

Summary of Consolidated Financial Results for First Quarter of FY2026



Aug 5, 2026
Mitsui Chemicals, Inc.

1. Summary of Operating Results

(Unit : Billions of Yen)

	1st Q of FY2025	1st Q of FY2026	Incr. (Decr.)	FY2025	Outlook for FY2026 (announced Aug. 5)
					First half
Sales revenue	415.4	460.0	44.6	1,668.8	957.0
Operating income before special items	26.6	50.1	23.5	100.0	76.0
Operating income	12.8	48.4	35.6	73.8	66.0
Net income	5.7	37.3	31.6	46.9	45.0
Net income attributable to owners of the parent	0.7	32.1	31.4	34.4	34.0
Exchange rate	Yen / US\$	145	159	151	160
Domestic standard naphtha price	Yen / KL	66,400	118,900	65,300	104,500

2. Sales Revenue and Operating Income (loss) before Special Items by Business Segment

・Sales revenue

(Unit : Billions of Yen)

	1st Q of FY2025	1st Q of FY2026	Incr. (Decr.)	Breakdown		FY2025	Outlook for FY2026 (announced Aug. 5)
				Volume	Price		First half
Life & Healthcare Solutions	56.3	62.2	5.9	2.7	3.2	259.1	125.0
Mobility Solutions	130.2	142.5	12.3	(2.0)	14.3	515.4	295.0
ICT Solutions	69.0	77.8	8.8	1.7	7.1	279.5	160.0
Specialty chemicals domains	255.5	282.5	27.0	2.4	24.6	1,054.0	580.0
Basic & Green Materials	156.2	173.6	17.4	(18.8)	36.2	599.9	370.0
Others	3.7	3.9	0.2	-	0.2	14.9	7.0
Total	415.4	460.0	44.6	(16.4)	61.0	1,668.8	957.0

・Operating income (loss) before special items

(Unit : Billions of Yen)

	1st Q of FY2025	1st Q of FY2026	Incr. (Decr.)	Breakdown			FY2025	Outlook for FY2026 (announced Aug. 5)
				Volume	Price ※	Fixed Costs etc.		First half
Life & Healthcare Solutions	6.2	6.8	0.6	2.1	(0.5)	(1.0)	34.2	13.0
Mobility Solutions	14.6	14.8	0.2	(1.2)	2.4	(1.0)	51.0	30.0
ICT Solutions	9.0	11.1	2.1	1.7	1.0	(0.6)	36.9	23.0
Specialty chemicals domains	29.8	32.7	2.9	2.6	2.9	(2.6)	122.1	66.0
Basic & Green Materials	(2.9)	19.8	22.7	(2.3)	20.0	5.0	(18.4)	15.0
Others	(0.2)	(0.0)	0.2	-	-	0.2	(0.1)	(3.0)
Adjustment	(0.1)	(2.4)	(2.3)	-	-	(2.3)	(3.6)	(2.0)
Total	26.6	50.1	23.5	0.3	22.9	0.3	100.0	76.0

※ Price includes both selling and purchasing price variances.

3. Summary of Statement of Financial Position

(Unit : Billions of Yen)

	Assets				Liabilities and Equity		
	As of Mar. 31, 2026	As of Jun. 30, 2026	Incr. (Decr.)		As of Mar. 31, 2026	As of Jun. 30, 2026	Incr. (Decr.)
Current assets	993.2	1,112.5	119.3	Interest-bearing debt	795.8	876.4	80.6
Property, plant and equipment & right-of-use assets	720.8	712.9	(7.9)	Other liabilities	367.1	388.3	21.2
Goodwill and intangible assets	98.0	97.2	(0.8)	Equity attributable to owners of the parent	864.7	873.2	8.5
Other non-current assets	339.7	339.7	0.0	Non-controlling interests	124.1	124.4	0.3
Total assets	2,151.7	2,262.3	110.6	Total liabilities and equity	2,151.7	2,262.3	110.6
				[Net D/E Ratio]	0.70	0.75	0.05

