

**Consolidated Financial Results**  
**For the Second Quarter of the Fiscal Year Ending March 31, 2026 [IFRS]**  
**(Six Months Ended September 30, 2025)**



November 7, 2025

Company name: NIPPON SHOKUBAI CO., LTD.  
Code number: 4114  
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Scheduled date to file semi-annual securities report: November 12, 2025  
Scheduled date of dividend payment: December 5, 2025  
Supplementary material prepared: Yes  
Financial results information meeting held: Yes (for securities analysts and institutional investors)

Listing: TSE (Prime Market)  
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(Figures are rounded off to the nearest million yen)

**1. Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2026 (hereafter FY2025) (from April 1, 2025 to September 30, 2025)**

**(1) Consolidated operating results (cumulative)**

(Percentages indicate year-on-year changes)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended Sep. 30, 2025	200,197	(3.2)	9,011	(13.8)	10,795	(13.1)	7,967	(15.6)	7,612	(14.7)	12,392	89.7
Six months ended Sep. 30, 2024	206,876	6.5	10,455	4.5	12,428	27.0	9,443	21.7	8,925	30.1	6,532	(70.7)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended Sep. 30, 2025	50.43	50.43
Six months ended Sep. 30, 2024	58.03	58.02

**(2) Consolidated financial position**

	Total assets	Total equity	Equity attributable to owners of parent	Rate of equity attributable to owners of parent	Equity attributable to owners of parent per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of Sep. 30, 2025	535,982	390,030	380,646	71.0	2,559.11
As of Mar. 31, 2025	543,659	392,533	383,029	70.5	2,527.98

**2. Dividends**

	Dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2024	—	54.00	—	60.00	114.00
FY2025	—	50.00	—	—	—
FY2025 (forecast)	—	—	—	50.00	100.00

Note: Revisions to the dividends forecast since the latest announcement: None

### 3. Consolidated Financial Forecasts for the FY2025 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	Yen
Full year	405,000	(1.1)	18,000	(5.6)	21,000	(9.5)	15,000	(13.8)

Note: Revisions to the financial forecasts since the latest announcement: Yes

#### \*Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 company (Emulsion Technology Co., Ltd.)

(2) Changes in accounting policies; changes in accounting estimates

1) Changes in accounting policies required by IFRS: None

2) Other changes in accounting policies: None

3) Changes in accounting estimates: None

(3) Number of shares issued and outstanding (common shares)

1) Number of shares issued at the end of the period (including treasury shares)

Sep. 30, 2025:	156,000,000 shares	Mar. 31, 2025:	156,000,000 shares
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2) Number of treasury shares at the end of the period

Sep. 30, 2025:	7,258,552 shares	Mar. 31, 2025:	4,484,372 shares
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3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2025:	150,948,914 shares	Six months ended Sep. 30, 2024:	153,786,718 shares
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Note: The numbers of treasury shares at the end of the periods include shares of the Company held by the trust account set up after the introduction of a Performance-linked Stock Compensation Plan for the Company's Members of the Board and Executive Officers (166,816 shares as of September 30, 2025 and 176,500 shares as of March 31, 2025). Shares of the Company held by the trust account are included in the treasury shares to be deducted in the calculation of the average number of shares outstanding during the period.

\* This semi-annual financial results report is outside the scope of review by certified public accountants or an audit firm.

\* Appropriate use of business forecasts and other special items

1. 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) Consolidated Financial Forecasts and Other Forward-looking Statements" on page 4 of the attached materials for the assumptions used in business forecasts.
2. Supplementary material will be disclosed through TDnet on Tuesday, November 11, 2025, and also be posted on the Company's website.

\*This document is translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

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## 1. Overview of Operating Results, etc.

### (1) Overview of Operating Results for the Period under Review

The Group's revenue in the six months ended September 30, 2025 (the "period under review") decreased 3.2% from the same period of the previous fiscal year to 200,197 million yen, down 6,679 million yen, primarily owing to lower selling prices due mainly to a decline in product overseas market conditions and lower raw material prices as well as to the progressively weaker US dollar, despite an increase in sales volume.

With regard to profits, operating profit dropped 13.8% from the same period of the previous fiscal year to 9,011 million yen, down 1,444 million yen, due to negative factors that reduce profit such as inventory valuation gains, which had arisen in the same period of the previous fiscal year, turning into losses in the period under review and an increase in selling, general and administrative expenses, in spite of positive factors that increase profit including the widening of spreads for solutions products and higher production and sales volumes for materials products.

