

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

May 14, 2026

Name of Listed Company: **Kaneka Corporation**

Stock Exchange Listing: Tokyo

Code Number: 4118

URL <https://www.kaneka.co.jp/en/>

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Scheduled date for Annual General Meeting of Shareholders: June 26, 2026

Scheduled date of dividend distribution: June 5, 2026

Scheduled date for filing annual securities report: June 24, 2026

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes (for securities analysts and institutional investors)

Note: Figures have been rounded down to the nearest million yen.

1. Consolidated Financial Results for the Fiscal Year Ended March 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

(% indicates year-on-year change)

| | Net sales | | Operating income | | Ordinary income | | Net income attributable to owners of parent | |
|------------------------------|-----------|-----|------------------|--------|-----------------|--------|---|------|
| | ¥ million | % | ¥ million | % | ¥ million | % | ¥ million | % |
| Apr. 1, 2025 – Mar. 31, 2026 | 811,638 | 0.5 | 32,894 | (17.9) | 28,873 | (12.1) | 30,977 | 22.4 |
| Apr. 1, 2024 – Mar. 31, 2025 | 807,200 | 5.9 | 40,050 | 22.9 | 32,863 | 12.5 | 25,309 | 9.0 |

Note: Comprehensive income: ¥50,780 million [64.7%] in the fiscal year ended March 31, 2026

¥30,839 million [(39.9%)] in the fiscal year ended March 31, 2025

| | Basic net income per share | Diluted net income per share | Return on equity | Ordinary income to total assets ratio | Operating income to sales ratio |
|------------------------------|----------------------------|------------------------------|------------------|---------------------------------------|---------------------------------|
| Apr. 1, 2025 – Mar. 31, 2026 | ¥ 501.26 | ¥ 499.47 | 6.4 % | 3.1 % | 4.1 % |
| Apr. 1, 2024 – Mar. 31, 2025 | 400.91 | 399.67 | 5.5 | 3.7 | 5.0 |

Reference: Equity in earnings (losses) of affiliates: ¥101 million in the fiscal year ended March 31, 2026

¥156 million in the fiscal year ended March 31, 2025

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|----------------------|-------------------|-------------------|--------------|----------------------|
| As of March 31, 2026 | ¥ million 959,154 | ¥ million 521,669 | 52.0 % | ¥ 8,279.85 |
| As of March 31, 2025 | 920,143 | 492,419 | 51.2 | 7,488.51 |

Reference: Equity (Shareholders' equity + Accumulated other comprehensive income):

¥498,656 million as of March 31, 2026

¥471,278 million as of March 31, 2025

(3) Consolidated cash flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents as of the fiscal year-end |
|------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|---|
| Apr. 1, 2025 – Mar. 31, 2026 | ¥ million 50,118 | ¥ million (26,097) | ¥ million (19,988) | ¥ million 48,935 |
| Apr. 1, 2024 – Mar. 31, 2025 | 41,252 | (55,038) | 14,453 | 44,631 |

2. Dividends

| | Annual dividends | | | | | Total cash dividends (Annual) | Payout ratio (Consolidated) | Net asset payout ratio (Consolidated) |
|--|------------------|-------------|-------------|----------|----------|-------------------------------|-----------------------------|---------------------------------------|
| | 1st Quarter | 2nd Quarter | 3rd Quarter | Year-end | Annual | | | |
| Apr. 1, 2024 – Mar. 31, 2025 | ¥ — | ¥ 60.00 | ¥ — | ¥ 70.00 | ¥ 130.00 | ¥ million 8,181 | 32.4 % | 1.8 % |
| Apr. 1, 2025 – Mar. 31, 2026 | — | 80.00 | — | 80.00 | 160.00 | 9,733 | 31.9 | 2.0 |
| Apr. 1, 2026 – Mar. 31, 2027 (Forecasts) | — | 105.00 | — | 105.00 | 210.00 | | 40.2 | |

3. Forecast for Consolidated Financial Results for the Fiscal Year Ending March 31, 2027

(from April 1, 2026 to March 31, 2027)

| | Net sales | | Operating income | | Ordinary income | | Net income attributable to owners of parent | | Net income per share |
|-----------|-------------------|-------|------------------|-------|------------------|--------|---|-------|----------------------|
| Full year | ¥ million 820,000 | % 1.0 | ¥ million 36,000 | % 9.4 | ¥ million 32,000 | % 10.8 | ¥ million 31,500 | % 1.7 | ¥ 523.04 |

※ Notes

(1) Changes in principal subsidiaries during the fiscal year: None

(2) Changes in accounting principles, changes in estimates, or restatements

1. Changes owing to revisions in accounting standards: None
2. Changes other than 1. above: None
3. Changes in accounting estimates: None
4. Restatements: None

(3) Number of shares issued (common stock)

1. Number of shares issued at the end of the period (including treasury stock):
2. Number of shares of treasury stock at the end of the period:
3. Average number of shares outstanding during the period (calculated cumulatively from the beginning of the fiscal year):

| | | | |
|----------------|----------------------|----------------|----------------------|
| March 31, 2026 | 63,000,000 shares | March 31, 2025 | 66,000,000 shares |
| March 31, 2026 | 2,774,693 shares | March 31, 2025 | 3,066,508 shares |
| March 31, 2026 | 61,799,359 shares | March 31, 2025 | 63,129,255 shares |

Reference: Overview of Non-Consolidated Financial Results

1. For the Fiscal Year Ended March 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated financial results (% indicates year-on-year change)

| | Net sales | | Operating income | | Ordinary income | | Net income | |
|-----------------------|----------------------------|-------|------------------------------|------|-----------------|--------|------------|------|
| | ¥ million | % | ¥ million | % | ¥ million | % | ¥ million | % |
| Apr. 2025 – Mar. 2026 | 390,212 | (0.8) | (1,955) | – | 6,498 | (58.2) | 22,843 | 28.4 |
| Apr. 2024 – Mar. 2025 | 393,534 | 7.2 | 8,706 | 20.9 | 15,549 | (3.1) | 17,787 | 0.1 |
| | Basic net income per share | | Diluted net income per share | | | | | |
| | ¥ | | ¥ | | | | | |
| Apr. 2025 – Mar. 2026 | 369.65 | | 368.33 | | | | | |
| Apr. 2024 – Mar. 2025 | 281.76 | | 280.89 | | | | | |

(2) Non-consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|----------------------|--------------|------------|--------------|----------------------|
| | ¥ million | ¥ million | % | ¥ |
| As of March 31, 2026 | 634,057 | 301,855 | 47.5 | 4,999.31 |
| As of March 31, 2025 | 617,386 | 304,541 | 49.2 | 4,828.63 |

Reference: Equity (Shareholders' equity + Valuation and translation adjustments):

¥301,085 million as of March 31, 2026

¥303,882 million as of March 31, 2025

※These financial statements are exempt from audit procedures to be performed by certified public accountants or an audit firm.

※Explanations or other items pertaining to appropriate use of business performance forecasts.

The business performance forecasts, and certain other statements contained in this document are forward-looking statements, which are based on information currently available to the Company and certain assumptions determined to be reasonable by the Company. For a variety of reasons, actual performance may differ substantially from these forecasts. They do not constitute a guarantee that the Company will achieve these forecasts or other forward-looking statements. For cautionary items used in business performance forecasts, please refer to the section entitled “(4) Earnings Forecasts and Other Forward-looking Statements” under “1. Overview of Consolidated Financial Results” on page 5.