4. Summary of Statement of Cash Flows

(Unit : Billions of Yen)

	1st Q of FY2025	1st Q of FY2026	Incr. (Decr.)	FY2025	Outlook for FY2026 (announced Aug. 5)
					First half
Cash flows from operating activities	45.4	14.0	(31.4)	213.0	94.0
Cash flows from investing activities	(24.7)	(29.2)	(4.5)	(134.8)	(206.5)
Free cash flows	20.7	(15.2)	(35.9)	78.2	(112.5)
Cash flows from financing activities	(8.8)	47.1	55.9	(75.9)	89.0
Others	(2.0)	2.8	4.8	10.2	0.0
Net incr.(decr.) in cash and cash equivalents	9.9	34.7	24.8	12.5	(23.5)
Cash and cash equivalents at the end of period	180.5	217.8	37.3	183.1	

5. Dividends

	Annual Dividends per Share (yen)				
	1st Q	Interim (2nd Q)	3rd Q	Year-end (4th Q)	Annual Total
FY2025 Result	—	75.00	—	37.50	—
FY2026 Forecast	—	37.50	—	37.50	75.00

On January 1, 2026, Mitsui Chemicals, Inc. (hereinafter the "Company") conducted a two-for-one stock split of its common shares.

The above dividend per share for the second quarter of the FY2025 is the amounts before the stock split.

The total annual dividend per share for the FY2025 is not stated because the interim dividend and the year-end dividend cannot be simply added together due to the stock split. If the stock split is taken into account, the interim dividend per share for FY2025 would be 37.50 yen, and the total annual dividend would be 75.00 yen.

6. Number of Shares Outstanding (common stock)

	FY2025	1st Q of FY2026
Number of shares outstanding at term-end (including treasury stock)	401,687,630	401,687,630
Number of shares of treasury stock at term-end	33,588,357	40,194,231
Average number of shares	374,680,934 ※	361,498,549

※1st Q of FY2025

On January 1, 2026, the Company conducted a two-for-one stock split of its common shares.

The average number of shares has been calculated assuming that the stock split was conducted at the beginning of the FY2025.

1. Operating Results

(1) Overview

In the fiscal period under review (the three-month period from April 1, 2026 to June 30, 2026, hereinafter the "first quarter"), economic recovery continued moderately worldwide. Meanwhile, the pace of recovery in some countries and regions has slowed amid weak demand and U.S. trade policies. In addition, uncertainty regarding energy supplies and international logistics persisted due to instability in the Middle East driven by military conflicts between the United States and Iran.

In Japan, economic activity continued to recover moderately, supported by improvements in employment and income conditions. However, uncertainty remained due to the impact of U.S. trade policies and instability in the Middle East.

The Mitsui Chemicals Group (hereinafter the "Group") reported the operating results for the first quarter as follows. The Group employs operating income before special items, which stands for operating income excluding non-recurring items (e.g., losses resulting from withdrawing from and/or downsizing businesses), as a management indicator.

(Billions of Yen)

	Sales Revenue	Operating Income before Special Items	Operating Income	Net Income Attributable to Owners of the Parent
First Quarter	460.0	50.1	48.4	32.1
Same period of previous fiscal year	415.4	26.6	12.8	0.7
Difference	44.6	23.5	35.6	31.4
Difference (%)	10.8	88.4	279.8	4,302.3

Sales revenue was 460.0 billion yen, an increase of 44.6 billion yen, or 10.8%, year on year. This result was mainly due to the increase in selling prices, which resulted from rising raw material prices, such as naphtha, and the impact of exchange rate differences.

Operating income before special items was 50.1 billion yen, an increase of 23.5 billion yen, or 88.4%, year on year. This result was mainly due to the improved inventory revaluation gain and loss resulting from rising raw material prices, such as naphtha.

Operating income was 48.4 billion yen, an increase of 35.6 billion yen, or 279.8%, year on year. This result was mainly due to the increase in operating income before special items.

