

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.

November 12, 2025

**Consolidated Financial Results
for the Six Months Ended September 30, 2025
(Under Japanese GAAP)**

Company name: Sumitomo Seika Chemicals Company, Limited.
 Listing: Tokyo Stock Exchange
 Securities code: 4008
 URL: <https://www.sumitomoseika.co.jp/en/>
 Representative: ODA Yoshiaki, Representative Director & President
 Inquiries: OKAMOTO Norio, General Manager of Corporate Communications Dept.
 Telephone: +81-6-6220-8511
 Scheduled date to file semi-annual securities report: November 13, 2025
 Scheduled date to commence dividend payments: December 5, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for analysts)

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

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

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Sep. 30, 2025	72,705	(1.7)	5,881	19.9	5,578	18.0	3,275	(1.6)
Sep. 30, 2024	73,975	6.2	4,905	29.8	4,728	11.7	3,329	16.2

Note: Comprehensive income For the Six months ended Sep. 30, 2025: ¥4,272 million [232.0%]
 For the Six months ended Sep. 30, 2024: ¥1,286 million [(81.6)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
Sep. 30, 2025	249.85	—
Sep. 30, 2024	250.32	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
Sep. 30, 2025	142,737	97,294	68.2
Mar. 31, 2025	141,532	94,312	66.6

Reference: Equity

As of Sep. 30, 2025: ¥97,294 million
 As of Mar. 31, 2025: ¥94,312 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended Mar. 31, 2025	Yen —	Yen 100.00	Yen —	Yen 100.00	Yen 200.00
Fiscal year ending Mar. 31, 2026	—	100.00	—	—	—
Fiscal year ending Mar. 31, 2026 (Forecast)	—	—	—	100.00	200.00

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

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

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Fiscal year ending Mar. 31, 2026	145,000	(1.7)	11,300	5.5	11,000	(1.0)	4,400	(26.2)	336.90

Note: 1. Revisions to the financial forecasts most recently announced: Yes

- At the meeting of the Board of Directors held on November 12, 2025, Sumitomo Seika Chemicals Company, Limited resolved to acquire treasury shares. The forecast for "Basic earnings per share" for the fiscal year ending March 31, 2026, reflects the impact of this treasury share acquisition.
- For further details regarding the acquisition of treasury shares, please refer to page 14 of the attached materials, "2. Interim Consolidated Financial Statements and Significant Notes, (4) Notes to Interim Consolidated Financial Statements".

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Application of specific accounting methods for the preparation of interim consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: Yes
- (iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of Sep. 30, 2025	13,991,796 shares
As of Mar. 31, 2025	13,987,220 shares

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

As of Sep. 30, 2025	881,495 shares
As of Mar. 31, 2025	880,645 shares

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

Six months ended Sep. 30, 2025	13,107,972 shares
Six months ended Sep. 30, 2024	13,302,791 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements such as the forecasts included in this document are based on information available at the time and estimates based on reasonable assumptions, and do not represent a commitment from the Sumitomo Seika Group that they will be achieved. The actual financial results figures may differ from the forecasts due to various factors.

For details of assumptions for financial forecasts, please refer to “1. Interim Information on Financial Results (3) Consolidated Forecasts and Other Forward-Looking Information” on page 3 of the Attachment.

○Attached Material Index

1. Interim Information on Financial Results	2
(1) Operating Results	2
(2) Financial Position	2
(3) Consolidated Forecasts and Other Forward-Looking Information	3
(4) Research and Development Activities	3
2. Interim Consolidated Financial Statements and Significant Notes	4
(1) Consolidated Balance Sheets	4
Consolidated Statements of Income	6
Consolidated Statements of Comprehensive Income	7
(3) Consolidated Statements of Cash Flows	8
(4) Notes to Interim Consolidated Financial Statements	9
Notes on Changes in Accounting Estimates.....	9
Notes on Going Concern Assumptions	9
Notes on Significant Changes in the Amount of Shareholders' Equity	9
Application of Specific Accounting Methods for the Preparation of Interim Consolidated Financial Statements	9
Notes on Interim Consolidated Balance Sheets	9
Notes on Interim Consolidated Statement of Income	9
Notes on Segment Information, etc.	10
Revenue Recognition	12
Major Subsequent Events.....	14
3. Summary of Consolidated Financial Results for the Six Months Ended September 30, 2025	15

1. Interim Information on Financial Results

(1) Operating Results

Consolidated Financial Results for the Six Months Ended September 30, 2025

Sumitomo Seika Chemicals Company, Limited (“the Company”) has announced its consolidated financial results for the six months ended September 30, 2025 as follows:

Net sales posted 72,705 million yen, a 1.7% decrease compared with the same period in the previous fiscal year.

