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Financial Results Briefing for the Six Months Ended September 30, 2026

November 19, 2026

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

関東電化工業
KANTO DENKA KOGYO

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Statement of Income

- Net sales increased primarily due to strong demand and the effects of price revisions, particularly in the Fine Chemicals Division. Net sales of specialty gases for semiconductors were driven by robust demand for memory semiconductors, bolstered by investment in data centers. Net sales of battery materials also increased due to expanded demand in North America.
- WF_6 maintains a continuous supply to customers by diversifying its tungsten procurement sources.
- Operating profit increased due to price revisions offsetting the impact of higher raw material and fuel costs. Furthermore, the utilization of lower-cost inventory purchased prior to the price rise provided a positive impact on earnings.

(Billions of yen)	FY2025 H1 Results	FY2026 H1 Results	Difference	% change
Net sales	30.8	44.4	13.5	+44%
Operating profit	0.8	9.4	8.6	approximately 12 times
Ordinary profit	0.9	9.5	8.5	approximately 10 times
Profit before income taxes	0.3	9.6	9.3	approximately 25 times
Profit attributable to owners of parent	0.1	6.7	6.6	approximately 63 times
Basic earnings per share (yen)	1.86	117.43	115.57	

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Balance Sheet

(Billions of yen)	FY2025	H1 FY2026	Difference	% change
Assets	**131.3**	**142.7**	**11.4**	**8.7**
Cash and deposits	20.2	16.3	-3.8	-19.3
Trade receivables	18.8	21.7	2.9	15.7
Inventories	21.1	31.5	10.3	48.9
Non-current assets (tangible + intangible)	53.4	51.4	-1.9	-3.7
Liabilities	**57.0**	**60.1**	**3.0**	**5.4**
Interest-bearing debt	39.8	36.2	-3.6	-9.0
Trade payables	9.3	12.7	3.3	36.0
Income taxes payable	1.1	3.3	2.1	177.1
Net assets	**74.2**	**82.6**	**8.4**	**11.3**
Equity ratio (%)	55.1	56.6	1.5	

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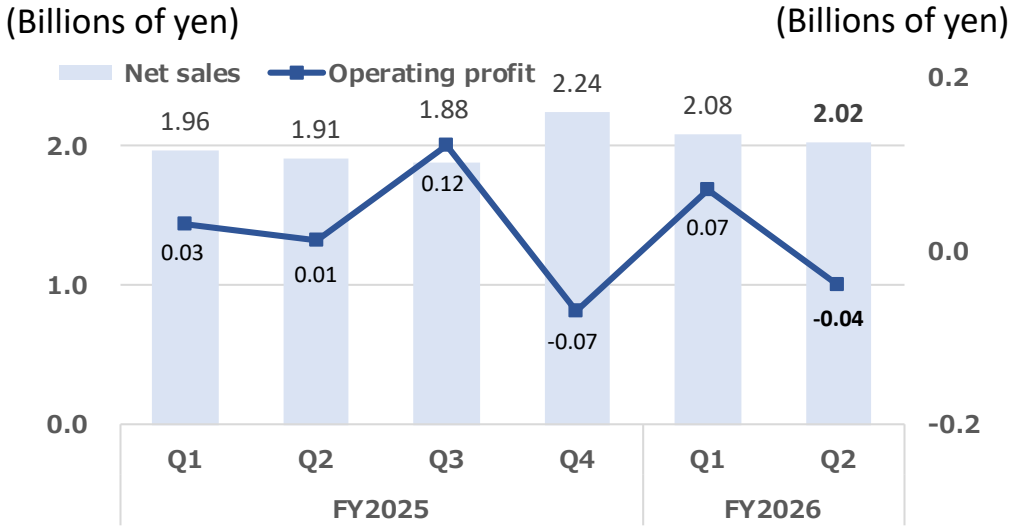
Fundamental Chemicals Division

(Billions of yen)	FY2025 H1 Results	FY2026 H1 Results	Difference
Net sales	3.8	4.1	0.2
Operating profit	0.0	0.0	0.0



Net sales

Net sales increased due to increase in sales volume and the positive effects of price adjustments for certain products.

- Caustic soda: Sales were on par with the same period of the previous year.
- Hydrochloric acid: Sales increased due to higher sales volume and price adjustments.
- Trichloroethylene: Sales increased due to an increase in sales volume.
- Perchloroethylene: Sales decreased as a result of lower sales volume.

Operating profit

Despite increases in raw material and fuel prices, operating profit was on par with the same period of the previous year due to the positive effects of price adjustments and a reduction in costs.

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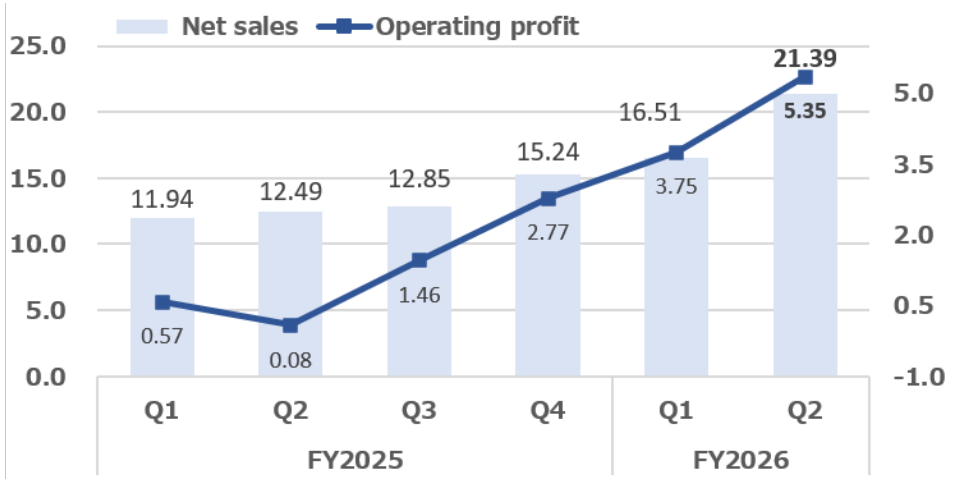
Fine Chemicals Division

(Billions of yen)	FY2025 H1 Results	FY2026 H1 Results	Difference
Net sales	24.4	37.9	13.4
Operating profit	0.6	9.1	8.4

(Billions of yen) (Billions of yen)



Net sales

Specialty Gases: Net sales increased, driven primarily by higher demand for memory products, as well as the positive effects of price revisions.