Financial income/expenses improved 2.1 billion yen year on year to a 0.7 billion yen loss.

As a result of the aforementioned factors, **income before income taxes** amounted to 47.7 billion yen, an increase of 37.7 billion yen, or 379.3%, year on year.

Net income attributable to owners of the parent after accounting for income taxes and non-controlling interests was 32.1 billion yen, an increase of 31.4 billion yen, or 4,302.3%, year on year. Basic earnings per share for the period amounted to 88.78 yen.

(2) Results by Business Segment

The status of each segment during the first quarter is as follows.

Life & Healthcare Solutions

Sales revenue increased 5.9 billion yen compared with the corresponding period of the previous fiscal year to 62.2 billion yen and comprised 13% of total sales. Operating income before special items increased 0.6 billion yen to 6.8 billion yen year on year. This result was mainly due to the healthy sales in vision care materials and agrochemicals.

In **vision care materials**, sales were healthy for ophthalmic lens materials.

In **oral care materials**, sales remained at the same level as the corresponding period of the previous fiscal year. In addition, fixed costs were reduced through business restructuring.

In **agrochemicals**, sales were healthy.

Mobility Solutions

Sales revenue increased 12.3 billion yen compared with the corresponding period of the previous fiscal year to 142.5 billion yen and comprised 31% of total sales. Operating income before special items increased 0.2 billion yen to 14.8 billion yen year on year. This was mainly due to the improved terms of trade by exchange rate differences, despite a decrease in sales due to instability in the Middle East and an increase in fixed costs such as depreciation associated with capacity expansion.

In **elastomers**, sales decreased compared to the corresponding period of the previous fiscal year. In addition, fixed costs, such as depreciation, increased due to capacity expansion.

In **polypropylene compounds**, sales remained at the same level as the corresponding period of the previous fiscal year, while terms of trade improved due to exchange rate differences.

In **solutions business**, sales decreased compared to the corresponding period of the previous fiscal year. On the other hand, fixed costs were reduced through business restructuring.

ICT Solutions

Sales revenue increased 8.8 billion yen compared with the corresponding period of the previous fiscal year to 77.8 billion yen and comprised 17% of total sales. Operating income before special items increased 2.1 billion yen to 11.1 billion yen year on year. This was mainly due to healthy sales in semiconductor & optical materials and ICT films & sheets, as well as the improved terms of trade by exchange rate differences.

In **semiconductor & optical materials**, sales were healthy.

In **coatings & engineering materials**, sales remained at the same level as the corresponding period of the previous fiscal year.

In **ICT films & sheets**, sales were healthy.

In **nonwovens**, sales remained at the same level as the corresponding period of the previous fiscal year.

Basic & Green Materials

Sales revenue increased 17.4 billion yen compared with the corresponding period of the previous fiscal year to 173.6 billion yen and comprised 38% of total sales. Operating income before special items increased 22.7 billion yen, resulting in 19.8 billion yen. This was mainly

due to the improved inventory revaluation gain and loss resulting from the rising raw material prices, such as naphtha, despite weak sales. In addition, lower fixed costs through business restructuring and increased share of profit of investments accounted for using equity method also contributed to the improvement in operating income before special items.

In **phenols**, sales decreased compared with the same period of the previous fiscal year. On the other hand, fixed costs improved through business restructuring.

In **polyolefin**, sales remained at the same level as the corresponding period of the previous fiscal year.

Naphtha cracker operating rates remained low mainly due to adjusting operations resulting from instability in the Middle East.

Others

Sales revenue increased 0.2 billion yen compared with the corresponding period of the previous fiscal year to 3.9 billion yen and comprised 1% of total sales. Operating loss before special items improved 0.2 billion yen to 0.0 billion yen year on year.

2. Financial Position

(1) Status of Assets, Liabilities and Net Assets

Total assets at the end of the first quarter stood at 2,262.3 billion yen, an increase of 110.6 billion yen compared with the previous fiscal year-end.