Operating profit was 5,881 million yen, a 19.9% increase from the same period in the previous fiscal year.

Ordinary profit recorded 5,578 million yen, an 18.0% rise from the same period in the previous fiscal year.

Profit attributable to owners of the parent decreased by 1.6% from the same period in the previous year to 3,275 million yen due to the recording of additional provisions for expenses related to the mischarges that occurred in the fiscal year ended March 2025 as an extraordinary loss, reflecting the situation of ongoing discussions with the affected customer.

Basic earnings per share were 249.85 yen and return on equity (ROE) was 3.4 %.

The financial results by business segment for the six months were as stated below:

Super Absorbent Polymers

Net sales decreased by 0.7% from the previous fiscal year to 56,840 million yen, and operating profit grew by 41.2% to 4,904 million yen. While sales volume increased in the Chinese market, net sales remained on a par with the same period in the previous fiscal year owing to the negative impacts of the appreciation of the yen. On the other hand, operating profit increased due mainly to lower prices of raw materials and fuels used although increased fixed costs and the stronger yen affected adversely.

Functional Materials

Net sales decreased by 5.3% from the previous fiscal year to 15,738 million yen, and operating profit fell by 32.3% to 976 million yen. Despite a rise in sales volume of Water-Soluble Polymers, both net sales and operating profit dropped owing to the termination of the Company’s IR latex business during fiscal year 2024 ended March 31, 2025 and increased fixed costs.

Others

In addition to the above businesses, the Sumitomo Seika Group is engaged in contract manufacturing service and other businesses. In this segment, net sales increased by 1.8% from the previous fiscal year to 126 million yen with operating profit of 0 million yen.

(2) Financial Position

Total assets as of September 30, 2025 increased by 1,205 million yen from the end of the previous fiscal year to 142,737 million yen.

Total current assets decreased by 709 million yen from the end of the previous fiscal year to 79,412 million yen. This was mainly due to decreases in Merchandise and finished goods, despite an increase in trade receivables.

Total non-current assets increased by 1,915 million yen from the end of the previous fiscal year to 63,324 million yen. This was mainly due to increases in construction in progress related to the expansion of a consolidated subsidiary’s super absorbent polymer production facility in Singapore.

Total liabilities decreased by 1,776 million yen from the end of the previous fiscal year to 45,443 million yen. This was mainly due to decreases in accounts payable.

Net assets increased by 2,981 million yen from the end of the previous fiscal year to 97,294 million yen.

As a result, the equity-to-asset ratio increased by 1.6 percentage points from the end of the previous fiscal year to 68.2%.

(3) Consolidated Forecasts and Other Forward-Looking Information

The Company has revised Full-Year Consolidated Financial Forecasts as follows.

		FY2025 (Previous Forecast)	FY2025 (Current Forecast)	Change from the previous forecast	FY2024 (Result)
Net Sales	Million ¥	145,000	145,000	—	147,571
Operating Profit	Million ¥	9,000	11,300	2,300	10,712
Ordinary Profit	Million ¥	9,200	11,000	1,800	11,106
Profit Attributable to Owners of the Parent	Million ¥	6,700	4,400	(2,300)	5,961
Basic Earnings Per Share	¥	506.45	336.90	(169.55)	450.62
ROE	%	6.9	4.6	(2.3pt)	6.3
ROIC	%	5.7	7.3	1.6pt	7.0

The above revised forecast is based on the following assumptions: The average exchange rate for the third and the fourth quarters of the fiscal year will be 145.00 JPY/USD and 20.30 JPY/CNY and naphtha price will be 65,200 JPY/KL. The average for the full year will be 145.52 JPY/USD and 20.30 JPY/CNY and naphtha price will be 65,000 JPY/KL.

