

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

August 8, 2025

Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 31, 2026 (Under Japanese GAAP)

Company name: OSAKA SODA Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 4046
 URL: <http://www.osaka-soda.co.jp>
 Representative: Kenshi Terada, Representative Director, President and Chief Executive Officer
 Inquiries: Toru Imamura, Executive Officer, General Manager, Administration Division
 Telephone: +81-6-6110-1560
 Scheduled date to commence dividend payments —
 Preparation of supplementary material on financial results : None
 Holding of financial results briefing : None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	24,284	0.7	3,939	19.0	4,446	9.4	3,047	9.4
June 30, 2024	24,114	4.0	3,309	17.9	4,065	16.0	2,785	15.9

Note: Comprehensive income For the Three months ended June 30, 2025: ¥3,283 million [(13.6)%]
 For the Three months ended June 30, 2024: ¥3,799 million [(16.4)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2025	24.22	—
June 30, 2024	21.96	—

Note: The Company implemented a 5-for-1 stock split for common shares with an effective October 1, 2024.
 Basic earnings per share is calculated based on the assumption that the stock split was implemented at the beginning of previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2025	153,236	117,272	76.5
March 31, 2025	153,935	115,596	75.1

Reference: Equity
 As of June 30, 2025: ¥117,270 million
 As of March 31, 2025: ¥115,591 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	45.00	—	10.00	—
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026 (Forecast)		10.00	—	10.00	20.00

Note: 1. Revisions to the forecast of cash dividends most recently announced: None

2. The Company implemented a 5-for-1 stock split for common shares with an effective October 1, 2024. For the fiscal year ending March 31, the interim dividend is presented based on the number of shares before the stock split, while the year-end dividend is shown based on the number of shares after the stock split. As a result, the total full-year dividend is displayed as “-”. Based on the number of shares prior to the stock split, the year-end dividend for the fiscal year ending March 31, 2025, is 50 yen for a full-year dividend of 95 yen per share.

3. Consolidated financial results forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings Per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half year (cumulative)	50,200	0.1	8,000	14.8	8,500	18.3	5,700	17.1	45.20
Full year	102,000	5.8	17,000	28.3	18,100	27.9	12,300	19.0	97.70

Note: Revisions to the forecast of consolidated financial results most recently announced: None

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2025	133,660,085 shares
As of March 31, 2025	133,660,085 shares

- (ii) Number of treasury shares at the end of the period

As of June 30, 2025	7,804,679 shares
As of March 31, 2025	7,804,540 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2025	125,855,505 shares
Three months ended June 30, 2024	126,865,251 shares

Note: Total number of issued shares at the end of the period, Number of treasury shares at the end of period and Average number of shares outstanding during the period are calculated based on the assumption that the stock split was implemented at the beginning of previous fiscal year.

- * Review of the Japanese-language originals of the attached consolidated quarterly consolidated financial statement contained in this report by certified public accountants or an audit corporation: None

- * Proper use of earnings forecasts, and other special matters

In this document, statements other than historical facts are forward looking statements that reflect the Company's plans and expectations. These forward-looking statements involve risks, uncertainties and other factors that may cause our actual results and achievements to differ from those anticipated in these statements. Please refer to "1. Overview of operating results, etc. (3) Analysis of Forward-looking Statement, Including Consolidated financial results Forecasts" on page 3 of the attached documents.

(Attached Documents)

INDEX

1. Overview of operating results, etc.	2
(1) Overview of operating results for the first three months	2
(2) Overview of financial position for the first three months	3
(3) Analysis of forward-looking statement, including consolidated financial results forecasts	3
2. Quarterly Consolidated Financial Statements and significant notes thereto	4
(1) Consolidated Balance Sheets	4
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	6
(3) Notes to Quarterly Consolidated Financial Statements	8
(Notes on Premise of Going Concern)	8
(Notes on Major Changes in Shareholders' Equity)	8
(Notes on Quarterly Consolidated Statements of Cash Flows)	8
(Notes on Segment Information and Other Items)	9

1. Overview of operating results, etc.

(1) Overview of operating results for the first three months

During the first three months of the current consolidated fiscal year, the Japanese economy continued its gradual recovery, with an improvement in the employment and income situation and a pickup in consumer spending and capital investment. On the other hand, the risk of a downward swing in the economy is increasing due to factors such as the impact of U.S. tariffs, stagnation of the Chinese economy, and continuing price hikes, and the outlook remains uncertain.

