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November 14, 2025

Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under IFRS)

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Listing: Tokyo Stock Exchange
Securities code: 3402
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Scheduled date to file semi-annual securities report: November 14, 2025
Scheduled date to commence dividend payments: December 2, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for Securities Analysts / Institutional Investors)

(Yen amounts are rounded to the nearest million.)

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

(1) Consolidated financial performance

(Percentages indicate year-on-year changes.)

	Revenue		Core operating income		Operating income		Profit before tax	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2025	1,234,310	(4.6)	67,883	(14.2)	64,299	(19.1)	58,161	(25.2)
September 30, 2024	1,294,108	7.9	79,145	62.6	79,512	78.9	77,759	58.8

	Profit		Profit attributable to owners of parent		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
Six months ended September 30, 2025	40,802	(32.5)	36,935	(33.5)	24.23	24.19
September 30, 2024	60,481	83.2	55,524	92.3	34.66	34.60

Notes:

- Comprehensive income for the six months ended September 30, 2025 and 2024 were ¥85,669 million (639.9%) and ¥11,579 million ((93.6)%), respectively.
- Core operating income is calculated by excluding income and expenses due to non-recurring factors from operating income.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Equity ratio
	Millions of yen	Millions of yen	Millions of yen	%
As of September 30, 2025	3,350,991	1,833,651	1,716,549	51.2
March 31, 2025	3,292,597	1,820,572	1,708,984	51.9

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2025	—	9.00	—	9.00	18.00
Year ending March 31, 2026	—	10.00			
Year ending March 31, 2026 (Forecast)			—	10.00	20.00

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.)

	Revenue		Core operating income		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending March 31, 2026	2,630,000	2.6	150,000	5.1	82,000	5.2	54.16

Note: Revisions to the consolidated financial forecasts most recently announced: Yes

The Company's Board of Directors resolved on repurchase of its shares at a meeting held on November 14. However, the basic earnings per share in the consolidated financial forecasts does not consider the impact of the said share repurchase.

*** Notes**

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

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

(i) Changes in accounting policies required by IFRS: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(3) Number of issued shares (ordinary shares)

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

As of September 30, 2025	1,631,481,403 shares
As of March 31, 2025	1,631,481,403 shares

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

As of September 30, 2025	127,553,481 shares
As of March 31, 2025	67,768,474 shares

(iii) Average number of shares outstanding during the period

Six months ended September 30, 2025	1,524,645,652 shares
Six months ended September 30, 2024	1,602,090,919 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

Earnings forecasts given herein have been prepared based on assumptions such as economic environment outlook available as of the publication of this report and these forecasts are not guarantees of future performance. Actual results may differ significantly from forecasts due to various factors. For the assumptions underlying the forecasts herein, please refer to “1. Overview of Operating Results (2) Forecast for the Fiscal Year Ending March 31, 2026” of the accompanying materials.

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1. Overview of Operating Results

(1) Overview of the Six Months Ended September 30, 2025 and Analysis of Financial Position

Overview of the Six Months Ended September 30, 2025

	Six months ended September 30, 2025	Year-on-year change
	Billions of yen	%
Revenue	1,234.3	(4.6)
Core operating income	67.9	(14.2)
Operating income	64.3	(19.1)
Profit attributable to owners of parent	36.9	(33.5)

During the period under review (from April 1, 2025 to September 30, 2025), the U.S. economy remained strong though there were some signs of a slowdown. The pace of recovery of the European economy slowed down during the period. The recovery in the Chinese economy stalled, though some effects of the economic stimulus measures were also visible. The Japanese economy continued to recover gradually. However, sluggishness in the flow of goods and holding back on purchases were also seen in some areas against the backdrop of growing uncertainties triggered by the U.S. policy shifts under the Trump administration.

Under such circumstances, Toray Group starting from fiscal 2023 has been promoting its Medium-Term Management Program “Project AP-G 2025,” aiming to achieve sound, sustainable growth through the implementation of five basic strategies of “Sustainable Growth,” “Ultimate Value Creation,” “Product and Operational Excellence,” “Enhancement of People-Centric Management,” and “Risk Management and Governance.”