Profit before tax was 10,795 million yen, a decrease of 1,632 million yen or 13.1% from the same period of the previous fiscal year, owing to decreases in operating profit and share of profit of investments accounted for using equity method, partially offset by an improvement in foreign exchange loss (gain).

As a result, profit attributable to owners of parent of 7,612 million yen was posted, down 1,313 million yen (14.7%) from the same period of the previous fiscal year.

Operating results by business segment were as follows:

#### 1) Materials Business

Sales of acrylic acid and acrylates decreased owing to lower selling prices due to a decline in product overseas market conditions and lower raw material prices.

Sales of superabsorbent polymers increased due to an increase in sales volumes, despite lower selling prices in line with a decline in product overseas market conditions.

Sales of ethylene oxide and maleic anhydride decreased attributable to lower selling prices due to a decline in raw material prices as well as to lower sales volume.

Sales of ethylene glycol decreased due to lower selling prices in line with a decline in raw material prices.

Sales of special esters decreased owing to a decline in sales volume as well as to lower selling prices due to a decline in product overseas market conditions.

Sales of process catalysts decreased owing to lower sales volume.

As a result, revenue in the materials business decreased 6.6% from the same period of the previous fiscal year to 139,672 million yen.

Operating profit decreased 35.3% from the same period of the previous fiscal year to 5,231 million yen due to negative factors that reduce profit such as an increase in fixed manufacturing costs and the impact of inventory valuation differences attributable to lower raw material prices, in spite of a positive factor that increases profit due to higher sales volume of some products.

Segment income decreased 29.2% from the same period of the previous fiscal year to 6,450 million yen chiefly owing to a decline in operating profit.

#### 2) Solutions Business

Sales of polymers for concrete admixtures, ethyleneimine derivatives, and resins for paints decreased due to a decline in sales volume.

Sales of secondary alcohol ethoxylates decreased owing to lower selling prices in line with a decline in raw material prices.

Sales of water-soluble polymers such as raw materials for detergents increased attributable to higher selling prices.

Sales of iodine compounds increased due to higher selling prices, despite a decline in sales volume.

Sales of electronic and information materials, materials for batteries, and De-NOx catalysts increased owing to an increase in sales volume.

As a result, revenue in the solutions business increased 5.5% from the same period of the previous fiscal year to 60,525 million yen.

Operating profit increased 64.3% from the same period of the previous fiscal year to 3,364 million yen due to the expanded spreads, partially offset by negative factors that reduce profit such as the impact of inventory valuation differences attributable to lower raw material prices and an increase in selling, general and administrative expenses.

Segment income decreased 0.5% from the same period of the previous fiscal year to 2,734 million yen chiefly owing to the recording of an impairment loss in an equity-method associate, despite an increase in operating profit.

Note: Segment income = “operating profit” + “equity-method investment profit (loss)”

## **(2) Overview of Financial Position for the Period under Review**

### **1) Assets, Liabilities and Equity**

Total assets at the end of the period under review decreased by 7,678 million yen from the end of the previous fiscal year to 535,982 million yen. Current assets decreased by 17,388 million yen from the end of the previous fiscal year. This was mainly due to a decrease in cash and cash equivalents and a decrease in trade receivables primarily owing to lower selling prices due to a decline in raw material prices. Non-current assets increased by 9,710 million yen from the end of the previous fiscal year. This was mainly due to an increase in property, plant and equipment chiefly because of the capital expenditure and goodwill arising from acquisition of a subsidiary, despite a decrease in other financial assets as a result of the sale of stocks held.

Total liabilities decreased by 5,174 million yen from the end of the previous fiscal year to 145,952 million yen. This was mainly due to a decrease in trade payables chiefly owing to lower purchase prices in line with a decline in raw material prices.

Total equity decreased by 2,504 million yen from the end of the previous fiscal year to 390,030 million yen. This was mainly due a decrease in retained earnings resulting primarily from the purchase of treasury shares and dividend of surplus, despite an increase in other components of equity.

The rate of equity attributable to owners of parent increased by 0.5 percentage points from 70.5% at the end of the previous fiscal year to 71.0%. Equity attributable to owners of parent per share increased by 31.13 yen from the end of the previous fiscal year to 2,559.11 yen.

### **2) Cash Flows**

Cash and cash equivalents at the end of the period under review amounted to 45,851 million yen, a decrease of 8,713 million yen from the end of the previous fiscal year, as the sum of cash flows used in investing activities including capital investment and cash flows used in financing activities exceeded the cash flows provided by operating activities.

