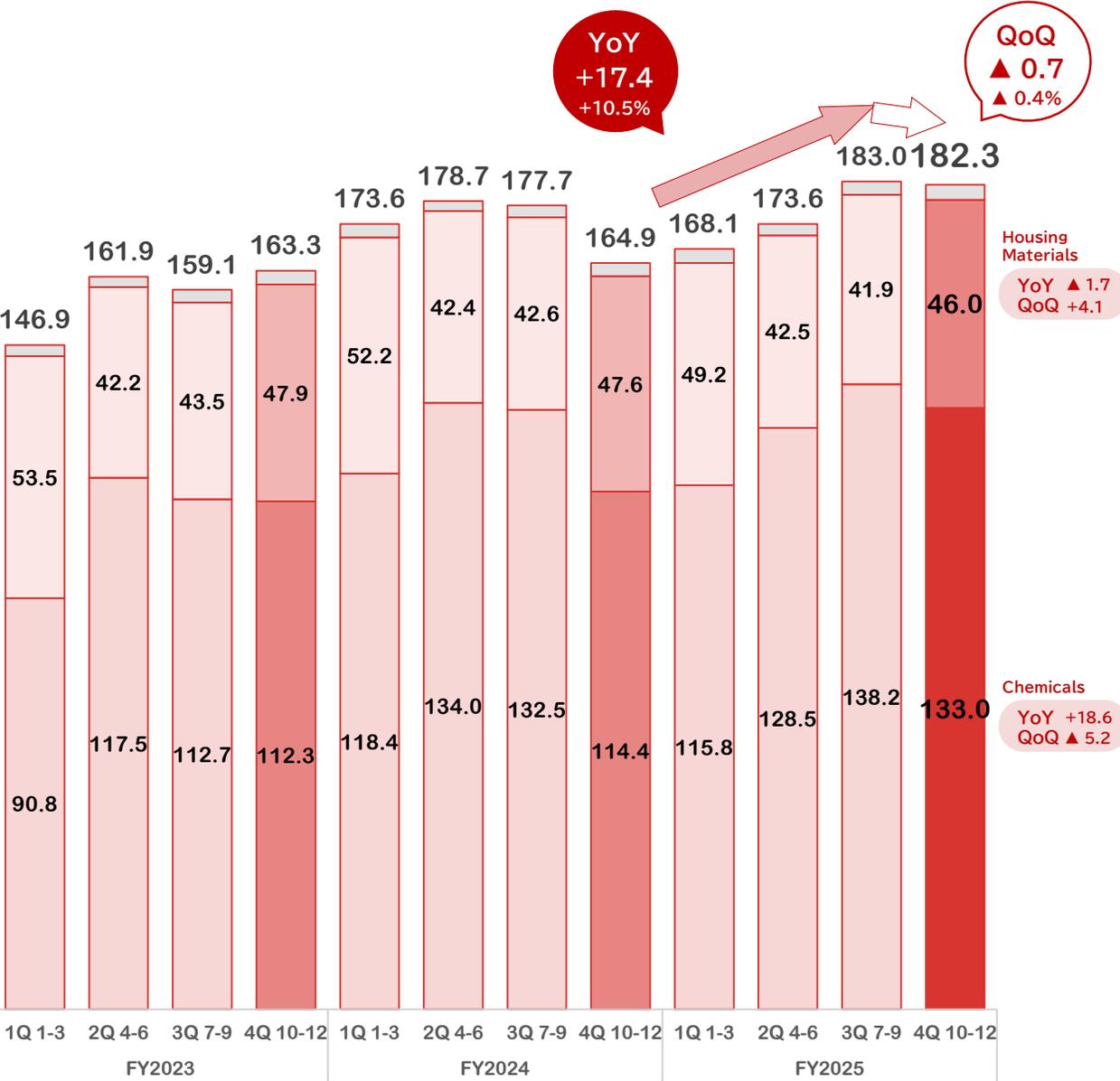
YoY Changes in Operating profit

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.



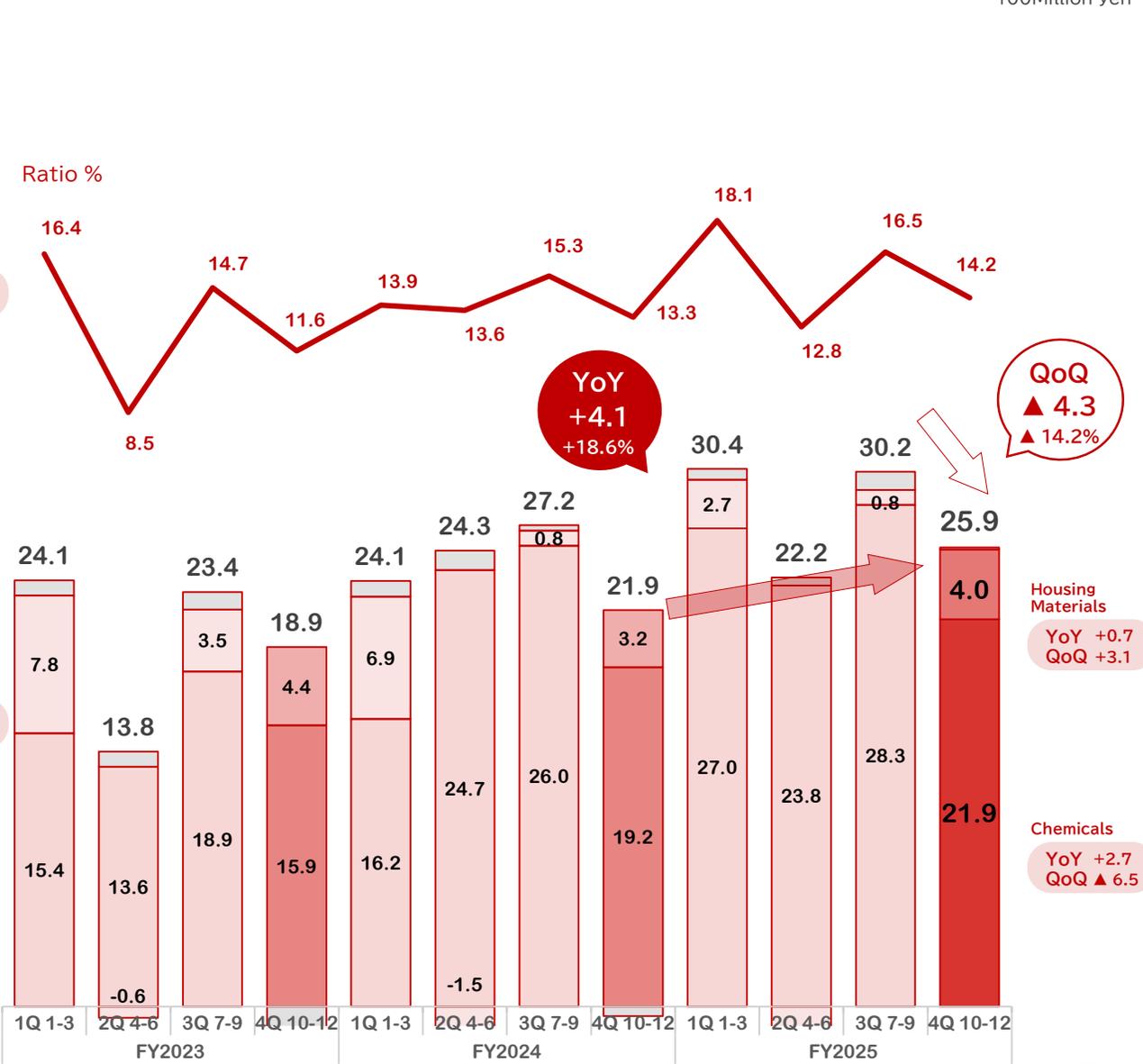
Trends in Net sales and Operating profit (QTD)

