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Consolidated Financial Results for the Year Ended March 31, 2026

(All financial information has been prepared in accordance with Generally Accepted Accounting Principles in Japan)

May 12, 2026

Company name : DAICEL CORPORATION
 Stock Exchange on which the shares are listed : Tokyo Stock Exchange in Japan
 Code number : 4202
 URL : <https://www.daicel.com/en/>
 Representative : Yasuhiro Sakaki, President and CEO
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Scheduled date of the general meeting of shareholders : June 19, 2026
 Scheduled date for submitting financial statements : June 17, 2026
 Scheduled date for dividend payment : June 22, 2026
 The additional materials of the Financial Results : Yes
 The briefing session of the Financial Results : Yes (for institutional investors and analysts)

1. Consolidated Financial Results for the Year Ended March 31, 2026 (Amounts are rounded down to the nearest million)

(1) Consolidated Operating Results (% of change from previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Year ended Mar. 31, 2026	579,629	(1.2)	42,069	(31.0)	45,130	(27.6)	10,180	(79.4)
Year ended Mar. 31, 2025	586,531	5.1	61,011	(2.2)	62,320	(8.9)	49,480	(11.4)

(Note) Comprehensive income: 27,343millions of yen [(11.6)%] for the Year ended March 31, 2026 and 30,946millions of yen [(66.7)%] for the Year ended March 31, 2025

	Profit per share	Diluted profit per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Year ended Mar. 31, 2026	38.75	—	2.8	5.5	7.3
Year ended Mar. 31, 2025	181.44	—	13.8	7.5	10.4

(Reference) Share of profit of entities accounted for using equity method: 2,509 millions of yen for the Year ended March 31, 2026 and 2,523 millions of yen for the Year ended March 31, 2025

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
Year ended Mar. 31, 2026	833,929	370,380	42.6	1,392.36
Year ended Mar. 31, 2025	813,831	375,037	44.2	1,357.77

(Reference) Shareholders' equity: 355,599 millions of yen as of March 31, 2026 and 359,984 millions of yen 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 at the end of year
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Year ended Mar. 31, 2026	67,838	(47,702)	(22,814)	66,830
Year ended Mar. 31, 2025	93,406	(47,869)	(48,855)	64,767

2. Dividends

(Reference data)	Cash dividends per share					Dividends in total (Annual)	Dividend payout ratio (Consolidated basis)	Dividends to net assets (Consolidated basis)
	1st quarter	2nd quarter	3rd quarter	4th quarter	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
Year ended Mar. 31, 2025	—	30.00	—	30.00	60.00	16,237	33.1	4.5
Year ended Mar. 31, 2026	—	30.00	—	30.00	60.00	15,626	154.8	4.4
Year ending Mar. 31, 2027 (Forecast)	—	—	—	—	—		—	

(Note) The dividend forecast for the fiscal year ending March 2027 will be announced on May 22, 2026, along with the new mid-term management strategy.

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

(% of change from same period of previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Six months ending Sep. 30, 2026	288,000	3.9	16,500	(18.0)	17,000	(16.6)	10,000	(46.8)	39.16
Year ending Mar. 31, 2027	595,000	2.7	42,500	1.0	43,000	(4.7)	32,000	214.3	125.30

*Notes

- (1) Significant changes in the scope of consolidation during the period: Not applicable
- (2) Changes in accounting policies, changes in accounting estimates and restatements
 - i Changes in accounting policies due to revisions of accounting standards: Not Applicable
 - ii Changes in accounting policies other than (2)-i: Not applicable
 - iii Changes in accounting estimates: Not applicable
 - iv Retrospective restatements: Not applicable

(3) Number of shares issued (common share)

i Number of shares issued at the end of each period (Including treasury shares)	As of Mar. 31, 2026	266,942,682 shares	As of Mar. 31, 2025	276,942,682 shares
ii Number of treasury shares at the end of each period	As of Mar. 31, 2026	11,548,859 shares	As of Mar. 31, 2025	11,814,115 shares
iii Average number of shares during the each period (Cumulative from the beginning of the fiscal year)	Year ended Mar. 31, 2026	262,751,332 shares	Year ended Mar. 31, 2025	272,707,565 shares

(Reference) Overview of the Unconsolidated Financial Results

Unconsolidated Financial Results for the Year Ended March 31, 2026

(Amounts are rounded down to the nearest million)

(1) Unconsolidated Operating Results

(% of change from previous year)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Year ended Mar. 31, 2026	255,411	(5.4)	5,988	(68.3)	29,382	(47.7)	6,099	(89.6)
Year ended Mar. 31, 2025	269,877	2.8	18,884	(37.7)	56,203	(19.7)	58,758	(13.5)

	Profit per share	Diluted profit per share
	Yen	Yen
Year ended Mar. 31, 2026	23.21	—
Year ended Mar. 31, 2025	215.46	—

(2) Unconsolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
Year ended Mar. 31, 2026	608,875	319,192	52.4	1,249.81
Year ended Mar. 31, 2025	643,069	347,179	54.0	1,309.47

(Reference) Shareholders' equity: 319,192 millions of yen as of March 31, 2026 and 347,179 millions of yen as of March 31, 2025

*This Financial Results report is not subject to audit.

*Explanations or other special matters to appropriate use of the forecast of consolidated financial results

The forecast of consolidated financial results and certain other statements contained in this document are forward-looking statements, which are rationally determined based on information currently available to the company. For a variety of reasons, actual performance may differ substantially from these projections.