As a result, consolidated revenue for the six months ended September 30, 2025, compared with the same period of the previous fiscal year, decreased 4.6% to ¥1,234.3 billion, and core operating income (Note) fell 14.2% to ¥67.9 billion. Operating income declined 19.1% to ¥64.3 billion and profit attributable to owners of parent fell 33.5% to ¥36.9 billion.

Financial performance by segment is as described below.

Fibers & Textiles

	Six months ended September 30, 2025	Year-on-year change
	Billions of yen	%
Revenue	504.0	(2.2)
Core operating income	35.0	1.7

The apparel applications were strong overall, despite the stagnation in the European market and the continued impact of the intensified competition with overseas products.

In industrial applications, although the market including the automobile applications fell short of a full recovery, the Group strived to reduce costs.

As a result, revenue of the overall Fibers & Textiles segment, compared with the same period of the previous fiscal year, declined 2.2% to ¥504.0 billion, and core operating income rose 1.7% to ¥35.0 billion.

Performance Chemicals

	Six months ended September 30, 2025	Year-on-year change
	Billions of yen	%
Revenue	443.3	(7.2)
Core operating income	28.8	(15.3)

In the resins and chemicals businesses, while the resins business saw a recovery trend in demand with the elimination of the impact of the production reduction by the Japanese automobile industry in the previous fiscal year, the chemicals business was affected by the worsening market conditions.

In the films business, electronic parts-related demand grew, while sales of battery separator film stagnated.

In the electronic & information materials business, OLED-related materials and circuit materials were affected by the slow demand for display panels and intensified competition in China.

As a result, revenue of the overall Performance Chemicals segment, compared with the same period of the previous fiscal year, declined 7.2% to ¥443.3 billion, and core operating income fell 15.3% to ¥28.8 billion.

Carbon Fiber Composite Materials

	Six months ended September 30, 2025	Year-on-year change
	Billions of yen	%
Revenue	135.4	(11.4)
Core operating income	9.4	(19.6)

While user demand is recovering in the aerospace applications, the segment was negatively affected by the appreciation of the yen in addition to the impact of inventory adjustment in supply chains.

Among the industrial applications, the pressure vessel application entered an adjustment phase.

As a result, revenue of the overall Carbon Fiber Composite Materials segment decreased 11.4% to ¥135.4 billion compared with the same period of the previous fiscal year and core operating income fell 19.6% to ¥9.4 billion.

Environment & Engineering

	Six months ended September 30, 2025	Year-on-year change
	Billions of yen	%
Revenue	117.0	2.2
Core operating income	9.8	(16.8)

The water treatment business was affected by the concentration of large-scale projects for the Middle East in the same period a year earlier and the stagnant market conditions in China. The engineering business saw revenue decline at a Japanese engineering subsidiary due to shift in project timing, while a construction subsidiary kept steady sales.

As a result, revenue of the overall Environment & Engineering segment, compared with the same period of the previous fiscal year, increased 2.2% to ¥117.0 billion, and core operating income fell 16.8% to ¥9.8 billion.

Life Science

	Six months ended September 30, 2025	Year-on-year change
	Billions of yen	%
Revenue	25.1	(2.0)
Core operating income (loss)	(1.1)	—

In the pharmaceutical business, overseas sales grew mainly in China but sales in Japan were affected by the impact of the penetration of the generic versions.

In the medical devices business, shipment of the mainstay dialyzers for hemodiafiltration was steady, but sales of catheters and other products were sluggish. The business was also affected by prices of raw materials remaining high.

As a result, revenue of the overall Life Science segment, compared with the same period of the previous fiscal year, declined 2.0% to ¥25.1 billion, while core operating loss expanded by ¥0.5 billion to ¥1.1 billion.

Note:

Core operating income is calculated by excluding income and expenses due to non-recurring factors from operating income.

Analysis of Financial Position

As of September 30, 2025, both assets and liabilities of Toray Group were affected by the increase in translated yen amounts from its overseas subsidiaries caused by exchange rate fluctuations.

Total assets stood at ¥3,351.0 billion, an increase of ¥58.4 billion, compared with the end of the previous fiscal year, due primarily to increases in inventories as well as property, plant and equipment.

Total liabilities came to ¥1,517.3 billion, an increase of ¥45.3 billion, compared with the end of the previous fiscal year, owing mainly to an increase in borrowings.