Net sales



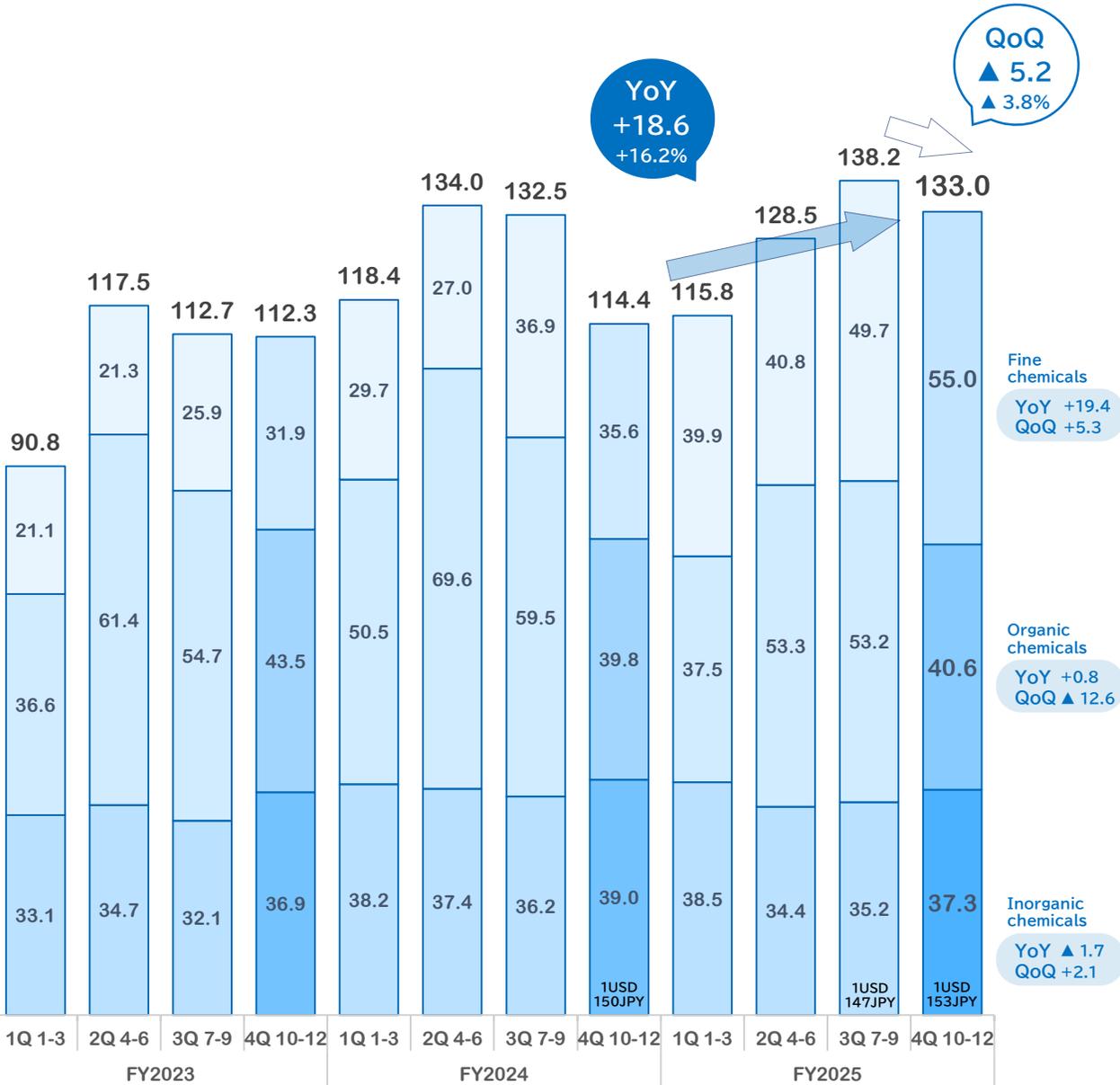
Operating profit

100Million yen



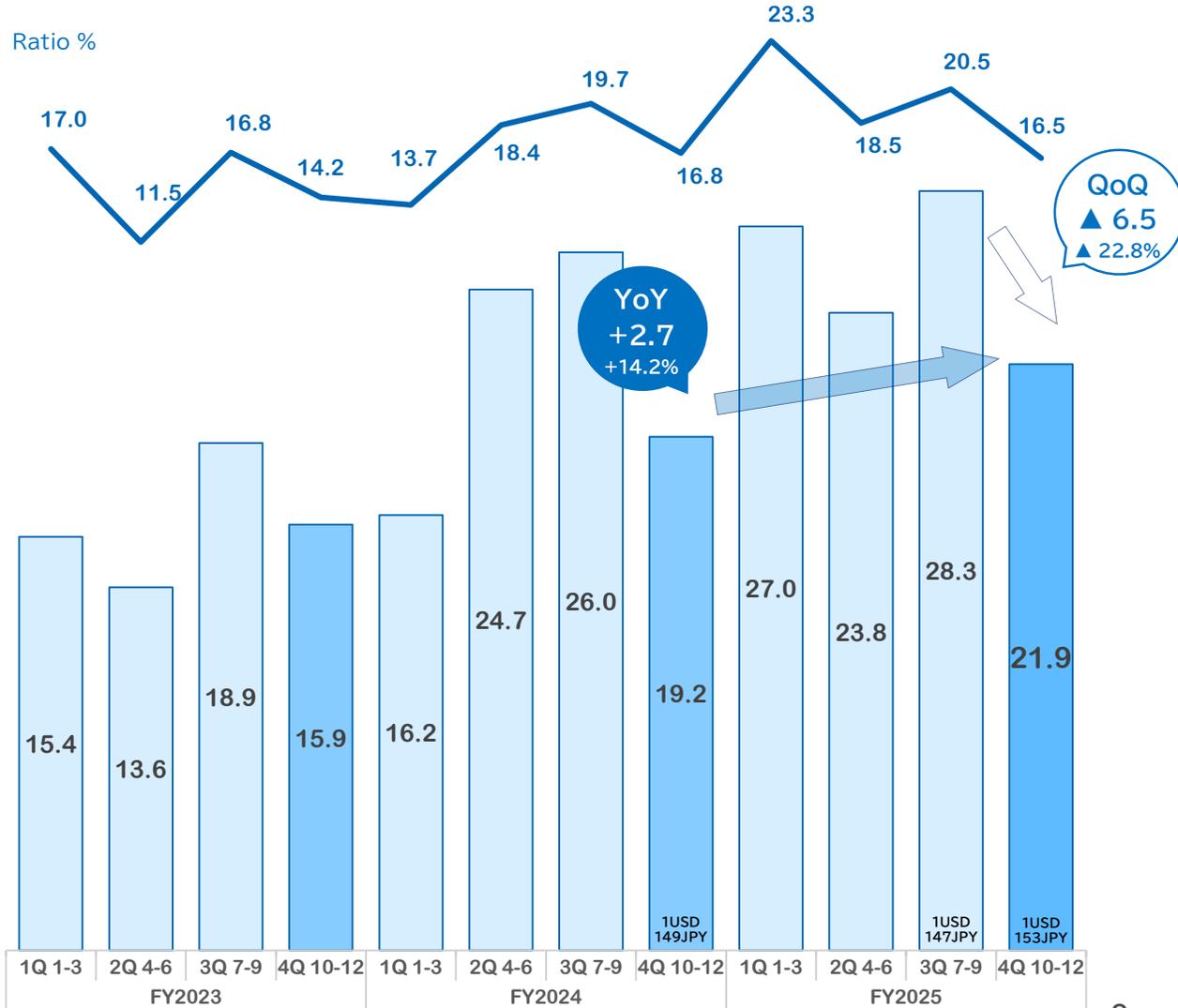
Operating results by segment : Chemicals (QTD)

Net sales



Operating profit

100 Million yen



Operating results by segment : Housing Materials (QTD)