4. Overview of the operating results

(1) Overview of the operating results for ended March 2026

During the consolidated fiscal year ended March 2026, the global economy showed a gradual recovery, while some regions, such as China, faced sluggish economic conditions. In addition, the outlook remained uncertain due to factors such as U.S. tariff policies and the situation in the Middle East.

As a result, sales revenue for the consolidated fiscal year under review totaled ¥579,629 million (down 1.2% year-on-year). On the income front, operating income amounted to ¥42,069 million (down 31.0% year-on-year), ordinary income was ¥45,130 million (down 27.6% year-on-year). Profit attributable to owners of parent was ¥10,180 million (down 79.4% year-on-year) primarily due to the recognition of impairment losses, as a decline in profitability was recognized at the currently under-construction Cyclic Olefin Copolymer (COC) resin new plant (Plant No. 2) resulting from delayed demand growth and increased investment costs.

Segment information is summarized as follows.

[Medical / Healthcare]

In the life sciences business, sales revenue increased due to an increase in sales volume of chiral columns.

In the healthcare business, sales revenue increased due to an increase in sales volume of health food ingredients, owing to favorable sales of supplements by clients.

The overall segment sales came to ¥16,227 million (up 12.4% year-on-year). Operating income was ¥427 million (up 63.6% year-on-year) due to factors such as an increase in sales volume in the healthcare business.

[Smart]

In the functional products business, although sales of caprolactone derivatives decreased due to price competition in China, sales revenue increased, reflecting higher sales of epoxy compounds in the U.S. and Europe.

In the advanced technology business, sales revenue decreased as sales volume of functional films decreased, although demand in the semiconductor materials market was solid, and sales volume of solvents for electronic materials increased.

The overall segment sales came to ¥37,746 million (up 1.2% year-on-year). Operating income was ¥536 million (operating loss of ¥780 million in the previous fiscal year) due to improved profitability resulting from the withdrawal from the organic semiconductor business in the previous fiscal year.

[Safety]

In the mobility business, which produces products such as inflators (gas generators) for automotive airbags, sales volumes increased due to a recovery of production in Chinese automakers in the Chinese market and sales expansion in India, leading to increased revenue.

Consequently, the overall segment sales came to ¥104,164 million (up 6.7% year-on-year). Operating income was ¥6,095 million (up 55.0% year-on-year) due to increased sales volume and improved productivity at North American bases.

[Materials]

In the acetyl business, while sales volume of acetic acid increased due to sales adjustments implemented in the previous fiscal year because of problems at the raw material (carbon monoxide) plant, demand for its main derivatives, vinyl acetate and purified terephthalic acid, remained sluggish and market conditions deteriorated, leading to decreased revenue.

Sales revenue for acetate tow decreased due to a decrease in sales volume, reflecting inventory adjustments by some customers and the impact of exchange rates.

In the chemical business, sales revenue of cellulose acetate decreased due to a decrease in demand for textile and plastic applications in the Chinese market, despite increased sales for display material applications.

Sales revenue for other chemical products slightly increased due to steady demand for 1,3-butylene glycol in the cosmetics market despite the impact on certain products of weaker market conditions and intensifying competition.

Consequently, overall segment sales amounted to ¥161,324 million (down 12.0% year-on-year). Operating income was ¥14,953 million (down 49.5% year-on-year), due to factors such as a decrease in sales volume, the effects of inventory carried over from the previous fiscal year and the impact of exchange rates.

[Engineering Plastics]

In the business of Polyplastics Co., Ltd., such as polyacetal (POM), polybutylene terephthalate (PBT) resin, and liquid crystal polymer (LCP), sales revenue increased due to an increase in sales volume of high-value added products other than POM resin, such as those for electronic materials, and adjustments to sales prices, despite a decrease in sales volume of POM resin for various industrial sectors and the effects of price measures taken amid weaker demand early in the fiscal year.

In the business of Daicel Miraizu Ltd., including water-soluble polymers, barrier films for packaging, and AS resins, sales revenue decreased due to the transfer of the resin compound business to equity method affiliate Novacel Co., Ltd. in July 2024.

Consequently, overall segment sales amounted to ¥254,718 million (up 2.7% year-on-year). Operating income was ¥19,151 million (down 29.1% year-on-year) due to an increase in depreciation expenses and regular inspection expenses.

[Other Businesses]

In the other businesses, sales revenue decreased due to a decrease in sales of the membrane business, including membrane modules for water treatment.

Consequently, overall segment sales amounted to ¥5,448 million (down 5.5% year-on-year). Operating income was ¥904 million (down 6.3% year-on-year).

(2) Overview of financial position for the fiscal year under review

Total assets as of March 31, 2026, were ¥833,929 million, an increase of ¥20,098 million from March 31, 2025, due to increases in property, plant and equipment.

Total liabilities were ¥463,549 million, an increase of ¥24,755 million from March 31, 2025, due to an increase in long-term borrowings.

Total net assets were ¥370,380 million. Total shareholders' equity, which is calculated as the net assets minus non-controlling interests, was ¥355,599 million. Shareholders' equity ratio was 42.6%.

(3) Overview of cash flow for the fiscal year under review

Cash flow from operating activities

Cash flow from operating activities during the consolidated fiscal year under review was +¥67,838million (vs. +¥93,406 million in the previous fiscal year). The increases in cash flow were mainly attributable to ¥43,326 million of depreciation and ¥32,845 million of impairment losses. Meanwhile, the main factor for the decreases in cash flow was a payment of ¥25,044 million for corporate income taxes and ¥17,486 million of loss (gain) on sale of investment securities.