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1. Overview of Consolidated Financial Results

(1) Operating Results

➤ Global Economy

Amid the ongoing conflict in Iran, the business environment has changed dramatically, forcing the Japanese and global economies to respond to the crisis. Furthermore, it has been a year in which increasing economic fragmentation has made international cooperation difficult. In the U.S. and Europe, concerns over inflation are spreading, while China faces a severe downturn in domestic demand. In Japan, economic recovery has been sluggish due to rising prices caused by a weak yen.

The heightened tensions in the Middle East have triggered soaring prices and supply disruptions for crude oil and naphtha, with growing concerns that the global economy will slow down.

➤ Kaneka Group's Business Performance - Net sales and net income attributable to owners of parent hit record highs -

Under these circumstances, Kaneka Group's business performance for the current fiscal year (April 1, 2025 to March 31, 2026), was as follows. Consolidated net sales were ¥811,638 million (up 0.5% year-on-year), operating income was ¥32,894 million (down 17.9% year-on-year), ordinary income was ¥28,873 million (down 12.1% year-on-year), and net income attributable to owners of parent was ¥30,977 million (up 22.4% year-on-year).

Business performance for the fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026) (Millions of yen)

| | FY2024 | FY2025 | Difference (year-on-year) |
|---|---------|----------------|------------------------------|
| Net sales | 807,200 | 811,638 | 4,438 0.5% |
| Operating income | 40,050 | 32,894 | (7,155) (17.9%) |
| Ordinary income | 32,863 | 28,873 | (3,990) (12.1%) |
| Net income attributable to owners of parent | 25,309 | 30,977 | 5,668 22.4% |

Net sales and operating income by business segment (Millions of yen)

| | Net sales | | | | | | | | | | | Difference (year-on-year) |
|--------------------|-----------|---------|---------|---------|---------|----------------|----------------|----------------|----------------|----------------|--------------------|------------------------------|
| | FY2024 | | | | | FY2025 | | | | | | |
| | 1Q | 2Q | 3Q | 4Q | Total | 1Q | 2Q | 3Q | 4Q | Total | | |
| Material SU | 86,042 | 83,862 | 85,603 | 87,398 | 342,906 | 82,374 | 80,119 | 79,033 | 85,707 | 327,235 | (15,670) (4.6%) | |
| Quality of Life SU | 45,058 | 48,354 | 50,872 | 46,698 | 190,984 | 48,466 | 48,550 | 48,354 | 48,968 | 194,340 | 3,355 1.8% | |
| Health Care SU | 18,372 | 18,022 | 19,043 | 21,846 | 77,284 | 18,273 | 19,073 | 19,978 | 25,650 | 82,975 | 5,691 7.4% | |
| Nutrition SU | 48,674 | 47,137 | 51,275 | 47,885 | 194,972 | 49,310 | 50,785 | 53,195 | 52,685 | 205,977 | 11,004 5.6% | |
| Others | 234 | 204 | 290 | 322 | 1,052 | 257 | 216 | 287 | 347 | 1,109 | 56 5.4% | |
| Total | 198,382 | 197,580 | 207,084 | 204,151 | 807,200 | 198,682 | 198,746 | 200,849 | 213,359 | 811,638 | 4,438 0.5% | |

| | Operating income | | | | | | | | | | | Difference (year-on-year) |
|--------------------|------------------|---------|---------|---------|----------|----------------|----------------|----------------|----------------|-----------------|--------------------|------------------------------|
| | FY2024 | | | | | FY2025 | | | | | | |
| | 1Q | 2Q | 3Q | 4Q | Total | 1Q | 2Q | 3Q | 4Q | Total | | |
| Material SU | 8,382 | 7,690 | 6,658 | 8,229 | 30,961 | 6,265 | 6,336 | 5,172 | 7,152 | 24,928 | (6,033) (19.5%) | |
| Quality of Life SU | 4,256 | 5,296 | 6,148 | 4,327 | 20,027 | 5,208 | 4,231 | 4,815 | 3,697 | 17,954 | (2,073) (10.4%) | |
| Health Care SU | 2,992 | 2,451 | 3,276 | 4,679 | 13,399 | 3,131 | 2,875 | 3,561 | 5,271 | 14,840 | 1,440 10.7% | |
| Nutrition SU | 3,903 | 2,545 | 3,695 | 2,927 | 13,072 | 2,680 | 3,273 | 3,527 | 4,231 | 13,712 | 640 4.9% | |
| Others | 111 | 66 | 154 | 185 | 517 | 128 | 69 | 148 | 205 | 551 | 33 6.6% | |
| Adjustment | (9,369) | (9,225) | (9,898) | (9,434) | (37,928) | (9,254) | (9,983) | (9,993) | (9,860) | (39,091) | (1,163) - | |
| Total | 10,276 | 8,824 | 10,033 | 10,914 | 40,050 | 8,161 | 6,802 | 7,232 | 10,698 | 32,894 | (7,155) (17.9%) | |

➤ **Remarks on the Group-wide Business Performance**

Amid concerns over the global economic slowdown, our quarterly operating income bottomed out in 2Q (July 1 to September 30, 2025) and recovered to ¥10.7 billion in 4Q (January 1 to March 31, 2026), demonstrating a return to strong momentum. Health Care Solutions Unit and Nutrition Solutions Unit drove our performance with increased sales and profits. Material Solutions Unit and Quality of Life Solutions Unit have also seen overseas demand head for recovery since the start of 4Q.

① **Leading-edge Businesses and Foundation Businesses**

The strong growth of Medical and the steady expansion of Supplemental Nutrition drove the portfolio shift, expanding the profit contribution ratio of the Leading-edge Businesses from 48% in FY2024 to 53% in FY2025. In particular, Medical continues to achieve significant business expansion by promoting sales of new products and broadening sales areas in Asia and the U.S. Supplemental Nutrition also performed well, with sales expanding globally, primarily in the U.S.

While the Foundation Businesses were affected by weak demand, particularly in Material Solutions Unit, sales of our strategically focused high-value-added products expanded steadily. Modifiers saw growth in sales of competitive grades such as epoxy masterbatch (MX), while Fiber expanded its sales regions alongside increased sales of high-performance products. Foods & Agris continued to shift sales toward high-value-added products and maintained strong profitability through price revisions that offset rising costs.

② **Progress of Investment Plan for Growth**

For Medical, the production facility for blood purification devices in Tomatoh, Hokkaido, has ramped up production. The construction of a new catheter production facility at the site is making steady progress. EndoStream Medical, an Israeli company acquired through M&A, has begun launching highly competitive new products in the field of cerebrovascular treatment, which are expected to contribute significantly to business expansion going forward.

E & I Technology has decided to expand production capacity for high-value-added grades of polyimide film, for which significant demand growth is anticipated due to advances in AI utilization.

For Modified Silicone polymers, capacity expansion in Belgium is maximizing the benefits of local production for local consumption.

For Green Planet®, product adoption increased across a wide range of applications, both domestically and internationally. With its superior capabilities gaining further recognition, the social implementation of the product has progressed even more. Customer evaluation for large-scale projects is also making steady progress.