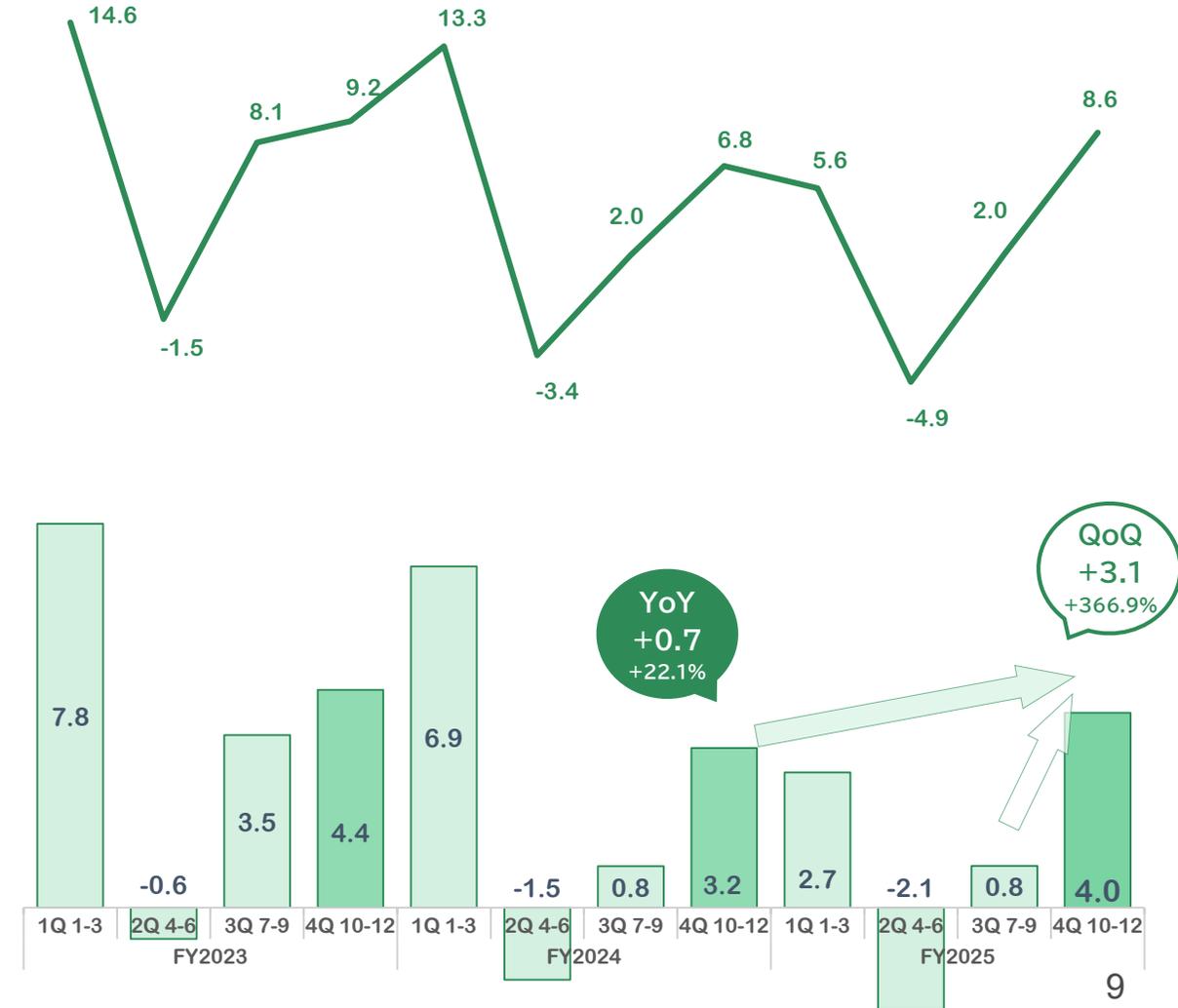
Net sales



Operating profit

100Million yen

Ratio %



2. Financial Forecast for the Fiscal Year Ending 2026

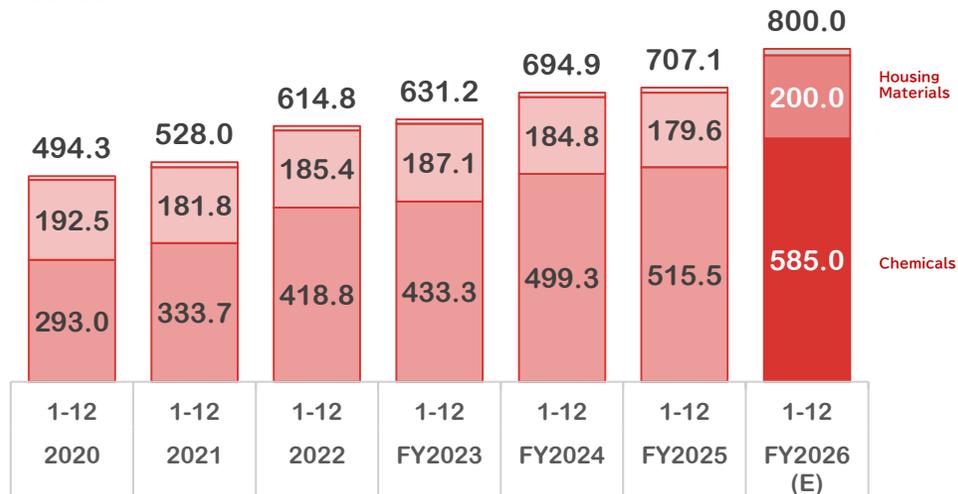
Forecast of Consolidated Financial Results

Sales of organic chemicals, fine chemicals, and Housing Materials operations are projected to increase, and net sales and profit at each level are expected to reach record highs.

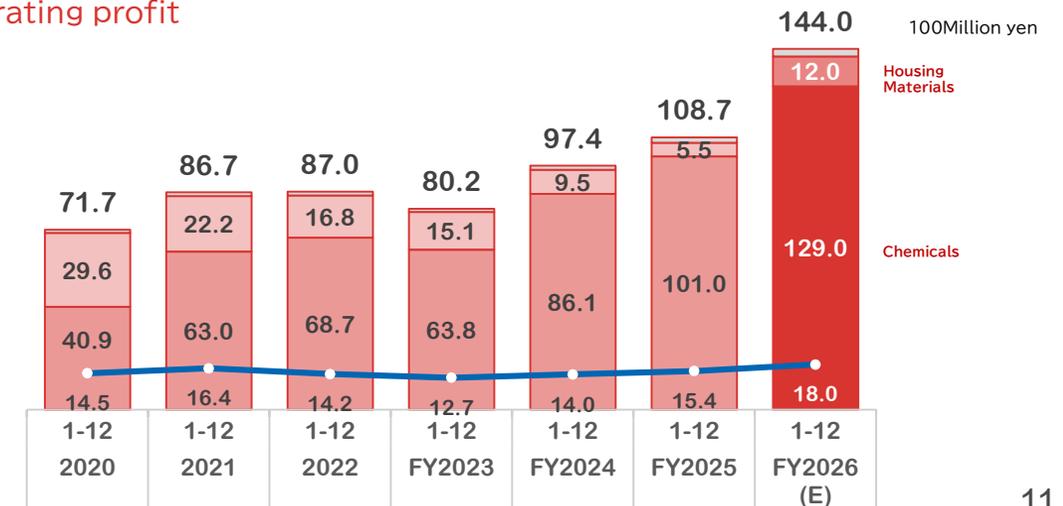
Million yen

	FY2025	FY2026 forecast	Change Rate	Remarks
Net Sales	70,705 (Chemicals) 51,551 (Housing Materials) 17,955	80,000 (Chemicals) 58,500 (Housing Materials) 20,000	+9,295 +13.1%	<ul style="list-style-type: none"> Sales of Chemicals operations are expected to increase significantly YoY, driven by a recovery in organic chemicals and a significant increase in sales of fine chemicals. We plan to implement price increases exceeding the previous year's level in the Housing Materials operations, and expect increased sales of high-value-added products.