With respect to the net sales of the Company's fiscal 2025 full-year consolidated financial forecasts, there is no change to the figure announced on May 12, 2025. On the other hand, operating profit and ordinary profit are expected to increase owing to changes in the assumptions of the previous financial forecast, such as lower prices of raw materials and fuels used at manufacturing sites outside Japan and the weaker yen especially against the Chinese yuan, both making positive impacts.

Profit attributable to owners of the parent is expected to decrease from the figure previously announced. This decline reflects the situation that the Company expects certain business restructuring costs to be incurred and an increase in expenses related to the mischarges considering the latest status of the discussions with the customer.

(4) Research and Development Activities

Expenses related to research and development activities for the six months ended September 30, 2025 were 1,421 million yen.

2. Interim Consolidated Financial Statements and Significant Notes

(1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	16,863	17,497
Notes and accounts receivable - trade, and contract assets	31,284	32,950
Merchandise and finished goods	21,168	20,585
Work in process	533	407
Raw materials and supplies	4,117	3,959
Other	6,172	4,030
Allowance for doubtful accounts	(17)	(18)
Total current assets	<u>80,122</u>	<u>79,412</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,857	14,823
Machinery, equipment and vehicles, net	9,103	9,138
Construction in progress	20,060	22,250
Other, net	7,659	7,970
Total property, plant and equipment	<u>51,682</u>	<u>54,182</u>
Intangible assets	<u>4,124</u>	<u>4,145</u>
Investments and other assets		
Retirement benefit asset	2,551	2,665
Other	3,051	2,331
Total investments and other assets	<u>5,602</u>	<u>4,996</u>
Total non-current assets	<u>61,409</u>	<u>63,324</u>
Total assets	<u>141,532</u>	<u>142,737</u>
Liabilities		
Current liabilities		
Notes and accounts payable - trade	17,504	15,863
Short-term borrowings	13,328	11,414
Provision for mischarging expenses	1,297	2,691
Accounts payable - other	3,299	1,985
Income taxes payable	1,432	1,458
Provision for bonuses	942	1,087
Other	2,713	2,291
Total current liabilities	<u>40,520</u>	<u>36,792</u>
Non-current liabilities		
Long-term borrowings	5,000	7,200
Retirement benefit liability	661	718
Other	1,038	732
Total non-current liabilities	<u>6,699</u>	<u>8,651</u>
Total liabilities	<u>47,219</u>	<u>45,443</u>

	(Millions of yen)	
	As of March 31, 2025	As of September 30, 2025
Net assets		
Shareholders' equity		
Share capital	9,732	9,742
Capital surplus	7,587	7,596
Retained earnings	69,685	71,649
Treasury shares	(3,203)	(3,203)
Total shareholders' equity	83,800	85,784
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	664	338
Deferred gains or losses on hedges	(215)	(89)
Foreign currency translation adjustment	8,613	9,773
Remeasurements of defined benefit plans	1,450	1,486
Total accumulated other comprehensive income	10,511	11,509
Total net assets	94,312	97,294
Total liabilities and net assets	141,532	142,737

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

Consolidated Statements of Income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	73,975	72,705
Cost of sales	59,050	56,468
Gross profit	14,925	16,236
Selling, general and administrative expenses		
Freight-out	3,082	3,050
Employees' salaries and bonuses	1,562	1,650
Provision for bonuses	370	385
Retirement benefit expenses	43	52
Research and development expenses	1,329	1,409
Other	3,630	3,807
Total selling, general and administrative expenses	10,020	10,355
Operating profit	4,905	5,881
Non-operating income		
Interest income	300	201
Dividend income	15	18
Subsidy income	56	133
Other	41	36
Total non-operating income	413	389
Non-operating expenses		
Foreign exchange losses	380	499
Interest expenses	142	133
Other	67	59
Total non-operating expenses	590	692
Ordinary profit	4,728	5,578
Extraordinary income		
Gain on sale of investment securities	—	821
Insurance claim income	—	3
Total extraordinary income	—	824
Extraordinary losses		
Expense related to mischarging	—	*1 1,284
Impairment losses	—	*2 218
Loss on retirement of non-current assets	82	48
Loss on disaster	*3 96	—
Total extraordinary losses	179	1,550
Profit before income taxes	4,549	4,852
Income taxes	1,219	1,577
Profit	3,329	3,275
Profit attributable to owners of the parent	3,329	3,275