Cash flow from investment activities

Cash flow from investment activities during the consolidated fiscal year under review was -¥47,702 million (vs. -¥47,869 million in the previous fiscal year). The main factors for the increase in cash flow were income of ¥20,415 million from the sale and redemption of investment securities. The main factors for the decrease in cash flow were expenditures of ¥65,327 million for the purchase of property, plant and equipment.

Cash flow from financing activities

Cash flow from financing activities during the consolidated fiscal year under review was -¥22,814 million (vs. -¥48,855 million in the previous fiscal year). The increases in cash flow were mainly attributable to ¥36,162 million of proceeds from long-term borrowings. Meanwhile, the main factors accounting for the decrease in cash flow were ¥20,000 million for redemption of bonds, ¥17,584 million for repayments of long-term borrowing, ¥15,912 million in dividends paid and ¥13,753 million for purchase of treasury shares.

As a result of the above, cash and cash equivalents on March 31, 2026 totaled ¥66,830 million.

Reference: Trends in cash flow indicators

	March 2023	March 2024	March 2025	March 2026
Shareholders' equity per total assets (%)	38.6	42.8	44.2	42.6
Shareholders' equity per total assets on market value basis (%)	37.3	49.8	42.3	37.5
Ratio of interest-bearing liabilities to cash flow (year)	12.0	4.0	3.1	4.6
Interest coverage ratio (times)	19.6	53.5	47.4	23.0

Notes: Shareholders' equity ratio: Shareholders' equity/Total assets

Shareholders' equity ratio on a market value basis: Market capitalization/Total assets

Ratio of interest-bearing debts to cash flow: Interest-bearing debts/Cash flow from operating activities

Interest coverage ratio: Cash flow from operating activities/Interest expenses

1. Each indicator is calculated based on consolidated financial results.
2. Market capitalization is calculated by multiplying the closing price at year-end by the number of outstanding shares at year-end (excluding treasury stocks).
3. Cash flow from operating activities is the net cash reported on the consolidated statement of cash flow. Interest-bearing debts include all consolidated balance sheet-reported liabilities on which interest is paid. For interest expenses, the amount of interest payment reported on the consolidated statement of cash flow is used.

(4) Outlook

The global economy is expected to continue to face concerns about heightened and increasingly evident geopolitical risks exemplified by the deterioration of the situation in the Middle East, as well as the impact of increasingly complex trade policies across countries and regions.

Amid such circumstances, the Daicel Group will ensure a stable supply of products by securing a stable procurement of raw materials and exploring alternative materials. At the same time, the Group will appropriately and flexibly reflect rising raw material procurement and transportation costs in selling prices in order to minimize the impact on business performance. In addition, leveraging the increased production capacity realized from capital investments implemented to date and enhanced management efficiency through integration with Polyplastics Co., Ltd., the Group aims to further grow its engineering plastics business, while continuing, on a Group-wide basis, to implement thorough cost reductions and promote asset-light management, primarily through inventory reductions. With regard to the CO (Carbon Monoxide) plants, we will steadily implement the measures planned for the fiscal year ending March 2027 and work to strengthen the foundation for stable operations.

Regarding the Daicel Group's business forecast for the fiscal year ending March 31, 2027, sales revenue is expected to increase due to an increase in sales volume of engineering plastics and automobile airbag inflators, while operating income is expected to increase slightly due to declining selling prices of acetate tow caused by intensifying competition in the local market and the impact of rising prices of pulp, a raw material. Ordinary income is expected to decrease due to factors such as a decline in dividend income resulting from the sale of cross-shareholdings and a decrease in share of profit of entities accounted for using equity method. Net income attributable to owners of the parent is expected to increase due to an impairment loss recorded in the previous fiscal year.

The Group has not factored in the impact of the situation in the Middle East into its earnings forecast, as it is difficult to quantify the impact on performance.

Our anticipated earnings for the fiscal year ending March 31, 2027 are as follows.

Consolidated Earnings Estimates

Sales revenue	¥595.0 billion	(up 2.7% year-on-year)
Operating income	¥42.5 billion	(up 1.0% year-on-year)
Ordinary income	¥43.0 billion	(down 4.7% year-on-year)
Net income attributable to owners of the parent	¥32.0 billion	(up 214.3% year-on-year)

For these forecasts, we assume an exchange rate of ¥150/US dollar, (Asian spot) methanol price of US\$330/ton, Dubai crude oil price of US\$70/bbl and domestic naphtha price of ¥65,000/kl.

The forecasts above are based on currently available information. Actual results may differ from these forecasts due to a number of factors.

* For the forecasts of sales revenue, operating income, capital investment, depreciation, and R&D expenses by segment, please refer to the "Fiscal Year ended March 2026 Consolidated Financial Results" announced on May 12, 2026.

(5) Basic policy regarding profit distribution and dividends for the current and next fiscal years

Daicel's basic dividend policy is to distribute profits in a balanced manner that comprehensively considers maximizing asset efficiency, realizing optimal capital structure, securing soundness to maintain fund raising capacity, and stable dividends reflecting the consolidated business results. As for the number of dividend payments in each fiscal year, we pay dividends twice a year based on the date of record: at the end of the second quarter and at the end of the fiscal year.

Internal reserves will be applied to investment in business expansion and reinforcement of highly-profitable business structures, such as R&D for new business development and strengthening of existing businesses, new construction and expansion of facilities, and efficiency improvement measures. Through future business development, we will ensure growing benefits to our shareholders.

From the fiscal year 2024, in order to clarify our commitment to stable dividends, we have introduced a new indicator, DOE (dividend on equity), in addition to the total return ratio. With regard to dividends, we aim for a DOE of 4% or more, and continue to aim for a total return ratio of 40% or more each year, combining dividends and flexible share buybacks.