Total liabilities at the end of the first quarter increased 101.8 billion yen compared with the previous fiscal year-end to 1,264.7 billion yen. **Interest-bearing debt** amounted to 876.4 billion yen, an increase of 80.6 billion yen compared with the previous fiscal year-end. As a result, the interest-bearing debt ratio was 38.7%, an increase of 1.7 percentage point.

Total equity was 997.6 billion yen, an increase of 8.8 billion yen compared with the previous fiscal year-end. The **ratio of equity attributable to owners of the parent** was 38.6%, a decrease of 1.6 percentage point.

Accounting for the aforementioned factors, the **net debt-equity ratio** stood at 0.75 at the end of the first quarter, a 0.05 percentage point increase from the previous fiscal year-end.

(2) Cash Flow Status

Cash and cash equivalents (hereinafter "net cash") at the end of the first quarter increased 34.7 billion yen to 217.8 billion yen compared with the previous fiscal year-end.

Cash Flows from Operating Activities

Net cash provided by operating activities decreased 31.4 billion yen to 14.0 billion yen, compared with the same period of the previous fiscal year, due to an increase in working capital.

Cash Flows from Investing Activities

Net cash used in investing activities increased 4.5 billion yen to 29.2 billion yen, compared with the same period of the previous fiscal year, due to a decrease in proceeds from sale and redemption of investment securities.

Cash Flows from Financing Activities

Net cash provided by investing activities was 47.1 billion yen, compared with an 8.8 billion yen expenditure in the same period of the previous fiscal year, due to an increase in borrowings of interest-bearing debt.

3. Outlook for Fiscal 2026 (Year Ending March 31, 2027)

(1) Overview

Regarding the financial forecast for the first half, which had been left undecided, in light of the first quarter results, the Group decided to announce the forecast based on the current available information and predictions.

Revised financial forecasts are based on the following assumptions:

a) Exchange rate is 160 yen/USD for the first half

b) Average price of domestic naphtha is 104,500 yen/KL for the first half

Outlook for the full year is unchanged from the previous announcement.

Revisions of Financial Forecasts for the First Half

Chart (Apr. 1, 2026 - Sept. 30, 2026)

(Billions of Yen)

	Sales Revenue	Operating Income before Special Items	Operating Income	Net Income	Net Income Attributable to Owners of the Parent	Basic Earnings per Share (yen)
Previous forecast (A)	-	-	-	-	-	-
Revised forecast (B)	957.0	76.0	66.0	45.0	34.0	94.05
Difference (B-A)	-	-	-	-	-	
Difference (%)	-	-	-	-	-	
(Reference) FY2025 First Half Actual (Apr. 1 - Sept. 30, 2025)	813.6	44.5	27.9	15.7	7.8	20.88

Note: On January 1, 2026, Mitsui Chemicals, Inc. (hereinafter the "Company") conducted a two-for-one stock split of its common shares. Basic earnings per share has been calculated assuming that the stock split had been conducted at the beginning of the FY2025.

(2) Business Segment

Forecast by business segment is as follows.

(Billions of Yen)

	Sales Revenue						
	Life & Healthcare Solutions	Mobility Solutions	ICT Solutions	Basic & Green Materials	Others	Adjustment	Total
First half	125.0	295.0	160.0	370.0	7.0	-	957.0

(Billions of Yen)

	Operating Income before Special Items						
	Life & Healthcare Solutions	Mobility Solutions	ICT Solutions	Basic & Green Materials	Others	Adjustment	Total
First half	13.0	30.0	23.0	15.0	(3.0)	(2.0)	76.0

