



**SAKAI CHEMICAL
INDUSTRY CO., LTD.**

Interim Financial Results Briefing for the Fiscal Year Ending March 2026

December 1, 2025

[TSE Prime; Securities Code: 4078]

Key Points of This Presentation

1H FY03/26 results

➤ Results generally commensurate with projections

Growth in the volumes of electronic materials sold and sales volumes generated through other operations offset sluggish performance from cosmetic materials, plastic additives, and overseas subsidiaries. Consequently, 1H results were commensurate with projections.

➤ Sales declined YoY, while profit expanded 25.1%

As in the first year of our Medium-Term Management Plan, we continued to prioritize operational streamlining and accordingly observed sales decline, particularly for businesses under efficiency review. However, profit increased 25.1% YoY, driven by stronger contributions from high-value-added products marketed through our electronic materials business (a growth business) and, with regard to other businesses, selling price revisions and sales volume growth.

FY03/26 full-year forecast

➤ Achievement of initial full-year operating profit target (6,500 million yen) expected despite uneven performance among individual segments

We anticipate the discontinuation of our pigment-grade titanium oxide business will drive up our fixed cost ratio (a factor already incorporated into initial projections), and growth in performance from cosmetic materials (a growth business) has been slower than expected. Regardless, we project strong contribution from electronic materials and other businesses will continue driving profit performance in 2H, allowing us to maintain operating profit commensurate with our initial targets. Furthermore, 1H impact from US reciprocal tariff policy was minor, and we have not factored this impact into our full-year projections.

Shareholder returns

- No changes made to basic policy of our current Medium-Term Management Plan, which calls for total shareholder returns of at least 8.0 billion yen
- Initial annual dividend target of **130 yen per share (total amount of about 2.0 billion yen)** based on DOE benchmark of 3 %
- **Total of 870,000 shares bought back (for 2,380 million yen) as of end-October 2025;** maximum set at 1.0 million shares (for 2,500 million yen)

Progress of Medium-Term Management Plan

- Operating profit: Thanks to improvement in earnings from businesses under efficiency review and other businesses, as well as performance recovery from the electronic materials business, we **anticipate achievement of our initial full-year operating profit target of 6.5 billion yen.**
- Capital efficiency: **In terms of our cash conversion cycle (CCC), we have already achieved more than 50% of our Medium-Term Management Plan improvement target, shortening the cycle by 18 days compared to FY03/24 and generating 4.9 billion yen in net cash from operating activities.**
To improve the efficiency of our operational bases for business activities, we sold the Tokyo office of an affiliated company **as initially planned, recording a sales gain of 1,172 million yen.**
- **ROE:** While pursuing our initial operating profit target, **we will execute share buybacks and sell fixed assets to improve asset efficiency and steadily progress toward our FY03/27 ROE target of 8 %.**

Summary of Interim Financial Results for the Year Ending March 31, 2026

Summary of Interim Financial Results for the Year Ending March 31, 2026

● YoY performance — Net sales: -4.3% / operating profit: +25.1%

Net sales declined YoY primarily because efficiency initiatives brought about a decline in sales volumes for businesses under efficiency review. Operating profit, however, expanded YoY thanks to significant improvement in earnings from the electronic materials business (a growth business) and other businesses

External factors		Internal factors	
Positives	Negatives	Positives	Negatives
<ul style="list-style-type: none"> Recovery in the semiconductor market 	<ul style="list-style-type: none"> Persistent economic stagnation in China Decline in domestic market price for zinc 	<ul style="list-style-type: none"> Expanded implementation of revised selling prices 	<ul style="list-style-type: none"> Downturn in sales of high-value-added products (cosmetic materials)

● Versus initial projections: Net sales -3.9% / operating profit -0.5%

Net sales were 3.9% below plan due mainly to a decline in our titanium dioxide sales volume, which occurred as we move toward discontinuing our pigment-grade titanium oxide business, and underperformance from overseas subsidiaries operating under the plastic additives business. Meanwhile, operating profit was almost in line with our initial forecast, as strong results from electronic materials, organic chemicals, and other businesses offset the sluggish showings from cosmetic materials and overseas plastic-additives subsidiaries.

External factors		Internal factors	
Positives	Negatives	Positives	Negatives
<ul style="list-style-type: none"> Recovery in the semiconductor market 	<ul style="list-style-type: none"> Persistent economic stagnation in China Decline in domestic market price for zinc Political instability in Thailand 	<ul style="list-style-type: none"> Expanded implementation of revised selling prices 	<ul style="list-style-type: none"> Downturn in sales of high-value-added products (cosmetic materials)

Summary of Interim Results for FY03/26 (Versus 1H FY03/25 and Plan)

(Millions of yen)

	1H FY03/25 results		1H FY03/26 results		YoY change		1H FY03/26 plan		Versus plan	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Net sales	42,168	—	40,353	—	-1,814	-4.3	42,000	—	-1,646	-3.9
Operating profit	2,626	6.3	3,284	7.8	657	25.1	3,300	6.2	-15	-0.5
Ordinary profit	2,633	6.3	3,269	7.8	636	24.2	3,300	6.0	-30	-0.9
Profit attributable to owners of parent	1,746	4.2	2,926	7.0	1,179	67.5	2,800	4.9	126	4.5
EPS	107.71 yen		184.65 yen		—		172.68 yen		—	

YoY Comparison

Versus Initial Forecast

Net sales

Despite growth in sales secured through electronic materials and other growth businesses, net sales declined 4.3% YoY due to declines in sales volumes for businesses under efficiency review.

As the semiconductor market recovered, sales secured through our electronic materials were stronger than we initially anticipated; however, due to sluggish sales from our cosmetic materials business and underperformance from overseas subsidiaries operating under the plastic additives business, net sales were 3.9% lower than our initial forecast.

Operating profit

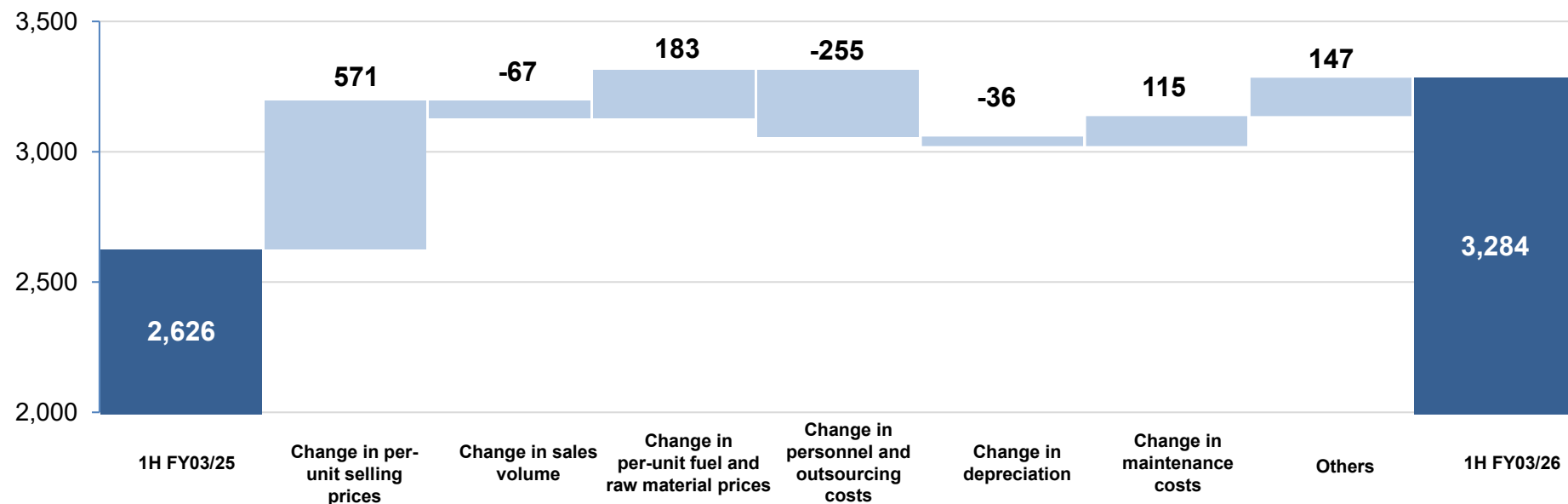
Operating profit expanded 7.8% YoY as an improved sales mix among pharmaceutical APIs and intermediates marketed through the organic chemicals business and improved earnings and sales volumes from other businesses complemented strong performance from the electronic materials business.

Despite declines in performance from our cosmetic materials business and overseas subsidiaries operating under our plastic additives business, operating profit was nearly in line with our initial forecast thanks to strong sales from our electronic materials and other businesses.



Factors Behind YoY Change in Operating Profit

(Millions of yen)



Positive factors

Change in per-unit selling prices

- Selling price revisions (primarily for unprofitable products)
- Improved sales mix in organic chemicals business and among pharmaceutical APIs/intermediates
- Sales mix improvement achieved through profitability measures and by eliminating, or adjusting the selling prices of, unprofitable products

Change in maintenance costs

- Brought down titanium oxide-related maintenance costs from levels observed in previous years as we move toward discontinuation of the pigment-grade titanium oxide business

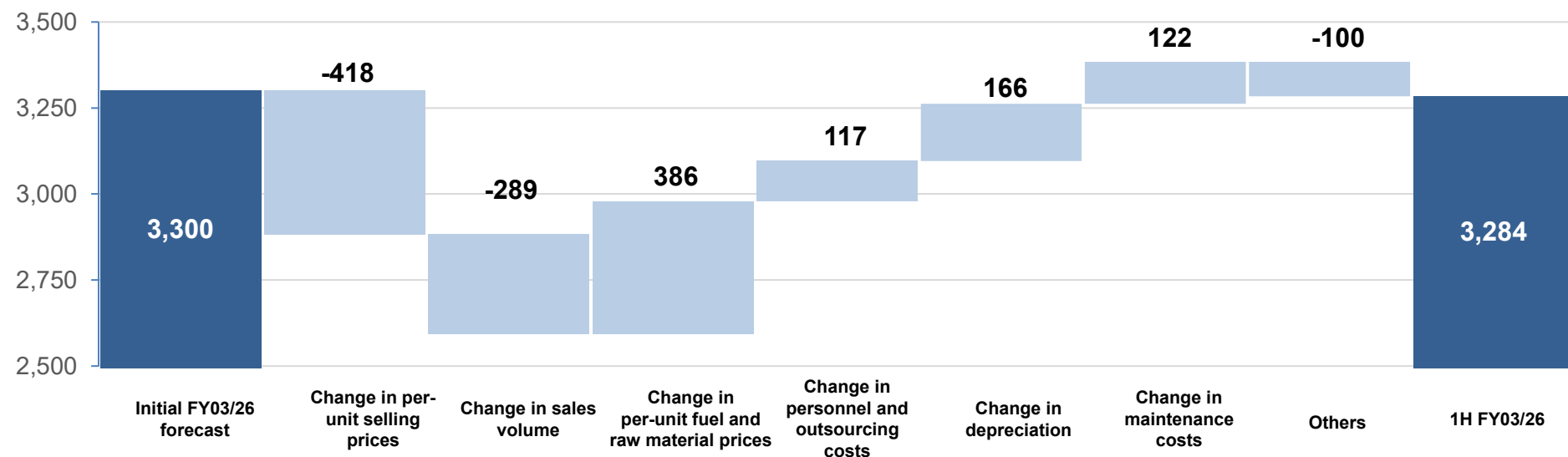
Negative factors

Change in personnel and outsourcing costs

- Base salary hikes

Factors Behind Change in Operating Profit (Versus Initial Projections)