Based on the policy outlined above, we will hold discussions on the payment of an ordinary year-end dividend of ¥30 per share at the 160th Annual General Meeting of Shareholders to be held on June 19, 2026. This, together with the interim dividend of ¥30 per share that was already paid in December 2025, will achieve an annual dividend of ¥60 per share, the same level as the previous fiscal year, for a dividend payout ratio of 154.8% for the fiscal year under review.

Regarding the acquisition of treasury stock, the company acquired approximately 10.09 million shares worth approximately

¥13.8 billion between November 2025 and March 2026. As a result, the total return ratio for this fiscal year will be 288.6%.

For the fiscal year ending March 2027, Daicel plans to announce its dividend forecast on May 22, 2026, in conjunction with the new medium-term management strategy.

(6) Basic concept regarding the selection of accounting standards

The Daicel Group will continue to prepare consolidated financial statements in accordance with Japanese standards, while taking into account the need to compare consolidated financial statements across different accounting periods and companies.

The Daicel Group will adopt International Accounting Standards, as appropriate, in consideration of circumstances in Japan and overseas.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: Millions of Yen)

	As of Mar. 31, 2025	As of Mar. 31, 2026
Assets		
Current assets		
Cash and deposits	65,142	68,811
Notes receivable - trade	7,406	8,584
Accounts receivable - trade	106,528	108,723
Inventories	177,879	174,515
Other	38,725	42,578
Allowance for doubtful accounts	(56)	(48)
Total current assets	395,626	403,166
Non-current assets		
Property, plant and equipment		
Buildings and structures	212,279	233,122
Accumulated depreciation	(121,941)	(130,185)
Buildings and structures, net	90,337	102,937
Machinery, equipment and vehicles	663,533	716,518
Accumulated depreciation	(537,199)	(582,905)
Machinery, equipment and vehicles, net	126,334	133,612
Tools, furniture and fixtures	35,885	37,679
Accumulated depreciation	(30,126)	(30,878)
Tools, furniture and fixtures, net	5,759	6,800
Land	30,814	31,116
Construction in progress	66,181	59,895
Total property, plant and equipment	319,426	334,363
Intangible assets		
Goodwill	66	52
Other	10,574	11,030
Total intangible assets	10,641	11,082
Investments and other assets		
Investment securities	56,652	45,453
Deferred tax assets	3,078	4,970
Retirement benefit asset	14,912	18,298
Other	13,520	16,617
Allowance for doubtful accounts	(26)	(22)
Total investments and other assets	88,137	85,317
Total non-current assets	418,205	430,763
Total assets	813,831	833,929

(Unit: Millions of Yen)

	As of Mar. 31, 2025	As of Mar. 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable – trade	61,239	60,445
Short-term borrowings	35,899	50,099
Current portion of bonds payable	20,000	—
Current portion of long-term borrowings	16,999	14,168
Income taxes payable	11,273	4,176
Provision for repairs	4,603	573
Other	60,339	68,119
Total current liabilities	210,353	197,583
Non-current liabilities		
Bonds payable	70,000	70,000
Long-term borrowings	138,021	169,984
Deferred tax liabilities	11,048	12,467
Provision for repairs	122	1,305
Retirement benefit liability	2,831	2,606
Asset retirement obligations	1,205	1,222
Other	5,212	8,380
Total non-current liabilities	228,440	265,965
Total liabilities	438,794	463,549
Net assets		
Shareholders' equity		
Share capital	36,275	36,275
Capital surplus	0	0
Retained earnings	253,721	234,253
Treasury shares	(16,171)	(15,727)
Total shareholders' equity	273,826	254,802
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	27,490	22,823
Deferred gains or losses on hedges	(14)	(8)
Foreign currency translation adjustment	51,052	69,414
Remeasurements of defined benefit plans	7,629	8,567
Total accumulated other comprehensive income	86,158	100,796
Non-controlling interests	15,052	14,780
Total net assets	375,037	370,380
Total liabilities and net assets	813,831	833,929

(2) Consolidated Statements of Income

(Unit: Millions of Yen)

	Year ended Mar. 31, 2025	Year ended Mar. 31, 2026
Net sales	586,531	579,629
Cost of sales	421,785	433,340
Gross profit	164,746	146,288
Selling, general and administrative expenses	103,735	104,219
Operating profit	61,011	42,069
Non-operating income		
Interest income	1,205	816
Dividend income	2,546	2,395
Share of profit of entities accounted for using equity method	2,523	2,509
Rental income from non-current assets	474	544
Subsidy income	663	1,024
Other	583	1,511
Total non-operating income	7,996	8,803
Non-operating expenses		
Interest expenses	1,981	3,196
Foreign exchange losses	2,209	992
Bond issuance costs	2	2
Donations	577	755
Settlement payments	1,200	—
Other	716	795
Total non-operating expenses	6,687	5,742
Ordinary profit	62,320	45,130
Extraordinary income		
Gain on disposal of non-current assets	46	16
Gain on sales of investment securities	15,859	17,486
Gain on bargain purchase	—	512
Gain on sale of shares of subsidiaries and associates	4,553	—
Subsidy income	—	2,014
Total extraordinary income	20,459	20,030
Extraordinary losses		
Loss on step acquisitions	—	179
Loss on retirement of non-current assets	6,292	3,474
Impairment losses	7,053	32,845
Loss on tax purpose reduction entry of non-current assets	—	8
Loss on valuation of investment securities	968	—
Loss on valuation of shares of subsidiaries and associates	364	—
Loss on sale of shares of subsidiaries and associates	1,493	1,503
Loss on liquidation of business	1,106	980
Total extraordinary losses	17,279	38,991
Profit before income taxes	65,499	26,169
Income taxes		
Income taxes - current	21,481	13,611
Income taxes - deferred	(6,459)	1,111
Total income taxes	15,022	14,722
Profit	50,477	11,446
Profit attributable to non-controlling interests	996	1,265
Profit attributable to owners of parent	49,480	10,180