Battery Materials: Net sales increased as the Company captured the expanding demand in the North American market.

- Nitrogen trifluoride: Sales increased due to higher sales volume and price adjustments.
- Tungsten hexafluoride: Sales increased due to price adjustments.
- Hexafluoro-1,3-butadiene: Sales increased due to an increase in sales volume.
- Carbonyl sulfide: Sales increased due to an increase in sales volume.
- Lithium hexafluorophosphate: Sales increased due to higher sales volume and price adjustments.

Operating profit

Operating profit increased due to price revisions offsetting the impact of higher raw material and fuel costs. Furthermore, the utilization of lower-cost inventory purchased prior to the price rise provided a positive impact on earnings.

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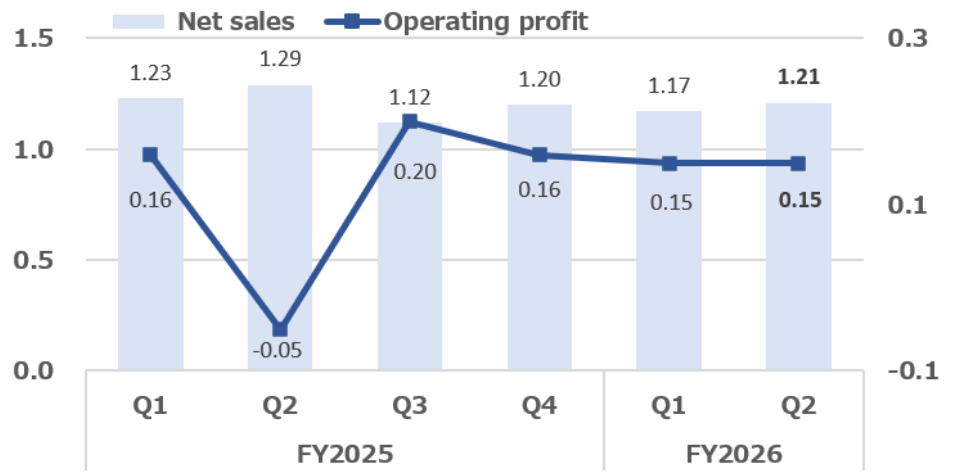
Ferrochemicals, Commercial Business, Facilities Divisions (Including consolidation adjustments)

(Billions of yen)	FY2025 H1 Results	FY2026 H1 Results	Difference
Net sales	2.5	2.3	-0.1
Operating profit	0.1	0.3	0.2

(Billions of yen) (Billions of yen)



Net sales

Net sales increased in the Ferrochemicals and Commercial Business Divisions, while decreasing in the Facilities Division.

- Ferrochemicals: Sales increased due to higher sales volume of carriers.
- Commercial Business: Sales increased due to higher sales volumes of industrial chemicals.
- Facilities: Sales decreased due to a decrease in contract work.

Operating profit

Operating profit increased, supported by higher earnings in the Ferrochemicals Division.

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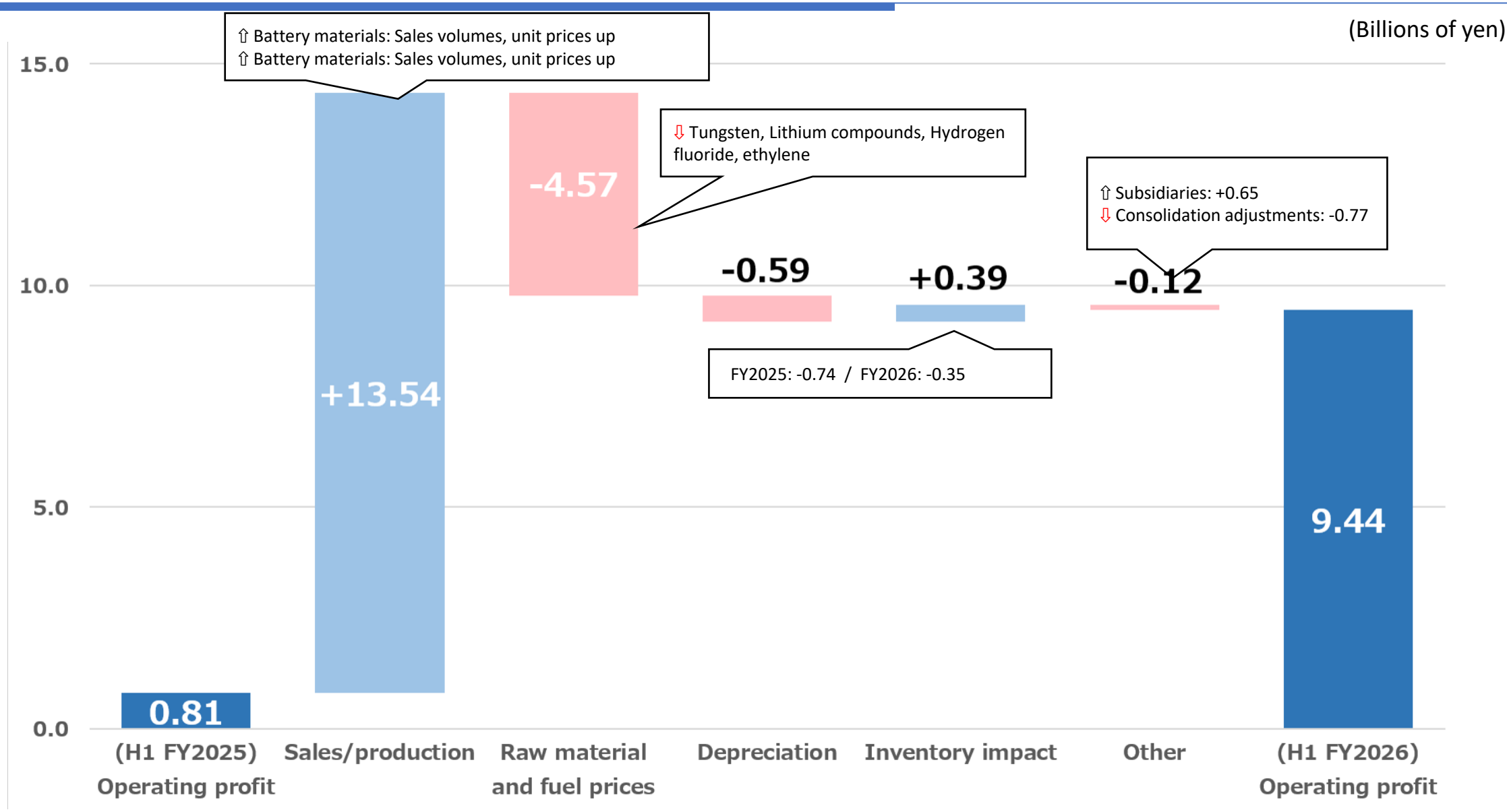
Operating Profit: Difference Analysis (H1 FY2025 vs. H1 FY2026)