#### **Cash flow from operating activities**

Net cash provided by operating activities in the period under review amounted to 25,540 million yen, an increase of 2,561 million yen from a cash inflow of 22,979 million yen in the same period of the previous fiscal year. This was mainly owing to a lower decrease in trade payables compared to the same period of the previous year primarily due to lower purchase prices in line with a decline in raw material prices and an increase in interest and dividends received, despite lower profit before tax than in the same period of the previous fiscal year.

#### **Cash flow from investing activities**

Net cash used in investing activities in the period under review totaled 20,741 million yen, an increase of 13,141 million yen from a cash outflow of 7,601 million yen in the same period of the previous fiscal year. This was mainly due to increases in purchase of property, plant and equipment and purchase of shares of subsidiaries resulting in change in scope of consolidation.

#### **Cash flow from financing activities**

Net cash used in financing activities in the period under review amounted to 13,547 million yen, a decrease of 795 million yen from a cash outflow of 14,342 million yen in the same period of the previous fiscal year. This was mainly due to an increase in proceeds from borrowings, despite increases in dividends paid and purchase of treasury shares.

### (3) Consolidated Financial Forecasts and Other Forward-looking Statements

The Company has updated its full-year consolidated financial forecasts reflecting the consolidated financial results for the first half of the fiscal year under review and the forecasts for the second half. Compared with the forecasts announced on May 13, 2025 (the “previous forecasts”), revenue has been left unchanged at 405,000 million yen, while profits have been revised upward with operating profit to 18,000 million yen and profit before tax to 21,000 million yen. Meanwhile, profit attributable to owners of parent has been left unchanged at 15,000 million yen.

For the second half of the fiscal year under review, we anticipate operating profit to increase by 500 million yen from the previous forecasts to 9,000 million yen mainly attributable to the widening of the spreads for solutions products. In addition, profit before tax is expected to increase by 700 million yen from the previous forecasts to 10,200 million yen due to increases in operating profit and share of profit of investments accounted for using equity method. Profit attributable to owners of parent is expected to decrease by 100 million yen from the previous forecasts to 7,400 million yen owing to an increase in income tax expense.

For the second half of the fiscal year, the consolidated financial results are based on the assumption that the exchange rate will be 148 yen/USD and 173 yen/EUR, and the domestic naphtha price will be 61,000 yen/kl.

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

	Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecasts (A) (May 13, 2025)	405,000	17,000	20,000	15,000	99.95
Announced at this time (B)	405,000	18,000	21,000	15,000	100.35
Increase (decrease) (B-A)	–	1,000	1,000	–	
Change (%)	–	5.9	5.0	–	
(Reference) Actual amounts in the previous fiscal year (FY2024)	409,346	19,062	23,203	17,394	113.90

(Reference)

Preconditions for forecasts

	Domestic naphtha price yen/kl	Foreign exchange rate	
		yen/USD	yen/EUR
First-half results	64,800	146	168
Second-half forecasts	61,000	148	173
Full-year forecasts	62,900	147	171

Forecasts by reportable segment

(Unit: Billions of yen)

	Materials business			Solutions business			Adjustment	Total		
	Revenue	Operating profit	Segment income	Revenue	Operating profit	Segment income		Revenue	Operating profit	Segment income
First-half results	139.7	5.2	6.5	60.5	3.4	2.7	0.4	200.2	9.0	9.6
Second-half forecasts	141.3	5.2	5.7	63.5	3.4	4.0	0.4	204.8	9.0	10.1
Full-year forecasts	281.0	10.4	12.2	124.0	6.8	6.7	0.8	405.0	18.0	19.7

Note: Segment income is calculated with the formula of “operating profit” + “equity-method investment profit (loss).”

“Adjustment” includes inter-segment transaction eliminations and corporate profit (loss) not allocated to reportable segments.

While the year-end dividend forecast for the fiscal year ending March 31, 2026 has remained unchanged at 50 yen per share (annual dividend at 100 yen per share), the Company will promptly announce any revisions to the dividend forecast if it determines that such revisions are necessary in light of the future trajectory for the operating results and other factors.