Even amid rising risks of a global economic slowdown, we will actively promote investments to accelerate the growth of the Life Science and Leading-edge businesses and expedite the transformation of our business portfolio.

Note: Leading-edge businesses: Modified Silicone polymers, E & I Technology, PV & Energy management, Medical, Pharma, and Supplemental Nutrition

Foundation Businesses: Vinyls and Chlor-Alkali, Modifiers, Foam & Residential Techs, Performance Fibers, and Foods & Agris

The operating performance by business segment was as follows:

① **Material Solutions Unit**

This unit recorded decreased sales and profits as a whole due to continued sluggish market conditions in Asia as well as stagnant demand in the U.S. housing and construction markets.

- Vinyls and Chlor-Alkali saw a sluggish demand in the Asian and domestic markets, while Modifiers and Modified Silicone polymers recorded lower profits as demand in the U.S. and European markets has yet to recover. However, progress was made in expanding sales of high-value-added products for Modifiers, as targeted by the R2B strategy, as well as in replacing other materials and broadening sales areas for Modified Silicone polymers.

② Quality of Life Solutions Unit

Foam & Residential Techs and PV & Energy management had solid performance, but the unit as a whole resulted in increased sales and decreased profits due to the impact of soaring raw material costs.

- For Foam & Residential Techs, profits increased as a result of improved profit margins.
- For E & I Technology and Performance Fibers, profits declined mainly due to the impact of soaring raw material costs. However, sales of high-value-added grades have expanded and product demand continues to increase steadily on the global scale.
- For PV & Energy management, we have been selected for the Green Innovation Fund Project for Manufacturing Technology and Demonstration of Next-Generation Tandem Solar Cells, implemented by the New Energy and Industrial Technology Development Organization (NEDO) and are currently working on its development.

③ Health Care Solutions Unit

This unit recorded increased sales and profits due to the dramatic growth of Medical.

- For Medical, sales steadily grew for blood purification devices and catheters, driving performance of the Company as the largest profit-generating business. Amid the ongoing broadening of sales areas, we aim to further expand the business.
- For Pharma, demand adjustment for small molecule pharmaceuticals and biopharmaceuticals took longer than expected, but order intake that had been delayed was concentrated in 4Q.

④ Nutrition Solutions Unit

This unit recorded increased sales and profits as performance of Supplemental Nutrition remained strong and profitability of Foods & Agris improved.

- For Supplemental Nutrition, sales of the active form of coenzyme Q10 have expanded in the global market, particularly in the U.S. The probiotics business is also steadily increasing sales.
- For Foods & Agris, further progress was made in price revisions in response to rising raw material costs and the shift toward high-value-added products. We will promote sales expansion of high-value-added "Business to Consumer" products and accelerate the transformation of our portfolio.

(2) Financial Position for the Fiscal Year Ended March 31, 2026

As of March 31, 2026, total assets were ¥959,154 million, up ¥39,011 million from the previous fiscal year-end. This is mainly due to an increase in inventories and the amount of assets for overseas group companies as a result of depreciation of the yen.

Liabilities totaled ¥437,485 million, up ¥9,761 million, primarily reflecting an increase in loans payable.

Net assets were ¥521,669 million, up ¥29,249 million, owing chiefly to an increase in retained earnings and foreign currency translation adjustment as a result of depreciation of the yen. Equity ratio was 52.0%.

(3) Cash Flows

In the current fiscal year ended March 31, 2026, net cash provided by operating activities was ¥50,118 million, mainly due to the recording of income before income taxes and depreciation and amortization. Net cash used in investing activities amounted to ¥26,097 million, mainly due to purchase of property, plant and equipment. Net cash used in financing activities was ¥19,988 million due to cash dividends paid and purchase of treasury

shares. As a result, cash and cash equivalents as of March 31, 2026 totaled ¥48,935 million.

(4) Earnings Forecasts and Other Forward-looking Statements

➤ **Kaneka's Purpose Management**

The natural environment is being increasingly overburdened and human activities may cause dangerous climate change and mass extinction. To reduce this risk, we must further deepen our understanding of nature and rapidly deploy the appropriate technologies. This perspective is our purpose management, "KANEKA The Dreamology Company -Make your dreams come true-". We are refining our technology in three domains: environment and energy, food, and wellness for better living, to provide optimal solutions. We will accelerate the social implementation of R2B.

➤ **Hybrid Management**

Innovation is "a combination that does things in a different way." Combining different things in different business fields in a new way. We call this "hybrid management." We will accelerate the transformation of our business portfolio through "hybrid management." By combining a wide variety of different technologies and solutions, we will create unique and valuable new solutions and contribute to resolving social issues.

➤ **R2B+P**

Shifting from "R&B+P" to "R2B+P," we will promote the fusion of research and business and further accelerate the flow from research to business. We will create unique and superior materials and provide solutions to the global market. By strengthening our R2B+P initiative, which strongly integrates R2B and manufacturing, we will focus on maximizing and monetizing our business and increase the speed and scale of our commercialization of new products.

➤ **Shift in Emphasis to Life Sciences**

The definition of "life science" is the technologies and creative activities that use chemistry to make life on Earth healthier. Kaneka's "biomanufacturing," such as the biodegradable polymer Green Planet, genome editing technology, biopharmaceuticals, regenerative medicine and cell therapy, organic dairy products business, supplements, and fermentation culture process technology, PV technology, and medical devices are all connected to the big "life," that is, life on Earth. Kaneka will drive the transformation of its portfolio by taking on the challenge of "R2B" in the life science area.

➤ **Think Global, Act Local - Promoting The Best Glocal Kaneka Way**

Our strength is our global network enabling business development deeply rooted in local communities. Our mission is to deliver solutions all over the world to save human lives and resolve social issues, and we focus on conducting local-based business by overcoming cultural differences. Our goal is to become a company with a global presence. We will seek management resources from around the world and actively promote M&A, technology and business alliances, and open innovation to transform our business structure and achieve rapid growth.

➤ **Diversity - New Value Creation and Women's Participation**

By going beyond attributes such as age, gender, nationality, and race, and tapping into diversity, we bring forth new ideas. In this way, we aim to continue delivering unique Kaneka value that amazes the world. This is our vision for diversity. In particular, we are working to promote the active participation of women and strengthen the development of female leaders who will drive growth and change. Based on the idea that "people grow through their work, while companies grow through their people," we will enhance individual growth and organizational performance through "Kaneka 1-on-1X."

We will continue to promote "Trust & Respect - Human Driven Management" this year as well.

➤ **Carbon Neutral/DX Initiatives**

We aim to reduce GHG emissions by 30% by 2030. Our goal is to achieve carbon neutral by 2050. We will work to reduce energy consumption through fuel conversion of in-house power generation facilities and process innovation. We will also strengthen our DX initiatives and greatly accelerate value creation through R2B+P. We will incorporate cutting-edge technology to evolve our production plants and build up manufacturing sites for the future. We are working to strengthen a company-wide digital platform to promote operational innovation in research and development, sales, SCM, and back-office operations. Through “AI × DX,” leveraging the latest AI-driven digital technologies, we will strengthen our competitiveness and transform our corporate culture.