(Billions of yen)



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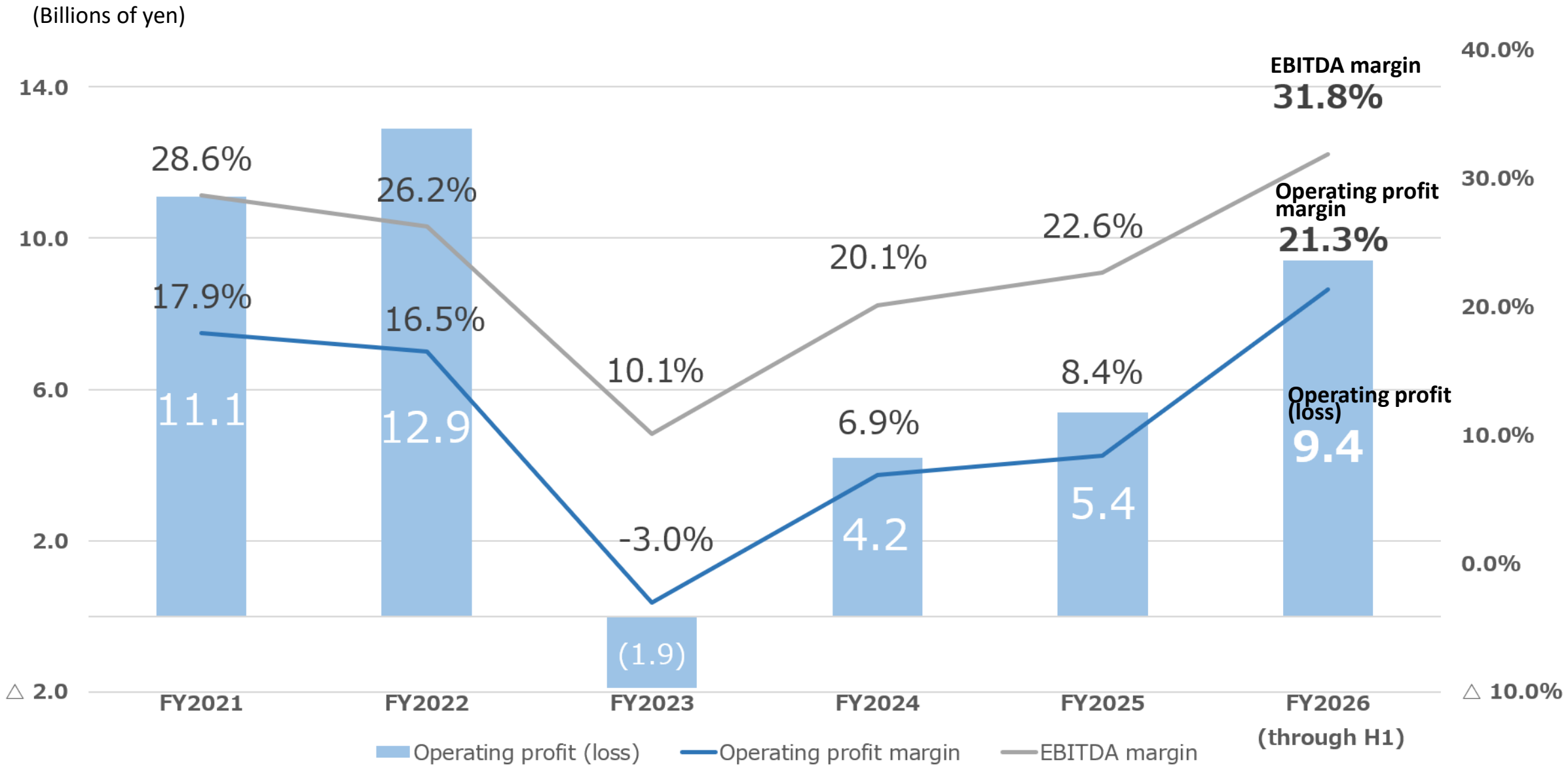
Operating Profit and Operating Profit Margin Over Time



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Capital Investment, Depreciation, and Research and Development Expenses Over Time