Total equity stood at ¥1,833.7 billion, an increase of ¥13.1 billion, compared with the end of the previous fiscal year, mainly owing to increases in retained earnings and other components of equity, despite the purchase of treasury shares. Equity attributable to owners of parent stood at ¥1,716.5 billion. Equity ratio as of September 30, 2025 came to 51.2%, a 0.7 percentage-point decline compared with the level at the end of the previous fiscal year.

(2) Forecast for the Fiscal Year Ending March 31, 2026

The global economy is expected to continue with the gradual recovery phase. While the uncertainties stemming from the Trump tariffs will remain, their impact on the global economy is likely to be limited. The Japanese economy is expected to continue with its gradual recovery.

However, the prevailing economic trends will be affected by the direction of the trade policies of the U.S. and the responses from other countries, geopolitical tensions and rising prices of primary products, and the stagnation of the Chinese economy, which may also have a significant impact on the changes in the supply chains and trade structure in the medium- to long- term.

Under such circumstances, Toray Group will promote the basic strategies under the Medium-Term Management Program “Project AP-G 2025,” carrying out its business operations in preparation for uncertainties.

For the fiscal year ending March 31, 2026, Toray revised its full-year consolidated forecast for revenue to ¥2,630.0 billion, taking into consideration its business performance for the first six months and business environment. The forecasts for core operating income and profit attributable to owners of parent announced on May 14, 2025 remain unchanged. The calculation of consolidated earnings forecasts from October 2025 onwards is based on an assumed foreign currency exchange rate of ¥145.0 to the U.S. dollar.

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

	Revenue	Core operating income	Profit attributable to owners of parent	Basic earnings per share
	Billions of yen	Billions of yen	Billions of yen	Yen
Previous forecasts announced on May 14, 2025 (A)	2,670.0	150.0	82.0	52.44
Revised forecasts (B)	2,630.0	150.0	82.0	54.16
Change (B-A)	(40.0)	—	—	
Change (%)	(1.5)	—	—	
(Reference) Actual consolidated results for the fiscal year ended March 31, 2025	2,563.3	142.8	77.9	48.93

2. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statement of Financial Position

	(Millions of yen)	
	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and cash equivalents	237,295	214,600
Trade and other receivables	605,967	598,901
Inventories	520,505	555,398
Other financial assets	17,227	13,459
Other current assets	66,051	71,000
Assets held for sale	14,943	50,905
Total current assets	1,461,988	1,504,263
Non-current assets		
Property, plant and equipment	1,109,588	1,149,400
Right-of-use assets	53,914	54,439
Goodwill	94,643	94,665
Intangible assets	99,299	100,541
Investments accounted for using equity method	216,714	180,422
Other financial assets	154,653	147,778
Deferred tax assets	25,162	25,950
Retirement benefit asset	59,888	76,932
Other non-current assets	16,748	16,601
Total non-current assets	1,830,609	1,846,728
Total assets	3,292,597	3,350,991

	(Millions of yen)	
	As of March 31, 2025	As of September 30, 2025
Liabilities and Equity		
Current liabilities		
Trade and other payables	315,896	293,859
Bonds and borrowings	367,089	370,035
Lease liabilities	10,952	11,659
Other financial liabilities	11,569	11,237
Income taxes payable	39,823	18,298
Other current liabilities	112,201	117,318
Total current liabilities	857,530	822,406
Non-current liabilities		
Bonds and borrowings	432,468	482,474
Lease liabilities	32,150	32,025
Other financial liabilities	4,183	4,085
Deferred tax liabilities	51,115	56,532
Retirement benefit liability	80,254	79,725
Other non-current liabilities	14,325	40,093
Total non-current liabilities	614,495	694,934
Total liabilities	1,472,025	1,517,340
Equity		
Equity attributable to owners of parent		
Share capital	147,873	147,873
Capital surplus	120,562	119,772
Retained earnings	1,170,508	1,212,812
Treasury shares	(57,240)	(114,837)
Other components of equity	327,281	350,929
Total equity attributable to owners of parent	1,708,984	1,716,549
Non-controlling interests	111,588	117,102
Total equity	1,820,572	1,833,651
Total liabilities and equity	3,292,597	3,350,991

(2) Condensed Consolidated Statement of Profit or Loss and Condensed Consolidated Statement of Comprehensive Income