Operating profit	10,869 (Chemicals) 10,103 (Housing Materials) 546	14,400 (Chemicals) 12,900 (Housing Materials) 1,200	+3,531 +32.5%	<ul style="list-style-type: none"> Operating profit of Chemicals operations is expected to increase due to increased sales of fine chemicals. Operating profit of Housing Materials operations is expected to increase due to the effects of price increase and mix improvements.
Ordinary profit	11,921	14,500	+2,579 +21.6%	-
Profit attributable to owners of parent	8,459	10,000	+1,541 +18.2%	-
Exchange rate	1USD 150JPY 1EUR 168JPY 1RMB 20.8JPY	1USD 150JPY 1EUR 175JPY 1RMB 21.0JPY		

Net sales



Operating profit

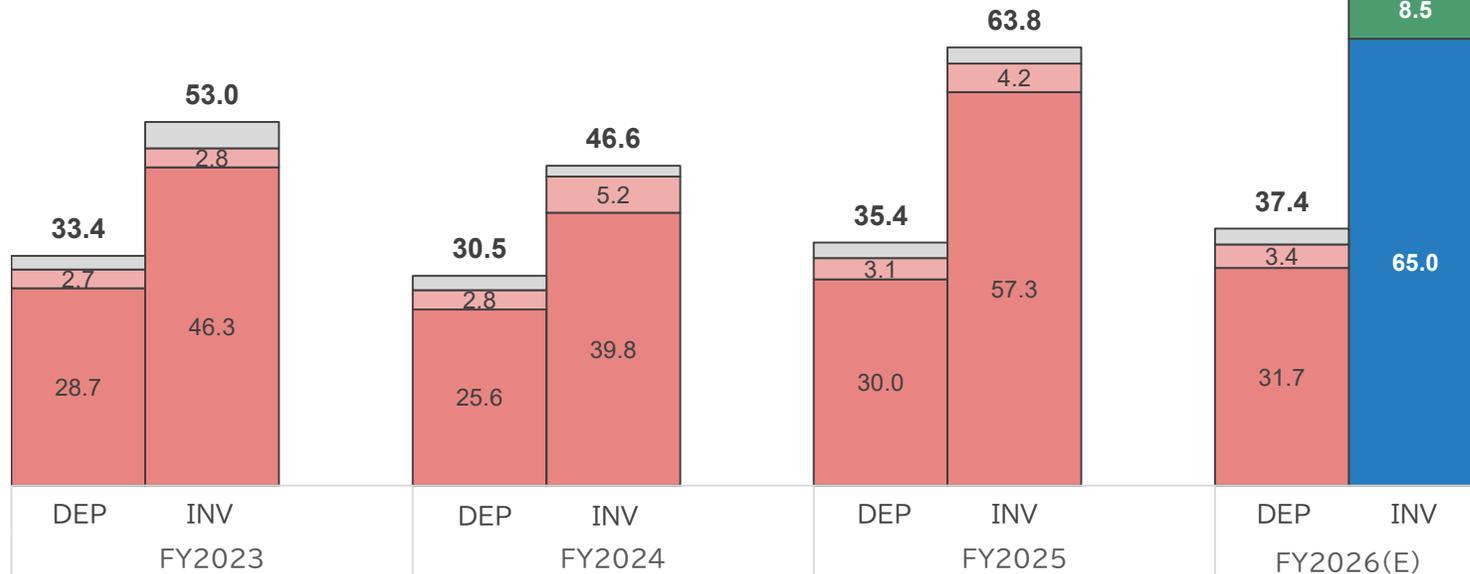


* In comparison and in the graphs, performance in prior years is adjusted to the same period in FY2022 (January to December).