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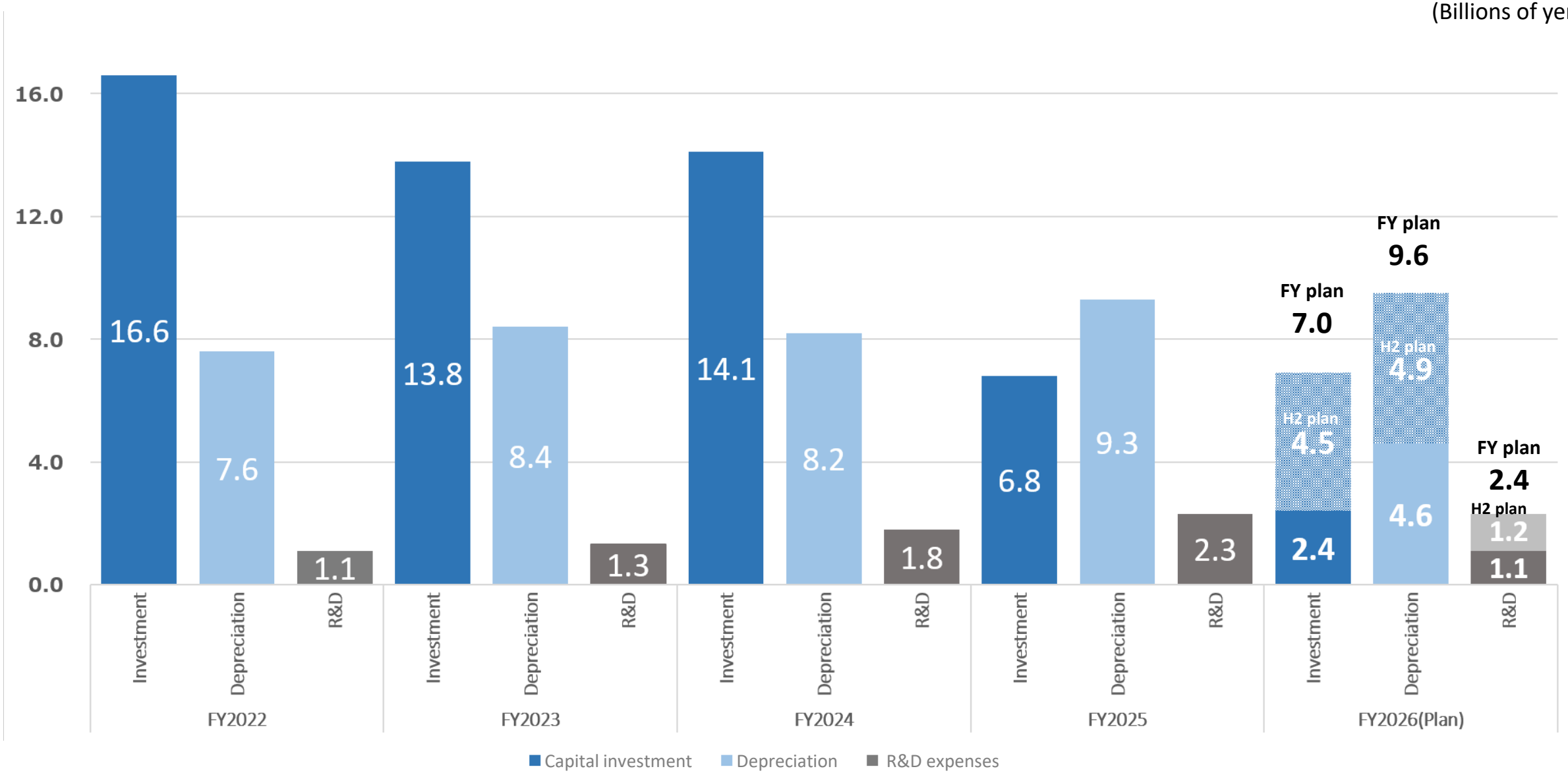
(Billions of yen)



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The Kanto Denka Group (Consolidated Subsidiaries)

	Capital	Share of investment (%)	Net sales: H1 FY2026 (Billions of yen)	Year-on-year change (Billions of yen)	Major business lines
Kanden Kosan Co., Ltd.	¥10 mil.	100.0	4.7	1.1	Sale of chemical products, maintenance of containers, insurance agency services
Jobi Engineering Co., Ltd.	¥120 mil.	49.4	1.8	-0.5	Manufacture, processing, and repair of chemical industry equipment
Kanto Denka Finetech Co., Ltd.	¥27 mil.	100.0	0.8	0.3	Manufacture and sale of iron oxide
Kanto Denka Korea Co., Ltd.	300 mil. won	100.0	9.4	1.4	Sale of fluorochemicals
Taiwan Kanto Denka Co., Ltd.	7 mil. NT dollars	100.0	4.2	0.6	Sale of fluorochemicals
Kanto Denka Fine Products Korea Co., Ltd.	42 bil. won	100.0	2.0	0.5	Manufacture and sale of fluorochemicals
Xuancheng KDK Technology Co., Ltd.	50 mil. dollars	98.3	1.6	1.5	Manufacture and sale of fluorochemicals
		Total	24.8	5.1	

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Performance Forecast

- Performance forecasts were revised upward on August 10 and October 22.
- The forecasts were revised after taking into account sales trends for specialty gas products and fundamental chemicals, fluctuations in raw material and fuel procurement prices, and the impact of the profit-boosting effect from inventory valuation.
- The profit-boosting effect from inventory valuation is expected to end in the first half, with profit levels returning to normal in the second half.