## 2. Condensed Semi-annual Consolidated Financial Statements and Related Notes

### (1) Condensed Semi-annual Consolidated Statements of Financial Position

	(Unit: Millions of yen)	
	As of Mar. 31, 2025	As of Sep. 30, 2025
Assets		
Current assets		
Cash and cash equivalents	54,565	45,851
Trade receivables	96,465	92,363
Inventories	84,315	83,988
Other financial assets	11,928	8,811
Other current assets	8,178	7,051
Total current assets	255,451	238,063
Non-current assets		
Property, plant and equipment	194,244	200,957
Goodwill	—	3,539
Intangible assets	4,496	6,691
Investments accounted for using equity method	30,040	28,136
Other financial assets	38,479	36,181
Retirement benefit asset	15,750	16,088
Deferred tax assets	3,859	4,467
Other non-current assets	1,339	1,860
Total non-current assets	288,208	297,919
Total assets	543,659	535,982

(Unit: Millions of yen)

	As of Mar. 31, 2025	As of Sep. 30, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	54,821	49,604
Borrowings	23,126	19,360
Other financial liabilities	12,175	9,364
Income taxes payable	5,220	3,004
Provisions	6,709	6,982
Other current liabilities	5,121	4,072
Total current liabilities	107,171	92,387
Non-current liabilities		
Borrowings	18,265	24,311
Other financial liabilities	4,319	4,045
Retirement benefit liability	8,674	9,429
Provisions	3,122	3,774
Deferred tax liabilities	9,574	12,006
Total non-current liabilities	43,954	53,565
Total liabilities	151,126	145,952
Equity		
Share capital	25,038	25,038
Capital surplus	22,533	22,478
Treasury shares	(7,263)	(12,397)
Retained earnings	308,770	307,488
Other components of equity	33,951	38,038
Total equity attributable to owners of parent	383,029	380,646
Non-controlling interests	9,505	9,384
Total equity	392,533	390,030
Total liabilities and equity	543,659	535,982



## (2) Condensed Semi-annual Consolidated Statements of Profit or Loss and Condensed Semi-annual Consolidated Statements of Comprehensive Income

### Condensed Semi-annual Consolidated Statements of Profit or Loss

	(Unit: Millions of yen)	
	Six months ended September 30, 2024	Six months ended September 30, 2025
Revenue	206,876	200,197
Cost of sales	170,569	163,231
Gross profit	36,307	36,965
Selling, general and administrative expenses	26,531	28,579
Other operating income	1,326	1,220
Other operating expenses	647	596
Operating profit	10,455	9,011
Finance income	1,393	1,756
Finance costs	1,156	562
Share of profit (loss) of investments accounted for using equity method	1,737	590
Profit before tax	12,428	10,795
Income tax expense	2,985	2,829
Profit	9,443	7,967
Profit attributable to:		
Owners of parent	8,925	7,612
Non-controlling interests	518	354
Profit	9,443	7,967
Earnings per share:		
Basic earnings per share (Yen)	58.03	50.43
Diluted earnings per share (Yen)	58.02	50.43

**Condensed Semi-annual Consolidated Statements of Comprehensive Income**

	(Unit: Millions of yen)	
	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	9,443	7,967
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of financial assets measured at fair value through other comprehensive income	524	3,180
Share of other comprehensive income of investments accounted for using equity method	1	1
Total of items that will not be reclassified to profit or loss	524	3,181
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(4,706)	1,794
Share of other comprehensive income of investments accounted for using equity method	1,271	(550)
Total of items that may be reclassified to profit or loss	(3,435)	1,244
Other comprehensive income, net of tax	(2,911)	4,425
Comprehensive income	6,532	12,392
Comprehensive income attributable to		
Owners of parent	5,678	11,896
Non-controlling interests	855	495
Comprehensive income	6,532	12,392

### (3) Condensed Semi-annual Consolidated Statements of Changes in Equity

Six months ended September 30, 2024 (Apr. 1, 2024 to Sep. 30, 2024)

(Unit: Millions of yen)

	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	
					Net change in fair value of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance at beginning of period	25,038	22,513	(2,358)	298,424	9,131	—
Profit	—	—	—	8,925	—	—
Other comprehensive income	—	—	—	—	523	1
Comprehensive income	—	—	—	8,925	523	1
Purchase of treasury shares	—	—	(4,108)	—	—	—
Disposal of treasury shares	—	(1)	7	—	—	—
Share-based payment transactions	—	0	—	—	—	—
Dividends	—	—	—	(3,475)	—	—
Transfer from other components of equity to retained earnings	—	—	—	2,778	(2,778)	(1)
Total transactions with owners	—	(1)	(4,100)	(697)	(2,778)	(1)
Balance at end of period	25,038	22,512	(6,458)	306,652	6,876	—