In light of these circumstances, for this final year of our medium-term management plan, Shape the Future-2025 (FY2023 to FY2025), our group has been steadily implementing specific measures in line with the plan's three basic policies: continuous strengthening of our base in existing businesses, strengthening of new product creation capabilities, and promotion of sustainability management.

In terms of the "continuous strengthening of our base in existing businesses," we have been working to enhance our business base by generating stable cash flows and actively investing in growth areas. In the Basic chemicals business, in addition to efforts aimed at reducing costs, we have been working to improve profitability by aggressively expanding sales of Epichlorohydrin as overseas market conditions improve. We will continue to invest in upgrading facilities to improve production efficiency and reduce costs in order to strengthen business foundations so that we can generate stable earnings. In the Functional chemicals business, we were able to increase sales by promoting sales expansion activities to existing customers and the promotion of new business development. In the Healthcare business, the demand for pharmaceutical purification materials for diabetes and obesity medications has continued to expand, and sales volume has been steadily increasing. The new facilities at the Matsuyama Plant, which were completed in September 2024, have been engaged in commercial production since July 2025, ahead of the original plan, and the expansion of the Amagasaki Plant is scheduled for completion in September 2025, approximately one year ahead of schedule.

In terms of the "strengthening of new product creation capabilities," the development of materials for next-generation storage batteries, such as ultra-high ionic conductive polymers for all-solid batteries, which were selected as a NEDO Green Innovation Fund project, is progressing smoothly. We are considering building a pilot facility during this fiscal year to establish a mass production system. For lactic acid bacterium OS-1010, following its function of maintaining skin elasticity, we started human trials on maintaining cognitive function, etc., and have also been working on building a sales network.

In terms of the "promotion of sustainability management," we have reviewed our policy on ESG disclosure initiatives and improved our ESG score. We are expanding opportunities for dialogue with institutional investors, and, taking into account the opinions obtained through such discussions, we are working to enhance shareholder returns by improving capital efficiency and introducing progressive dividends. Aiming to develop human resources by promoting operational reform activities as part of our investment in human capital, we will be relocating our head office in August 2025 in order to create a comfortable work environment and improve employee engagement. We are committed to becoming a "company where employees can fully demonstrate their abilities," which is our ideal image for 2035, the 120th anniversary since our founding.

Net sales for the first three months of the current consolidated fiscal year increased 0.7% year on year to ¥24,284 million. In terms of profit, operating profit increased 19.0% year on year to ¥3,939 million, ordinary profit increased 9.4% year on year to ¥4,446 million, and profit attributable to owners of parent increased 9.4% year on year to ¥3,047 million.

< Basic chemicals >

Net sales of Chlor-Alkali products increased due to an increase in sales volume resulting from the resolution of supply problems caused by the manufacturing equipment problems at the Mizushima Plant. Net sales of Epichlorohydrin increased due to an increase in sales volume resulting from the resolution of supply problems and improved overseas market conditions. As a result of the above, net sales in the Basic chemicals business increased 6.0% year on year to ¥9,604 million.

< Functional chemicals >

In the Synthetic rubbers business, net sales of Acrylic Rubber increased due to increased production capacity resulting from the completion of last year's debottlenecking, but net sales of Epichlorohydrin Rubber decreased due to a decline in automobile production in regions such as Europe. For synthetic resins, net sales of DAP resin increased due to increased demand for UV ink in Europe, and net sales of DAP monomer increased due to replacing competing products in the U.S. Net sales of Allyl Ethers decreased due to sluggish demand for Silane coupling agents, particularly for paint applications, as well as the softening of market conditions in China. As a result of the above, net sales in the Functional chemicals business decreased 9.7% year on year to ¥7,044 million.

<Healthcare>

Net sales of pharmaceutical purification materials increased due to a steady growth in demand for diabetes and obesity medications. Net sales of active pharmaceutical ingredients (APIs) and their intermediates decreased, as although sales of APIs for muscle disease treatment drugs and intermediates for anticancer drugs increased, sales of intermediates for medications for diabetes complications and intermediates for dementia medications decreased. As a result of the above, net sales in the Healthcare business increased 23.6% year on year to ¥3,056 million.