Condensed Consolidated Statement of Profit or Loss

	(Millions of yen)	
	Six months ended September 30, 2024	Six months ended September 30, 2025
Revenue	1,294,108	1,234,310
Cost of sales	(1,036,065)	(983,987)
Gross profit	258,043	250,323
Selling, general and administrative expenses	(179,579)	(184,153)
Other income	6,719	3,505
Other expenses	(5,671)	(5,376)
Operating income	79,512	64,299
Finance income	6,522	4,562
Finance costs	(11,310)	(10,041)
Share of profit (loss) of investments accounted for using equity method	3,035	(659)
Profit before tax	77,759	58,161
Income tax expense	(17,278)	(17,359)
Profit	60,481	40,802
Profit attributable to:		
Owners of parent	55,524	36,935
Non-controlling interests	4,957	3,867
Profit	60,481	40,802
Earnings per share:		
Basic (Yen)	34.66	24.23
Diluted (Yen)	34.60	24.19

Condensed Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	60,481	40,802
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Investments in equity instruments	(4,108)	11,330
Remeasurements of defined benefit plans	(4,738)	11,903
Share of other comprehensive income of investments accounted for using equity method	(46)	661
	(8,892)	23,894
Items that may be reclassified to profit or loss		
Cash flow hedges	485	386
Deferred costs of hedging	(30)	(22)
Exchange differences on translation	(40,460)	20,604
Share of other comprehensive income of investments accounted for using equity method	(5)	5
	(40,010)	20,973
Total other comprehensive income	(48,902)	44,867
Comprehensive income	11,579	85,669
Comprehensive income attributable to:		
Owners of parent	5,331	80,001
Non-controlling interests	6,248	5,668
Comprehensive income	11,579	85,669

(3) Condensed Consolidated Statement of Changes in Equity

Six months ended September 30, 2024

(Millions of yen)				
	Equity attributable to owners of parent			
	Share capital	Capital surplus	Retained earnings	Treasury shares
At April 1, 2024	147,873	120,944	1,068,364	(19,220)
Profit	-	-	55,524	-
Other comprehensive income	-	-	-	-
Comprehensive income	-	-	55,524	-
Exercise of share acquisition rights	-	(345)	-	346
Share-based payment transactions	-	178	-	-
Dividends	-	-	(14,422)	-
Changes in ownership interest in subsidiaries	-	(2)	-	-
Transfer from other components of equity to retained earnings	-	-	7,920	-
Other changes	-	0	-	(1)
Total transactions with owners and other	-	(169)	(6,502)	345
At September 30, 2024	147,873	120,775	1,117,386	(18,875)

(Millions of yen)									
	Equity attributable to owners of parent							Non-controlling interests	Total equity
	Other components of equity								
	Investments in equity instruments	Cash flow hedges	Deferred costs of hedging	Exchange differences on translation	Remeasurements of defined benefit plans	Total other components of equity	Total equity attributable to owners of parent		
At April 1, 2024	122,504	(72)	130	295,511	-	418,073	1,736,034	110,328	1,846,362
Profit	-	-	-	-	-	-	55,524	4,957	60,481
Other comprehensive income	(4,137)	474	(30)	(41,696)	(4,804)	(50,193)	(50,193)	1,291	(48,902)
Comprehensive income	(4,137)	474	(30)	(41,696)	(4,804)	(50,193)	5,331	6,248	11,579
Exercise of share acquisition rights	-	-	-	-	-	-	1	-	1
Share-based payment transactions	-	-	-	-	-	-	178	-	178
Dividends	-	-	-	-	-	-	(14,422)	(5,061)	(19,483)
Changes in ownership interest in subsidiaries	-	-	-	-	-	-	(2)	6	4
Transfer from other components of equity to retained earnings	(12,724)	-	-	-	4,804	(7,920)	-	-	-
Other changes	-	(338)	-	-	-	(338)	(339)	-	(339)
Total transactions with owners and other	(12,724)	(338)	-	-	4,804	(8,258)	(14,584)	(5,055)	(19,639)
At September 30, 2024	105,643	64	100	253,815	-	359,622	1,726,781	111,521	1,838,302

Six months ended September 30, 2025

(Millions of yen)