➤ **Performance Forecasts for the Fiscal Year Ending March 31, 2027**

i. **Unpredictable economic turmoil**

Caught up in an irrational situation in the Middle East, there is no sign that supply concerns and volatile price fluctuations for crude oil, naphtha, and petrochemical feedstocks are likely to subside. The exit from this economic turmoil remains unclear. Concerns are mounting over inflation, rising prices, an economic slowdown, and stagflation, raising the likelihood of a downturn in the global economy.

ii. **Enhancement of corporate resilience**

Amid anticipated disruptions in the petrochemical supply chain due to global fragmentation and the situation in the Middle East, we will leverage our strength in a “local production for local consumption” global business structure to the fullest and respond with resilience and agility. Centered on our Regional Headquarters, we will further enhance our adaptability to all crises and strengthen our presence in the global market.

iii. **Portfolio Transformation**

In FY2026, we expect temporary volatility in demand, prices, and costs for Material Solutions Unit in the Foundation Businesses and other Solutions Units. We will strive to secure stable supplies of raw materials and products while working to adjust product prices in a timely manner. On the other hand, the health-conscious markets and AI-related markets are expected to continue their strong growth. Furthermore, the energy crisis triggered by the situation in the Strait of Hormuz is accelerating the shift toward renewable energy, fueling broader expectations for our next-generation solar cells and other technologies.

Based on our perspective of “Life Focus Management,” which aims to make the big “life” of “life on Earth” healthier, we will further accelerate our initiatives focused on the Life Science and Leading-edge businesses and actively promote our portfolio transformation.

We will work to expand sales of high-value-added products, acquire new projects, and expand the market for our differentiated product lines.

The business environment remains highly fluid and uncertain due to the situation in the Middle East.

While it is difficult to provide a highly accurate forecast for the next fiscal year at this point, we anticipate that temporary demand adjustments and fluctuations in profit margins will continue for certain Solutions Vehicles of Material Solutions Unit and Quality of Life Solutions Unit following the severe conditions in this 1Q (April 1 to June 30, 2026). Furthermore, we have adopted a plan to expand the Life Science domain, which is resilient to fluctuations in crude oil prices.

We formulated the plan from the perspective that there is no management without goals, but the business environment is fragile. We will closely monitor future developments and promptly revise the plan as necessary.

Business performance for the fiscal year ending March 31, 2027 (April 1, 2026 to March 31, 2027)

| | FY2025 Result | FY2026 Forecast | Difference |
|--|------------------|--------------------|----------------|
| Net sales (Millions of yen) | 811,638 | 820,000 | 8,361 1.0% |
| Operating income (Millions of yen) | 32,894 | 36,000 | 3,105 9.4% |
| Ordinary income (Millions of yen) | 28,873 | 32,000 | 3,126 10.8% |
| Net income attributable to owners of parent (Millions of yen) | 30,977 | 31,500 | 522 1.7% |
| Net income per share (yen) | 501.26 | 523.04 | 21.78 |

Net sales and operating income by segment for the fiscal year ending March 31, 2027

| | Net sales | | | Operating income | | |
|--------------------|------------------|--------------------|-------------------|------------------|--------------------|-----------------|
| | FY2025 Result | FY2026 Forecast | Difference | FY2025 Result | FY2026 Forecast | Difference |
| Material SU | 327,235 | 326,000 | (1,235) (0.4%) | 24,928 | 24,200 | (728) (2.9%) |
| Quality of Life SU | 194,340 | 197,000 | 2,659 1.4% | 17,954 | 19,200 | 1,245 6.9% |
| Health Care SU | 82,975 | 89,000 | 6,024 7.3% | 14,840 | 18,100 | 3,259 22.0% |
| Nutrition SU | 205,977 | 207,000 | 1,022 0.5% | 13,712 | 14,000 | 287 2.1% |
| Others | 1,109 | 1,000 | (109) (9.8%) | 551 | 500 | (51) (9.4%) |
| Adjustment | - | - | - | (39,091) | (40,000) | (908) (-) |
| Total | 811,638 | 820,000 | 8,361 1.0% | 32,894 | 36,000 | 3,105 9.4% |

※SU : Solutions Unit

With regard to the exchange rates and raw material prices, forecast figures assume the exchange rates of ¥150 to the US dollar and ¥170 to the euro, and a domestic naphtha price of ¥120,000 per kiloliter from April 1, 2026 onward.

*The above forecasts for the Kaneka Group are regarded as reasonable based on information available at the time of the announcement. Readers should be aware that actual results may vary from these forecasts due to various factors.

(5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Year

i. Increased Dividend

For the period of FY2025 to FY2027, we plan to implement a progressive dividend policy. This policy aims to maintain or increase dividends on condition that financial soundness is satisfied. For the fiscal year ended March 31, 2026, we plan to pay a year-end dividend of 80 yen per share, as previously announced on February 10, 2026. As a result, the annual dividend for the fiscal year ended March 31, 2026 is expected to be 160 yen per share.

Looking ahead to the fiscal year ending March 31, 2027, we plan to pay the annual dividend of 210 yen per share (consisting of an interim dividend of 105 yen and a year-end dividend of 105 yen), based on a target consolidated payout ratio of 40%.

ii. Repurchase and Cancellation of Treasury Shares

We hereby announce the repurchase and cancellation of treasury shares as detailed below, with the objective of enhancing shareholder value and improving capital efficiency.

| | |
|--|---------------------------------------|
| Total number of shares to be repurchased | : 1,400,000 shares (upper limit) |
| Total amount of repurchase | : 7,000,000,000 yen (upper limit) |
| Repurchase period | : May 15, 2026 through March 24, 2027 |

| | |
|--|--------------------|
| Total number of shares to be cancelled | : 1,400,000 shares |
| Scheduled date of cancellation | : March 31, 2027 |

We will continue to strengthen capital efficiency by steadily reducing cross-shareholdings and pursuing other related initiatives in a planned manner.

2. Basic Rationale for Selection of Accounting Standards

The Kaneka Group had adopted Japanese Generally Accepted Accounting Principles (Japanese GAAP). The timing of the adoption of International Financial Reporting Standards (IFRS) has not yet been determined at this time. However, we will keep collecting information.

3. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheets

(Millions of yen)

| | FY2024 | FY2025 |
|--|-------------------------|-------------------------|
| | As of March 31, 2025 | As of March 31, 2026 |
| Assets | | |
| Current assets | | |
| Cash and deposits | 45,639 | 50,973 |
| Notes and accounts receivable-trade, and contract assets | 157,937 | 163,638 |
| Electronically recorded monetary claims | 18,855 | 18,730 |
| Merchandise and finished goods | 104,201 | 110,765 |
| Work in process | 16,814 | 17,396 |
| Raw materials and supplies | 74,481 | 75,634 |
| Other | 28,420 | 30,465 |
| Allowance for doubtful accounts | (1,824) | (1,885) |
| Total current assets | 444,524 | 465,718 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 107,322 | 108,601 |
| Machinery, equipment and vehicles, net | 127,404 | 125,864 |
| Land | 34,591 | 34,958 |
| Leased assets, net | 16,600 | 16,472 |
| Construction in progress | 45,331 | 59,497 |
| Other, net | 9,184 | 10,385 |
| Total property, plant and equipment | 340,435 | 355,780 |
| Intangible assets | | |
| Goodwill | 2,671 | 2,213 |
| Other | 30,488 | 30,949 |
| Total intangible assets | 33,159 | 33,163 |
| Investments and other assets | | |
| Investment securities | 61,184 | 52,139 |
| Investments in capital | 502 | 502 |
| Long-term loans receivable | 500 | 426 |
| Long-term prepaid expenses | 3,137 | 3,415 |
| Retirement benefit assets | 21,205 | 34,035 |
| Deferred tax assets | 3,532 | 2,026 |
| Other | 12,304 | 12,328 |
| Allowance for doubtful accounts | (343) | (382) |
| Total investments and other assets | 102,023 | 104,492 |
| Total noncurrent assets | 475,618 | 493,436 |
| Total assets | 920,143 | 959,154 |

(Millions of yen)

| | FY2024 As of March 31, 2025 | FY2025 As of March 31, 2026 |
|---|-----------------------------------|-----------------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 86,876 | 81,006 |
| Electronically recorded obligations-operating | 5,268 | 5,245 |
| Short-term loans payable | 132,511 | 139,531 |
| Lease liabilities | 1,058 | 1,193 |
| Accounts payable-other | 31,287 | 32,808 |
| Accrued expenses | 16,139 | 17,941 |
| Income taxes payable | 7,013 | 9,480 |
| Accrued consumption taxes | 854 | 1,317 |
| Provision for directors' bonuses | 130 | 118 |
| Provision for product warranties | 2,104 | 1,998 |
| Other | 11,688 | 13,412 |
| Total current liabilities | 294,933 | 304,056 |
| Noncurrent liabilities | | |
| Bonds payable | 15,000 | 15,000 |
| Long-term loans payable | 57,972 | 59,045 |
| Lease liabilities | 16,517 | 16,544 |
| Deferred tax liabilities | 13,502 | 14,683 |
| Retirement benefit liabilities | 22,032 | 20,076 |
| Provision for directors' retirement benefits | 331 | 359 |
| Provision for product warranties | 573 | 501 |
| Other | 6,860 | 7,217 |
| Total noncurrent liabilities | 132,790 | 133,429 |
| Total liabilities | 427,724 | 437,485 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 33,046 | 33,046 |
| Capital surplus | 29,871 | 30,084 |
| Retained earnings | 349,925 | 359,255 |
| Treasury stock | (11,725) | (11,400) |
| Total shareholders' equity | 401,118 | 410,986 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 27,463 | 23,556 |
| Foreign currency translation adjustment | 24,847 | 37,225 |
| Remeasurements of defined benefit plans | 17,848 | 26,887 |
| Total accumulated other comprehensive income | 70,159 | 87,669 |
| Subscription rights to shares | 658 | 770 |
| Non-controlling interests | 20,482 | 22,241 |
| Total net assets | 492,419 | 521,669 |
| Total liabilities and net assets | 920,143 | 959,154 |

(2) Consolidated Statements of Income and Comprehensive Income

| Consolidated Statements of Income | (Millions of yen) | |
|--|---|---|
| | FY2024 From April 1, 2024 to March 31, 2025 | FY2025 From April 1, 2025 to March 31, 2026 |
| Net sales | 807,200 | 811,638 |
| Cost of sales | 581,555 | 586,088 |
| Gross profit | 225,644 | 225,550 |
| Selling, general and administrative expenses | 185,594 | 192,655 |
| Operating income | 40,050 | 32,894 |
| Non-operating income | | |
| Interest income | 295 | 275 |
| Dividends income | 1,951 | 1,948 |
| Foreign exchange gains | - | 1,489 |
| Equity in earnings of affiliates | 156 | 101 |
| Other | 1,125 | 1,210 |
| Total non-operating income | 3,528 | 5,026 |
| Non-operating expenses | | |
| Interest expenses | 4,026 | 4,090 |
| Loss on retirement of noncurrent assets | 3,117 | 2,479 |
| Foreign exchange losses | 715 | - |
| Depreciation of inactive noncurrent assets | 1,014 | 1,259 |
| Other | 1,841 | 1,218 |
| Total non-operating expenses | 10,715 | 9,048 |
| Ordinary income | 32,863 | 28,873 |
| Extraordinary income | | |
| Gain on sales of investment securities | 6,984 | 22,714 |
| Subsidy income | 6,304 | 2,548 |
| Gain on sale of businesses | - | 273 |
| Total extraordinary income | 13,289 | 25,536 |
| Extraordinary losses | | |
| Patent protection court costs | - | 897 |
| Loss on liquidation of business | - | 701 |
| Product warranty expense | 1,975 | ※1 2,502 |
| Loss on disaster | 1,101 | 594 |
| Loss on tax purpose reduction entry of non-current assets | 1,257 | 1,248 |
| Provision for special suspense account for tax purpose reduction entry | 5,047 | 1,300 |
| Impairment losses | - | ※2 2,404 |
| Total extraordinary losses | 9,382 | 9,649 |
| Income before income taxes | 36,770 | 44,760 |
| Income taxes-current | 11,027 | 14,376 |
| Income taxes-deferred | (1,062) | (2,197) |
| Total income taxes | 9,965 | 12,179 |
| Net income | 26,805 | 32,581 |
| Net income attributable to non-controlling interests | 1,496 | 1,603 |
| Net income attributable to owners of parent | 25,309 | 30,977 |

Consolidated Statements of Comprehensive Income

(Millions of yen)

| | FY2024 From April 1, 2024 to March 31, 2025 | FY2025 From April 1, 2025 to March 31, 2026 |
|---|---|---|
| Net income | 26,805 | 32,581 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (5,241) | (3,770) |
| Deferred gains or losses on hedges | 0 | — |
| Foreign currency translation adjustment | 2,864 | 12,955 |
| Remeasurements of defined benefit plans, net of tax | 6,410 | 9,013 |
| Share of other comprehensive income of associates accounted for using equity method | (0) | 1 |
| Total other comprehensive income | 4,034 | 18,199 |
| Comprehensive income | 30,839 | 50,780 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 29,361 | 48,487 |
| Comprehensive income attributable to non-controlling interests | 1,478 | 2,292 |

(3) Consolidated Statements of Changes in Shareholders' Equity

Previous fiscal year (From April 1, 2024 to March 31, 2025)