(3) Consolidated Statement of Comprehensive Income

(Unit: Millions of Yen)

	Year ended Mar. 31, 2025	Year ended Mar. 31, 2026
Profit	50,477	11,446
Other comprehensive income		
Valuation difference on available-for-sale securities	(15,828)	(4,667)
Deferred gains or losses on hedges	(0)	6
Foreign currency translation adjustment	(2,463)	18,395
Remeasurements of defined benefit plans, net of tax	(1,072)	951
Share of other comprehensive income of entities accounted for using equity method	(165)	1,212
Total other comprehensive income	(19,530)	15,897
Comprehensive income	30,946	27,343
Comprehensive income attributable to		
owners of parent	30,239	24,819
non-controlling interests	707	2,524

(4) Consolidated Statements of Changes in Equity
Year ended March 31, 2025

(Unit: Millions of Yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	36,275	0	233,664	(15,895)	254,045
Changes during the year					
Dividends of surplus			(15,179)		(15,179)
Net profit attributable to owners of parent			49,480		49,480
Restricted stock awards			37	442	479
Repurchase of treasury stock				(15,000)	(15,000)
Retirement of treasury stock			(14,282)	14,282	—
Net changes of items other than shareholders' equity in the year					
Total changes during the year	—	—	20,056	(276)	19,780
Balance at end of period	36,275	0	253,721	(16,171)	273,826

	Accumulated other comprehensive income					Non-controlling interests	Total equity
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total		
Balance at beginning of period	43,319	(14)	53,371	8,723	105,399	15,964	375,410
Changes during the year							
Dividends of surplus							(15,179)
Net profit attributable to owners of parent							49,480
Restricted stock awards							479
Repurchase of treasury stock							(15,000)
Retirement of treasury stock							—
Net changes of items other than shareholders' equity in the year	(15,829)	(0)	(2,318)	(1,093)	(19,240)	(912)	(20,153)
Total changes during the year	(15,829)	(0)	(2,318)	(1,093)	(19,240)	(912)	(373)
Balance at end of period	27,490	(14)	51,052	7,629	86,158	15,052	375,037

Year ended March 31, 2026

(Unit: Millions of Yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	36,275	0	253,721	(16,171)	273,826
Changes during the year					
Dividends of surplus			(15,918)		(15,918)
Net profit attributable to owners of parent			10,180		10,180
Restricted stock awards			(44)	512	467
Repurchase of treasury stock				(13,753)	(13,753)
Retirement of treasury stock			(13,686)	13,686	—
Net changes of items other than shareholders' equity in the year					
Total changes during the year	—	—	(19,468)	444	(19,023)
Balance at end of period	36,275	0	234,253	(15,727)	254,802

	Accumulated other comprehensive income					Non-controlling interests	Total equity
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total		
Balance at beginning of period	27,490	(14)	51,052	7,629	86,158	15,052	375,037
Changes during the year							
Dividends of surplus							(15,918)
Net profit attributable to owners of parent							10,180
Restricted stock awards							467
Repurchase of treasury stock							(13,753)
Retirement of treasury stock							—
Net changes of items other than shareholders' equity in the year	(4,667)	6	18,361	937	14,638	(271)	14,366
Total changes during the year	(4,667)	6	18,361	937	14,638	(271)	(4,657)
Balance at end of period	22,823	(8)	69,414	8,567	100,796	14,780	370,380

(5) Consolidated Statement of Cash Flows

(Unit: Millions of Yen)

	Year ended Mar. 31, 2025	Year ended Mar. 31, 2026
Cash flows from operating activities		
Profit before income taxes	65,499	26,169
Depreciation	41,355	43,326
Impairment losses	7,053	32,845
Amortization of goodwill	18	17
Increase (decrease) in provision for repairs	3,380	(2,847)
Interest and dividend income	(3,751)	(3,212)
Interest expenses	1,981	3,196
Share of loss (profit) of entities accounted for using equity method	(2,523)	(2,509)
Loss (gain) on disposal of non-current assets	(46)	(16)
Loss on retirement of non-current assets	6,292	3,474
Loss (gain) on sale of investment securities	(15,859)	(17,486)
Loss (gain) on sale of shares of subsidiaries and associates	(3,060)	1,503
Loss (gain) on valuation of investment securities	968	—
Loss (gain) on valuation of shares of subsidiaries and associates	364	—
Loss on liquidation of business	1,106	980
Decrease (increase) in trade receivables	(250)	4,189
Decrease (increase) in inventories	2,812	10,459
Increase (decrease) in trade payables	(288)	(6,294)
Gain on bargain purchase	—	(512)
Loss (gain) on step acquisitions	—	179
Subsidy income	—	(2,014)
Other, net	476	(1,656)
Subtotal	105,529	89,792
Interest and dividends received	5,969	5,321
Interest paid	(1,972)	(2,944)
Income taxes paid	(18,317)	(25,044)
Income taxes refund	2,196	714
Net cash provided by (used in) operating activities	93,406	67,838
Cash flows from investing activities		
Net decrease (increase) in time deposits	4,443	(1,610)
Purchase of property, plant and equipment	(69,963)	(65,327)
Proceeds from sale of property, plant and equipment	98	6,063
Purchase of intangible assets	(2,379)	(2,689)
Purchase of investment securities	(91)	(174)
Proceeds from sale and redemption of investment securities	18,354	20,415
Purchase of shares of subsidiaries and associates	(444)	(714)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	4,373	—
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	(804)	(403)
Loan advances	(7)	(306)
Proceeds from collection of loans receivable	517	4
Payments of leasehold and guarantee deposits	—	(1,231)
Other, net	(1,965)	(1,728)
Net cash provided by (used in) investing activities	(47,869)	(47,702)