4. Consolidated Statement of Financial Position

	Millions of yen	
	FY2025 As of March 31, 2026	FY2026 As of June 30, 2026
Assets		
Current assets		
Cash and cash equivalents	183,113	217,840
Trade receivables	327,640	349,600
Inventories	414,466	467,246
Other financial assets	34,749	39,831
Other current assets	33,191	38,001
Total current assets	993,159	1,112,518
Non-current assets		
Property, plant and equipment	672,745	665,626
Right-of-use assets	48,039	47,246
Goodwill	24,782	25,042
Intangible assets	73,195	72,115
Investment property	21,744	21,744
Investments accounted for using equity method	156,208	159,010
Other financial assets	99,075	100,553
Retirement benefit assets	48,339	44,885
Deferred tax assets	5,382	5,220
Other non-current assets	8,984	8,347
Total non-current assets	1,158,493	1,149,788
Total assets	2,151,652	2,262,306

Millions of yen		
	FY2025 As of March 31, 2026	FY2026 As of June 30, 2026
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	133,628	176,637
Bonds and borrowings	296,727	383,778
Income taxes payable	6,075	10,883
Other financial liabilities	103,361	90,823
Provisions	1,857	1,773
Other current liabilities	49,453	39,036
Total current liabilities	591,101	702,930
Non-current liabilities		
Bonds and borrowings	443,464	438,184
Other financial liabilities	53,017	51,963
Retirement benefit liabilities	16,926	16,384
Provisions	7,297	5,221
Deferred tax liabilities	50,879	49,847
Other non-current liabilities	184	192
Total non-current liabilities	571,767	561,791
Total liabilities	1,162,868	1,264,721
Equity		
Share capital	125,738	125,738
Capital surplus	51,100	51,228
Treasury stock	(56,991)	(69,772)
Retained earnings	626,617	643,019
Other components of equity	118,263	123,034
Total equity attributable to owners of the parent	864,727	873,247
Non-controlling interests	124,057	124,338
Total equity	988,784	997,585
Total liabilities and equity	2,151,652	2,262,306

5. Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

(Consolidated Statement of Income)

	Millions of yen	
	FY2025 April 1, 2025 to June 30, 2025	FY2026 April 1, 2026 to June 30, 2026
Sales revenue	415,350	460,046
Cost of sales	(321,626)	(343,591)
Gross profit	93,724	116,455
Selling, general and administrative expenses	(71,015)	(73,391)
Other operating income	544	755
Other operating expenses	(14,861)	(2,335)
Share of profit of investments accounted for using equity method	4,361	6,948
Operating income	12,753	48,432
Financial income	1,856	2,568
Financial expenses	(4,656)	(3,292)
Income before income taxes	9,953	47,708
Income tax expense	(4,275)	(10,449)
Net income	5,678	37,259
Net income attributable to:		
Owners of the parent	729	32,093
Non-controlling interests	4,949	5,166
Net income	5,678	37,259
Earnings per share		
Basic earnings per share (Yen)	1.95	88.78

(Consolidated Statement of Comprehensive Income)

	Millions of yen	
	FY2025 April 1, 2025 to June 30, 2025	FY2026 April 1, 2026 to June 30, 2026
Net income	5,678	37,259
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	2,466	(117)
Remeasurements of defined benefit plans	1,873	(2,083)
Share of other comprehensive income of investments accounted for using equity method	25	(17)
Total of items that will not be reclassified to profit or loss	4,364	(2,217)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(6,230)	5,918
Effective portion of net change in fair value of cash flow hedges	2	1,045
Share of other comprehensive income of investments accounted for using equity method	(4,058)	(1,633)
Total of items that may be reclassified to profit or loss	(10,286)	5,330
Total other comprehensive income, net of tax	(5,922)	3,113
Comprehensive income	(244)	40,372
Comprehensive income attributable to:		
Owners of the parent	(4,329)	34,977
Non-controlling interests	4,085	5,395
Comprehensive income	(244)	40,372