	Other components of equity		Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Total			
Balance at beginning of period	30,699	39,830	383,448	9,114	392,562
Profit	—	—	8,925	518	9,443
Other comprehensive income	(3,770)	(3,247)	(3,247)	336	(2,911)
Comprehensive income	(3,770)	(3,247)	5,678	855	6,532
Purchase of treasury shares	—	—	(4,108)	—	(4,108)
Disposal of treasury shares	—	—	6	—	6
Share-based payment transactions	—	—	0	—	0
Dividends	—	—	(3,475)	(760)	(4,235)
Transfer from other components of equity to retained earnings	—	(2,778)	—	—	—
Total transactions with owners	—	(2,778)	(7,576)	(760)	(8,336)
Balance at end of period	26,929	33,805	381,549	9,209	390,758

Six months ended September 30, 2025 (Apr. 1, 2025 to Sep. 30, 2025)

(Unit: Millions of yen)

	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	
					Net change in fair value of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance at beginning of period	25,038	22,533	(7,263)	308,770	4,225	—
Profit	—	—	—	7,612	—	—
Other comprehensive income	—	—	—	—	3,181	1
Comprehensive income	—	—	—	7,612	3,181	1
Purchase of treasury shares	—	—	(5,220)	—	—	—
Disposal of treasury shares	—	(18)	86	—	—	—
Share-based payment transactions	—	(36)	—	—	—	—
Dividends	—	—	—	(9,091)	—	—
Transfer from other components of equity to retained earnings	—	—	—	197	(197)	(1)
Total transactions with owners	—	(55)	(5,134)	(8,894)	(197)	(1)
Balance at end of period	25,038	22,478	(12,397)	307,488	7,209	—

	Other components of equity		Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Total			
Balance at beginning of period	29,726	33,951	383,029	9,505	392,533
Profit	—	—	7,612	354	7,967
Other comprehensive income	1,103	4,284	4,284	141	4,425
Comprehensive income	1,103	4,284	11,896	495	12,392
Purchase of treasury shares	—	—	(5,220)	—	(5,220)
Disposal of treasury shares	—	—	68	—	68
Share-based payment transactions	—	—	(36)	—	(36)
Dividends	—	—	(9,091)	(616)	(9,707)
Transfer from other components of equity to retained earnings	—	(197)	—	—	—
Total transactions with owners	—	(197)	(14,279)	(616)	(14,895)
Balance at end of period	30,829	38,038	380,646	9,384	390,030

#### (4) Condensed Semi-annual Consolidated Statements of Cash Flows

	(Unit: Millions of yen)	
	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit before tax	12,428	10,795
Depreciation and amortization	15,833	15,894
Loss (gain) on sale of property, plant and equipment	(4)	(3)
Interest and dividend income	(1,385)	(1,278)
Interest expenses	717	531
Share of loss (profit) of investments accounted for using equity method	(1,737)	(590)
Decrease (increase) in trade receivables	5,288	6,030
Decrease (increase) in inventories	1,631	2,337
Increase (decrease) in trade payables	(11,226)	(6,756)
Other	367	(26)
Subtotal	21,913	26,935
Interest and dividends received	1,777	3,208
Interest paid	(708)	(464)
Income taxes refund (paid)	(3)	(4,138)
Net cash provided by (used in) operating activities	22,979	25,540
Cash flows from investing activities		
Purchase of property, plant and equipment	(12,120)	(21,155)
Proceeds from sale of property, plant and equipment	8	4
Purchase of intangible assets	(568)	(396)
Purchase of investments	(82)	(52)
Proceeds from sale and redemption of investments	4,126	6,886
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(7,261)
Other	1,036	1,232
Net cash provided by (used in) investing activities	(7,601)	(20,741)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(647)	(8,074)
Proceeds from long-term borrowings	100	12,483
Repayments of long-term borrowings	(4,597)	(2,146)
Repayments of lease liabilities	(855)	(883)
Purchase of treasury shares	(4,108)	(5,220)
Dividends paid	(3,475)	(9,091)
Dividends paid to non-controlling interests	(760)	(616)
Other	0	—
Net cash provided by (used in) financing activities	(14,342)	(13,547)
Effect of exchange rate changes on cash and cash equivalents	(1,148)	35
Net increase (decrease) in cash and cash equivalents	(112)	(8,713)
Cash and cash equivalents at beginning of period	55,129	54,565
Cash and cash equivalents at end of period	55,017	45,851

## **(5) Notes Concerning Condensed Semi-annual Consolidated Financial Statements**

### **(Going Concern Assumption)**

Not applicable.