(Unit: Millions of Yen)

	Year ended Mar. 31, 2025	Year ended Mar. 31, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	4,839	12,712
Net increase (decrease) in short-term bonds payable	(27,000)	—
Proceeds from long-term borrowings	33,551	36,162
Repayments of long-term borrowings	(17,836)	(17,584)
Redemption of bonds	(10,000)	(20,000)
Purchase of treasury shares	(15,000)	(13,753)
Dividends paid	(15,170)	(15,912)
Dividends paid to non-controlling interests	(765)	(1,238)
Payments for a paid-in capital reduction to non-controlling interests	—	(1,557)
Repayments of lease liabilities	(1,474)	(1,642)
Net cash provided by (used in) financing activities	(48,855)	(22,814)
Effect of exchange rate change on cash and cash equivalents	(323)	4,741
Net increase (decrease) in cash and cash equivalents	(3,641)	2,063
Cash and cash equivalents at beginning of period	68,408	64,767
Cash and cash equivalents at the end of period	64,767	66,830

(6) Notes to Consolidated Financial Statements

(Note concerning Assumption of Going Concern)

Not applicable

(Changes in Presentation)

(Consolidated Balance Sheets)

“Provision for retirement benefits for directors” and “Provision for environmental measures” which were listed separately under “Non-current liabilities” as of March 31, 2025, have been included in “Other” under “Non-current liabilities” as of March 31, 2026 due to the decreased monetary significance of the items. To reflect this change in presentation, the consolidated financial statements as of March 31, 2025 have been reclassified.

As a result, ¥37 million of “Provision for retirement benefits for directors” and ¥1 million of “Provision for environmental measures” that were presented under “Non-current liabilities” have been reclassified as “Other”.

(Consolidated statements of Income)

“Donations” which was included in “Other” under “Non-operating expenses” for the year ended March 31, 2025, has been listed separately from the fiscal year ended March 31, 2026 due to the increased monetary significance of the items.

To reflect this change in presentation, the consolidated financial statements for the year ended March 31, 2025 have been reclassified. As a result, ¥577 million of “Other” that was presented under “Non-operating expenses” has been reclassified as “Donations”.

(Notes to Consolidated Statements of Income)

Daicel group has recognized impairment losses on the following asset groups.

Year ended Mar. 31, 2025

(Unit: Millions of Yen)

Location	Use	Classification	Amount
Japan (Himeji-shi, Hyogo)	Manufacturing facilities for synthetic resin processed products	Land	4,450
		Buildings and structures	315
		Machinery, equipment and vehicles	513
		Tools, furniture and fixtures	25
		Construction in progress	56
		Intangible assets and others	50
Japan (Tatsuno-shi, Hyogo)	Manufacturing facilities for lenses	Buildings and structures	73
		Machinery, equipment and vehicles	146
		Tools, furniture and fixtures	66
		Construction in progress	1,330
		Intangible assets and others	24
Total			7,053

(Asset grouping method)

Daicel's assets are grouped by SBU or BU as a minimum unit.

Consolidated subsidiaries' assets are primarily grouped by subsidiary as a minimum unit.

(Circumstances causing impairment losses)

1. Manufacturing facilities for synthetic resin processed products

We have transferred our business related to the research, development, and sales of the group's resin coloring and resin compounding to Novacel Co., Ltd. As a result of reviewing the business plan in conjunction with this, it was determined to be difficult to recover the investment amounts due to decline in the profitability. Accordingly, we have written down the book value of the assets stated above and recorded the decreased amounts as "Impairment losses" under extraordinary losses. The recoverable values were measured at the net selling price which was based on the appraisal value of real estate.

2. Manufacturing facilities for lenses

It was considered difficult to recover the investment amounts due to decline in the profitability of the smart business as there have been delays in projects and a sharp drop in demand. Accordingly, we have written down the book value of the assets stated above and recorded the decreased amounts as "Impairment losses" under extraordinary losses. The recoverable values were measured at the net selling price.

Year ended Mar. 31, 2026

Location	Use	Classification	Amount
Germany	Manufacturing facilities for Engineering Plastics	Buildings and structures	504
		Machinery, equipment and vehicles	1,163
		Tools, furniture and fixtures	29
		Land	46
		Construction in progress	30,682
United States of America	Manufacturing facilities for automobile airbag initiators	Machinery, equipment and vehicles	419
Total			32,845

(Asset grouping method)

Daicel's assets are grouped by SBU or BU as a minimum unit.

Consolidated subsidiaries' assets are primarily grouped by subsidiary as a minimum unit.

(Circumstances causing impairment losses)

1. Manufacturing facilities for Engineering Plastics

In the construction project for the second plant of TOPAS Advanced Polymers GmbH (“TAPG”), our consolidated subsidiary, a review of the operation start timing and an increase in the investment amount have occurred. In addition, demand in the environmentally friendly packaging sector is expected to expand later than initially anticipated. As a result of reviewing the business plan in light of these circumstances, a decline in profitability has been recognized. Accordingly, we have written down the book value to the recoverable amount and recorded the decreased amounts as “Impairment losses” under extraordinary losses. The recoverable values were measured based on the value in use, which was calculated by discounting future cash flow at a rate of 9.8%.