(Millions of yen)



Positive factors

Change in per-unit fuel and raw material prices

- Procurement of fuel and raw materials in 1H less expensive than initially anticipated

Change in maintenance costs

- Minimized titanium oxide-related maintenance costs as we move toward discontinuation of the pigment-grade titanium oxide business

Negative factors

Change in per-unit selling prices

- Sales of cosmetic materials with relatively high per-unit selling prices fell short of forecast
- Official domestic reference price for zinc trended lower than expected

Change in sales volume

- Below-forecast sales from cosmetic materials business and sales underperformance from overseas subsidiaries operating under the plastic additives business

Balance Sheet Comparison

Consolidated B/S (Millions of yen)	FY03/25	1H FY03/26	Change
Cash and deposits	16,183	14,969	-1,214
Notes and accounts receivable - trade	26,997	26,373	-624
Inventories	26,993	26,534	-459
Other	1,241	874	-367
Total current assets	71,416	68,752	-2,664
Property, plant and equipment	44,520	45,114	594
Other	7,382	8,041	659
Total property, plant and equipment	51,903	53,156	1,253
Total assets	123,319	121,908	-1,411
Notes and accounts payable - trade	8,561	8,556	-5
Short-term borrowings	11,512	12,020	508
Other	7,835	7,818	-17
Total current liabilities	27,910	28,394	484
Long-term borrowings	7,406	5,914	-1,492
Convertible-bond-type bonds with share acquisition rights	3,000	3,000	-
Other	5,614	5,711	97
Total non-current liabilities	16,022	14,625	-1,397
Total liabilities	43,933	43,020	-913
Shareholders' equity	74,679	74,361	-318
Other	4,706	4,526	-180
Total net assets	79,386	78,887	-499
Total liabilities and net assets	123,319	121,908	-1,411

[Key factors driving change]

- **Notes and Accounts Receivable -624 million yen (-2.3%)**
(1) Shortening of average collection period for receivables
(2) Sales decline during final three months of fiscal year
- **Inventories -459 million yen (-1.7%)**
Expansion in inventory of titanium dioxide products ahead of discontinuation of pigment-grade titanium oxide business
Efforts implemented to reduce inventories of other products and raw materials
- **Property, Plant and Equipment +594 million yen (+1.3%)**
Restructuring of businesses under efficiency review (catalysts)
- **Repayment of long-term borrowings -1,492 million yen (-20.1%)**

	End-FY03/24	End-1H FY03/26
Equity ratio	59.3%	63.8%
CCC	216 days	198 days

▲ Improvement of 18 days

(CCC: Cash Conversion Cycle)

Cash Flow Statement Comparison

Consolidated C/F (Millions of yen)	1H FY03/25	1H FY03/26	Change
Beginning Cash and Cash Equivalents Balance	16,475	16,153	-322
Profit (loss) before income taxes	2,416	4,349	1,933
Depreciation	1,828	1,849	21
Decrease (increase) in trade receivables	2,492	518	-1,974
Decrease (increase) in inventories	1,771	310	-1,461
Increase (decrease) in trade payables	(158)	545	703
Impairment losses	-	-	-
Income taxes refund (paid)	(292)	(572)	-280
Other	(638)	(1,247)	-609
Cash flows from operating activities	7,420	5,752	-1,668
Purchase of property, plant and equipment	(3,693)	(3,677)	16
Proceeds from sale of property, plant and equipment	2	1,274	1,272
Sale of investment securities	786	-	-786
Other	(47)	(199)	-152
Cash flows from investing activities	(2,952)	(2,602)	350
FCF (Operating CF + Investment CF)	4,468	3,149	-1,318
Increase (decrease) in short-term and long-term borrowings	(5,835)	(967)	4,868
Purchase of treasury shares	(0)	(2,089)	-2,089
Dividends paid	(578)	(1,175)	-597
Purchase of shares of subsidiaries	(150)	-	150
Other	(11)	-	11
Total Financial C/F	(6,578)	(4,232)	2,346
Total Translation Adjustments on Cash and Cash Equivalents	268	(222)	-490
Total Change in Cash and Cash Equivalents	(1,841)	(1,305)	536
Ending Cash and Cash Equivalents Balance	14,633	14,847	214

Summary

With regard to assets, we reduced trade receivables through efficiency initiatives while continuing to reduce inventories and fixed assets. In terms of capital, we executed share buybacks to improve capital efficiency.

[Operating CF]

(1) Decrease in trade receivables

- Ongoing shortening of average collection period for receivables
- In FY03/25, trade receivables were heavily impacted by a payment timing shift (i.e., end-FY03/24 coincided with a bank holiday, pushing the processing of certain customer payments to FY03/25)

(2) Decrease in inventories

Inventory reduction initiatives generated substantial results in FY03/25, so the operating CF bump generated through these results has been smaller for FY03/26, the second (interim) year of our Medium-Term Management Plan

[Investing CF]

Tokyo office of affiliated company sold to improve asset efficiency

→FCF: -1,318 million yen

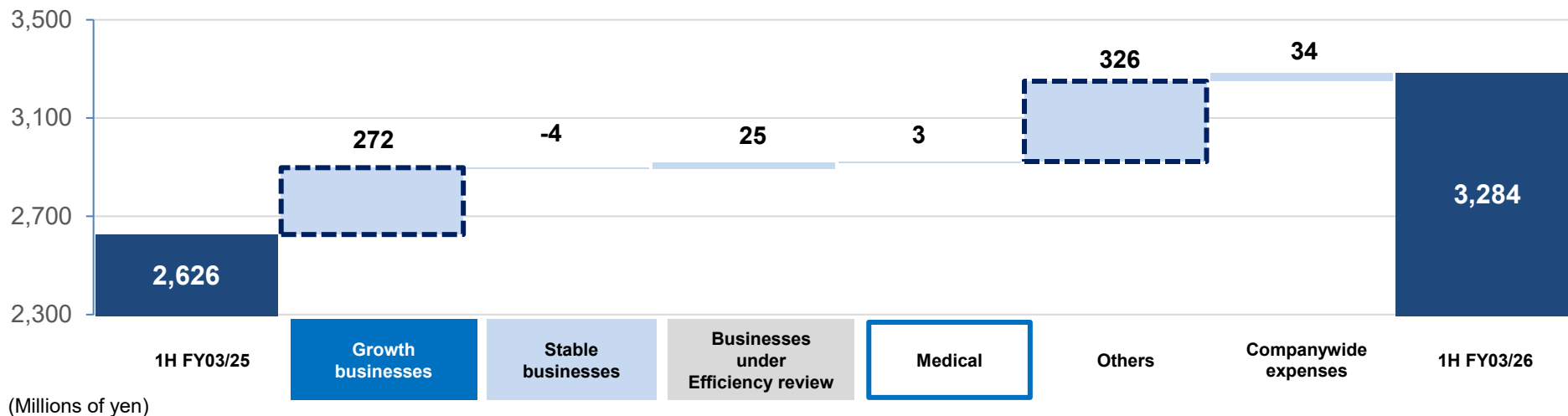
[Financial CF]

Bought back shares to improve capital efficiency

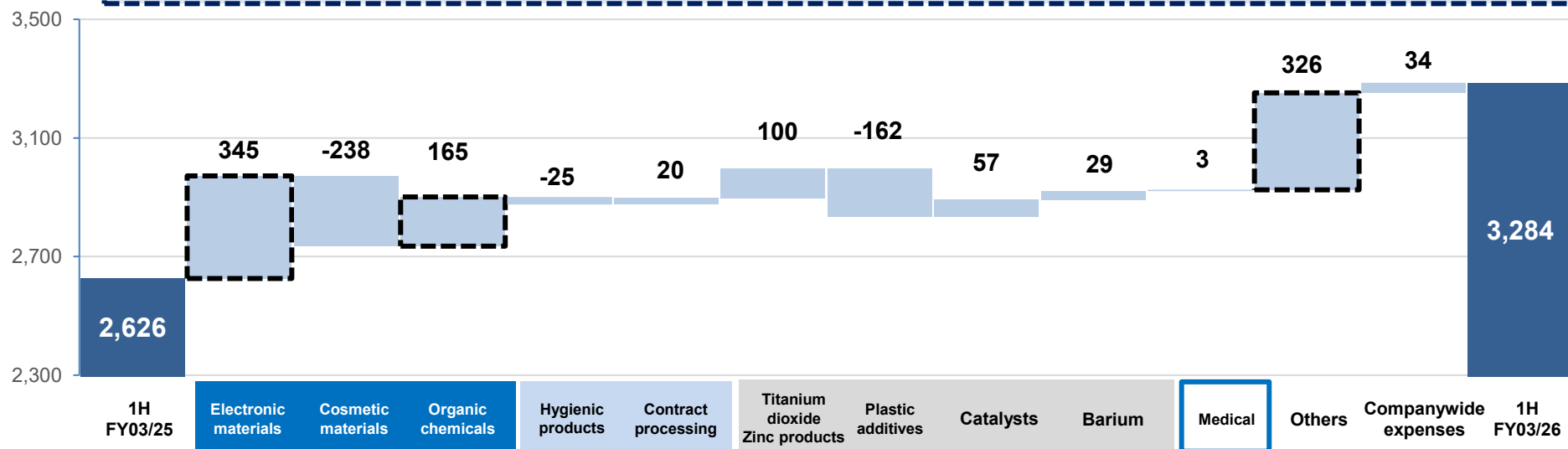
Operating Profit by Segment (Versus 1H FY03/25)

Operating Profit by Segment (Millions of yen)		1H FY03/25	1H FY03/26	Change
Growth businesses		1,028	1,300	272
	Electronic materials	668	1,014	345
	Cosmetic materials	22	(215)	-238
	Organic chemicals	336	502	165
Stable businesses		537	533	-4
	Hygienic products	206	181	-25
	Contract processing	331	351	20
Businesses under efficiency review		1,794	1,819	25
	Titanium dioxide and zinc products	557	657	100
	Plastic additives	682	520	-162
	Catalysts	92	150	57
	Barium	461	491	29
Medical		68	72	3
Others		398	724	326

Operating Profit by Segment (YoY Change)



- We initially projected a decline in full-year profit performance from growth businesses, but they actually generated profit growth in 1H, even with underperformance in the cosmetic materials business.
- Improved profitability and higher sales volumes from other businesses also contributed significantly to profit growth.