### **(Segment Information)**

#### **1. Outline of Reportable Segments**

The Group's reportable segments are divisions of the Group for which separate financial information is available, and whose operating results are reviewed regularly by the Board of Directors of the Company in order to allocate management resources and assess performance of operations.

The Group's main business lines are divided based on similarities of function and nature and the Group prepares the comprehensive strategy and conducts the business activities corresponding to the products handled by each business line. Accordingly, the Group is comprised of reportable segments classified by type of products based on each business line and does not aggregate its operating results. The two reportable segments of the Group are the Materials business and the Solutions business.

In the Materials business, acrylic acid, acrylates, ethylene oxide, ethylene glycol, ethanolamine, special esters, superabsorbent polymers, maleic anhydride, process catalysts, etc. are manufactured and sold. In the Solutions business, polymers for concrete admixtures, glycol ether, secondary alcohol ethoxylates, water-soluble polymers such as raw materials for detergents, intermediates for pharmaceuticals, electronic and information materials, iodine compounds, resins for adhesives/paints, ethyleneimine derivatives, processed adhesive products, automotive catalysts, De-NOx catalysts, dioxin decomposition catalysts, equipment for waste gas treatment, wet air oxidation catalysts, materials for batteries, etc. are manufactured and sold.

Under its new Medium-Term Management Plan (FY2025-FY2027), the Group has set forth a strategy to enhance profitability of the Solutions business. Going forward, the importance of share of profit of investments accounted for using equity method (equity-method investment profit) is expected to increase further as we expand our investments in growth business areas. To assess the Group's earning power more accurately, we use the profit indicator of "operating profit + equity-method investment profit."

In line with this change, segment income is calculated with the formula of "operating profit" + "equity-method investment profit (loss)" and segment income for the six months ended September 30, 2024 has been restated accordingly.

## 2. Information Concerning Revenue and Income or Loss by Reportable Segment

Six months ended Sep. 30, 2024 (Apr. 1, 2024 to Sep. 30, 2024)

(Unit: Millions of yen)

	Reportable segments			Adjustment (Note)	Total
	Materials	Solutions	Total		
Revenue					
Revenue to third parties	149,492	57,384	206,876	—	206,876
Intergroup revenue and transfers	8,480	1,489	9,970	(9,970)	—
Total	157,973	58,873	216,846	(9,970)	206,876
Segment income					
Operating profit	8,080	2,047	10,127	328	10,455
Share of profit (loss) of investments accounted for using equity method	1,036	701	1,737	—	1,737
Total	9,116	2,747	11,863	328	12,191
Finance income	—	—	—	—	1,393
Finance costs	—	—	—	—	1,156
Profit before tax	—	—	—	—	12,428

Note: The adjustment for “Segment income” includes inter-segment transaction eliminations and corporate profit (loss) not allocated to reportable segments amounting to 328 million yen.

Six months ended Sep. 30, 2025 (Apr. 1, 2025 to Sep. 30, 2025)

(Unit: Millions of yen)

	Reportable segments			Adjustment (Note)	Total
	Materials	Solutions	Total		
Revenue					
Revenue to third parties	139,672	60,525	200,197	—	200,197
Intergroup revenue and transfers	7,799	1,280	9,080	(9,080)	—
Total	147,471	61,806	209,276	(9,080)	200,197
Segment income					
Operating profit	5,231	3,364	8,594	416	9,011
Share of profit (loss) of investments accounted for using equity method	1,220	(630)	590	—	590
Total	6,450	2,734	9,184	416	9,601
Finance income	—	—	—	—	1,756
Finance costs	—	—	—	—	562
Profit before tax	—	—	—	—	10,795

Note: The adjustment for “Segment income” includes inter-segment transaction eliminations and corporate profit (loss) not allocated to reportable segments amounting to 416 million yen.

**(Significant Subsequent Events)**

(Cancellation of treasury shares)

The Company has resolved, at a meeting of the Board of Directors held on October 30, 2025, to cancel its treasury shares pursuant to the provisions of Article 178 of the Companies Act. Details are described in the “Notice Regarding Cancellation of Treasury Stock (Cancellation of Treasury Stock pursuant to the provisions of Article 178 of the Companies Act)” announced on October 30, 2025.