2. Manufacturing facilities for automobile airbag initiators

In the initiator business of Daicel Safety Systems Americas, Inc. (“DSSA”), our consolidated subsidiary, sales volume to customers in China decreased due to issues related to tariffs between the United States and China. As a result of reviewing the business plan in light of these circumstances, it was determined to be difficult to recover the investment amounts due to a decline in profitability. Accordingly, we have written down the book value to the recoverable amount and recorded the decreased amounts as “Impairment losses” under extraordinary losses. The recoverable values were measured at the net selling price.

(Segment Information)

[Segment Information]

1. Description of reportable segments

The Company's reportable segments are components of the Company for which separate financial information is available that is reviewed on a regular basis by the Board of Directors in determining how to allocate the Company's management resources and evaluate its performance.

The Company has adopted an organization centered on "Strategic Business Units (SBUs)," and each SBU formulates comprehensive domestic and overseas strategies and conducts business activities.

Accordingly, the Company has categorized its businesses into five reportable segments: "Medical/Healthcare business," "Smart business," "Safety business," "Materials business," and "Engineering Plastics business."

The main products in the reportable segments are as follows:

<Main Products>

	Main products
Medical / Healthcare	Chiral columns, nutritional supplements and others
Smart	Caprolactone derivatives, alicyclic-epoxy-resin, resist polymers for semiconductors, solvents for electronic materials, high-performance optical films and others
Safety	Automobile airbag inflators, Pyro-Fuses and others
Materials	Acetic acid and derivatives, acetate tow, cellulose acetate, cosmetic raw materials and others
Engineering Plastics	Polyacetal (POM), polybutylene terephthalate (PBT), liquid crystal polymer (LCP), Water-soluble polymers (CMC), and others
Others	Separation membrane modules for water treatment processes, transportation warehousing and others

2. Methods of measurement for the amount of sales, profit or loss, assets and other items for each reportable segment

Accounting methods applied for calculation of sales, income (loss), assets, liabilities, and other items by reportable segment are the same as those used for preparing the consolidated financial statements.

The profit of each reportable segments is based on operating profit.

Intersegment revenues and transfers are mainly based on market prices and manufacturing costs.

3. Information on the amount of sales, profit or loss, assets and other items for each reportable segment

Year ended Mar. 31, 2025

(Unit: Millions of Yen)

	Medical / Healthcare	Smart	Safety	Materials	Engineering Plastics	Others	Total	Corporate and eliminations	Consolidated
Net sales									
Outside customers	14,438	37,314	97,620	183,404	247,986	5,767	586,531	—	586,531
Intersegment sales	1	137	—	12,980	179	14,302	27,601	(27,601)	—
Total	14,439	37,451	97,620	196,385	248,165	20,069	614,133	(27,601)	586,531
Operating profit (loss)	261	(780)	3,931	29,626	27,006	965	61,011	—	61,011
Assets	15,427	38,659	130,651	229,891	325,812	5,694	746,137	67,693	813,831
Other									
Depreciation	1,015	2,565	6,933	18,791	9,387	619	39,313	1,639	40,952
Amortization of goodwill	18	—	—	—	—	—	18	—	18
Investment in equity method investees	—	—	—	10,087	5,801	—	15,889	—	15,889
Capital expenditure	880	1,990	10,736	9,953	43,235	304	67,101	2,359	69,461

(Note) 1. The category of "Others" is a business segment not included in reportable segments and includes the membrane business and the transportation warehousing business.

2. The reconciliation of segment assets consists of elimination of intersegment receivables of ¥(6,558) million and unallocated corporate assets of ¥74,252 million. Corporate assets consist of surplus operating funds (cash and deposits), long-term investment funds (investment securities), properties held or used by the administration departments, basic research departments, etc. and others.

3. There is no difference between total operating profit (loss) and operating profit in the consolidated statements of income.

Year ended Mar. 31, 2026

(Unit: Millions of Yen)

	Medical / Healthcare	Smart	Safety	Materials	Engineering Plastics	Others	Total	Corporate and eliminations	Consolidated
Net sales									
Outside customers	16,227	37,746	104,164	161,324	254,718	5,448	579,629	—	579,629
Intersegment sales	17	120	—	12,606	200	14,470	27,415	(27,415)	—
Total	16,245	37,866	104,164	173,931	254,919	19,918	607,044	(27,415)	579,629
Operating profit	427	536	6,095	14,953	19,151	904	42,069	—	42,069
Assets	16,056	42,734	145,660	216,187	342,277	5,404	768,322	65,607	833,929
Other									
Depreciation	985	2,211	7,605	16,860	12,971	441	41,076	1,805	42,881
Amortization of goodwill	17	—	—	—	—	—	17	—	17
Investment in equity method investees	—	—	—	10,624	4,661	—	15,285	—	15,285
Capital expenditure	1,289	1,958	9,162	20,514	36,315	591	69,831	2,997	72,828

(Note) 1. The category of “Others” is a business segment not included in reportable segments and includes the membrane business and the transportation warehousing business.

2. The reconciliation of segment assets consists of elimination of intersegment receivables of ¥(2,298) million and unallocated corporate assets of ¥67,905 million. Corporate assets consist of surplus operating funds (cash and deposits), long-term investment funds (investment securities), properties held or used by the administration departments, basic research departments, etc. and others.