(Millions of yen)

| | Shareholders' equity | | | | |
|---|----------------------|-----------------|-------------------|----------------|----------------------------|
| | Capital stock | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
| Balance at beginning of the period | 33,046 | 29,173 | 331,933 | (6,797) | 387,355 |
| Changes of items during period | | | | | |
| Dividends of surplus | | | (7,304) | | (7,304) |
| Net income attributable to owners of parent | | | 25,309 | | 25,309 |
| Purchase of treasury stock | | | | (5,020) | (5,020) |
| Disposal of treasury stock | | | (12) | 92 | 80 |
| Change in ownership interest of parent due to transactions with non-controlling interests | | 681 | | | 681 |
| Changes in liabilities for written put options over non-controlling interests | | 16 | | | 16 |
| Net changes of items other than shareholders' equity | | | | | |
| Total changes of items during period | - | 697 | 17,992 | (4,927) | 13,762 |
| Balance at end of the period | 33,046 | 29,871 | 349,925 | (11,725) | 401,118 |

| | Accumulated other comprehensive income | | | | | Subscription rights to shares | Noncontrolling interests | Total net assets |
|---|---|------------------------------------|---|---|--|-------------------------------|--------------------------|------------------|
| | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | | |
| Balance at beginning of the period | 32,632 | (0) | 22,037 | 11,438 | 66,107 | 648 | 20,271 | 474,383 |
| Changes of items during period | | | | | | | | |
| Dividends of surplus | | | | | | | | (7,304) |
| Net income attributable to owners of parent | | | | | | | | 25,309 |
| Purchase of treasury stock | | | | | | | | (5,020) |
| Disposal of treasury stock | | | | | | | | 80 |
| Change in ownership interest of parent due to transactions with non-controlling interests | | | | | | | | 681 |
| Changes in liabilities for written put options over non-controlling interests | | | | | | | | 16 |
| Net changes of items other than shareholders' equity | (5,168) | 0 | 2,809 | 6,410 | 4,051 | 9 | 210 | 4,272 |
| Total changes of items during period | (5,168) | 0 | 2,809 | 6,410 | 4,051 | 9 | 210 | 18,035 |
| Balance at end of the period | 27,463 | - | 24,847 | 17,848 | 70,159 | 658 | 20,482 | 492,419 |

Current fiscal year (From April 1, 2025 to March 31, 2026)

(Millions of yen)

| | Shareholders' equity | | | | |
|---|----------------------|-----------------|-------------------|----------------|----------------------------|
| | Capital stock | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
| Balance at beginning of the period | 33,046 | 29,871 | 349,925 | (11,725) | 401,118 |
| Changes of items during period | | | | | |
| Dividends of surplus | | | (9,321) | | (9,321) |
| Net income attributable to owners of parent | | | 30,977 | | 30,947 |
| Purchase of treasury stock | | | | (12,003) | (12,003) |
| Disposal of treasury stock | | | (0) | 3 | 2 |
| Cancellation of treasury stock | | | (12,325) | 12,325 | - |
| Change in ownership interest of parent due to transactions with non-controlling interests | | 244 | | | 244 |
| Changes in liabilities for written put options over non-controlling interests | | (31) | | | (31) |
| Net changes of items other than shareholders' equity | | | | | |
| Total changes of items during period | - | 213 | 9,329 | 325 | 9,868 |
| Balance at end of the period | 33,046 | 30,084 | 359,225 | (11,400) | 410,986 |

| | Accumulated other comprehensive income | | | | Subscription rights to shares | Noncontrolling interests | Total net assets |
|---|---|---|---|--|-------------------------------|--------------------------|------------------|
| | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | | |
| Balance at beginning of the period | 27,463 | 24,847 | 17,848 | 70,159 | 658 | 20,482 | 492,419 |
| Changes of items during period | | | | | | | |
| Dividends of surplus | | | | | | | (9,321) |
| Net income attributable to owners of parent | | | | | | | 30,977 |
| Purchase of treasury stock | | | | | | | (12,003) |
| Disposal of treasury stock | | | | | | | 2 |
| Cancellation of treasury stock | | | | | | | - |
| Change in ownership interest of parent due to transactions with non-controlling interests | | | | | | | 244 |
| Changes in liabilities for written put options over non-controlling interests | | | | | | | (31) |
| Net changes of items other than shareholders' equity | (3,906) | 12,377 | 9,038 | 17,510 | 111 | 1,759 | 19,381 |
| Total changes of items during period | (3,906) | 12,377 | 9,038 | 17,510 | 111 | 1,759 | 29,249 |
| Balance at end of the period | 23,556 | 37,225 | 26,887 | 87,669 | 770 | 22,241 | 521,669 |

(4) Consolidated Statements of Cash Flows

(Millions of yen)

| | FY2024 From April 1, 2024 to March 31, 2025 | FY2025 From April 1, 2025 to March 31, 2026 |
|--|---|---|
| Net cash provided by (used in) operating activities | | |
| Income before income taxes | 36,770 | 44,760 |
| Depreciation and amortization | 43,937 | 47,427 |
| Patent protection court costs | - | 897 |
| Loss on liquidation of business | - | 701 |
| Product warranty expense | 1,975 | 2,502 |
| Loss on disaster | 1,101 | 594 |
| Loss on reduction of non-current assets | 1,257 | 1,248 |
| Special suspense account for tax purpose reduction entry | 5,047 | 1,300 |
| Impairment losses (reversal of impairment losses) | - | 2,404 |
| Subsidy income | (6,304) | (2,548) |
| Gain on sale of businesses | - | (273) |
| Decrease (increase) in net defined benefit asset | (21,205) | (12,830) |
| Increase (decrease) in net defined benefit liability | 19,317 | 10,989 |
| Increase (decrease) in allowance for doubtful accounts | (14) | (29) |
| Interest and dividends income | (2,246) | (2,224) |
| Interest expenses | 4,026 | 4,090 |
| Equity in losses (earnings) of affiliates | (156) | (101) |
| Loss (gain) on disposal of noncurrent assets | 978 | 794 |
| Loss (gain) on sales of investment securities | (6,984) | (22,711) |
| Decrease (increase) in notes and accounts receivable-trade | 9,767 | (1,033) |
| Decrease (increase) in inventories | (17,978) | (2,968) |
| Increase (decrease) in notes and accounts payable-trade | (12,086) | (8,827) |
| Other, net | (4,539) | 690 |
| Subtotal | 52,662 | 64,852 |
| Interest and dividends income received | 2,267 | 2,237 |
| Interest expenses paid | (4,003) | (4,040) |
| Patent protection court costs | - | (897) |
| Income taxes paid | (9,673) | (12,031) |
| Net cash provided by (used in) operating activities | 41,252 | 50,118 |
| Net cash provided by (used in) investing activities | | |
| Purchase of property, plant and equipment | (51,183) | (48,766) |
| Proceeds from sale of property, plant and equipment | - | 113 |
| Purchase of intangible assets | (4,798) | (4,616) |
| Purchase of investment securities | (540) | (98) |
| Proceeds from sales and distributions of investment securities | 7,761 | 25,483 |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | (9,246) | - |
| Proceeds from the sale of shares in subsidiaries resulting in a change in the scope of consolidation | 159 | - |
| Payments of loans receivable | (1,381) | (214) |
| Collection of loans receivable | 230 | 482 |
| Proceeds from subsidy income | 5,136 | 2,581 |
| Other, net | (1,175) | (1,062) |
| Net cash provided by (used in) investing activities | (55,038) | (26,097) |

(Millions of yen)

| | FY2024 From April 1, 2024 to March 31, 2025 | FY2025 From April 1, 2025 to March 31, 2026 |
|--|---|---|
| Net cash provided by (used in) financing activities | | |
| Net increase (decrease) in short-term loans payable | 15,791 | 3,546 |
| Proceeds from long-term loans payable | 24,575 | 6,578 |
| Repayment of long-term loans payable | (6,908) | (6,748) |
| Redemption of bonds | (5,000) | — |
| Repayments of lease obligations | (1,055) | (1,751) |
| Purchase of treasury shares | (5,020) | (12,003) |
| Proceeds from sales of treasury shares | 0 | 0 |
| Cash dividends paid | (7,304) | (9,321) |
| Dividends paid to non-controlling interests | (323) | (206) |
| Purchase of shares of subsidiaries not resulting in change in scope of consolidation | (301) | (82) |
| Net cash provided by (used in) financing activities | 14,453 | (19,988) |
| Effect of exchange rate change on cash and cash equivalents | 684 | 270 |
| Net increase (decrease) in cash and cash equivalents | 1,353 | 4,303 |
| Cash and cash equivalents at beginning of period | 43,278 | 44,631 |
| Cash and cash equivalents at end of period | 44,631 | 48,935 |

(5) Notes to the Consolidated Financial Statements

(Going Concern Assumption)

Not applicable

(Matters related to Consolidated Statements of Income)

*1 Product warranty expense

The fiscal year under review (from April 1, 2025 to March 31, 2026)

We recognized the costs and other associated expenditures expected to be incurred in connection with our ongoing voluntary inspections and replacements of photovoltaic lead-in cable undertaken to ensure safety.