FY03/26 Earnings Forecast

FY03/26 Earnings Forecast

- We anticipate solid performance from the electronic materials business and other operations will offset decline in sales generated through the cosmetic materials, pushing 2H sales above those achieved in 1H and bringing full-year net sales in line with initial projections.
- As initially forecast, we project 2H operating profit will be roughly level with operating profit for 1H despite anticipated favorable sales performance. We predict this result primarily because we assume the discontinuation of our pigment-grade titanium dioxide business and suspension of associated operations will raise the share of our cost of goods sold attributable to fixed costs.

(Millions of yen)

	FY03/25		FY03/26						
	Full-year results		1H results		2H forecast		Full-year forecast		
	Amount	Margin	Amount	Margin	Amount	Margin	Amount	Margin	YoY
		%		%		%		%	%
Net sales	84,409	—	40,353	—	45,647	—	86,000	—	1.9
Operating profit	6,093	7.2	3,284	7.8	3,216	7.0	6,500	7.6	6.7
Ordinary profit	6,279	7.4	3,269	7.8	3,231	7.1	6,500	7.6	3.5
Profit attributable to owners of parent	5,013	5.9	2,926	7.0	2,574	5.6	5,500	6.4	9.7

External Factors (Assumptions)			Internal Factors (Assumptions)	
Positives		Negatives	Positives	Negatives
<ul style="list-style-type: none"> Semiconductor market: Robust AI-related demand Recovery in automotive demand 		<ul style="list-style-type: none"> Prolonged slowdown in the Chinese economy Weak demand in the domestic building materials sector 	<ul style="list-style-type: none"> Curtailment of maintenance costs 	<ul style="list-style-type: none"> Decline in operating rate of production facilities

*Impact from US reciprocal tariff policy was minor in 1H. Likewise, we do not anticipate significant impact for 2H.

FY03/26 Forecast (Current Outlook Regarding US Reciprocal Tariff Policy)

- Direct impact from US reciprocal tariff policy was negligible in 1H FY03/26.
- Currently, we do not anticipate any significant impact in 2H.
- However, we remain mindful regarding the risk of economic slowdown, which could have particularly substantial impact on our electronic materials business. Accordingly, we will continue to monitor developments closely moving forward.

Positive impact	Negative impact
<ul style="list-style-type: none">• Foreign exchange Should the US dollar weaken against the Japanese yen, we could potentially procure imported raw materials at a more favorable exchange rate than initially assumed.	<ul style="list-style-type: none">• Electronic materials-related impact Stagnation of transaction activity associated with semiconductor supply chains• Other segments Sales volume decline across a broad range of business areas due to weakened global consumption <p>*We have incurred no direct impact from reciprocal US tariff policies, but have observed indirect effects across all segments.</p>

*Impact from US reciprocal tariff policy was minor in 1H. Likewise, we do not anticipate significant impact for 2H.

Business Environment Overview

	Segment	Assumptions for FY03/26 Forecast (as of May 2025)		Assumptions for Revised FY03/26 Forecast (As of October 2025)
Growth businesses	Electronic materials	Semiconductor market <ul style="list-style-type: none"> Continuously favorable AI-related demand At a minimum, automotive demand expected to be sluggish 		Semiconductor market <ul style="list-style-type: none"> Continuously favorable AI-related demand Recovery in automotive demand
	Cosmetic materials	<ul style="list-style-type: none"> Steady demand recovery anticipated for both domestic and overseas markets Conditions in the Chinese market expected to remain challenging 		<ul style="list-style-type: none"> Continuously challenging conditions in the Chinese market Weakening demand in the US market due to inflation Rising use of low-cost organic UV absorbers
	Organic chemicals	<ul style="list-style-type: none"> Solid and stable conditions projected for the eyeglass lens market Acquisition of orders for contract-based manufacturing of our core pharmaceutical API/intermediate products projected to decline as competition intensifies 		<ul style="list-style-type: none"> Unchanged from May
Businesses under efficiency review	Titanium dioxide and Zinc products	Titanium oxide	<ul style="list-style-type: none"> Ongoing influx of low-priced imports expected to prolong the state of oversupply 	<ul style="list-style-type: none"> Unchanged from May
		Zinc products	<ul style="list-style-type: none"> Decline in domestic market price for zinc 	<ul style="list-style-type: none"> Domestic zinc price growth from summer 2025
	Plastic additives	Japan	<ul style="list-style-type: none"> Downward slide in polyvinyl chloride (PVC) market 	<ul style="list-style-type: none"> Unchanged from May
		Overseas	<ul style="list-style-type: none"> Medium-to-long-term expansion in PVC market Near-term slowdown in PVC market due to sluggish Thai economy and economic conditions in China 	<ul style="list-style-type: none"> Unchanged from May
	Barium	<ul style="list-style-type: none"> Sluggish performance from automotive parts and materials Strong and steady conditions in eyeglass lens market 		<ul style="list-style-type: none"> Unchanged from May

Forecasts by Segment (Versus FY03/25 Results)

(Millions of yen)

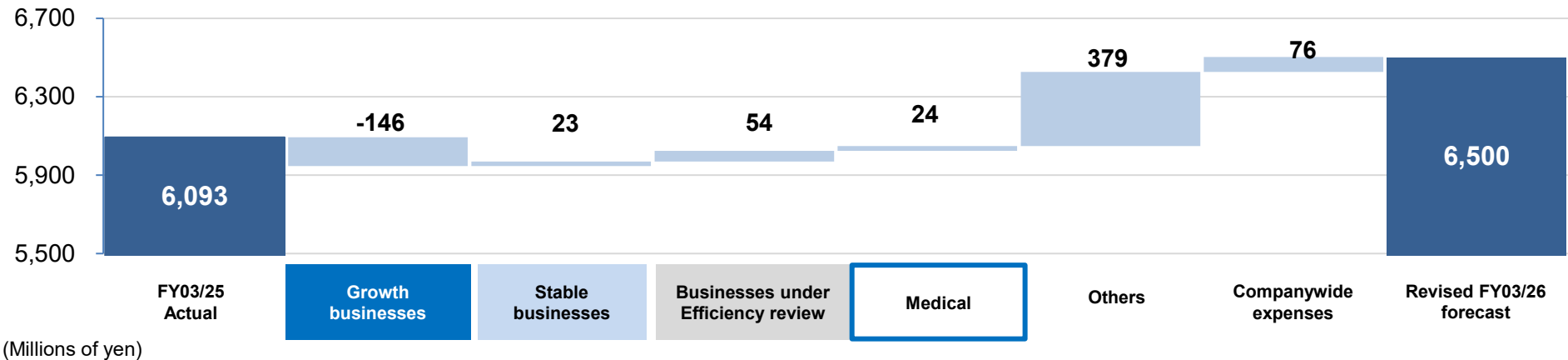
	FY03/25 Actual			Revised FY03/26 Forecast			Difference			
	Sales	Operating profit	OPM	Sales	Operating profit	OPM	Sales		Operating profit	
	Amount	Amount	%	Amount	Amount	%	Amount	%	Amount	%
Electronic materials	10,014	1,493	14.9	12,000	1,860	15.5	1,986	19.8	367	24.6
Cosmetic materials	2,676	293	11.0	1,700	(180)	(10.6)	-976	-36.5	-473	-161.4
Organic chemicals	6,638	770	11.6	7,500	730	9.7	862	13.0	-40	-5.2
Hygienic products	5,623	427	7.6	5,200	360	6.9	-423	-7.5	-67	-15.7
Contract processing	6,422	620	9.7	6,900	710	10.3	478	-7.4	90	14.5
Titanium dioxide and zinc products	13,118	1,479	11.3	11,900	1,270	10.7	-1,218	-9.3	-209	14.1
Plastic additives	13,061	1,393	10.7	11,500	1,000	8.7	-1,561	-12.0	-393	-28.2
Catalysts	3,186	18	0.6	3,500	570	16.3	314	9.9	552	3,066.7
Barium	5,175	826	16.0	5,400	930	17.2	225	4.3	104	12.6
Medical	8,321	(24)	(0.3)	8,600	0	0.0	279	3.4	24	-100.0
Others	10,169	1,171	11.5	11,800	1,550	13.1	1,631	16.0	379	32.4
Companywide expenses	—	(2,376)	—	—	(2,300)	—	—	—	76	-3.2
Consolidated	84,409	6,093	7.2	86,000	6,500	7.6	1,591	1.9	407	6.7

Forecasts by Segment (Versus Initial Projections)

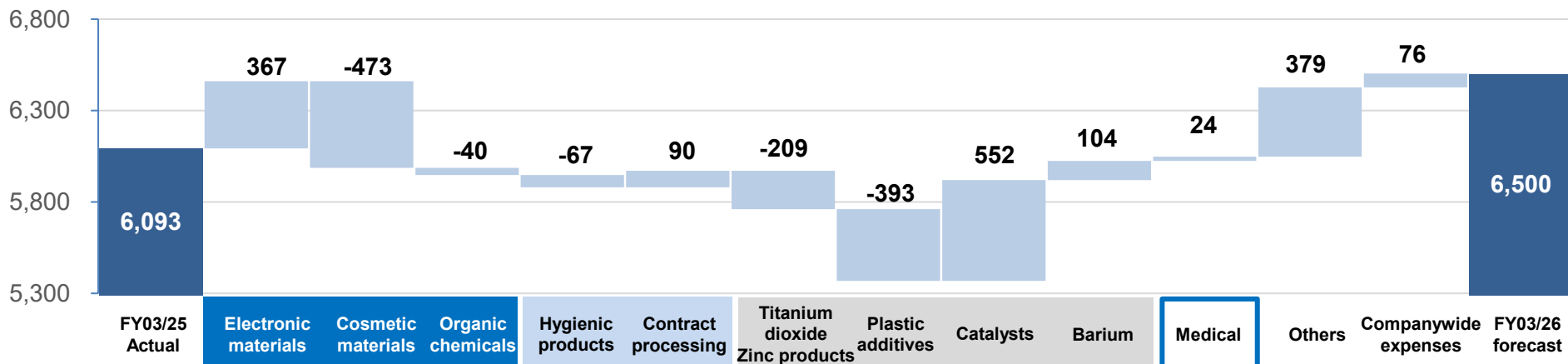
(Millions of yen)

	Initial FY03/26 Forecast			Revised FY03/26 Forecast			Difference			
	Sales	Operating profit	OPM	Sales	Operating profit	OPM	Sales		Operating profit	
	Amount	Amount	%	Amount	Amount	%	Amount	%	Amount	%
Electronic materials	10,100	1,430	14.2	12,000	1,860	15.5	1,900	18.8	430	30.1
Cosmetic materials	2,800	270	9.6	1,700	(180)	(10.6)	-1,100	-39.3	-450	-166.7
Organic chemicals	7,500	730	9.7	7,500	730	9.7	—	—	—	—
Hygienic products	5,600	440	7.9	5,200	360	6.9	-400	-7.1	-80	-18.2
Contract processing	6,700	710	10.6	6,900	710	10.3	200	3.0	—	—
Titanium dioxide and zinc products	11,900	1,140	9.6	11,900	1,270	10.7	—	—	130	11.4
Plastic additives	13,600	1,430	10.5	11,500	1,000	8.7	-2,100	-15.4	-430	-30.1
Catalysts	3,500	430	12.3	3,500	570	16.3	—	—	140	32.6
Barium	5,400	930	17.2	5,400	930	17.2	—	—	—	—
Medical	8,600	0	0.0	8,600	0	0.0	—	—	—	—
Others	10,300	1,290	12.5	11,800	1,550	13.1	1,500	14.6	260	20.2
Companywide expenses	—	(2,300)	—	—	(2,300)	—	—	—	—	—
Consolidated	86,000	6,500	7.6	86,000	6,500	7.6	0	—	0	—