<Trading and Others>

While net sales for consumer products increased thanks to strong sales, net sales of glass fiber decreased as demand for electronic materials remained weak. As a result of the above, net sales in the Trading and others business decreased 4.2% year on year to ¥4,578 million.

(2) Overview of financial position for the first three months

(Assets)

Current assets were ¥92,071 million, a decrease of 0.9% since March 31, 2025. This was due primarily to a decrease of ¥2,919 million in cash and deposits and an increase of ¥1,545 million in electronically recorded monetary claims. Noncurrent assets were ¥61,165 million, an increase of 0.2% since March 31, 2025. This was due primarily to an increase of ¥334 million in construction in progress. As a result, total assets at the end of the first three months of the consolidated accounting period were ¥153,236 million, a decrease of 0.5% since March 31, 2025.

(Liabilities)

Current liabilities were ¥28,911 million, a decrease of 7.9% since March 31, 2025. This was due primarily to decreases of ¥1,769 million in income taxes payable and ¥475 million in provision for bonuses. Noncurrent liabilities were ¥7,052 million, an increase of 1.4% since March 31, 2025. This was due primarily to an increase of ¥212 million in deferred tax liabilities. As a result, liabilities at the end of the first three months of the consolidated accounting period were ¥35,963 million, a decrease of 6.2% since March 31, 2025.

(Net assets)

Net assets at the end of the first three months of the consolidated accounting period were ¥117,272 million, an increase of 1.5% since March 31, 2025. This was due primarily to an increase of ¥1,789 million in retained earnings.

(3) Analysis of forward-looking statement, including consolidated financial results forecasts

There have been no changes to the First half year (cumulative) and full-year performance forecast for the fiscal year ending March 2026 announced on May 9, 2025. We will disclose any changes in the future as appropriate.

2. Quarterly Consolidated Financial Statements and significant notes thereto

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	16,339	13,419
Notes and accounts receivable - trade, and contract assets	25,742	26,151
Electronically recorded monetary claims - operating	4,576	6,122
Securities	26,974	26,971
Merchandise and finished goods	9,817	10,389
Work in process	2,280	2,725
Raw materials and supplies	5,707	4,644
Other	1,496	1,667
Allowance for doubtful accounts	△19	△21
Total current assets	92,916	92,071
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,490	9,367
Machinery, equipment and vehicles, net	14,675	14,328
Land	2,246	2,246
Leased assets, net	531	508
Construction in progress	1,979	2,313
Other, net	371	360
Total property, plant and equipment	29,295	29,124
Intangible assets		
Goodwill	118	106
Software	82	72
Other	1,320	1,715
Total intangible assets	1,521	1,894
Investments and other assets		
Investment securities	28,510	28,528
Long-term loans receivable	9	8
Deferred tax assets	715	631
Other	1,544	1,544
Allowance for doubtful accounts	△578	△577
Total investments and other assets	30,201	30,146
Total non-current assets	61,018	61,165
Total assets	153,935	153,236

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,117	13,336
Short-term borrowings	7,172	7,172
Income taxes payable	2,947	1,177
Provision for bonuses	953	478
Current portion of long-term borrowings	76	72
Other	7,119	6,674
Total current liabilities	31,385	28,911
Non-current liabilities		
Long-term borrowings	387	365
Lease liabilities	675	624
Deferred tax liabilities	3,973	4,186
Retirement benefit liability	1,207	1,166
Asset retirement obligations	557	558
Other	150	150
Total non-current liabilities	6,953	7,052
Total liabilities	38,339	35,963
Net assets		
Shareholders' equity		
Share capital	15,871	15,871
Capital surplus	17,020	17,020
Retained earnings	76,151	77,940
Treasury shares	△6,410	△6,410
Total shareholders' equity	102,633	104,423
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,316	11,323
Deferred gains or losses on hedges	△56	△78
Foreign currency translation adjustment	1,026	939
Remeasurements of defined benefit plans	671	662
Total accumulated other comprehensive income	12,957	12,846
Non-controlling interests	4	6
Total net assets	115,596	117,272
Total liabilities and net assets	153,935	153,236