(Additional Information)

Based on the “Inspection and Replacement of Photovoltaic Lead-in Cables” announced on October 4, 2024, the Company has been proceeding with inspections and replacements of the relevant lead-in cables, prioritizing the assurance of safety over the investigation of the cause. Subsequent technical verification revealed that the cause of the malfunction lay in the quality of the lead-in cables supplied by another company. The results of this technical verification have also been confirmed by the National Institute of Technology and Evaluation (NITE), an Incorporated Administrative Agency under the jurisdiction of the Ministry of Economy, Trade and Industry.

The Company has been continuing discussions with the supplier to seek reimbursement of the construction costs; however, no agreement had been reached as of the end of the consolidated fiscal year. Accordingly, the costs expected to be incurred and deemed necessary for the continuation of the inspection and replacement work were recorded as an extraordinary loss in the consolidated fiscal year under review.

*2 Impairment losses

The fiscal year under review (from April 1, 2025 to March 31, 2026)

Major assets for which impairment losses were recognized are as follows.

| Location | Use | Type |
|--|---|---|
| Kaneka North America LLC (The State of Texas, U.S.) | Assets used in business operations (Specialty PVC resins manufacturing equipment, among others) | Machinery, equipment and vehicles, among others |

The Group basically groups its assets used in business operations based on the Company's Solutions Vehicle unit.

During the fiscal year under review, Kaneka North America LLC saw a decline in profitability resulting from sluggish demand mainly for specialty PVC resins manufacturing equipment. Therefore, its book value was written down to its recoverable amount, and the resulting impairment loss of ¥2,169 million was recorded as an extraordinary loss. The major components of this loss were machinery, equipment and vehicles, totaling ¥2,169 million.

The recoverable amount was measured based on value in use, with future cash flows discounted at a rate of 11.1%.

(Segment Information)

1) Overview of Reportable Segments

Kaneka's reportable segment is a component of an entity for which discrete financial information is available and whose operating results are regularly reviewed by the Board of Directors to make decisions about management resources to be allocated to the segment and assess its performance.

The Company has established "Solutions Vehicles" as organizations for executing its growth strategies from a solutions perspective. There are ten Solutions Vehicles grouped into four solution domains called "Solutions Units." Each Solutions Unit has established a global Group strategy for its products and services, bringing together subsidiaries in Japan and overseas as one to develop its business activities.

The Company therefore comprises four reportable segments categorized by solution: the "Material Solutions Unit," "Quality of Life Solutions Unit," "Health Care Solutions Unit," and "Nutrition Solutions Unit."

The Material Solutions Unit contributes to environmental protection and comfortable living by providing solutions in the form of high-performance materials to support the development of social infrastructure and mobility (i.e., weight reduction and improved fuel economy), and cutting-edge materials such as biodegradable polymers that assist directly with the realization of environmental societies.

The Quality of Life Solutions Unit contributes to energy conservation and the creation of high-quality lifestyles by providing solutions in the form of high-performance materials and unique services that respond to the need for energy conservation and adoption of smart technologies in housing and daily infrastructure. The unit is also responding to innovation in information-driven societies, such as the advancement of the IoT and AI.

The Health Care Solutions Unit contributes to a society with better longevity and more sophisticated medical care by providing valuable solutions that combine devices and pharmaceuticals in fields such as medicine, health, and nursing care. The unit is also developing a unique health care business based on advanced medical technologies such as biopharmaceuticals and regenerative and cellular medicine.

The Nutrition Solutions Unit contributes to health and high-quality food by providing a wide range of solutions in the form of distinctive materials and supplements that meet needs around food diversification and health promotion. The unit also provides solutions that contribute to food production support in the fields of agriculture, livestock, and fishery.

The Solutions Vehicles and main products that belong to each reportable segment are as follows:

| Solutions Unit (Reportable Segment) | Solutions Vehicle | Main products |
|--|---|---|
| Material Solutions Unit | Vinyls and Chlor-Alkali | General PVC resins, Caustic soda, Specialty PVC resins |
| | Performance Polymers (MOD) | Modifiers, Epoxy masterbatch, Biodegradable polymers |
| | Performance Polymers (MS) | Modified silicone polymers |
| Quality of Life Solutions Unit | Foam & Residential Techs | Expandable polystyrene resins and products, Extruded polystyrene foam boards, Extruded polyolefin foam, Solar circuit construction method (external insulation and double ventilation construction) products |
| | E & I Technology | Polyimide films, Optical materials |
| | PV & Energy management | Photovoltaic modules, Energy storage batteries for residences |
| | Performance Fibers | Acrylic synthetic fibers |
| Health Care Solutions Unit | Medical | Medical devices |
| | Pharma & Supplemental Nutrition (Pharma) | Small molecule pharmaceutical materials, API, Biopharmaceuticals |
| Nutrition Solutions Unit | Pharma & Supplemental Nutrition (Supplemental Nutrition) | Functional foodstuffs, Probiotics |
| | Foods & Agris | Margarine, Shortening, Bakery yeast, Spices, Antifreeze materials, Dairy products, Functional fertilizers and feeds |

2) Basis of Calculation of Monetary Amounts for Net Sales, Profit or Loss, Assets, Liabilities, and Other Items by Reportable Segment

Accounting treatment and procedures for report segments are the same as those shown in the "Notes to the Consolidated Financial Statements." Intersegment transactions are based on prevailing market prices.