Capital investment and Depreciation

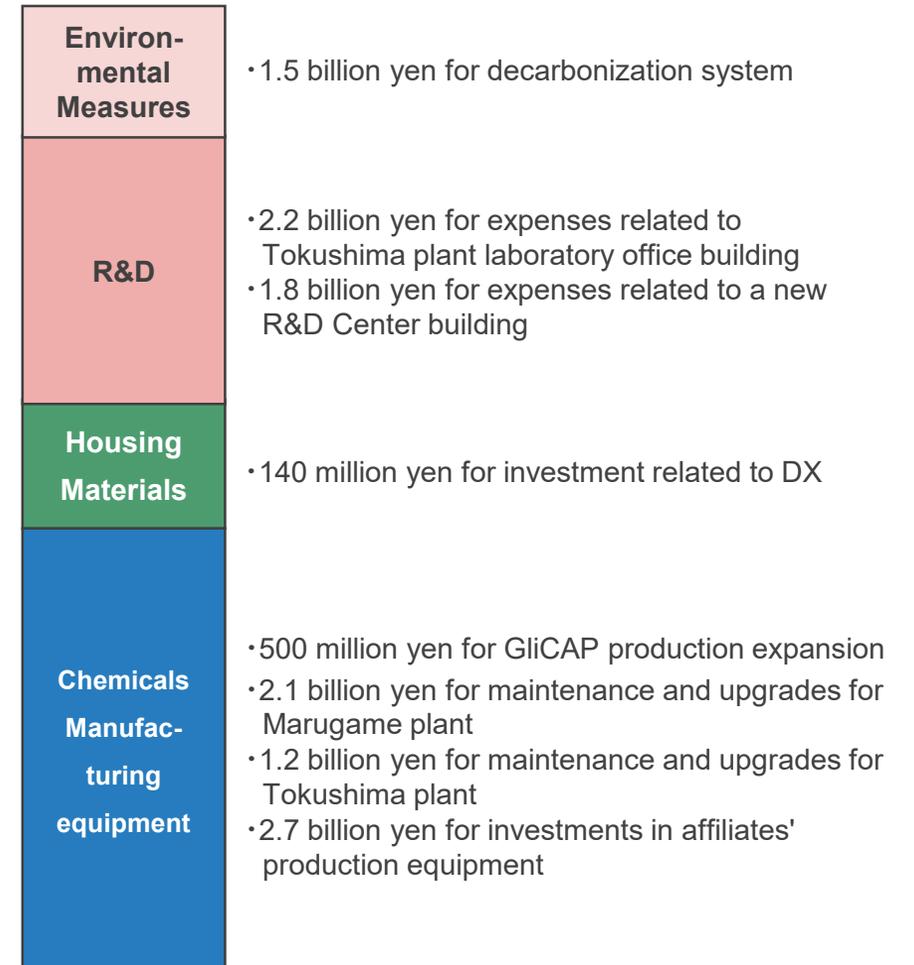
[Progress with major capital investments in FY2025]

- 410 million yen for the construction of a new plant for insoluble sulfur
- 170 million yen for expenses related to the Tokushima plant laboratory office building
- 2.09 billion yen for expenses related to a new R&D Center building
- 470 million yen for equipment upgrades for the Marugame plant
- 1.03 billion yen for equipment upgrades for the Tokushima plant
- 300 million yen for expenses related to the Sakaide plant
- 270 million yen for Chemicals R&D equipment



- Chemicals
 - Housing Materials
 - Others
- 100 Million yen

[Planned major capital investments for FY2026]



Dividend and Share buy-back Trends

[Shareholder Return Policy]

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

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

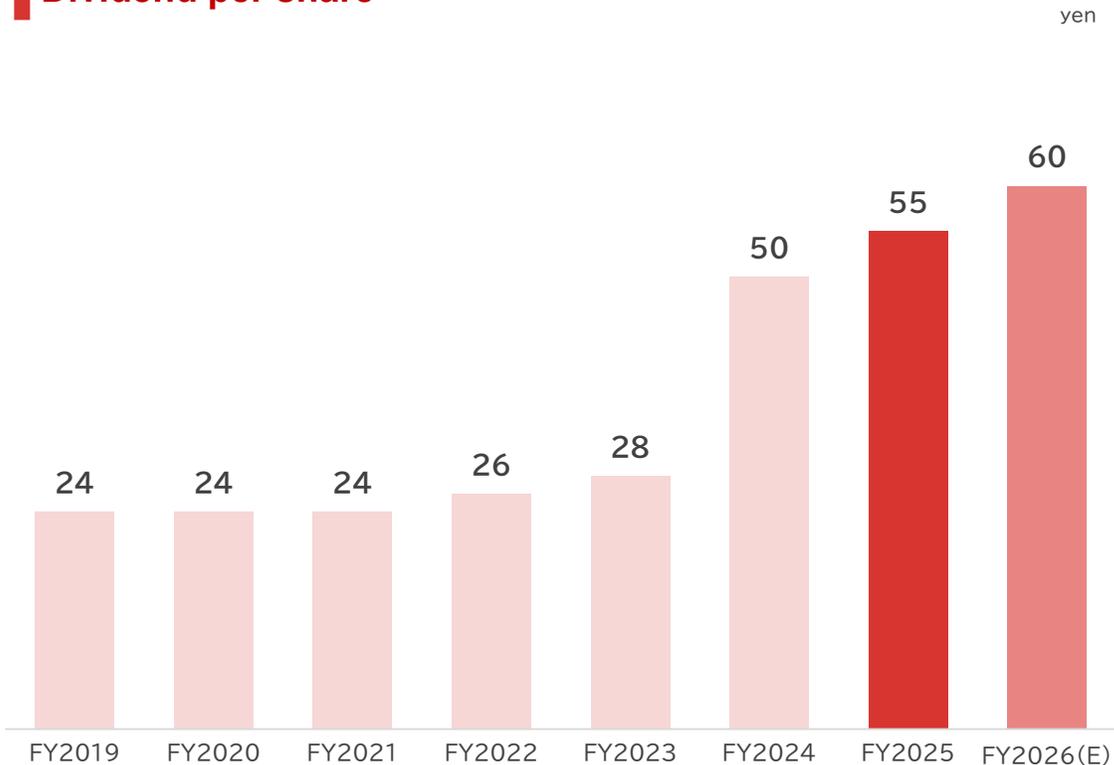
[FY2025 Shareholder Return Policy]

- Decided to increase the dividend by 5 yen per share to 55 yen per share (interim dividend of 25 yen and year-end dividend of 30 yen).
- Implemented a share buyback of 2.79 billion yen (1.46 million shares) in April 2025 through ToSTNeT-3.
- Total dividends amounted to 2.38 billion yen, bringing total shareholder returns to 5.18 billion yen, with a total return ratio of 61.3%.