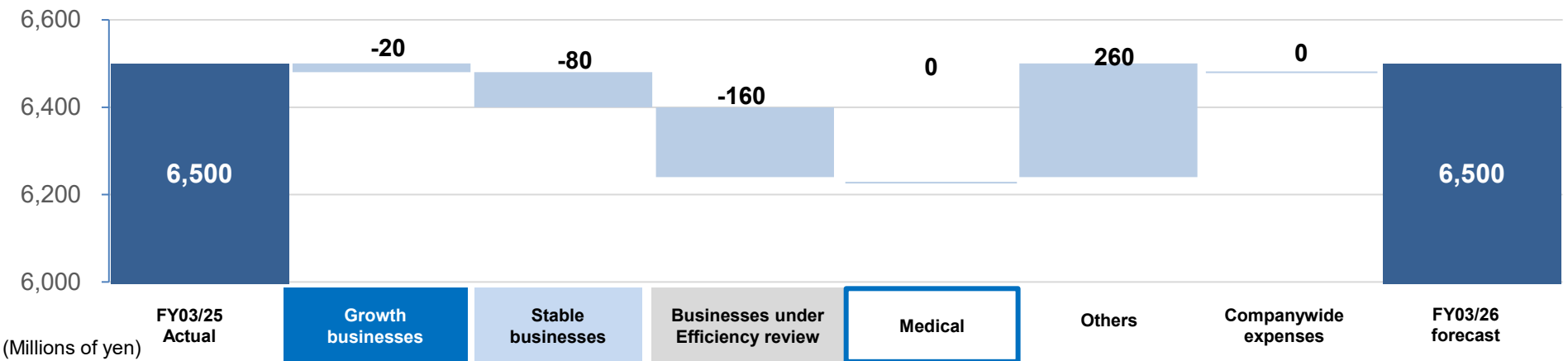
Projected YoY Change in Segment Operating Profits for FY03/26



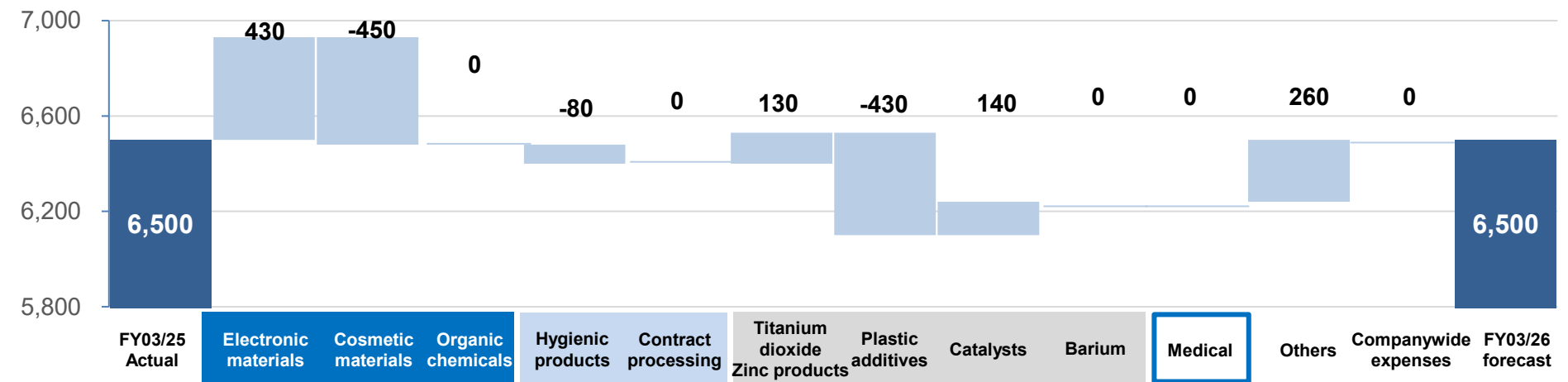
- We do not anticipate impact from fixed-cost pressure associated with the planned discontinuation of our pigment-grade titanium oxide business (slated for end-2025), and we project selling price hikes and sales volume growth in other businesses will drive improvement in earnings over the course of the year.
- With regard to growth businesses, we predict sales volumes from the cosmetic materials business will stall, but we also expect ongoing strong performance from the electronic materials business.
- Concerning businesses under efficiency review, we forecast struggling performance from overseas subsidiaries operating under the plastic additives business. However, we also anticipate growth in profit from the catalyst business thanks to sales volume expansion and cost reductions achieved through production site consolidation.



Projected YoY Change in Segment Operating Profits for FY03/26 (Compared with Initial Forecast)



- We do not anticipate impact from fixed-cost pressure associated with the planned discontinuation of our pigment-grade titanium oxide business (slated for end-2025), and we project selling price hikes and sales volume growth in other businesses will drive improvement in earnings over the course of the year.
- With regard to growth businesses, we predict sales volumes from the cosmetic materials business will stall, but we also expect ongoing strong performance from the electronic materials business.
- Concerning businesses under efficiency review, we forecast sales performance from overseas subsidiaries operating under the plastic additives business will be more lackluster than initially anticipated, with particularly pronounced underperformance from our subsidiary in Thailand.



CAPEX, Depreciation, and R&D Expense: Trends

(Millions of yen)

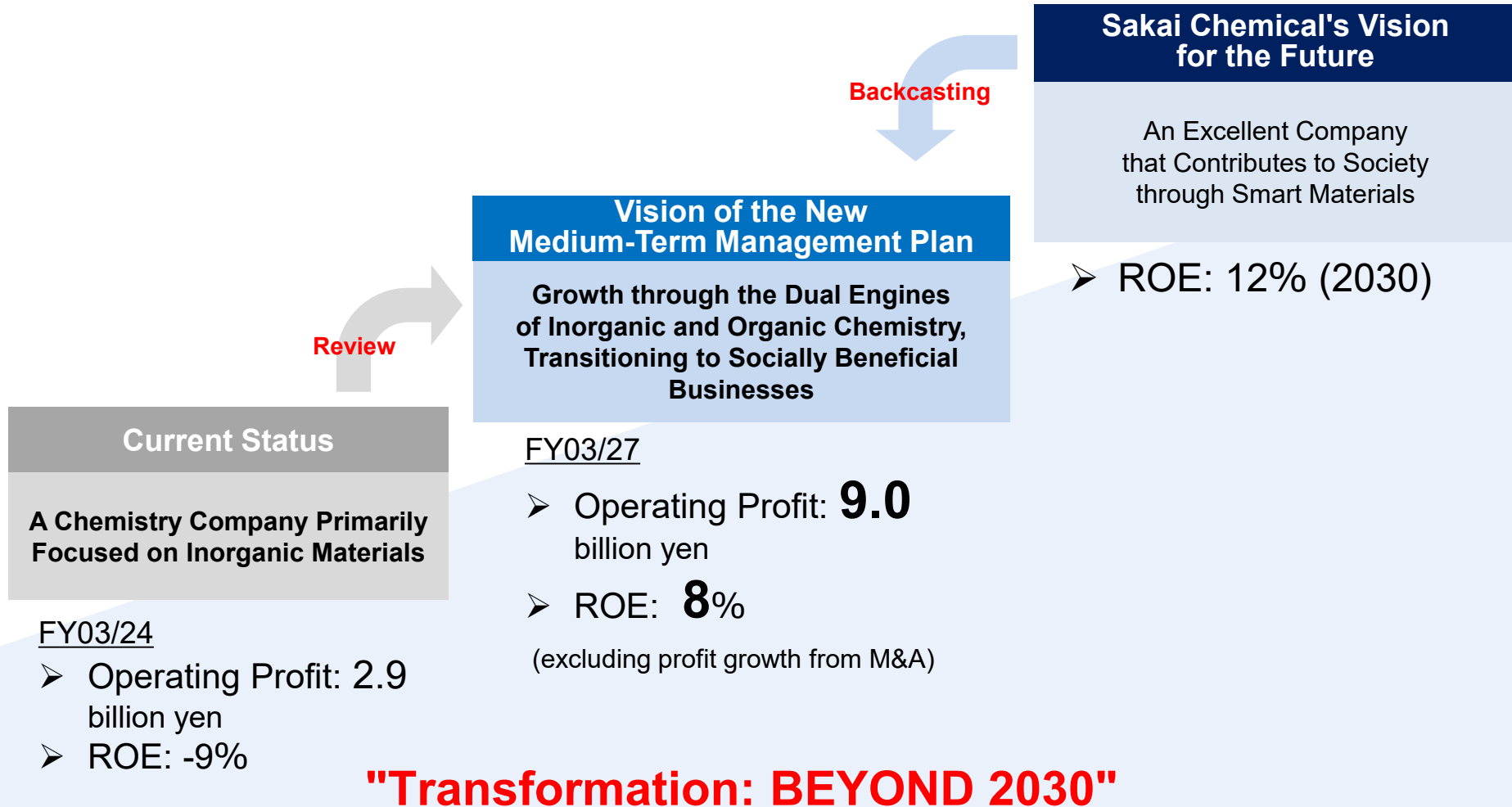
	FY03/21	FY03/22	FY03/23	FY03/24	FY03/25	FY03/26 forecast	1H FY03/26
CAPEX	9,567	5,967	2,658	4,024	6,945	8,000	3,677
Depreciation	4,243	4,331	4,417	4,354	3,649	4,000	1,849
R&D	2,487	2,376	2,674	2,722	2,699	2,800	1,400

Capital Investment		
	FY03/26 forecast	
	Growth investment	Restructuring investment
%	Approx. 50%	Approx. 50%
Primary details	<ul style="list-style-type: none"> Organic chemicals: Establishing a CDMO framework for pharmaceutical APIs/intermediates Cosmetics raw materials: Construction of a multipurpose plant for makeup materials 	<ul style="list-style-type: none"> Restructuring of the Sakai and Onahama manufacturing sites Site consolidation measures targeting improved efficiency for the catalyst business

Progress of Medium-Term Management Plan “Transformation: BEYOND 2030”

Positioning of “Transformation: BEYOND 2030”

Positioned as a transformation stage toward the future, focusing intensively on shifting to high-value-added products



Operating Profit Versus Forecast: Progress of Medium-Term Management Plan “Transformation: BEYOND 2030”

- Secure a solid profit base through improved efficiency
- Accelerate expansion in profit from growth businesses to facilitate target achievement heading into FY03/27, the plan’s final year