3) Segment Information by Business Category
 Previous fiscal year (from April 1, 2024 to March 31, 2025)

(Millions of yen)

| | Reportable segment | | | | | Others (Note 1) | Total | Adjustment | Amounts on consolidated financial statements (Note 2) |
|--|-------------------------------|---|----------------------------------|--------------------------------|---------|--------------------|---------|------------|--|
| | Material Solutions Unit | Quality of Life Solutions Unit | Health Care Solutions Unit | Nutrition Solutions Unit | Total | | | | |
| Sales | | | | | | | | | |
| Customers | 342,906 | 190,984 | 77,284 | 194,972 | 806,148 | 1,052 | 807,200 | — | 807,200 |
| Intersegment | 218 | 72 | 66 | 50 | 408 | 1,275 | 1,684 | (1,684) | — |
| Total | 343,125 | 191,057 | 77,351 | 195,023 | 806,556 | 2,327 | 808,884 | (1,684) | 807,200 |
| Segment profit | 30,961 | 20,027 | 13,399 | 13,072 | 77,460 | 517 | 77,978 | (37,928) | 40,050 |
| Segment assets | 335,055 | 221,495 | 110,925 | 127,487 | 794,964 | 604 | 795,568 | 124,574 | 920,143 |
| Others | | | | | | | | | |
| Depreciation | 14,905 | 12,265 | 5,455 | 5,675 | 38,301 | 15 | 38,317 | 5,326 | 43,644 |
| Amortization of goodwill | — | — | 431 | 160 | 592 | — | 592 | 131 | 723 |
| Investment in equity-method associates | — | 2,876 | — | — | 2,876 | — | 2,876 | — | 2,876 |
| Increase in fixed assets | 23,628 | 11,563 | 5,120 | 5,176 | 45,487 | 26 | 45,514 | 20,250 | 65,764 |

Notes: 1 "Others" is a business segment that is not included in the reportable segments and includes property insurance and life insurance business.

2 Segment profit is reconciled with operating income in the consolidated financial statements.

Fiscal year under review (from April 1, 2025 to March 31, 2026)

(Millions of yen)

| | Reportable segment | | | | | Others (Note 1) | Total | Adjustment | Amounts on consolidated financial statements (Note 2) |
|--|-------------------------------|---|----------------------------------|--------------------------------|---------|--------------------|---------|------------|--|
| | Material Solutions Unit | Quality of Life Solutions Unit | Health Care Solutions Unit | Nutrition Solutions Unit | Total | | | | |
| Sales | | | | | | | | | |
| Customers | 327,235 | 194,340 | 82,975 | 205,977 | 810,529 | 1,109 | 811,638 | – | 811,638 |
| Intersegment | 236 | 75 | 22 | 118 | 453 | 1,421 | 1,874 | (1,874) | – |
| Total | 327,472 | 194,415 | 82,998 | 206,096 | 810,982 | 2,530 | 813,513 | (1,874) | 811,638 |
| Segment profit | 24,928 | 17,954 | 14,840 | 13,712 | 71,434 | 551 | 71,986 | (39,091) | 32,894 |
| Segment assets | 345,126 | 224,450 | 129,888 | 137,375 | 836,839 | 619 | 837,459 | 121,694 | 959,154 |
| Others | | | | | | | | | |
| Depreciation | 16,588 | 13,133 | 5,933 | 5,707 | 41,363 | 18 | 41,381 | 5,767 | 47,149 |
| Amortization of goodwill | – | – | 105 | 171 | 276 | – | 276 | 227 | 504 |
| Investment in equity-method associates | – | 2,966 | – | – | 2,966 | – | 2,966 | – | 2,966 |
| Increase in fixed assets | 20,393 | 11,382 | 8,808 | 6,637 | 47,221 | 26 | 47,247 | 6,757 | 54,004 |

Notes: 1 “Others” is a business segment that is not included in the reportable segments and includes property insurance and life insurance business.

2 Segment profit is reconciled with operating income in the consolidated financial statements.

4) Reconciliation between Segment Totals and Amounts on Consolidated Financial Statements (Adjustments)

(Millions of yen)

| Income | From April 1, 2024 to March 31, 2025 | From April 1, 2025 to March 31, 2026 |
|---|---|---|
| Segment total | 77,460 | 71,434 |
| Segment profit of Others | 517 | 551 |
| Elimination of intersegment transactions | 0 | 0 |
| Corporate expenses (Note) | (37,977) | (39,176) |
| Other adjustments | 48 | 84 |
| Operating income in the consolidated statements of income | 40,050 | 32,894 |

Note: Corporate expenses primarily are expenses for basic R&D that are not allocable to any reportable segments.

(Millions of yen)

| Assets | From April 1, 2024 to March 31, 2025 | From April 1, 2025 to March 31, 2026 |
|--|---|---|
| Segment total | 794,964 | 836,839 |
| Segment assets of Others | 604 | 619 |
| Elimination of intersegment transactions | (13,389) | (9,487) |
| Corporate assets (Note) | 138,540 | 131,857 |
| Other adjustments | (576) | (675) |
| Total assets in the consolidated balance sheets | 920,143 | 959,154 |

Note: Corporate assets are excess working capital at corporate level, investment securities, land and certain other assets that are not allocable to any reportable segments.

(Millions of yen)

| Other items | Reportable segment total | | Others | | Adjustments (Note) | | Consolidated | |
|--------------------------|--------------------------|---------------------|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|
| | Previous fiscal year | Current fiscal year | Previous fiscal year | Current fiscal year | Previous fiscal year | Current fiscal year | Previous fiscal year | Current fiscal year |
| Depreciation | 38,301 | 41,363 | 15 | 18 | 5,326 | 5,767 | 43,644 | 47,149 |
| Amortization of goodwill | 592 | 276 | — | — | 131 | 227 | 723 | 504 |
| Increase in fixed assets | 45,487 | 47,221 | 26 | 26 | 20,250 | 6,757 | 65,764 | 54,004 |

Note: Adjustments primarily are expenses for basic R&D that are not allocable to any reportable segments.

(Related Information)

Information by Geographic Area

(Sales)

Previous fiscal year (from April 1, 2024 to March 31, 2025)

(Millions of yen)

| Japan | Asia | North America | Europe | Other areas | Total |
|---------|---------|---------------|--------|-------------|---------|
| 440,431 | 170,313 | 77,101 | 83,303 | 36,051 | 807,200 |

Note: Sales are classified into countries or regions based on the geographic location of customers.

Fiscal year under review (from April 1, 2025 to March 31, 2026)

(Millions of yen)

| Japan | Asia | North America | Europe | Other areas | Total |
|---------|---------|---------------|--------|-------------|---------|
| 447,982 | 163,276 | 74,469 | 83,871 | 42,039 | 811,638 |

Note: Sales are classified into countries or regions based on the geographic location of customers.

(Per Share Information)

The basis of calculation of net assets per share, basic net income per share and diluted net income per share are shown below.

| Item | Previous fiscal year From April 1, 2024 to March 31, 2025 | Fiscal year under review From April 1, 2025 to March 31, 2026 |
|------------------------------|---|---|
| Net assets per share | ¥7,488.51 | ¥8,279.85 |
| Basic net income per share | ¥400.91 | ¥501.26 |
| Diluted net income per share | ¥399.67 | ¥499.47 |

| Item | Previous fiscal year From April 1, 2024 to March 31, 2025 | Fiscal year under review From April 1, 2025 to March 31, 2026 |
|--|---|---|
| Basic net income per share | | |
| Net income attributable to owners of parent (Millions of yen) | 25,309 | 30,977 |
| Net income attributable to common stockholders of parent (Millions of yen) | 25,309 | 30,977 |
| Average number of shares of common stock during the period (Thousands of shares) | 63,129 | 61,799 |
| | | |
| Diluted net income per share | | |
| Adjustment of net income attributable to owners of parent (Millions of yen) | — | — |
| Increase in shares of common stock (Thousands of shares) | 197 | 221 |
| Of which, subscription rights to shares (Thousands of shares) | (197) | (221) |

(Subsequent Events)

Not applicable

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.