(Billions of yen)	FY2025 Results	FY2026 5/15 Forecast	FY2026 8/10 Forecast	FY2026 10/22 Forecast
Net sales	65.4	95.0	95.0	98.5
Operating profit	5.4	10.0	11.3	14.6
Ordinary profit	6.6	10.0	11.3	14.5
Profit attributable to owners of parent	3.7	6.8	7.6	9.9
Basic earnings per share (yen)	65.96	118.56	132.51	172.61

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Performance Forecast (by Segment)

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(Billions of yen)	Net sales				Operating profit (loss)			
	FY2025 results	FY2026 5/15 forecast	FY2026 8/10 forecast	FY2026 10/22 forecast	FY2025 results	FY2026 5/15 forecast	FY2026 8/10 forecast	FY2026 10/22 forecast
Fundamental Chemicals	8.0	8.5	8.5	9.0	0.1	0.1	0.1	0.5
Fine Chemicals	52.5	81.8	81.8	84.5	4.9	9.6	10.9	13.5
Other*	4.8	4.7	4.7	5.0	0.4	0.3	0.3	0.6
Total	65.4	95.0	95.0	98.5	5.4	10.0	11.3	14.6
(Reference) Specialty gases (non-consolidated)	42.9	65.5		66.5	5.8	7.1		11.8
(Reference) Loss on valuation of inventories	—	—		—	(0.3)	(0.2)		(0.4)
Capital investment	6.8	6.4		7.0				
Depreciation	9.3	9.8		9.6				
R&D expenses	2.3	2.4		2.4				

Assumption for Performance Forecast
USD/JPY Rate: ¥160

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

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H1 5/15 Forecast vs. Results (by Segment)

(Billions of yen)	Net sales			Operating profit (loss)		
	FY2026 H1 (5/15 forecast)	H1 (results)	Difference	FY2026 H1 (5/15 forecast)	H1 (results)	Difference
Fundamental Chemicals	4.3	4.1	-0.1	(0.3)	0.0	0.3
Fine Chemicals	35.6	37.9	2.3	5.4	9.1	3.7
Other*	2.3	2.3	0.0	0.2	0.3	0.1
Total	42.2	44.4	2.2	5.3	9.4	4.1
(Reference) Specialty gases (non-consolidated)	29.3	31.1	1.8	4.4	8.9	4.4
(Reference) Loss on valuation of inventories	-	-	-	(0.3)	(0.3)	0.0
Capital investment	2.2	2.4	0.2			
Depreciation	4.6	4.6	0.0			
R&D expenses	1.1	1.1	-0.0			

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

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Operating Profit: Difference Analysis
(H1 5/15 Forecast vs. Results)

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(Billions of yen)



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H1 Results vs. H2 Forecast (by Segment)

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(Billions of yen)	Net sales			Operating profit (loss)		
	H1 (results)	H2 (forecast)	Difference	H1 (results)	H2 (forecast)	Difference
Fundamental Chemicals	4.1	4.8	0.7	0.0	0.4	0.4
Fine Chemicals	37.9	46.5	8.6	9.1	4.3	-4.7
Other*	2.3	2.6	0.2	0.3	0.2	0.0
Total	44.4	54.0	9.6	9.4	5.1	-4.2
(Reference) Specialty gases (non-consolidated)	31.1	35.4	4.2	8.9	2.9	-6.0
(Reference) Loss on valuation of inventories	—	—	—	-0.6	-0.1	0.4
Capital investment	2.4	4.5	2.1			
Depreciation	4.6	4.9	0.2			
R&D expenses	1.1	1.2	0.2			

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

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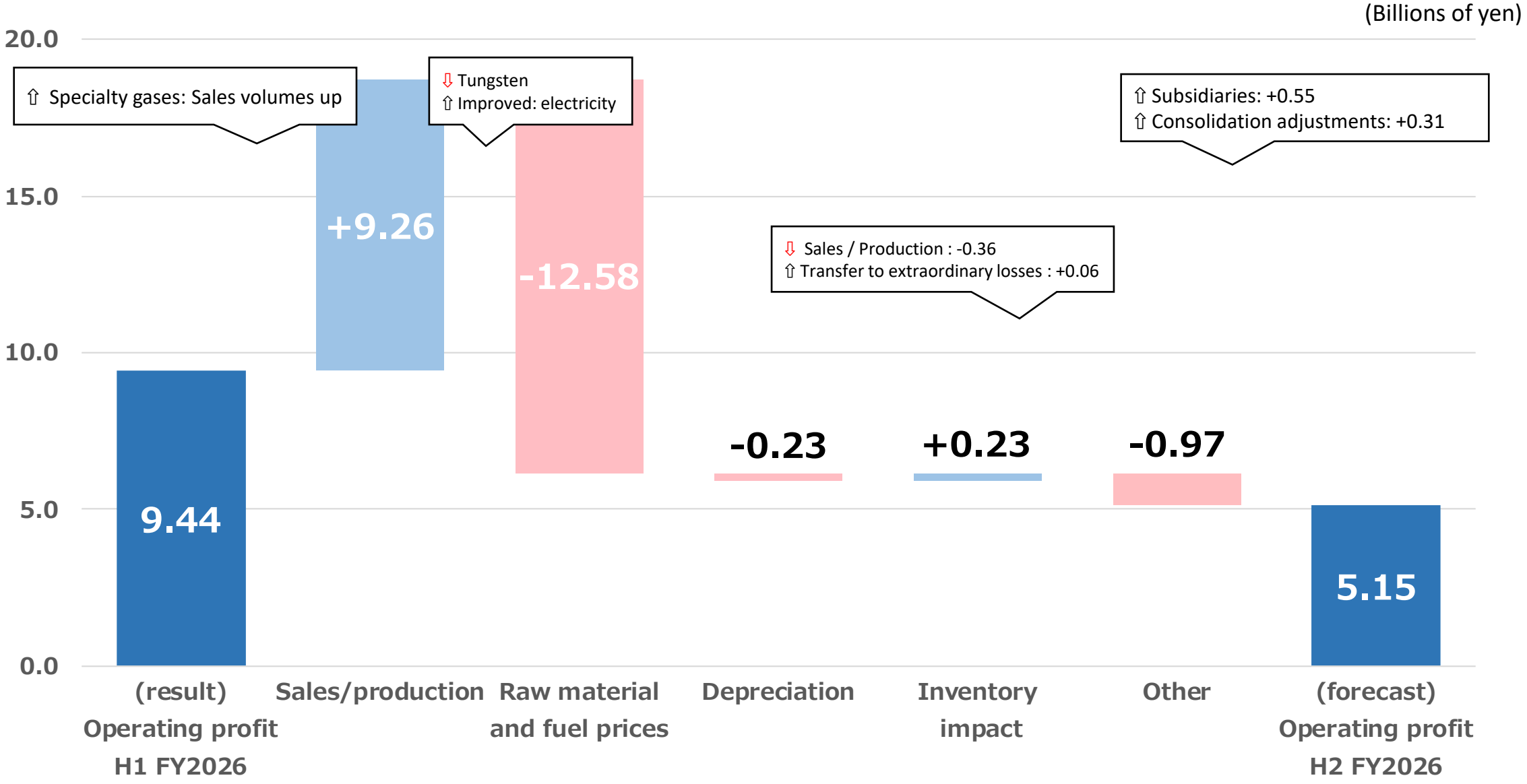
Operating Profit: Difference Analysis
(H1 Result vs. H2 Forecast)