	Equity attributable to owners of parent			
	Share capital	Capital surplus	Retained earnings	Treasury shares
At April 1, 2025	147,873	120,562	1,170,508	(57,240)
Profit	-	-	36,935	-
Other comprehensive income	-	-	-	-
Comprehensive income	-	-	36,935	-
Exercise of share acquisition rights	-	(854)	-	855
Share-based payment transactions	-	99	-	271
Purchase of treasury shares	-	(26)	-	(58,723)
Dividends	-	-	(14,081)	-
Changes in ownership interest in subsidiaries	-	(9)	-	-
Transfer from other components of equity to retained earnings	-	-	19,450	-
Other changes	-	0	-	0
Total transactions with owners and other	-	(790)	5,369	(57,597)
At September 30, 2025	147,873	119,772	1,212,812	(114,837)

(Millions of yen)

	Equity attributable to owners of parent							Non-controlling interests	Total equity
	Other components of equity								
	Investments in equity instruments	Cash flow hedges	Deferred costs of hedging	Exchange differences on translation	Remeasurements of defined benefit plans	Total other components of equity	Total equity attributable to owners of parent		
At April 1, 2025	59,200	119	78	267,884	-	327,281	1,708,984	111,588	1,820,572
Profit	-	-	-	-	-	-	36,935	3,867	40,802
Other comprehensive income	11,456	393	(22)	19,351	11,888	43,066	43,066	1,801	44,867
Comprehensive income	11,456	393	(22)	19,351	11,888	43,066	80,001	5,668	85,669
Exercise of share acquisition rights	-	-	-	-	-	-	1	-	1
Share-based payment transactions	-	-	-	-	-	-	370	-	370
Purchase of treasury shares	-	-	-	-	-	-	(58,749)	-	(58,749)
Dividends	-	-	-	-	-	-	(14,081)	(4,437)	(18,518)
Changes in ownership interest in subsidiaries	-	-	-	-	-	-	(9)	53	44
Transfer from other components of equity to retained earnings	(7,562)	-	-	-	(11,888)	(19,450)	-	-	-
Other changes	-	32	-	-	-	32	32	4,230	4,262
Total transactions with owners and other	(7,562)	32	-	-	(11,888)	(19,418)	(72,436)	(154)	(72,590)
At September 30, 2025	63,094	544	56	287,235	-	350,929	1,716,549	117,102	1,833,651

(4) Condensed 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 tax	77,759	58,161
Depreciation and amortization	64,958	64,608
Impairment losses (reversal of impairment losses)	889	590
Share of loss (profit) of investments accounted for using equity method	(3,035)	659
Finance income and finance costs	3,174	5,273
Decrease (increase) in trade and other receivables	44,524	11,339
Decrease (increase) in inventories	(31,324)	(22,949)
Increase (decrease) in trade and other payables	(11,627)	(5,769)
Changes in retirement benefit asset and liability	(2,314)	(768)
Other adjustments	(8,697)	26,661
Subtotal	134,307	137,805
Interest received	2,944	1,894
Dividends received	5,190	7,729
Interest paid	(8,942)	(8,167)
Income taxes refund (paid)	(17,243)	(45,597)
Net cash provided by operating activities	116,256	93,664
Cash flows from investing activities		
Purchase of property, plant and equipment, and intangible assets	(80,135)	(84,566)
Proceeds from sale of property, plant and equipment, and intangible assets	3,713	569
Purchase of investments	(1,069)	(520)
Proceeds from sale and redemption of investments	27,955	15,774
Other inflows (outflows) of cash	(1,363)	(727)
Net cash used in investing activities	(50,899)	(69,470)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	7,599	26,294
Proceeds from issuance of bonds and long-term borrowings	35,788	98,858
Redemption of bonds and repayments of long-term borrowings	(94,479)	(94,386)
Repayments of lease liabilities	(6,099)	(6,255)
Purchase of treasury shares	(0)	(58,749)
Dividends paid to owners of parent	(14,405)	(13,908)
Dividends paid to non-controlling interests	(5,061)	(4,437)
Other inflows (outflows) of cash	(31)	4,755
Net cash provided by (used in) financing activities	(76,688)	(47,828)
Effect of exchange rate changes on cash and cash equivalents	(3,858)	939
Net increase (decrease) in cash and cash equivalents	(15,189)	(22,695)
Cash and cash equivalents at beginning of period	235,887	237,295
Cash and cash equivalents at end of period	220,698	214,600