6. Consolidated Statement of Cash Flows

	Millions of yen	
	FY2025	FY2026
	April 1, 2025 to June 30, 2025	April 1, 2026 to June 30, 2026
Net cash provided by (used in) operating activities		
Income before income taxes	9,953	47,708
Depreciation and amortization	25,450	28,676
Impairment loss	12,390	1,399
Interest and dividend income	(1,601)	(1,658)
Interest expenses	2,013	2,139
Share of loss (profit) of investments accounted for using equity method	(4,361)	(6,948)
Decrease (increase) in trade receivables	33,968	(20,313)
Decrease (increase) in inventories	7,722	(50,906)
Increase (decrease) in trade payables	(13,452)	41,606
Increase (decrease) in accrued expenses	(4,853)	(5,198)
Other	(16,663)	(16,012)
Subtotal	50,566	20,493
Interest and dividends received	2,743	2,754
Proceeds from insurance income	97	81
Interest paid	(1,882)	(2,509)
Income taxes refund (paid)	(6,086)	(6,782)
Net cash provided by (used in) operating activities	45,438	14,037
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(27,300)	(26,439)
Proceeds from sale of property, plant and equipment	17	217
Purchase of intangible assets	(3,096)	(1,085)
Proceeds from sale of intangible assets	1	—
Purchase of investment securities	(315)	(1,784)
Proceeds from sale and redemption of investment securities	4,236	469
Payments for acquisition of subsidiaries	(3,705)	—
Proceeds from sale of subsidiaries	5,448	—
Proceeds from sale of equity accounted investments	—	404
Other	3	(1,020)
Net cash provided by (used in) investing activities	(24,711)	(29,238)

	Millions of yen	
	FY2025	FY2026
	April 1, 2025 to June 30, 2025	April 1, 2026 to June 30, 2026
Net cash provided by (used in) financing activities		
Increase (decrease) in short-term borrowings	8,421	50,268
Increase (decrease) in commercial papers	11,000	52,000
Proceeds from long-term borrowings	2,892	—
Repayments of long-term borrowings	(1,255)	(6,028)
Redemption of bonds	(10,000)	(15,000)
Repayments of lease liabilities	(2,227)	(2,424)
Proceeds from sale of treasury stock	0	0
Purchase of treasury stock	(3)	(12,781)
Dividends paid	(14,051)	(13,804)
Capital contribution from non-controlling interests	—	5
Dividends paid to non-controlling interests	(3,537)	(5,148)
Net cash provided by (used in) financing activities	(8,760)	47,088
Effect of exchange rate change on cash and cash equivalents	(2,071)	2,840
Net increase (decrease) in cash and cash equivalents	9,896	34,727
Cash and cash equivalents at beginning of period	170,615	183,113
Cash and cash equivalents at end of period	180,511	217,840

7. Basis of Preparation

The Group's quarterly consolidated financial statements have been prepared in accordance with Article 5, Paragraph 2 of the Standards for the Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange, Inc. (the Standards), applying the provisions for reduced disclosures as set forth in Article 5, Paragraph 5 of the Standards, accordingly certain disclosures and notes required by IAS 34 are not given.

8. Segment Information

(1) Overview of Reportable Segments

The Group's business segments are the components for which separate financial information is available and that are regularly reviewed by the Board of Directors (chief operating decision maker) to make decisions about management resources to be allocated to the segments and assess their performance.

The Group positions business sector distinguished by their products and services within its headquarters. Each business sector proposes comprehensive domestic and overseas strategies in addition to pursuing business expansion in its respective product and service area.

Comprehensively considering similarities such as the details of products and services and target markets, the four reportable segments (distinguished by products and services) that comprise the Group's operations without aggregating the business segments are: Life & Healthcare Solutions, Mobility Solutions, ICT Solutions, and Basic & Green Materials. Business segments, which are not included in the reportable segments, are classified into "Others."

Major products manufactured and sold by business segments are as follows:

Segments		Major Products and Businesses
Reportable Segments	Life & Healthcare Solutions	Vision care materials, oral care materials, personal care materials, and agrochemicals
	Mobility Solutions	Elastomers, performance compounds, polypropylene compounds, and comprehensive services regarding to the development of automotive and industrial products (Solution business)
	ICT Solutions	Materials and components for semiconductor and electronic component manufacturing processes, optical materials, nonwoven fabrics, lithium-ion battery materials, next-generation battery materials, and high-performance food packaging materials
	Basic & Green Materials	Ethylene, propylene, polyethylene, polypropylene, catalysts, phenols, PTA, PET, polyurethane materials, and industrial chemical products
Others	Others	Other related businesses, etc.