Operating Profit by Segment (Millions of yen)		(1) FY03/24	(2) FY03/25	Revised Forecast (3) FY03/26	Difference Between (3) and (1)
Growth businesses		2,029	2,557	2,410	381
	Electronic materials	616	1,493	1,860	1,244
	Cosmetic materials	120	293	(180)	-300
	Organic chemicals	1,293	770	730	-563
Stable businesses		1,011	1,047	1,070	59
	Hygienic products	448	427	360	-88
	Contract processing	563	620	710	147
Businesses under efficiency review		1,268	3,718	3,770	2,502
	Titanium dioxide and zinc products	(22)	1,479	1,270	1,292
	Plastic additives	762	1,393	1,000	238
	Catalysts	351	18	570	219
	Barium	177	826	930	753
Medical		89	(24)	0	-89
Others		762	1,171	1,550	788

Growth Businesses: Progress of Medium-Term Management Plan

“Transformation: BEYOND 2030”

(Millions of yen)

Electronic materials		Initial Forecast	1H FY03/26 Results	Progress Rate	Revised Annual Forecast	Extent of Revision	External environment	Expansion in AI-related demand and accelerating electrification (EVs, etc.)	
		Amount	Amount	%	Amount	Amount	Current circumstances	Conditions generally favorable Dielectrics: Automotive demand recovering Dielectric materials: Selling price revisions taking hold as high-value-added products gain prominence	
	Sales	10,100	5,847	57.9	12,000	1,900	Looking ahead	We will continue rolling out newly developed and high-value-added products while focusing on high-end segments growth markets.	
	Operating profit	1,430	1,014	70.9	1,860	430			
Cosmetic materials		Initial Forecast	1H FY03/26 Results	Progress Rate	Revised Annual Forecast	Extent of Revision	External environment	1. Prolonged economic slowdown in China (-) 2. Inflation-driven demand decline in the US (-) 3. Expanded use of low-cost organic UV absorbers (-)	
		Amount	Amount	%	Amount	Amount	Current circumstances	Shipments for a major overseas manufacturer have begun, but sales volumes generated through key customers have been sluggish, and the results of overseas sales expansion efforts have fallen short of expectations.	
	Sales	2,800	694	24.8	1,700	(1,100)	Looking ahead	Having completed our planned sales staff expansion, we will leverage strengths in the fine-grade zinc oxide field as we strive to secure large-volume customers in Japan and overseas and respond to growth in “non-nano” demand.	
	Operating profit	270	(215)	—	(180)	(450)			
Organic chemicals		Initial Forecast	1H FY03/26 Results	Progress Rate	Revised Annual Forecast	Extent of Revision		Organic sulfur compounds	Pharmaceutical APIs/intermediates
		Amount	Amount	%	Amount	Amount	External environment	Demand for eyeglasses and eyeglass lenses rising as people with myopia grow in number	Major pharmaceutical companies adopting fabless models as the industry prioritizes avoidance of geopolitical risks associated with API production
	Sales	7,500	3,814	50.9	7,500	—	Current circumstances	Sales performance generally strong but production capacity needs improvement	Competition among client companies outsourcing production is intensifying. In response, we are proactively promoting our contract-based development services under a CDMO model.
	Operating profit	730	502	68.8	730	—	Looking ahead	Accelerate improvement in production processes to facilitate reliable response to demand growth	Draw on CMO experience while stepping up efforts aiming to win new business and expand CDMO operations

(CMO : Contract Manufacturing Organization

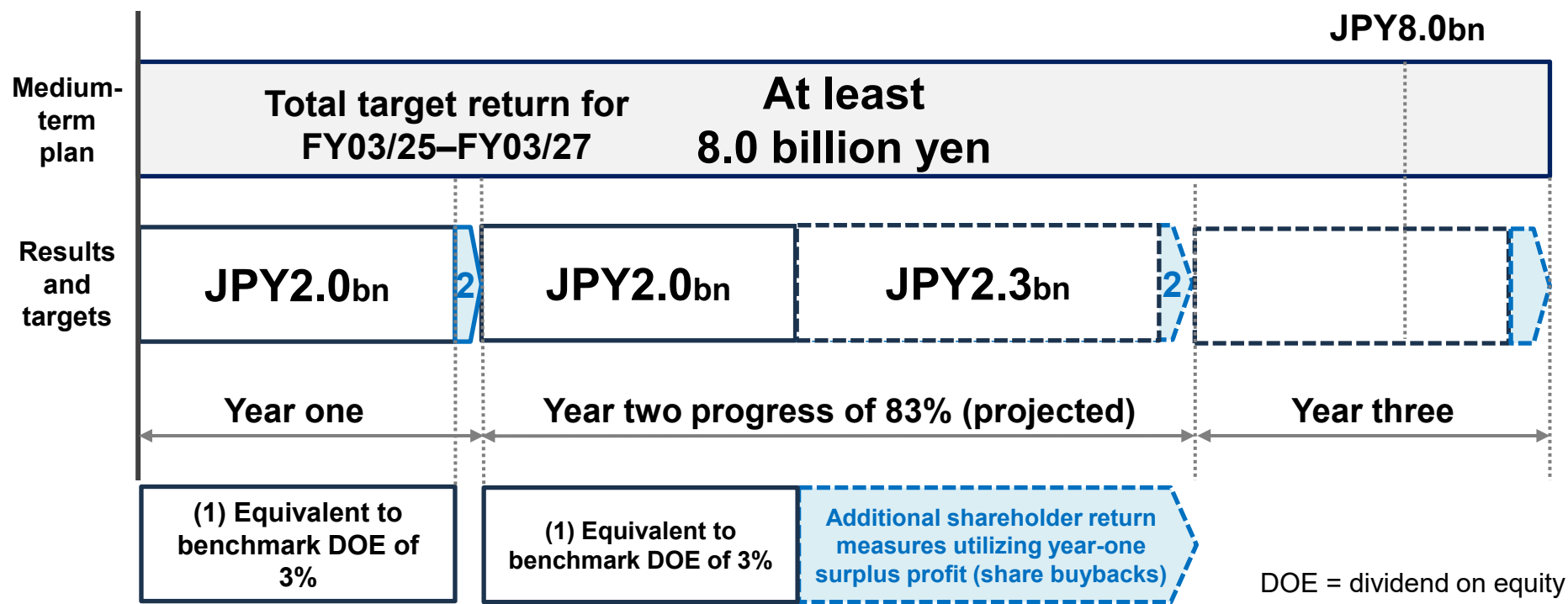
CDMO : Contracting Development Manufacturing Organization)



Shareholder Returns: Progress of Medium-Term Management Plan

“Transformation: BEYOND 2030”

- **No changes to basic policy (total shareholder returns of at least 8.0 billion yen)**
 - (1) Pay stable dividends while maintaining a DOE benchmark of 3%
 - (2) While monitoring business performance and **remaining mindful of our target ROE**, consider additional measures such as dividend hikes and share buybacks
- As initially planned, we aim to pay **approximately 2.0 billion yen in total dividends** (equivalent to 3 % DOE; **translates roughly into interim and year-end dividends of 65 yen per share each**)
- With regard to the **share buyback currently underway, 2.3 billion yen in shares have been repurchased** (out of a maximum 2.5 billion yen in shares) **as of October 31, 2025**. We plan to **cancel all repurchased shares**.



Improvement in Cash Conversion Cycle: Progress of Medium-Term Management Plan “Transformation: BEYOND 2030”

- Cash conversion cycle target: 180 days or less

Target cumulative three-year monetary impact of 7.0 billion yen (by end-FY03/27)

- **CCC lengthened four days compared to FY03/25, but operating CF has improved**
(Underlying factors: inventory buildup in preparation for the discontinuation of our pigment-grade titanium oxide business and sales decline attributable to operational streamlining)
- **Compared to FY03/24, our CCC shortened 18 days as we generated 4.9 billion in net cash from operating activities**

	Unit	FY03/24	FY03/25	1H FY03/26	Change (FY03/24 ⇔ 1H FY03/26)
Trade receivables turnover period	Days	130	115	118	-12
Inventory turnover period	Days	126	115	118	-8
Accounts payable turnover period	Days	40	37	38	-2
CCC	Days	216	194	198	-18
Working capital	JPYbn	492	454	443	-49

Formula: working capital ÷ sales × 12 months (6 months) × 30 days

Our Actions

- Trade receivables: Shorten collection period
- Inventory: Reassess appropriate inventory levels and reduce inventory quantities

Q&A

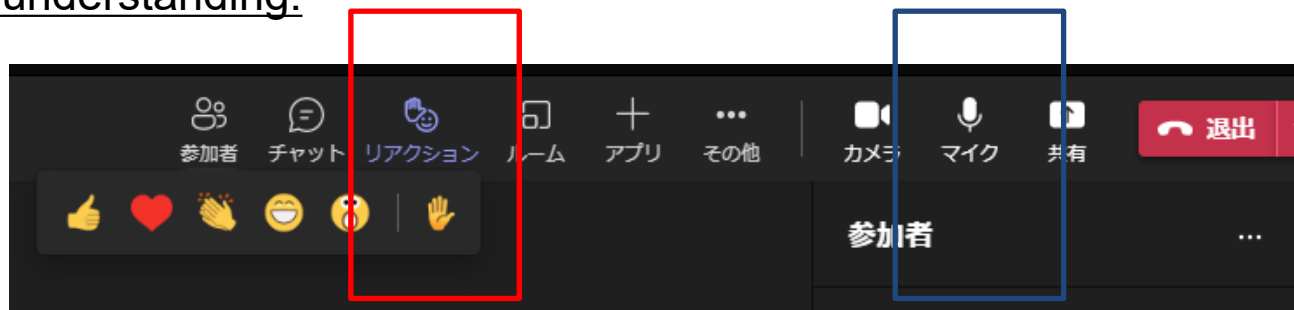
■ Q&A Procedure

(1) In-person attendees → (2) Online participants

*We respectfully request online participants wait until the in-person Q&A has concluded.

*Due to venue-related time constraints, we may not be able to respond to questions submitted online. We appreciate your understanding.

■ Procedure for Submitting Questions Online



Participants wishing to submit a question should indicate this intention using the “**Reactions**” feature.