(5) Notes to the Condensed Consolidated Financial Statements

(Segment Information)

Six months ended September 30, 2024

(Millions of yen)

	Reportable segments					Other *1	Total	Reconcilia- tions *2	Consolidated total
	Fibers & Textiles	Performance Chemicals	Carbon Fiber Composite Materials	Fiber Environment & Engineering	Life Science				
Revenue									
Revenue from external customers	515,523	477,506	152,796	114,477	25,577	8,229	1,294,108	-	1,294,108
Intersegment revenue	863	5,849	230	35,320	-	14,830	57,092	(57,092)	-
Total	516,386	483,355	153,026	149,797	25,577	23,059	1,351,200	(57,092)	1,294,108
Core operating income (loss)	34,440	33,965	11,736	11,808	(597)	613	91,965	(12,820)	79,145

*1 "Other" represents service-related businesses such as analysis, physical evaluation and research.

*2 "Reconciliations" of core operating income of ¥(12,820) million include intersegment eliminations of ¥(508) million and corporate expenses of ¥(12,312) million. The corporate expenses consist of the headquarters' research expenses that are not allocated to each reportable segment.

Six months ended September 30, 2025

(Millions of yen)

	Reportable segments						Other *1	Total	Reconcilia- tions *2	Consolidated total
	Fibers & Textiles	Performance Chemicals	Carbon Fiber Composite Materials	Fiber Environment & Engineering	Life Science					
Revenue										
Revenue from external customers	504,020	443,263	135,403	116,966	25,057	9,601	1,234,310	-	1,234,310	
Intersegment revenue	720	5,491	515	25,299	-	17,120	49,145	(49,145)	-	
Total	504,740	448,754	135,918	142,265	25,057	26,721	1,283,455	(49,145)	1,234,310	
Core operating income (loss)	35,042	28,785	9,438	9,830	(1,109)	(760)	81,226	(13,343)	67,883	

*1 "Other" represents service-related businesses such as analysis, physical evaluation and research.

*2 "Reconciliations" of core operating income of ¥(13,343) million include intersegment eliminations of ¥76 million and corporate expenses of ¥(13,419) million. The corporate expenses consist of the headquarters' research expenses that are not allocated to each reportable segment.

Core operating income is calculated by excluding income and expenses due to non-recurring factors from operating income. Reconciliation of core operating income to operating income is as follows:

	(Millions of yen)	
	Six months ended September 30, 2024	Six months ended September 30, 2025
Core operating income	79,145	67,883
Gain on sale or disposal of fixed assets	3,525	125
Loss on sale or disposal of fixed assets	(2,269)	(3,119)
Impairment losses	(889)	(590)
Operating income	79,512	64,299

* Reconciliation of operating income to profit before tax is presented in the condensed consolidated statement of profit or loss.

(Subsequent Events)

(The repurchase of shares and the cancellation of treasury shares)

The Company's Board of Directors resolved at a meeting held on November 14, 2025 to repurchase shares of its common stock as follows, pursuant to Article 156 of the Companies Act, as applied pursuant to the provision of Article 165, Paragraph 3 of the Act, and to cancel treasury shares pursuant to the provisions of Article 178 of the Act.

(1) Reason for repurchase and cancellation of treasury shares

On May 13, 2024, the Company announced a policy to accelerate the improvement of capital efficiency by reducing cross-shareholdings by half over three years from FY2024 to FY2026, also stating that all proceeds from the sale of cross-shareholdings would be used for share repurchases. This repurchase of shares is pursuant to that policy. Additionally, the Company will cancel a portion of the treasury shares acquired to date.

(2) Details of the repurchase

Class of shares to be repurchased	Common stock
Total number of shares to be repurchased	Up to 63,000,000 shares (4.20% of the total issued shares (excluding treasury shares))
Total repurchase price of shares	Up to 50 billion yen
Repurchase period	From November 17, 2025 to May 31, 2026
Repurchase method	Market purchase on the Tokyo Stock Exchange

(3) Details of the cancellation

Class of shares to be cancelled	Common stock
Total number of Shares to be cancelled	127,000,000 shares (7.78% of the total issued shares before the cancellation)
Scheduled date of the cancellation	November 28, 2025

(Going Concern Assumption)

Not Applicable.