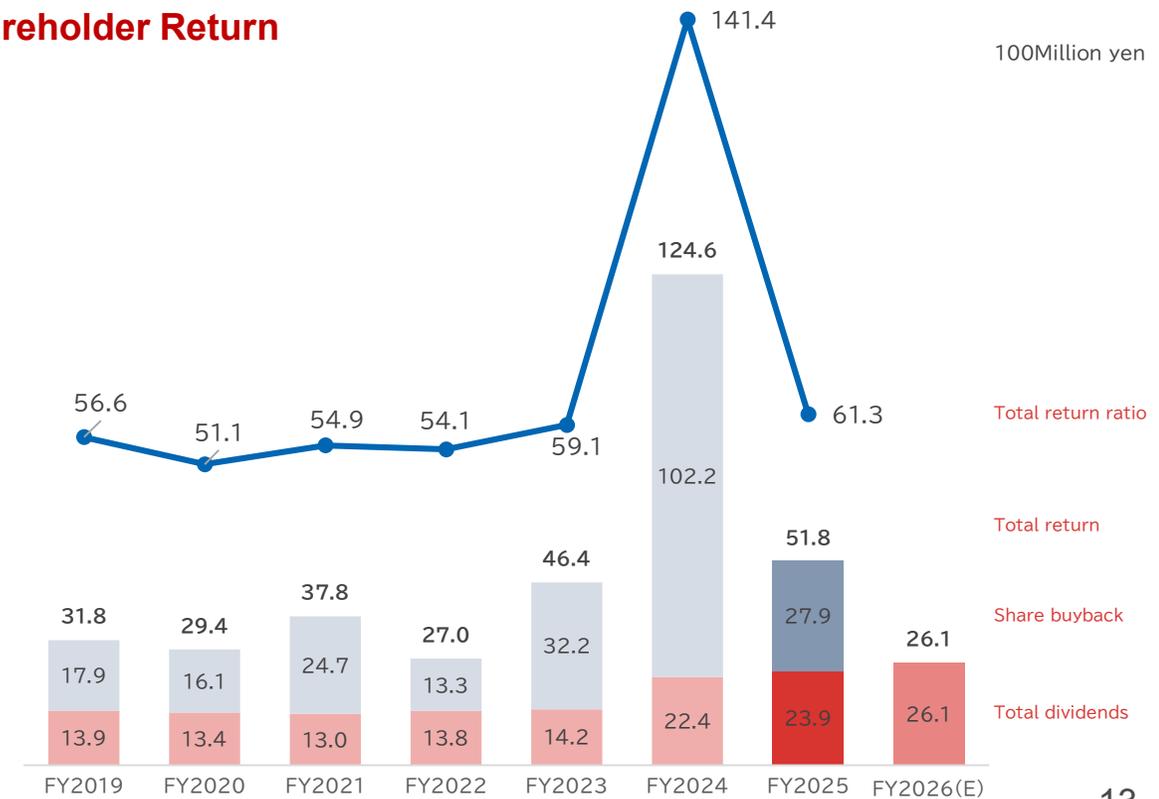
[FY2026 Shareholder Return Policy (plan)]

- Plans to set the dividends of 60 yen per share (interim dividend of 30 yen and year-end dividend of 30 yen).
- Premised upon the shareholder return policy, the Company will repurchase its shares in a flexible manner and promote the reduction of excess capital to improve the value of shares.

Dividend per share



Shareholder Return

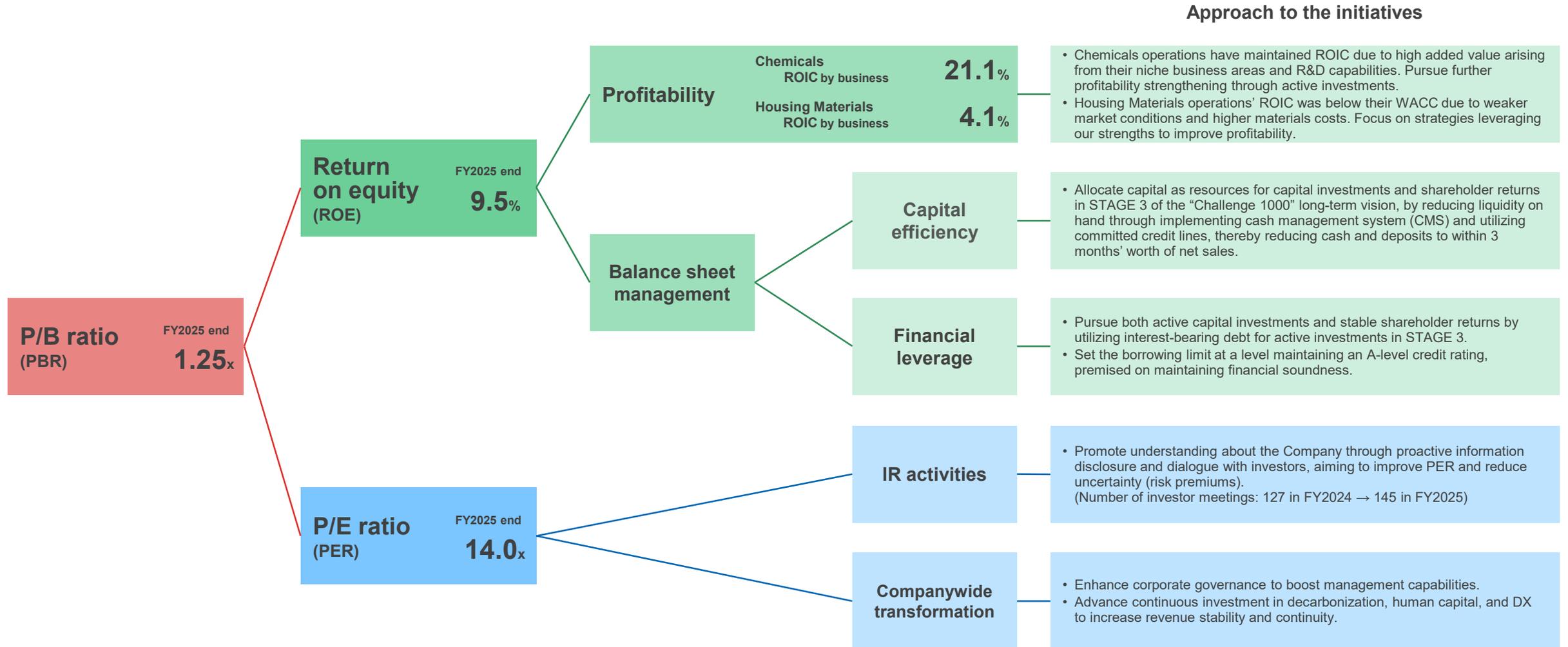


3. Action to Implement Management that is Conscious of Cost of Capital and Stock Price

Current Assessment and Future Initiatives for Enhancing Corporate Value

PBR improved YoY due to growth expectations centered on fine chemicals. (FY2024 end: 1.11x → FY2025 end: 1.25x)

Going forward: While aiming to maintain and raise ROE levels that meet market expectations through further profitability improvements and reduction of excess capital, we will enhance corporate governance to boost management capabilities and further strengthen our influence over the stock market.