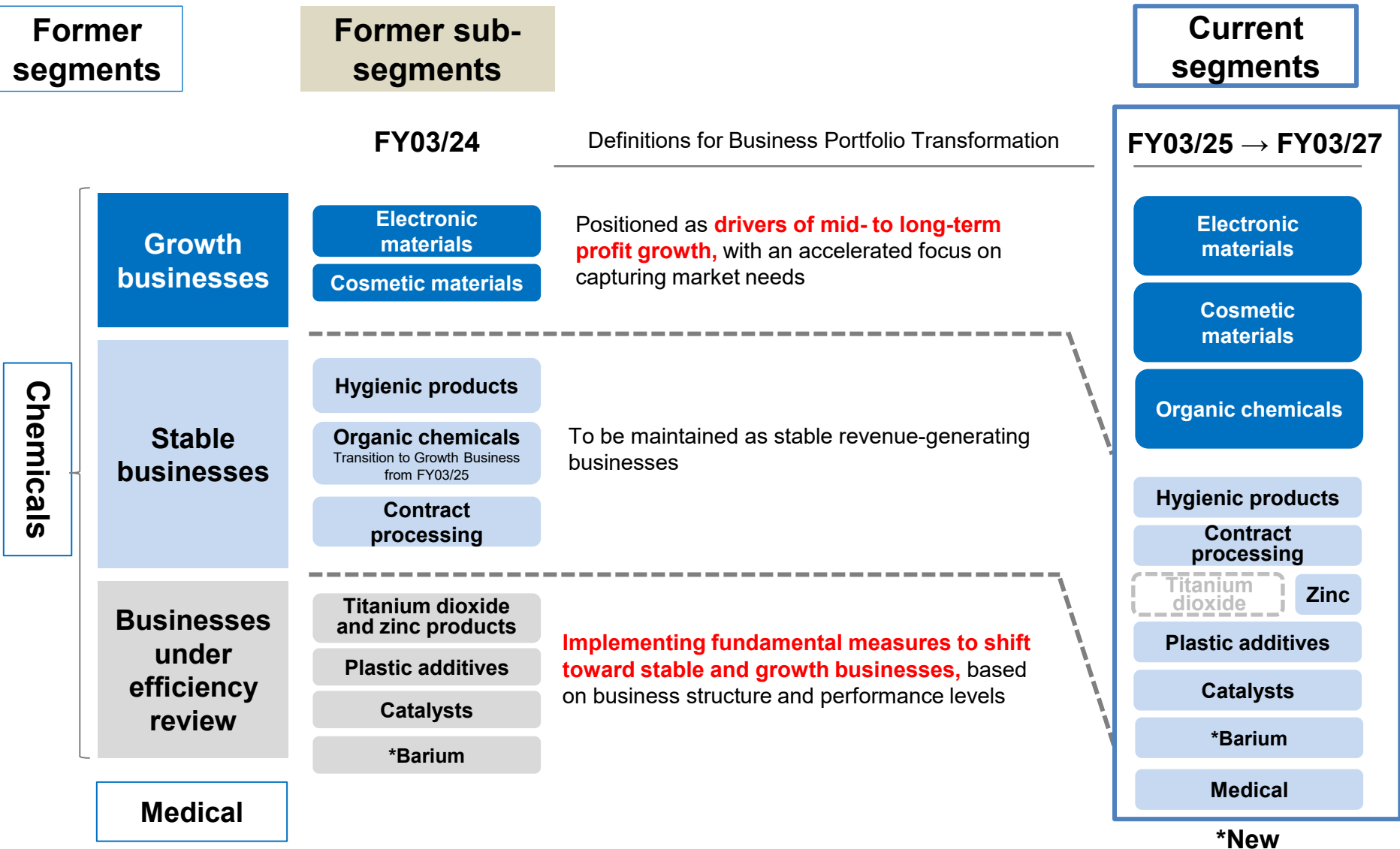
If multiple participants utilize the Reactions feature simultaneously, we will call on participants for their questions following the order in which the reactions appeared. (Note: Participants wishing to submit questions should not deactivate or deselect their reactions.)

Once your name has been called by the moderator, **please unmute your microphone** and begin speaking. (**Names will be omitted from the transcript subsequently published on our corporate website.**)

After your question has been answered, please deactivate/deselect your **reaction** and **mute your microphone**.

Reportable Segment Details for FY03/26

Relationships Between Former and Current Segments



Electronic Materials

● YoY Comparison

(Millions of yen)

	1H FY03/25		1H FY03/26		Change	
	Amount	%	Amount	%	Amount	%
Sales	5,164	—	5,847	—	682	13.2
Operating profit	668	13.0	1,014	17.4	345	51.7

● Versus Initial Projections

(Millions of yen)

	FY03/26 Plan		1H FY03/26		Progress vs. plan
	Amount	%	Amount	%	Amount
Sales	10,100	—	5,847	—	57.9
Operating profit	1,430	14.2	1,014	17.4	70.9

● YoY Comparison

Sales	(+) Expanded penetration of selling price hikes, sales volume growth Sales increased as shipments of products subject to price revisions expanded. With regard to dielectrics, shipments of products with automotive applications began to pick up from the latter half of 1H. As for dielectric materials, shipments of products ostensibly slated for use with AI servers were favorably robust.
Operating profit	(+) Expanded penetration of selling price hikes, sales volume growth Selling price revisions that took effect from 2H FY03/25 also contributed during 1H FY03/26 and, together with sales volume growth and an improved sales mix for dielectric material products, facilitated substantial YoY operating profit expansion.

● Versus Initial Projections

Sales	(+) Sales volume growth Sales reached 57.9% of our initial annual forecast, thanks in part to recovery in the semiconductor market and favorably robust shipments of dielectrics and dielectric materials.
Operating profit	(+) Sales volume growth, improvement in sales mix for dielectric materials Sales performance from both dielectrics and dielectric materials exceeded initial expectations, as the sales mix among dielectric material products improved. Consequently, operating profit reached 70.9% of our initial annual forecast.

● YoY Comparison

(Millions of yen)

	1H FY03/25		1H FY03/26		Change	
	Amount	%	Amount	%	Amount	%
Sales	1,211	—	694	—	-516	-42.7
Operating profit	22	1.9	(215)	—	-238	-1039.3

● Versus Initial Projections

(Millions of yen)

	FY03/26 Plan		1H FY03/26		Progress vs. plan
	Amount	%	Amount	%	Amount
Sales	2,800	—	694	—	24.8
Operating profit	270	9.6	(215)	—	—

● YoY Comparison

Sales	(-) Sales volume decline Sales volume generated through the Japanese market declined due in part to ongoing international impact from economic slowdown in China. The sales volume achieved through overseas markets also fell, partly because a glut of shipments was carried out at end-FY03/25. Consequently, sales decreased for both Japan and overseas markets.
Operating profit	(-) Sales volume decline The downturn in sales volumes for both Japan and overseas markets weighed on earnings, resulting in a significant YoY decline in operating profit.

● Versus Initial Projections

Sales	(-) Sales volume decline Due to sluggish demand in China, sales volume decline has dragged on longer than anticipated. Furthermore, our external environment has become less advantageous owing to demand contraction in the US and greater use of organic UV absorbers. Consequently, 1H sales reached only 24.8% of our annual projection.
Operating profit	(-) Sales volume decline Sales volume fell short of initial expectations for the same reasons indicated above, and the segment incurred an operating loss as a result.

Organic Chemicals

● YoY Comparison

(Millions of yen)

	1H FY03/25		1H FY03/26		Change	
	Amount	%	Amount	%	Amount	%
Sales	3,184	—	3,814	—	630	19.8
Operating profit	336	10.6	502	13.2	165	49.2

● Versus Initial Projections

(Millions of yen)

	FY03/26 Plan		1H FY03/26		Progress vs. plan
	Amount	%	Amount	%	Amount
Sales	7,500	—	3,814	—	50.9
Operating profit	730	9.7	502	13.2	68.8

● YoY Comparison

Sales	(+) Improvement in sales mix (pharmaceutical APIs/intermediates) Sales expanded YoY thanks to steady performance from plastic lens additives and improvement in the sales mix among pharmaceutical APIs and intermediates (i.e., the balance of segment sales shares achieved through the sale of low-profit developmental products and shipments of key commercially distributed products shifted in favor of the latter).
Operating profit	(+) Improvement in sales mix (pharmaceutical APIs/intermediates) Operating profit increased YoY in part because revised selling prices further penetrated the market and partly because the balance of segment sales shares generated through the sale of low-profit developmental pharmaceutical API/intermediate products and shipments of key commercially distributed pharmaceutical API/intermediate products shifted in favor of the latter.

● Versus Initial Projections

Sales	(+) Front-loaded acquisition of orders for pharmaceutical APIs and intermediates The volume of plastic lens additives sold was slightly smaller than projected. However, we booked orders for pharmaceutical APIs and intermediates earlier than initially anticipated, and sales reached 50.9% of our annual forecast thanks to this front-loaded order acquisition.
Operating profit	(+) Limitation of raw material and fuel costs, front-loaded acquisition of orders for pharmaceutical APIs and intermediates Thanks to substantial impact from the front-loaded acquisition of orders for pharmaceutical APIs and intermediates, operating profit reached 68.8% of our annual forecast.

Hygienic Products

● YoY Comparison

(Millions of yen)

	1H FY03/25		1H FY03/26		Change	
	Amount	%	Amount	%	Amount	%
Sales	2,843	—	2,570	—	-272	-9.6
Operating profit	206	7.3	181	7.0	-25	-12.3

● Versus Initial Projections

(Millions of yen)

	FY03/26 Plan		1H FY03/26		Progress vs. plan
	Amount	%	Amount	%	Amount
Sales	5,600	—	2,570	—	45.9
Operating profit	440	7.9	181	7.0	41.1

● YoY Comparison

Sales	(-) Sales volume decline Sales declined due to sluggish growth in breathable film performance attributable to commoditization in the Indonesian diaper market.
Operating profit	(-) Sales volume decline, growth in miscellaneous expenses Operating profit declined due mainly to stagnation in sales of breathable films in Indonesia and local inflation that drove up miscellaneous expenses.

● Versus Initial Projections

Sales	(-) Sales volume decline Commoditization in the Indonesian diaper market weighed on sales performance, but struggling shipment volumes for imported products, which faced intense competition from low-priced Chinese goods, also had a negative performance impact. Consequently, sales reached only 45.9% of our annual forecast.
Operating profit	(-) Sales volume decline The aforementioned commoditization in the Indonesian diaper market slowed shipment volumes of our general-purpose products, while shipment volumes of imported products came under strong pressure from low-priced Chinese goods. Due to these factors, operating profit reached only 41.1% of our full-year projection.

Contract Processing

● YoY Comparison

(Millions of yen)

	1H FY03/25		1H FY03/26		Change	
	Amount	%	Amount	%	Amount	%
Sales	3,160	—	3,291	—	130	4.1
Operating profit	331	10.5	351	10.7	20	6.3

● Versus Initial Projections

(Millions of yen)

	FY03/26 Plan		1H FY03/26		Progress vs. plan
	Amount	%	Amount	%	Amount
Sales	6,700	—	3,291	—	49.1
Operating profit	710	10.6	351	10.7	49.4

● YoY Comparison

Sales	(+) Sales volume growth (contract processing) Sales volumes, particularly those generated through contract processing, expanded thanks to expanded service adoption and growth in ongoing projects. As a result, segment sales were higher than in 1H FY03/25.
Operating profit	(+) Sales volume growth (contract processing) Operating profit expanded YoY thanks to growth in sales volumes secured through both new and existing contract processing business.