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	24,114	24,284
Cost of sales	17,107	16,501
Gross profit	7,007	7,782
Selling, general and administrative expenses	3,697	3,842
Operating profit	3,309	3,939
Non-operating income		
Interest income	11	42
Dividend income	407	580
Share of profit of entities accounted for using equity method	4	5
Foreign exchange gains	374	—
Subsidy income	37	56
Other	40	47
Total non-operating income	875	731
Non-operating expenses		
Interest expenses	28	45
Foreign exchange losses	—	167
Other	91	12
Total non-operating expenses	119	225
Ordinary profit	4,065	4,446
Extraordinary losses		
Loss on retirement of non-current assets	36	48
Total extraordinary losses	36	48
Profit before income taxes	4,028	4,397
Income taxes - current	1,029	1,050
Income taxes - deferred	214	299
Total income taxes	1,244	1,350
Profit	2,783	3,047
Loss attributable to non-controlling interests	△1	△0
Profit attributable to owners of parent	2,785	3,047

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit	2,783	3,047
Other comprehensive income		
Valuation difference on available-for-sale securities	902	7
Deferred gains or losses on hedges	37	△22
Foreign currency translation adjustment	66	267
Remeasurements of defined benefit plans, net of tax	△3	△8
Share of other comprehensive income of entities accounted for using equity method	12	△7
Total other comprehensive income	1,015	236
Comprehensive income	3,799	3,283
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,798	3,285
Comprehensive income attributable to non-controlling interests	0	△2

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Premise of Going Concern)

Not applicable

(Notes on Major Changes in Shareholders' Equity)

Not applicable

(Notes on Quarterly Consolidated Statements of Cash Flows)

Quarterly consolidated statements of cash flows for the first three months of the current consolidated fiscal year have not been prepared. Depreciation expenses (including amortization related to intangible fixed assets excluding goodwill) and amortization of goodwill for the first three months of the consolidated fiscal year are as follows.

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Depreciation	932	1,023
Amortization of goodwill	11	11

(Notes on Segment Information and Other Items)

The Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(Millions of yen)

	Basic chemicals	Functional chemicals	Healthcare	Trading and Others	Total	Adjustments *1	Consolidated *2
Net sales							
Japan	8,488	2,208	777	3,988	15,462	—	15,462
China	—	2,082	261	613	2,958	—	2,958
Asia	400	1,495	282	73	2,252	—	2,252
Europe	87	1,138	958	102	2,287	—	2,287
Others	85	873	192	1	1,154	—	1,154
Revenue from Contracts with Customers	9,062	7,799	2,472	4,779	24,114	—	24,114
Other Revenue	—	—	—	—	—	—	—
External sales	9,062	7,799	2,472	4,779	24,114	—	24,114
Intersegment sales or reclassifications	—	189	—	922	1,112	(1,112)	—
Total	9,062	7,988	2,472	5,702	25,226	(1,112)	24,114
Segment income	489	1,349	1,499	299	3,638	(328)	3,309

Notes:

- (1) Adjustments of segment income of ¥ (328) million are corporate expenses not allocated to reportable segments. Most of above-mentioned corporate expenses are not attributable to a reporting segment and related to fundamental research and development.
- (2) Segment income is adjusted to operating income of consolidated statement of income.

The Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(Millions of yen)

	Basic chemicals	Functional chemicals	Healthcare	Trading and Others	Total	Adjustments *1	Consolidated *2
Net sales							
Japan	8,441	1,935	697	4,153	15,228	—	15,228
China	—	2,233	435	283	2,951	—	2,951
Asia	827	1,255	788	85	2,957	—	2,957
Europe	167	909	861	48	1,987	—	1,987
Others	168	711	272	6	1,159	—	1,159
Revenue from Contracts with Customers	9,604	7,044	3,056	4,578	24,284	—	24,284
Other Revenue	—	—	—	—	—	—	—
External sales	9,604	7,044	3,056	4,578	24,284	—	24,284
Intersegment sales or reclassifications	2	207	—	921	1,131	(1,131)	—
Total	9,607	7,252	3,056	5,499	25,415	(1,131)	24,284
Segment income	1,232	1,042	1,676	323	4,275	(335)	3,939

Notes:

- (1) Adjustments of segment income of ¥ (335) million are corporate expenses not allocated to reportable segments. Most of above-mentioned corporate expenses are not attributable to a reporting segment and related to fundamental research and development.
- (2) Segment income is adjusted to operating income of consolidated statement of income.