(2) Methods to Determine Sales Revenue, and Income or Loss by Reportable Business Segment

Reportable segment income is presented in operating income before special items which stands for operating income excluding non-recurring items (e.g., losses resulting from withdrawing from and/or downsizing businesses).

Intersegment transaction pricing and transfer pricing are negotiated and determined based on prevailing market prices.

(3) Information concerning Sales Revenue, and Income or Loss by Reportable Business Segment

Same period of previous fiscal year (April 1, 2025 – June 30, 2025)

(Millions of yen)

	Reportable Segment					Others (Note 1)	Adjustment (Note 2)	Consolidated
	Life & Healthcare Solutions	Mobility Solutions	ICT Solutions	Basic & Green Materials	Total			
Sales revenue								
1) External customers	56,251	130,219	69,012	156,159	411,641	3,709	—	415,350
2) Intersegment	1,060	852	1,263	18,621	21,796	16,573	(38,369)	—
Total	57,311	131,071	70,275	174,780	433,437	20,282	(38,369)	415,350
Segment income (loss) (Operating income before special items)	6,190	14,550	9,046	(2,886)	26,900	(173)	(113)	26,614

Notes: 1. "Others" encompasses business segments not included in the reportable segments and includes other related businesses, etc.
2. The negative 113 million yen in adjustments to segment income includes corporate loss of 46 million yen not allocated to reportable segments and negative 67 million yen elimination of intersegment transactions. Corporate profit (loss) mainly comprise general & administrative expenses and R&D expenses for new business which are usually not attributed to segments, and allocation difference of general & administrative expenses to be borne by segments.

First quarter (April 1, 2026 – June 30, 2026)

(Millions of yen)

	Reportable Segment					Others (Note 1)	Adjustment (Note 2)	Consolidated
	Life & Healthcare Solutions	Mobility Solutions	ICT Solutions	Basic & Green Materials	Total			
Sales revenue								
1) External customers	62,181	142,568	77,774	173,609	456,132	3,914	—	460,046
2) Intersegment	1,051	838	2,436	27,059	31,384	16,490	(47,874)	—
Total	63,232	143,406	80,210	200,668	487,516	20,404	(47,874)	460,046
Segment income (loss) (Operating income before special items)	6,757	14,778	11,097	19,842	52,474	(3)	(2,342)	50,129

Notes: 1. "Others" encompasses business segments not included in the reportable segments and includes other related businesses, etc.
2. The negative 2,342 million yen in adjustments to segment income includes corporate loss of 1,599 million yen not allocated to reportable segments and negative 743 million yen elimination of intersegment transactions. Corporate profit (loss) mainly comprise general & administrative expenses and R&D expenses for new business which are usually not attributed to segments, and allocation difference of general & administrative expenses to be borne by segments.

(4) Adjustments from segment income to income before income taxes

(Millions of yen)

	Same period of previous fiscal year (April 1, 2025 – June 30, 2025)	First quarter (April 1, 2026 – June 30, 2026)
Total reportable segment income	26,614	50,129
Impairment loss	(12,390)	(1,399)
Loss on disposal of non-current assets	(470)	(536)
Loss on related business	(891)	(38)
Other	(110)	276
Operating income	12,753	48,432
Financial income	1,856	2,568
Financial expenses	(4,656)	(3,292)
Income before income taxes	9,953	47,708

9. Subsequent Events

(Integrate Polyolefin Business in Japan)

Prime Polymer Co., Ltd. (hereinafter “PRM”), a consolidated subsidiary of the Company commenced on July 1, 2026 a business integration (hereinafter the “Business Integration”) of Sumitomo Chemical Co., Ltd.’s (hereinafter “Sumitomo Chemical”) domestic polypropylene (“PP”) and linear low-density polyethylene (“LLDPE”) businesses into PRM. The Business Integration follows the memorandum of understanding dated September 10, 2025 and the definitive agreements executed on December 24, 2025, and was implemented after completion of the necessary procedures with the relevant authorities.