● Versus Initial Projections

Sales	(±) Sales volume change (increase: contract processing; decrease: processed pigments) Shipment volumes for processed pigments (particularly products for housing-related markets) slowed, but growth in the sales volume generated through contract processing helped offset this impact. Consequently, sales were nearly commensurate with expectations, reaching 49.1% of our annual forecast.
Operating profit	(±) Sales volume change (increase: contract processing; decrease: processed pigments) For the same reasons indicated above, operating profit was just shy of expectations, reaching 49.4% of our annual projection.

Titanium Dioxide and Zinc Products (Excluding Cosmetic Materials)

Businesses under efficiency review

● YoY Comparison

(Millions of yen)

	1H FY03/25		1H FY03/26		Change	
	Amount	%	Amount	%	Amount	%
Sales	6,732	—	5,138	—	-1,593	-23.7
Operating profit	557	8.3	657	12.8	100	18.0

● YoY Comparison

Sales	(-) Sales volume decline, drop in domestic reference price for zinc With regard to titanium oxide, we strategically prioritized profitability over competing with the low-price offensive of Chinese products, and sales volume declined as a result. Meanwhile, the sales volume secured through zinc products was solid, but a downturn in the domestic reference price for zinc hindered sales performance. Consequently, segment sales fell compared to 1H FY03/25.
Operating profit	(+) Selling price revisions, reduction of maintenance costs Despite the lower domestic reference price for zinc, revised selling prices penetrated through the market as we lowered maintenance costs, leading to expansion in operating profit.

● Versus Initial Projections

(Millions of yen)

	FY03/26 Plan		1H FY03/26		Progress vs. plan
	Amount	%	Amount	%	Amount
Sales	11,900	—	5,138	—	43.2
Operating profit	1,140	9.6	657	12.8	57.6

● Versus Initial Projections

Sales	(-) Sales volume decline, drop in domestic reference price for zinc With regard to titanium oxide, we prioritized strategic adjustments made in preparation for the discontinuation of our pigment-grade titanium oxide business over maximizing sales volume. Consequently, sales volume closed out 1H lower than initially projected. Meanwhile, the lower domestic reference price for zinc had a significant negative impact on performance from zinc products. Due to these factors, sales reached only 43.2% of our annual forecast.
Operating profit	(+) Reduction of maintenance costs Our efforts aiming to reduce maintenance costs, carried out in connection with preparatory initiatives implemented ahead of the discontinuation of our pigment-grade titanium oxide business, had a particularly significant impact, and operating profit achieved 57.6% of our full-year forecast.

Plastic Additives

● YoY Comparison

(Millions of yen)

	1H FY03/25		1H FY03/26		Change	
	Amount	%	Amount	%	Amount	%
Sales	6,526	—	5,820	—	-705	-10.8
Operating profit	682	10.5	520	8.9	-162	-23.8

● Versus Initial Projections

(Millions of yen)

	FY03/26 Plan		1H FY03/26		Progress vs. plan
	Amount	%	Amount	%	Amount
Sales	13,600	—	5,820	—	42.8
Operating profit	1,430	10.5	520	8.9	36.4

● YoY Comparison

Sales	(-) Sales volume decline Our overall sales volume for the Japanese market fell due to a decline in the volume of low-margin products sold, which occurred as we strategically curtailed shipments in line with our focus on profitability. Overseas, performance incurred particularly pronounced impact from economic slowdown caused by political instability in Thailand, which led to fewer infrastructure and other public works projects. As demand for materials utilized for these projects weakened and shipments slowed, segment sales decreased YoY.
Operating profit	(-) Sales volume decline In Japan, our revised selling prices penetrated further through the market, generating higher profit. At our local subsidiary in Vietnam, shipments of non-lead stabilizers were strong and steady. However, the weak sales performance from our local subsidiary in Thailand had significant impact, and overall segment operating profit declined YoY.

● Versus Initial Projections

Sales	(-) Sales volume decline In Japan, housing-related demand was weaker than expected, and our sales volume turned out lower than initially anticipated. Sales volume generated through our Vietnam subsidiary was partly affected by sluggishness in the Chinese economy, while political instability in Thailand weighed on the sales volume performance of our local subsidiary. Due to the lack of sales volume growth caused by these circumstances, segment sales reached only 42.8% of our full-year forecast.
Operating profit	(-) Sales volume decline Sales volumes for both Japan and overseas markets underperformed expectations. The shortfall in overseas sales volumes was particularly significant because overseas markets are highly profitable. Accordingly, operating profit reached only 36.4% of our full-year forecast.

Catalysts

● YoY Comparison

(Millions of yen)

	1H FY03/25		1H FY03/26		Change	
	Amount	%	Amount	%	Amount	%
Sales	1,673	—	1,221	—	-452	-27.0
Operating profit	92	5.5	150	12.3	57	62.5

● Versus Initial Projections

(Millions of yen)

	FY03/26 Plan		1H FY03/26		Progress vs. plan
	Amount	%	Amount	%	Amount
Sales	3,500	—	1,221	—	34.9
Operating profit	430	12.3	150	12.3	34.9

● YoY Comparison

Sales	<p><u>(-) Sales volume decline</u> Our sales volume for nickel catalysts decreased due to lower operating rates among customer facilities. Meanwhile, our order volume for deNOx catalysts declined as well, and segment sales contracted YoY.</p>
Operating profit	<p><u>(+) Dissipation of efficiency-related costs from production site consolidation, etc., selling price revisions</u> We completed production site consolidation efforts ongoing since FY03/25, reducing our efficiency-related cost burden. At the same time, our revised selling prices further penetrated through the market. Thanks to these factors, operating profit expanded despite weak sales volume performance.</p>

● Versus Initial Projections

Sales	<p><u>(±) Largely in line with forecast</u> We project expansion in sales volumes for nickel catalysts and deNOx catalysts in 2H, basing our forecast for the former on operating rates among customer facilities and our outlook for the latter on order acquisition timing. Given this anticipated expansion, segment sales were broadly in line with our initial expectations despite reaching only 34.9% of our full-year forecast.</p>
Operating profit	<p><u>(±) Largely in line with forecast</u> Operating profit reached only 34.9% of our full-year forecast. However, this rate is unalarming because we project sales volume expansion in 2H. Furthermore, we are generating smooth progress through our consolidation of production sites and other efficiency initiatives.</p>

Barium

● YoY Comparison

(Millions of yen)

	1H FY03/25		1H FY03/26		Change	
	Amount	%	Amount	%	Amount	%
Sales	2,875	—	2,633	—	-242	-8.4
Operating profit	461	16.1	491	18.7	29	6.4

● Versus Initial Projections

(Millions of yen)

	FY03/26 Plan		1H FY03/26		Progress vs. plan
	Amount	%	Amount	%	Amount
Sales	5,400	—	2,633	—	48.8
Operating profit	930	17.2	491	18.7	52.8

● YoY Comparison

Sales	(+) Selling price revisions Despite sales volume decline attributable to efficiency improvement initiatives, sales rose slightly YoY thanks to our revised selling prices, which successfully penetrated further through the market.
Operating profit	(+) Selling price revisions, contribution from shipments of high-value-added products Revised selling prices for barium products used for paints, inks, and other applications penetrated through the market, while sales secured through high value-added products for eyeglass lenses further contributed to profit performance. Thanks to these factors, segment operating profit expanded YoY.

● Versus Initial Projections

Sales	(±) Largely in line with forecast Due to efforts aiming to expand sales of high-value-added products and efficiency-oriented measures, which include selling price revisions and product lineup consolidation/streamlining, sales closed out 1H at 48.8% of our annual forecast.
Operating profit	(±) Largely in line with forecast Thanks to the progress of efficiency-oriented initiatives, operating profit reached 52.8% of our annual forecast.

Medical

● YoY Comparison

(Millions of yen)

	1H FY03/25		1H FY03/26		Difference	
	Amount	%	Amount	%	Amount	%
Sales	3,998	—	4,356	—	358	9.0
Operating profit	68	1.7	72	1.7	3	5.8
Sales (New businesses)	898	—	978	—	80	8.9

Note: New businesses refer to those not affected by drug price revisions.

● Versus Initial Projections

(Millions of yen)

	FY03/26 Plan		1H FY03/26		Progress vs. plan
	Amount	%	Amount	%	%
Sales	8,600	—	4,356	—	50.7
Operating Profit	0	0.0	72	1.7	—
Sales (New businesses)	1,918	—	978	—	51.0

● YoY Comparison

Sales	(+) Growth in sales volumes for medical devices and contract-manufactured medical products Despite decline in our shipment volume for barium contrast media, segment sales increased thanks to growth in the volume of medical devices sold and expanded acquisition of orders for bone void filler, which we produce as a contract-manufactured medical product.
Operating profit	(+) Medical devices, contract-manufactured medical products Operating profit increased YoY thanks to growth in medical devices sold; a rise in the volume of contract-manufactured medical products sold, which facilitated overall sales volume expansion; and improved profitability stemming from better capacity utilization.

● Versus Initial Projections

Sales	(±) Largely in line with forecast Our shipment volume for barium contrast media declined due in part to a downturn in medical examinations. However, we sold more medical devices than anticipated, and segment sales reached 50.7% of our full-year forecast.
Operating profit	(-) OTC drugs, beauty-related products Due to market conditions that were sluggish overall, our sales volume for OTC drugs declined. Meanwhile, high-value-added beauty-related products also underperformed. Consequently, segment operating profit finished 1H behind plan.

Reference Materials

- **Company Profile**
- **Our Businesses**
- **Performance Trends, etc.**



Sakai Chemical Industry Co., Ltd. Company Profile

Head office	5-2, Ebisujima-cho, Sakai-ku, Sakai-shi, Osaka
Representative	President & Representative Director Toshiyuki Yagura
Established	June 1918
Businesses	Inorganic chemical, organic chemical, and pharmaceutical development, manufacture, and sales
Total assets	121,908 million yen (as of September 30, 2025)
Net assets	78,887 million yen (as of September 30, 2025)
Affiliates	15 consolidated subsidiaries (seven in Japan, eight overseas)
Employee counts	1,933 (consolidated) and 833 (parent); current as of March 31, 2025