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Topics (Status of Major Capital Investments)

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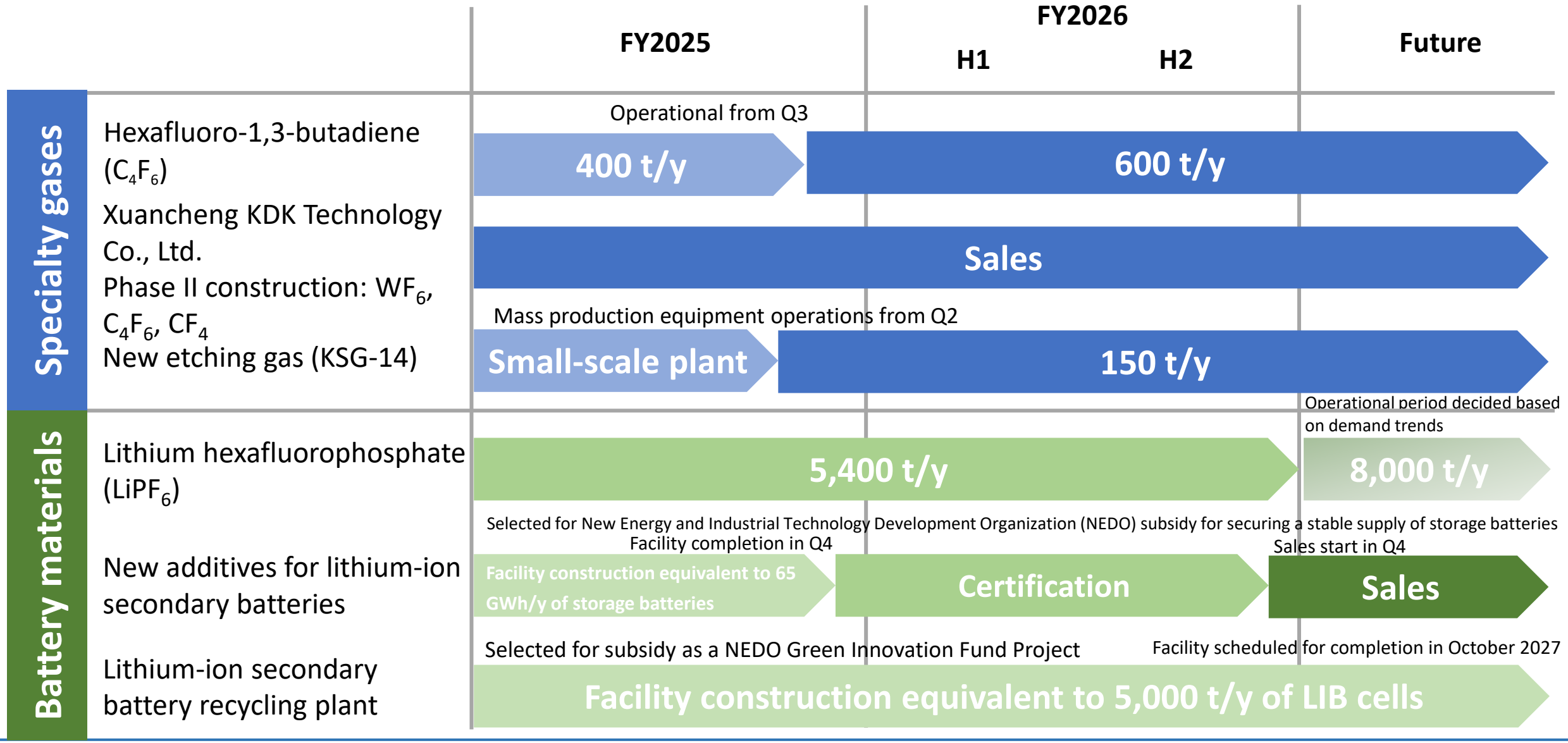