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	3,329	3,275
Other comprehensive income		
Valuation difference on available-for-sale securities	(92)	(325)
Deferred gains or losses on hedges	—	126
Foreign currency translation adjustment	(1,850)	1,160
Remeasurements of defined benefit plans, net of tax	(99)	36
Total other comprehensive income	<u>(2,043)</u>	<u>997</u>
Comprehensive income	1,286	4,272
Comprehensive income attributable to		
Owners of the parent	1,286	4,272

(3) Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	4,549	4,852
Depreciation	3,004	2,647
Expense related to mischarging	—	1,284
Loss on disaster	96	—
Impairment losses	—	218
Loss on retirement of non-current assets	58	5
Decrease (increase) in retirement benefit asset	(49)	(11)
Increase (decrease) in retirement benefit liability	(13)	10
Loss (gain) on sale of investment securities	—	(821)
Interest and dividend income	(316)	(219)
Subsidy income	(56)	(133)
Interest expenses	142	133
Decrease (increase) in trade receivables	25	(1,228)
Decrease (increase) in inventories	1,036	1,325
Increase (decrease) in trade payables	(5,282)	(1,840)
Other, net	1,353	2,226
Subtotal	4,549	8,448
Interest and dividends received	313	217
Subsidies received	56	133
Interest paid	(149)	(123)
Payments associated with disaster loss	(22)	(43)
Income taxes paid	(1,180)	(1,749)
Net cash provided by (used in) operating activities	3,566	6,882
Cash flows from investing activities		
Purchase of non-current assets	(6,850)	(6,225)
Proceeds from sale of investment securities	—	1,031
Other, net	63	646
Net cash provided by (used in) investing activities	(6,786)	(4,546)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,439	(2,136)
Proceeds from long-term borrowings	—	2,200
Purchase of treasury shares	(0)	—
Repayments of lease liabilities	(121)	(99)
Dividends paid	(1,327)	(1,308)
Net cash provided by (used in) financing activities	1,990	(1,344)
Effect of exchange rate change on cash and cash equivalents	(719)	213
Net increase (decrease) in cash and cash equivalents	(1,949)	1,205
Cash and cash equivalents at beginning of period	20,942	16,099
Cash and cash equivalents at end of period	18,992	17,304

(4) Notes to Interim Consolidated Financial Statements

Notes on Changes in Accounting Estimates

The Sumitomo Seika Group recorded an additional amount of 1,284 million yen, as the provision for mischarging expenses depending on the negotiation with the customer during the interim consolidated accounting period.

Depending on the future negotiation with the customer, the consolidated financial results may be affected. However, it is difficult to reasonably estimate the potential impact at this moment.

Notes on Going Concern Assumptions

Not applicable

Notes on Significant Changes in the Amount of Shareholders' Equity

Not applicable

Application of Specific Accounting Methods for the Preparation of Interim Consolidated Financial Statements

(Deferment of cost variance)

Cost variance caused by seasonal changes in operation rates, etc. is deferred because it is expected to be eliminated for the most part by the end of the cost accounting period.

(Calculation of tax expenses)

Income tax expenses were calculated by multiplying profit before income taxes by an effective tax rate that was reasonably estimated after application of tax effect accounting to the profit before income taxes for the fiscal year.

Furthermore, income taxes - deferred are included in income taxes.

Notes on Interim Consolidated Balance Sheets

(Contingent Liabilities)

As disclosed in the Notes on Changes in Accounting Estimates, The Sumitomo Seika Group recorded an additional amount as the provision for mischarging expenses. Depending on the future negotiation with the customer, the consolidated financial results may be affected. However, it is difficult to reasonably estimate the potential impact at this moment.

Notes on Interim Consolidated Statement of Income

*1 Expense related to mischarging

The Company recorded an extraordinary loss as an estimated future payments for product price mischarged at a consolidated subsidiary, depending on the negotiation with the customer during the interim consolidated accounting period.

*2 Impairment losses

The Company recognized impairment losses related to manufacturing facilities, etc. for Powdered Polyethylene at its Chiba Works.

*3 Loss on disaster

The Company recorded a loss from damage caused by hailstorms that occurred in Hyogo Prefecture on April 16, 2024.

Notes on Segment Information, etc.