Relationships Between Group Companies and Reportable Segments

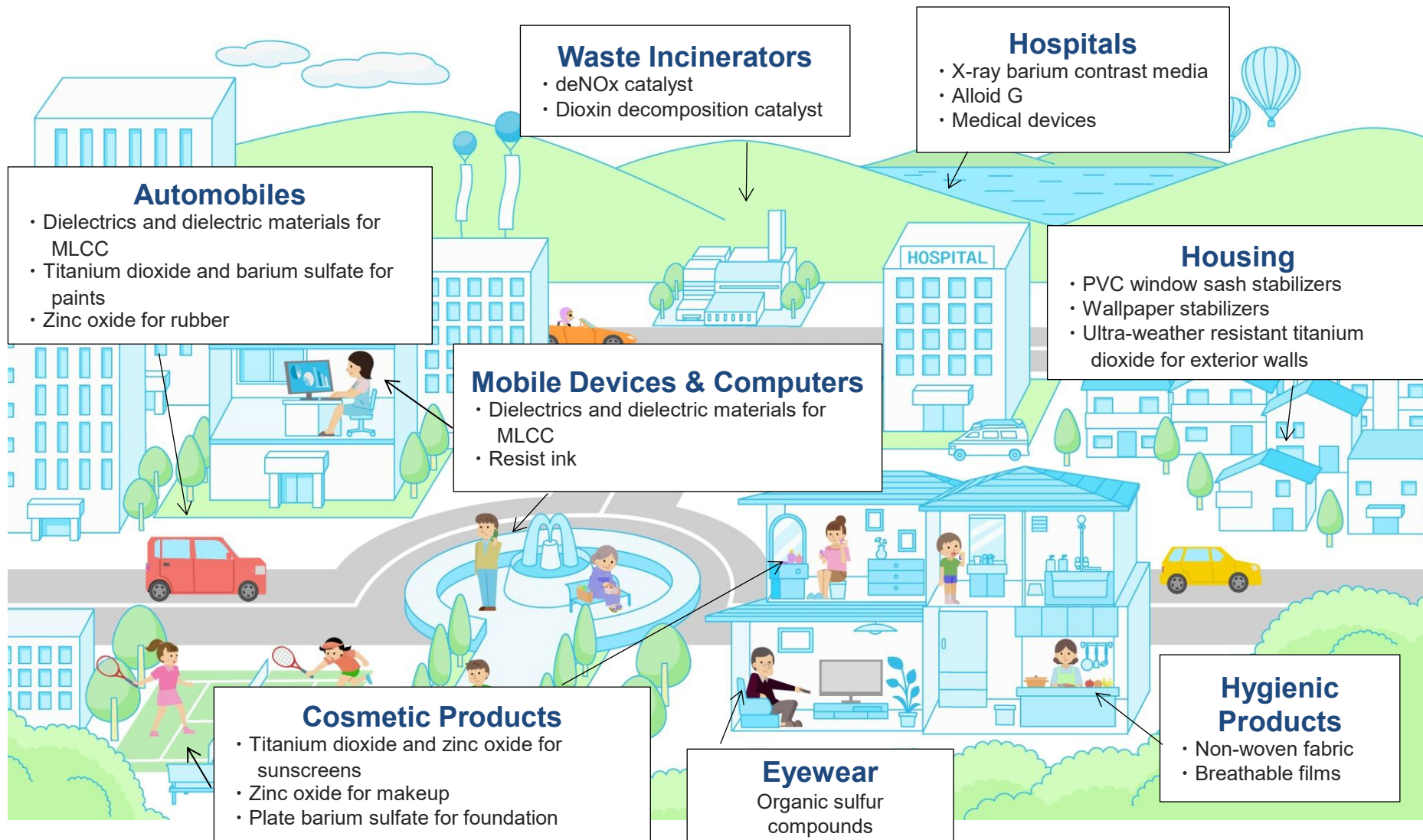
	Electronic materials	Cosmetic materials	Organic chemicals	Hygienic products	Contract processing	Titanium dioxide and zinc products	Plastic additives	Catalysts	Barium	Medical	Others
Sakai Chemical Industry Co., Ltd.	●	●	●			●	●	●	●	●	
Sakai Trading Co., Ltd.	●	●	●	●	●	●	●	●	●	●	●
Kaigen Pharma Co., Ltd.										●	
Osaki Industry Co., Ltd.											●
Resino Color Industry Co., Ltd.					●						
Kyodo Chemical Co., Ltd.							●				
Nippon Color Industry Co., Ltd.					●						
Katayama Seiyakusyo Co., Ltd.			●								
SCVN ^{*1}							●				
SSC ^{*2}							●				
S&S ^{*3}				●							

*1: Sakai Chemical (Vietnam) Co., Ltd.

*2: Siam Stabilizers and Chemicals Co., Ltd.

*3: Pt. S&S Hygiene Solution

Sakai Group Products in Everyday Life



Quarterly Performance

セグメント業績推移（四半期）

(Segment Performance Trends (Base on Quarterly))

新集計

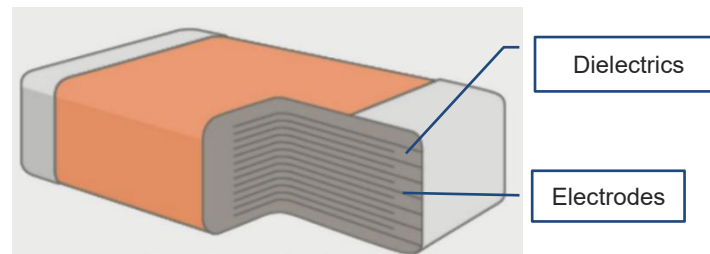
Revised Aggregation Method

単位：百万円 (Unit : Million Yen)			25.3期 (FY 2024)				26.3期 (FY 2025)			
			1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q
電子材料	売上高	Net Sales	2,716	2,448	2,383	2,465	2,870	2,976		
Electronic materials	営業利益	Operating Profit	341	327	481	342	476	538		
化粧品材料	売上高	Net Sales	757	454	590	873	337	357		
Cosmetics Materials	営業利益	Operating Profit	85	-62	88	182	-63	-152		
有機化学品	売上高	Net Sales	1,953	1,230	1,437	2,016	2,121	1,692		
Organic chemicals	営業利益	Operating Profit	372	-36	151	282	459	43		
衛生材料	売上高	Net Sales	1,433	1,410	1,419	1,361	1,283	1,287		
Hygienic products	営業利益	Operating Profit	111	95	107	112	79	101		
受託加工	売上高	Net Sales	1,610	1,549	1,639	1,623	1,596	1,695		
Contract processing	営業利益	Operating Profit	179	151	166	122	171	180		
酸化チタン・亜鉛製品	売上高	Net Sales	3,558	3,174	3,277	3,109	2,688	2,450		
Titanium dioxide and zinc products	営業利益	Operating Profit	369	187	369	553	409	248		
樹脂添加剤	売上高	Net Sales	3,197	3,328	3,461	3,073	3,012	2,808		
Plastic additives	営業利益	Operating Profit	298	383	390	320	341	178		
触 媒	売上高	Net Sales	791	882	758	754	472	748		
Catalysts	営業利益	Operating Profit	-10	103	70	-144	-3	154		
無機材料	売上高	Net Sales	1,247	1,628	1,130	1,168	1,341	1,291		
Barium business	営業利益	Operating Profit	207	254	328	36	289	201		
医療事業	売上高	Net Sales	2,126	1,871	2,581	1,741	2,097	2,258		
Medical business	営業利益	Operating Profit	-10	78	133	-226	6	65		
そ の 他	売上高	Net Sales	2,476	2,320	2,719	2,653	2,313	2,649		
Other	営業利益	Operating Profit	254	143	386	386	314	410		
全社費用 (HQ expenses)		HQ Expenses	-603	-596	-622	-553	-574	-591		
合 計	売上高	Net Sales	21,869	20,299	21,399	20,842	20,136	20,216		
TOTAL	営業利益	Operating Profit	1,596	1,030	2,052	1,414	1,904	1,379		

Electronic Materials

Multilayer ceramic capacitors

- Dielectric (barium titanate)
- Dielectric materials
(high-purity barium carbonate)



A primary material for multilayer ceramic capacitors essential for electronic devices. A property of dielectrics is that they can store large amounts of electricity. We will continue to help improve capacitor performance by developing ultra-small, uniformly shaped spherical dielectrics.

**Used in places
like these**



Our Businesses

Cosmetic Materials

Sunscreens, foundations,

- Cosmetic materials: Achieve high UV blocking and smooth skin texture

**Used in places
like these**



Organic Materials

Plastic lenses, concrete, lubricants, pharmaceuticals

- Organic sulfur compounds: Improves refractive index of eyeglass lenses and used as a concrete admixture
- Organic phosphorus compounds: Used in lubricant additives
- Active pharmaceutical ingredients and intermediates

**Used in places
like these**



Our Businesses

Hygienic Products

Diapers, feminine hygiene products

- Breathable films: Retain moisture and allow only air to pass

Amid increasing demand overseas, our Indonesian subsidiary manufactures breathable films.

**Used in places
like these**



Contract Processing

Contracted manufacturing of inorganic and organic industrial chemical products
Pigments, colorants, functional inks, catalysts, plastic additives, etc.

Using our wide range of machinery, we cater to a wide range of fields, providing customized products and mass production prototyping.



Our Businesses

Plastic Additives

Pipes, joints, window frames, wallpapers, wire harnesses

- PVC stabilizers/non-PVC stabilizers
- Hydrotalcite: Used in lead-free PVC stabilizers and agricultural films due to its high heat retention and transparency



PVC stabilizers are added to improve the processability of plastics and inhibit degradation. There is currently a global trend to remove lead from PVC stabilizers and increased switching to lead-free products. Our subsidiary in Vietnam produces lead-free stabilizers and their raw material hydrotalcite, while our subsidiary in Thailand produces both lead-based and lead-free stabilizers, expanding sales primarily in Southeast Asia.

**Used in places
like these**



Our Businesses

Titanium Dioxide and Zinc Products

- Titanium dioxide: A white pigment with excellent coloring, concealing, weather resistance, and chemical stability
- Zinc oxide: A vulcanization accelerator for rubber products

Titanium dioxide is a material necessary in all kinds of fields including paints, inks, papermaking, plastics, and synthetic fibers.

Used in places like these



Catalysts

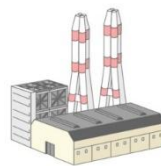
Waste incinerators, thermal power stations, adhesives, optical films

- deNOx catalysts: Remove nitrogen oxides
- Process catalysts (nickel catalysts): For hydrogenation of fats and plastics

With increasing demand for optical film and disposable diaper adhesives, which use nickel catalysts, business will be expanded.



Used in places like these



Our Businesses

Barium

- Barium sulfate
- Strontium salts
- Zirconium oxide dispersion, etc.

One of our specialties is barium sulfate, which is blended into various coatings, inks, and films, supporting essential functions such as enhancing aesthetic appeal and improving heat resistance. We also work with Zirconium oxide dispersion, which is mainly applied in eyeglass lenses to adjust their refractive index, as a developmental material.

**Used in places
like these**



Our Businesses (Medical)



Kaigen Pharma Co., Ltd.

X-ray barium contrast media

Used in gastrointestinal imaging

Manufacture of the raw medicinal material barium sulfate commenced in 1931. This familiar contrast medium is used in check-ups and is also exported overseas.



Medical devices

- Endoscope washing / disinfection equipment



Adapting to the shift from barium to examinations using gastrointestinal cameras, we are focusing on development as this business is unaffected by price revisions.

Alloid G

Drugs for peptic ulcers and gastroesophageal reflux disease

Stops bleeding and protects mucous membranes in gastric/duodenal ulcers, improves self-reported symptoms of gastroesophageal reflux disease.



OTC drugs

- Kaigen Series
- Kaigen Granules
- Kaigen Pack IB Granules



Sales to the Taiwan market using "Made in Japan" quality have commenced.

We appreciate your kind attention.

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