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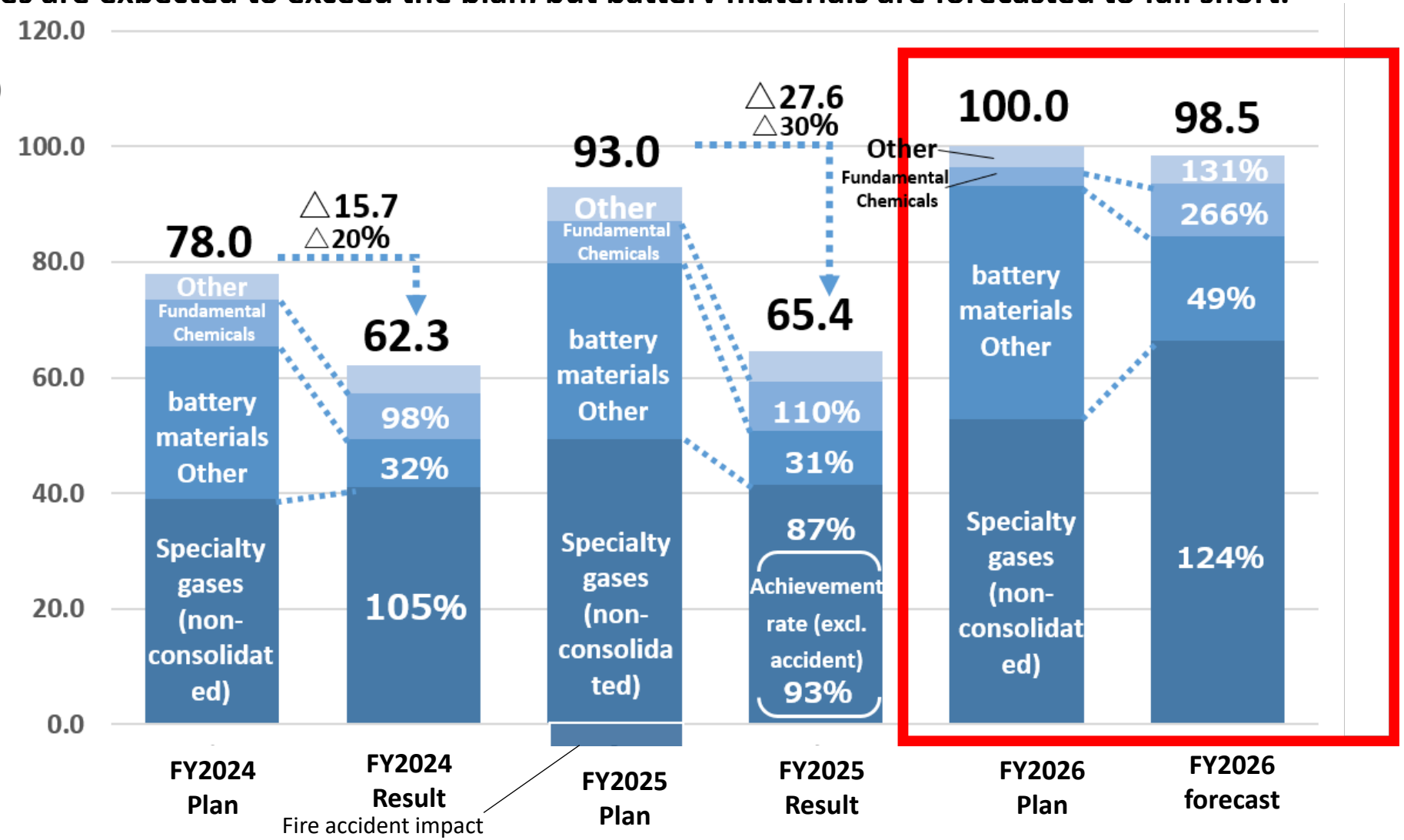
Topics (Differences from the Medium-term Management Plan)

- The sales achievement rate for the final year of the medium-term management plan is expected to be 98.5%.
- Specialty gases are expected to exceed the plan, but battery materials are forecasted to fall short.



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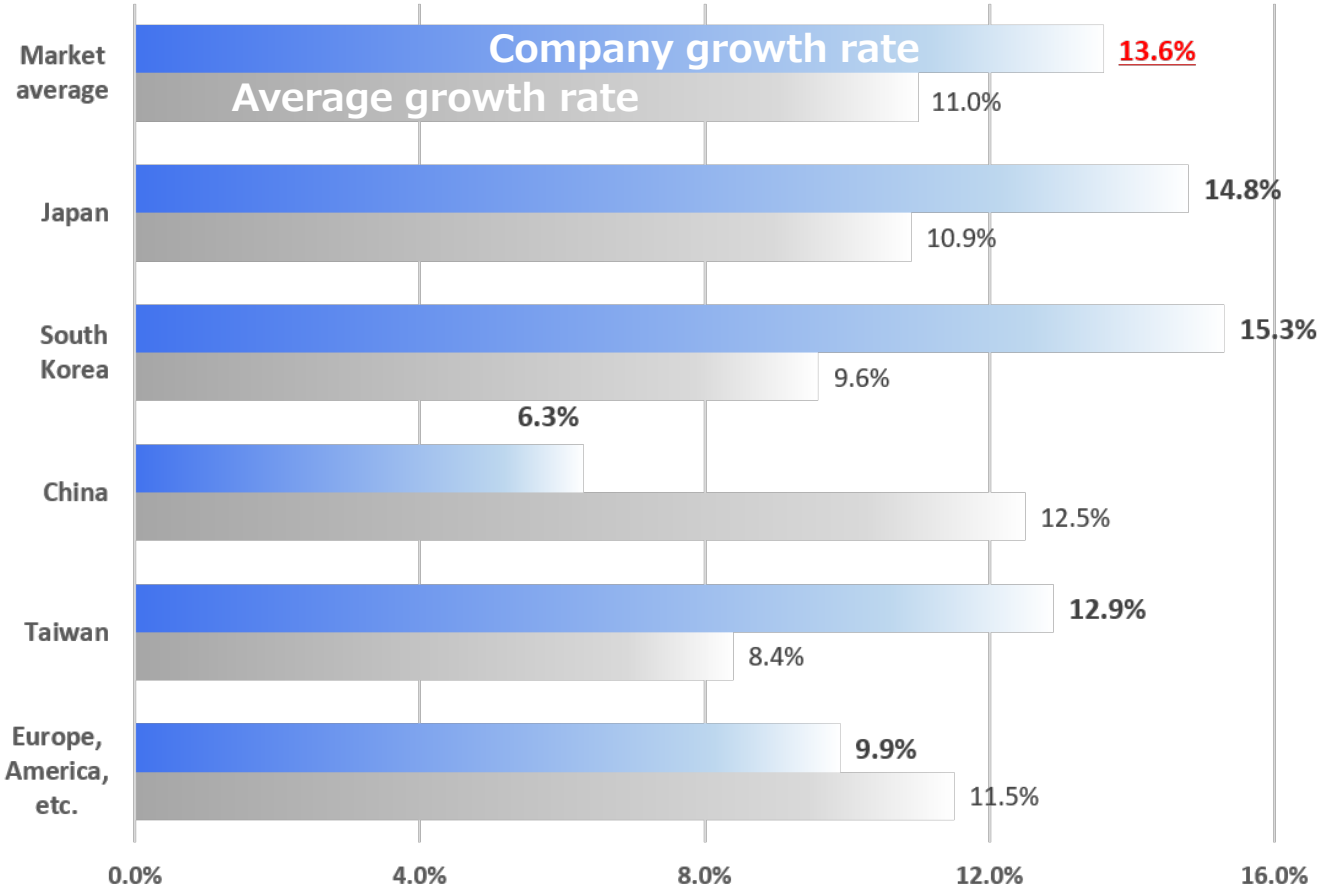
Outlook and Strategy for Specialty Gases