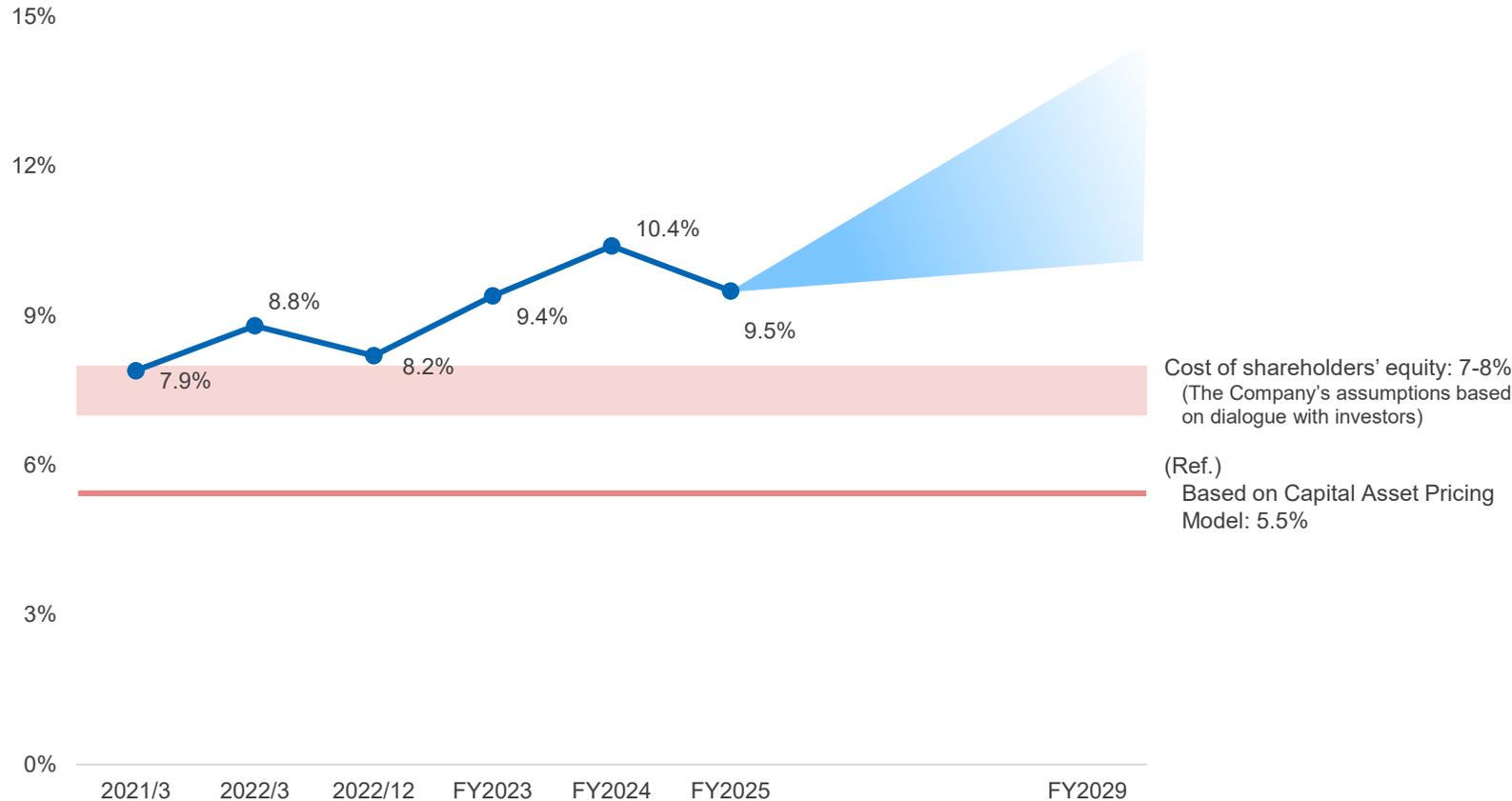
*PBR and PER are calculated using the following figures: Closing share price on the fiscal year-end: 2,745 yen

Number of shares issued excluding treasury shares as of the fiscal year-end: 43,249,226 shares

Enhancing Capital Efficiency

Raise profit levels (numerator) through active growth investments while controlling net asset value (denominator).
 Maintain ROE of 10% or higher level, exceeding market expectations (the cost of shareholders' equity of 7-8%) in even STAGE 3, where increased depreciation expenses are anticipated, by balancing growth investments with stable and prompt shareholder returns.

ROE trends



Toward maintaining and improving ROE levels stably above the cost of shareholders' equity

Elevate profit levels

Strengthen and accelerate business strategy

Improve capital efficiency

Improve balance sheet management to minimize excess capital

Reduce cost of capital

Promote understanding about the Company through IR activities
 Enhance management quality through governance improvements