(1) Outline of business combinations

a) Description of the Businesses Subject to the Business Integration

Sumitomo Chemical’s domestic PP business and LLDPE business (hereinafter, the “Subject Businesses”)

b) Primary reason for business combinations

Since its establishment in 2005 as a joint venture between the Company and Idemitsu Kosan Co., Ltd. (hereinafter “Idemitsu”), PRM has been a leader in the Japanese polyolefin (“PO”) industry, with PP, LLDPE, and high-density polyethylene as its main products. PRM and Sumitomo Chemical have a shared understanding that integrating the Subject Businesses into PRM will not only strengthen the domestic PO business but also enhance its competitiveness against imported products. The Business Integration is expected to generate significant synergies both in the production of PRM and Sumitomo Chemical, both having operating bases in the Keiyo region of Japan, and in the development of technologies to reduce environmental impact.

Through the Business Integration, the Company, Idemitsu, and Sumitomo Chemical will work together to optimize the PO production system, with the goal of achieving cost savings of more than 8 billion yen per year, thereby further strengthening their competitiveness as resilient and essential companies. Furthermore, by enhancing their capabilities to develop high-performance and environmentally conscious products, the Company, Idemitsu, and Sumitomo Chemical will accelerate efforts to achieve a sustainable green chemical business.

c) Method of the Business Integration

The Business Integration will be implemented through an absorption-type company split, with Sumitomo Chemical as the Splitting Company and PRM as the Succeeding Company.

In order to achieve the Business Integration as swiftly as possible, regarding the method of implementing the Business Integration, they have agreed that Sumitomo Chemical will transfer its businesses subject to the Business Integration to PRM through a two-phase absorption-type split (the first phase of the absorption-type split will hereinafter be referred to as “Absorption-Type Split Phase One,” and the second phase as “Absorption-Type Split Phase Two”). In consideration for Absorption-Type Split Phase One, Sumitomo Chemical will acquire equity shares equivalent to a 20% stake in PRM. As a result, PRM will become a joint venture company in which the Company holds a 52% stake, Idemitsu holds a 28% stake, and Sumitomo Chemical holds a 20% stake. The consideration for Absorption-Type Split Phase Two will be a split value to be separately agreed upon by Sumitomo Chemical and PRM.

Regarding the two-phase absorption-type split, the parties have agreed that the first phase will be the implementation of Absorption-Type Split Phase One, in which all of the businesses subjected to the Business Integration, excluding manufacturing functions, will be transferred, and the scheduled system integration preparations at PRM will be completed. Following this, the second phase will be the Absorption-Type Split Phase Two, in which the assets and liabilities, contractual status, and contractual rights and obligations associated with the manufacturing functions of the businesses will be transferred.

d) Effective Date

Absorption-Type Split Phase One: July 1, 2026

Absorption-Type Split Phase Two: April 1, 2027 (planned)

IFRS 3 "Business Combinations" applies to the business combination, but since the initially planned accounting procedures were not completed by the release date of the consolidated financial statements, detailed information on the procedures is not stated.

(2) Share Allocation Related to the Business Integration

Absorption-Type Split Phase One

The consideration for Absorption-Type Split Phase One will be the fair value of PRM's common stock delivered on the date of the Business Integration. However, as PRM's fair value measurement has not yet been completed, the amount is omitted.

Absorption-Type Split Phase Two:

The consideration for Absorption-Type Split Phase Two will be a split value to be separately agreed upon by Sumitomo Chemical and PRM.

(3) Assets acquired, liabilities undertaken and goodwill

Description is omitted because the fair value measurement of assets acquired, liabilities undertaken, and purchase price allocation have not been completed as of the end of the first quarter.