- **The market size of etching and cleaning gases for semiconductors is expected to grow to a maximum of JPY 440 billion by 2030*.**
- **Our CAGR (2024-2030) is assumed to be 13.6%, compared to a market average of a maximum of 11.0%*.**
- **Our target share (2030) is at least 25%.**

*Our forecast



	Measures/Strategy
Japan	・Expansion of production facilities at the Shibukawa and Mizushima plant ・Expanding sales of the KSG series
South Korea	・Expanding production, increasing product variety, and adding new products at the South Korean plant ・Vitalizing the development site in South Korea
China	・Beginning full-scale operation of the Chinese plant ・Production linked between the South Korean plant, the Shibukawa plant, and the Mizushima plant ・Collaboration with Chinese partner companies
Europe, America, etc.	・Starting consideration of manufacturing sites, including licensing agreement ・Considering the establishment of a new site for development with equipment manufacturers and customers.

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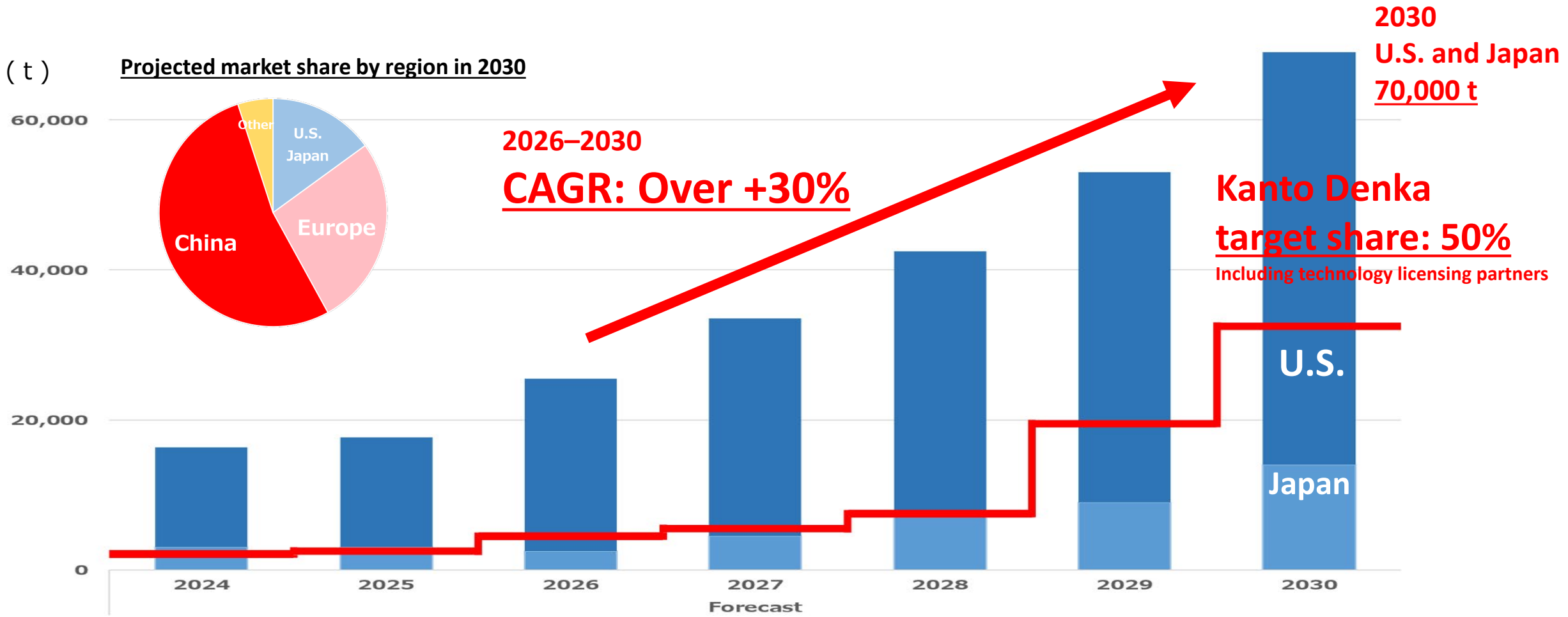
Outlook for Future Battery Materials ($LiPF_6$)

- We are targeting the U.S. and Japanese markets, which are expected to achieve a CAGR of 30% through 2030.
- Along with building a China-free supply chain (raw materials, manufacturing),promote Li recycling.



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Business Segments

Name		Products and services
Fundamental Chemicals	Inorganic products	Caustic soda, hydrochloric acid, sodium hypochlorite, aluminum chloride, etc.
	Organic products	Trichloroethylene, perchloroethylene, vinylidene chloride, cyclohexanol, etc.
Fine Chemicals	Specialty gas products	Sulfur hexafluoride, carbon tetrafluoride, trifluoromethane, hexafluoroethane, nitrogen trifluoride, hexafluoro-1,3-butadiene, octafluoropropane, tungsten hexafluoride, silicon tetrafluoride, chlorine trifluoride, octafluorocyclobutane, monofluoromethane, carbonyl sulfide, KSG-14, KSG-5, etc.
	Battery material products	Lithium hexafluorophosphate, lithium tetrafluoroborate, lithium difluorophosphate, etc.
Ferrochemicals	Ferrochemical products	Carriers, magnetite, pigments, etc.
Commercial Business	Kanden Kosan Co., Ltd.	Sale of chemical products, maintenance of containers, insurance agency services, etc.
Facilities	Jobi Engineering Co., Ltd.	Factory plant construction, plant facility maintenance work, etc.

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