Improving Balance Sheet Management

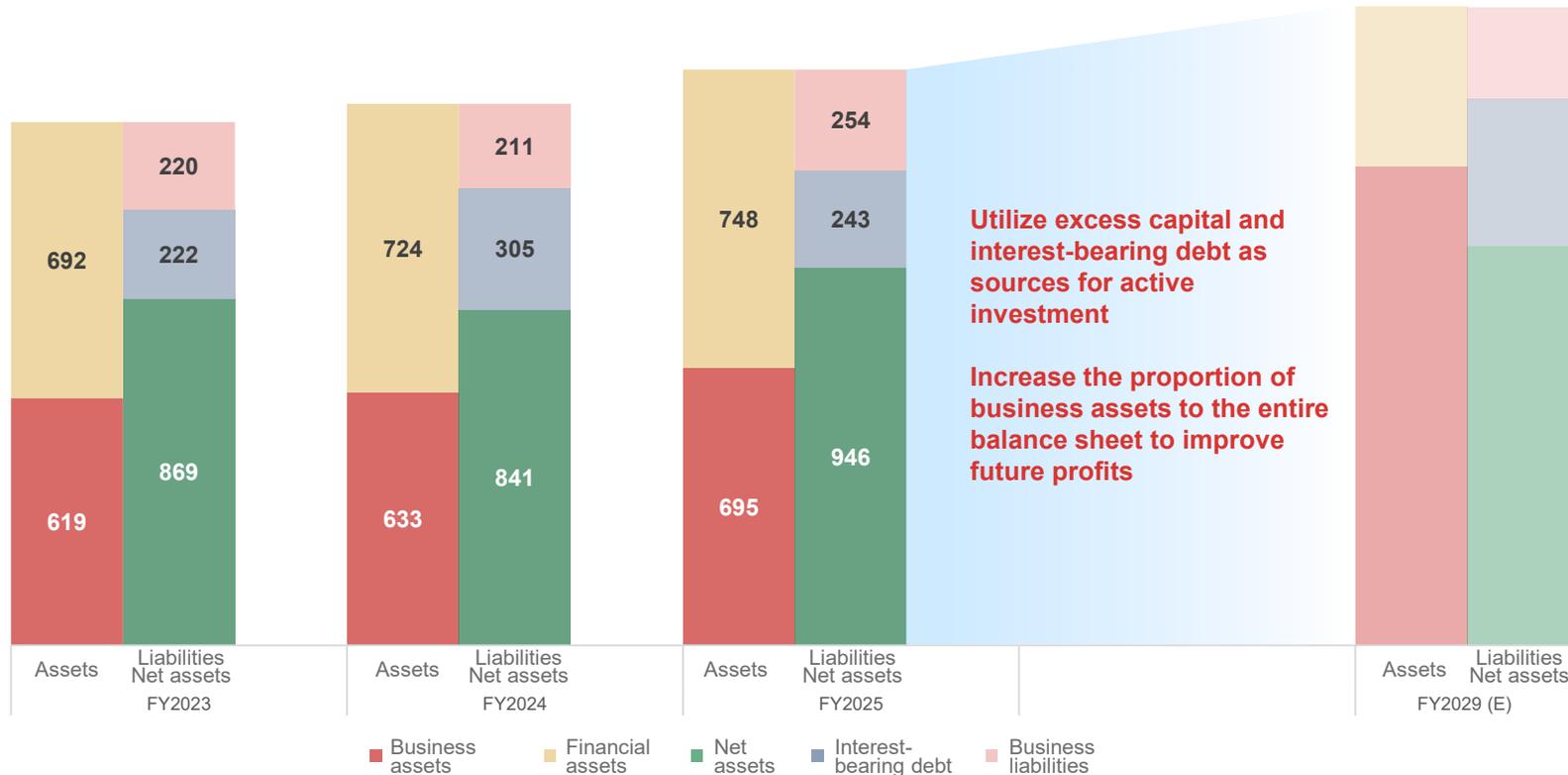
Capital efficiency is being dragged down by holding cash and securities (cash and deposits + securities + investment securities, etc.) as financial assets, which exceed the Company's capital policy (within 3 months' worth of net sales).

Going forward: Enhance capital efficiency by implementing CMS and committed credit lines, and redirect excess financial assets toward growth investments, converting them into business assets. Concurrently, allocate cash flow from operating activities to further growth investments and shareholder returns.

Consolidated balance sheet trends

(Approximate value)

100 Million yen



Toward improving balance sheet management



Conduct active investment in growth and new businesses

Expand overseas operations through M&A (Timuraya acquisition) and continuously invest in new businesses

Manage intra-Group capital efficiently

Utilize intra-Group capital as a source for active investment through CMS implementation

Reduce financial assets

Sell corporate bonds and eliminate cross-shareholdings

Financial soundness

While leveraging interest-bearing debt for STAGE 3 investments, maintain financial soundness by securing debt financing only under the premise of maintaining an A-level credit rating

Analysis of current situation and Policies for the present

Group ROIC increased due to expansion of operating profit driven by the growth of fine chemicals. Meanwhile, ROE decreased YoY, mainly due to increased financial assets.

Consolidated Balance Sheet (as of 12/31/2025)

[Financial assets]

(Current status and basic policy)

Financial assets balance decreased 5.0bn 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 4Q
	72.4bn	74.8bn
	(+2.46bn from the beginning of the year)	

Cash and deposits	33.7bn	35.5bn
Securities	14.6bn	11.8bn
Investment securities	24.0bn	27.4bn

[Business assets]

Trade receivables
Inventories
Property, plant and equipment / Intangible assets

	FY2024	FY2025 4Q
[Chemicals]	43.9bn	49.9bn
	(+5.9bn from the beginning of the year)	

[Housing Materials]	14.9bn	14.9bn
	(+0bn from the beginning of the year)	

[Excess capital]

(Current status and basic policy)

Set the Company's policy to retain 3 months' worth of net sales. Reduce liquidity on hand through utilizing CMS and committed credit lines. Cross-shareholdings are being gradually sold off following discussions with business partners and will continue to be reduced.

Prioritize allocating excess capital to growth investments in STAGE 3, as well as investments in human capital and environment. Stably and continuously carry out shareholder returns in line with our current return policy, while also reviewing investment opportunities in a timely manner and considering prompt returns for excess capital.

[Investment capital]

(Profit indicators to be compared)
Operating profit after tax by business → ROIC by business

	FY2024	FY2025 4Q
[Chemicals]	31.4bn	35.6bn
	(+4.2bn from the beginning of the year)	
ROIC by business	19.6%	21.1%

[Housing Materials]	9.1bn	9.5bn
	(+0.37bn from the beginning of the year)	
ROIC by business	7.7%	4.1%

[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 4Q
	114.7bn	118.9bn
	(+4.2bn from the beginning of the year)	
Group ROIC	6.6%	7.2%

[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)

Maintain a 10% ROE even during phases prioritizing growth investments, and aim to improve medium- to long-term capital efficiency by advancing investment recovery and capital policy.

	FY2024	FY2025 4Q
	83.3bn	93.7bn
	(+10.4bn from the beginning of the year)	
ROE	10.4%	9.5%

[Interest-bearing debt]

(Basic policy)

Utilize interest-bearing debt for active investments to achieve 2029 targets and sustainable growth from 2030 onward. Set borrowing limit at a level that maintains the credit rating (A-, R&I), with a medium- to long-term target D/E ratio of 0.3x range.

	FY2024	FY2025 4Q
	30.5bn	24.3bn
	(▲6.2bn from the beginning of the year)	

[Future net assets]

Maintain 10% ROE through balance sheet management to secure both aggressive growth strategies and capital efficiency.

FY2029 end target

	105.0bn or less
ROE	10.0% or higher

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>