[Segment information]

Six months ended September 30, 2024 (April 1, 2024 to September 30, 2024)

(1) Information on net sales, profit or loss by reportable segment

(Millions of yen)

	Reportable Segment			Others (Note 1)	Total	Adjustment (Note 2)	Amount on Interim Consolidated Statements of Income (Note 3)
	Super Absorbent Polymers	Functional Materials	Total				
Net sales							
Sales to external customers	57,232	16,619	73,851	123	73,975	—	73,975
Intersegment sales/transfers	0	27	27	400	428	(428)	—
Total	57,232	16,646	73,879	524	74,403	(428)	73,975
Segment profit (loss)	3,471	1,442	4,914	(9)	4,905	0	4,905

Notes: 1 “Others” represents operating segment that is not included in any reportable segment. “Others” includes contract manufacturing service and other services.

2 Segment profit (loss) in “Adjustment” refers to inter-segment elimination.

3 Total amount of segment profit (loss) has been adjusted with operating profit in the interim consolidated statements of income.

(2) Information regarding impairment losses of non-current assets or goodwill, etc. by reportable segment

Not applicable

Six months ended September 30, 2025 (April 1, 2025 to September 30, 2025)

(1) Information on net sales, profit or loss by reportable segment

(Millions of yen)

	Reportable Segment			Others (Note 1)	Total	Adjustment (Note 2)	Amount on Interim Consolidated Statements of Income (Note 3)
	Super Absorbent Polymers	Functional Materials	Total				
Net sales							
Sales to external customers	56,840	15,738	72,579	126	72,705	—	72,705
Intersegment sales/transfers	0	25	25	391	417	(417)	—
Total	56,841	15,763	72,605	518	73,123	(417)	72,705
Segment profit (loss)	4,904	976	5,881	0	5,881	0	5,881

Notes: 1 "Others" represents operating segment that is not included in any reportable segment. "Others" includes contract manufacturing service and other services.

2 Segment profit (loss) in "Adjustment" refers to inter-segment elimination.

3 Total amount of segment profit (loss) has been adjusted with operating profit in the interim consolidated statements of income.

(2) Information regarding impairment losses of non-current assets or goodwill, etc. by reportable segment

In the Functional Materials segment, the Company recognized impairment losses of 218 million yen related to manufacturing facilities, etc. for Powdered Polyethylene at its Chiba Works, as the carrying amounts of the relevant assets were reduced to their recoverable amounts.

Revenue Recognition

Breakdown of revenue from contracts with customers

Six months ended September 30, 2024 (April 1, 2024 to September 30, 2024)

(Millions of yen)

	Reportable Segment			Others (Note)	Total	Adjustment	Amount on Interim Consolidated Statements of Income
	Super Absorbent Polymers	Functional Materials	Total				
Japan	11,812	7,759	19,572	95	19,667	—	19,667
Asia	9,516	6,389	15,905	—	15,905	—	15,905
China	20,364	759	21,124	28	21,153	—	21,153
Europe	4,962	1,143	6,106	—	6,106	—	6,106
North America	5,933	457	6,391	—	6,391	—	6,391
Others	4,643	107	4,751	—	4,751	—	4,751
Revenue from contracts with customers	57,232	16,619	73,851	123	73,975	—	73,975
Other revenue	—	—	—	—	—	—	—
Sales to external customers	57,232	16,619	73,851	123	73,975	—	73,975

(Millions of yen)

	Reportable Segment			Others (Note)	Total	Adjustment	Amount on Interim Consolidated Statements of Income
	Super Absorbent Polymers	Functional Materials	Total				
Goods and services transferred at a point in time	57,232	15,962	73,194	123	73,318	—	73,318
Goods and services transferred over time	—	657	657	—	657	—	657
Revenue from contracts with customers	57,232	16,619	73,851	123	73,975	—	73,975
Other revenue	—	—	—	—	—	—	—
Sales to external customers	57,232	16,619	73,851	123	73,975	—	73,975

Note: "Others" represents operating segment that is not included in any reportable segment. "Others" includes contract manufacturing service and other services.

Six months ended September 30, 2025 (April 1, 2025 to September 30, 2025)

(Millions of yen)

	Reportable Segment			Others (Note)	Total	Adjustment	Amount on Interim Consolidated Statements of Income
	Super Absorbent Polymers	Functional Materials	Total				
Japan	11,282	8,841	20,124	81	20,206	—	20,206
Asia	8,844	4,104	12,948	—	12,948	—	12,948
China	20,289	992	21,282	44	21,326	—	21,326
Europe	5,994	1,170	7,165	—	7,165	—	7,165
North America	5,682	296	5,979	—	5,979	—	5,979
Others	4,746	332	5,079	—	5,079	—	5,079
Revenue from contracts with customers	56,840	15,738	72,579	126	72,705	—	72,705
Other revenue	—	—	—	—	—	—	—
Sales to external customers	56,840	15,738	72,579	126	72,705	—	72,705

(Millions of yen)

	Reportable Segment			Others (Note)	Total	Adjustment	Amount on Interim Consolidated Statements of Income
	Super Absorbent Polymers	Functional Materials	Total				
Goods and services transferred at a point in time	56,840	14,382	71,222	126	71,349	—	71,349
Goods and services transferred over time	—	1,356	1,356	—	1,356	—	1,356
Revenue from contracts with customers	56,840	15,738	72,579	126	72,705	—	72,705
Other revenue	—	—	—	—	—	—	—
Sales to external customers	56,840	15,738	72,579	126	72,705	—	72,705

Note: "Others" represents operating segment that is not included in any reportable segment. "Others" includes contract manufacturing service and other services.

Major Subsequent Events

(The Acquisition of Treasury Stock)

At the Board of Directors meeting held on November 12, 2025, the Company resolved matters concerning the acquisition of treasury shares pursuant to Article 459, Paragraph 1 of the Companies Act of Japan and the Article 26 of the Company's Articles of Incorporation.

1. Reason for Acquisition of Treasury Stock

The Company aims to improve capital efficiency, enhance shareholder returns and execute its capital policy flexibly.

2. Details of Acquisition

- (1) Class of shares to be acquired: Common stock of the Company
- (2) Total number of shares to be acquired: 210,000 shares (at maximum)
- (3) Total amount of shares to be acquired: 1,000 million yen (at maximum)
- (4) Acquisition period: From November 13, 2025 to March 31, 2026
- (5) Method of acquisition: Auction Market on Tokyo Stock Exchange

(open market repurchase based on discretionary dealing agreement)

3. Summary of Consolidated Financial Results for the Six Months Ended September 30, 2025

(1) Consolidated Results

		Six months ended September. 30	Year-on-year changes	FY 2025 ending March 31, 2026 (Forecast)
		FY 2024	FY 2025	
Net Sales	Million ¥	73,975	72,705	(1,270) 145,000
Operating Profit	Million ¥	4,905	5,881	976 11,300
Ordinary Profit	Million ¥	4,728	5,578	849 11,000
Profit Attributable to Owners of the Parent	Million ¥	3,329	3,275	(54) 4,400
Basic Earnings Per Share	¥	250.32	249.85	(0.47) 336.90
ROE	%	3.5	3.4	(0.1pt) 4.6
Debt / Equity Ratio	Times	0.15	0.20	0.05 —
Average Exchange Rate	¥/USD	152.63	146.04	— 145.52
Average Exchange Rate	¥/CNY	21.15	20.30	— 20.30
Naphtha Price	¥/KL	78,000	64,800	— 65,000

The average exchange rate for the third and the fourth quarters of the fiscal year will be 145.00 JPY/USD and 20.30 JPY/CNY and naphtha price will be 65,200 JPY/KL. The average for the full year will be 145.52 JPY/USD and 20.30 JPY/CNY and naphtha price will be 65,000 JPY/KL.

(2) Net Sales and Operating Profit by Business Segment

		Six months ended September. 30	Year-on-year changes	FY 2025 ending March 31, 2026 (Forecast)
		FY 2024	FY 2025	
Super Absorbent Polymers				
Net Sales	Million ¥	57,232	56,840	(391) 114,000
Operating Profit	Million ¥	3,471	4,904	1,432 9,600
Functional Materials				
Net Sales	Million ¥	16,619	15,738	(880) 30,800
Operating Profit	Million ¥	1,442	976	(465) 1,700
Others				
Net Sales	Million ¥	123	126	2 200
Operating Profit	Million ¥	(9)	0	10 0
Adjustment				
Net Sales	Million ¥	—	—	—
Operating Profit	Million ¥	0	0	0
Total				
Net Sales	Million ¥	73,975	72,705	(1,270) 145,000
Operating Profit	Million ¥	4,905	5,881	976 11,300