3. There is no difference between total operating profit and operating profit in the consolidated statements of income.

[Related Information]

Year ended Mar. 31, 2025

1. Product and Service Information

(Unit: Millions of Yen)

	Medical / Healthcare	Smart	Safety	Materials	Engineering Plastics	Others	Total
Net sales to outside customers	14,438	37,314	97,620	183,404	247,986	5,767	586,531

2. Geographic Information

(1) Net sales

(Unit: Millions of Yen)

Japan	Asia		Other	Total
	China	Other		
191,802	121,784	143,010	129,934	586,531

(2) Property, plant and equipment

(Unit: Millions of Yen)

Japan	Asia			Europe		Other	Total
	China	Malaysia	Other	Germany	Other		
138,215	83,005	12,955	34,737	36,524	6,255	7,732	319,426

Year ended Mar. 31, 2026

1. Product and Service Information

(Unit: Millions of Yen)

	Medical / Healthcare	Smart	Safety	Materials	Engineering Plastics	Others	Total
Net sales to outside customers	16,227	37,746	104,164	161,324	254,718	5,448	579,629

2. Geographic Information

(1) Net sales

(Unit: Millions of Yen)

Japan	Asia		Other	Total
	China	Other		
199,227	126,130	132,852	121,418	579,629

(2) Property, plant and equipment

(Unit: Millions of Yen)

Japan	Asia			Europe		Other	Total
	China	Malaysia	Other	Germany	Other		
142,823	99,532	14,661	38,839	24,400	6,889	7,215	334,363

[Information on Impairment Losses of Non-Current Assets by Reportable Segment]

Year ended Mar. 31, 2025

(Unit: Millions of Yen)

	Medical / Healthcare	Smart	Safety	Materials	Engineering Plastics	Others	Corporate and eliminations	Total
Impairment losses	—	1,642	—	—	5,411	—	—	7,053

(Note) We recorded Impairment losses of noncurrent assets by ¥1,642 million in the Smart segment and ¥5,411 million in the Engineering Plastics segment for the year ended March 31, 2025.

Year ended Mar. 31, 2026

(Unit: Millions of Yen)

	Medical / Healthcare	Smart	Safety	Materials	Engineering Plastics	Others	Corporate and eliminations	Total
Impairment losses	—	—	419	—	32,425	—	—	32,845

(Note) We recorded Impairment losses of noncurrent assets by ¥419 million in the Safety segment and ¥32,425 million in the Engineering Plastics segment for the year ended March 31, 2026.

[Information on Amortization of Goodwill and Unamortized Balances by Reportable Segment]

Year ended Mar. 31, 2025

(Unit: Millions of Yen)

	Medical / Healthcare	Smart	Safety	Materials	Engineering Plastics	Others	Corporate and eliminations	Total
Amortization	18	—	—	—	—	—	—	18
Ending balance	66	—	—	—	—	—	—	66

Year ended Mar. 31, 2026

(Unit: Millions of Yen)

	Medical / Healthcare	Smart	Safety	Materials	Engineering Plastics	Others	Corporate and eliminations	Total
Amortization	17	—	—	—	—	—	—	17
Ending balance	52	—	—	—	—	—	—	52

[Information on gain on negative goodwill for each reportable segment]

Year ended March 31, 2025

Not applicable

Year ended March 31, 2026

The information is omitted as it is not material.

(Per share information)

	Year ended March 31, 2025	Year ended March 31, 2026
Net assets per share	1,357.77	1,392.36
Net profit per share	181.44	38.75

(Notes) 1. Diluted net profit per share is not stated because there are no dilutive shares.

2. The basis for calculation of net profit per share is as follows:

Item	Year ended March 31, 2025	Year ended March 31, 2026
Net profit attributable to owners of the parent (Millions of Yen)	49,480	10,180
Amount not attributable to common shareholders (Millions of Yen)	—	—
Net profit attributable to owners of the parent related to common shares (Millions of Yen)	49,480	10,180
Average number of common shares during the period (thousand shares)	272,708	262,751

(Significant subsequent events)

(Company Split with a Consolidated Subsidiary (Simplified Absorption-type Company Split))

Daicel Corporation (the “Company”) resolved, at a meeting of its Board of Directors held on January 15, 2026, to proceed with the absorption-type company split (the “Absorption-type Company Split”) under which the Company will succeed to all businesses of its consolidated subsidiary, Polyplastics Co., Ltd. (“Polyplastics”) on April 1, 2026. The business to be succeeded (the “Target Business”) excludes the business of holding and managing shares of subsidiaries and affiliates owned by Polyplastics.

Polyplastics Co., Ltd. has changed its corporate name to HPP Holdings Co., Ltd. effective April 1, 2026.

1. Purpose of the Absorption-type Company Split

In line with the Company’s medium-term strategy “Accelerate 2025”, Daicel has been working to transform its business structure and further strengthen its engineering plastics business. As part of this initiative, the Company made Polyplastics a wholly owned subsidiary in 2020. Since then, Polyplastics has promptly decided and executed investments to expand the capacity of its overseas manufacturing bases, including the commencement of the POM production facilities in China. In terms of business performance as well, Polyplastics achieved record-high consolidated profits in the previous fiscal year, demonstrating the tangible benefits of becoming a wholly owned subsidiary.

With the Absorption-type Company Split, the Company aims to create a “New Daicel” by integrating the Target Business of Polyplastics into the Company. Through (i) sharing of technical service and solution-provision know-how, which represents Polyplastics’ core strengths, (ii) enhancing collaboration with the Company’s Safety, Materials and other businesses, (iii) utilization of human resources for the growth of the group as a whole, and (iv) improving the efficiency of corporate functions, the Company seeks to maximize corporate value.

2. Outline of the Absorption-type Company Split

(1) Schedule of the Absorption-type Company Split

Board of Directors resolution approving the Absorption-type Company Split Agreement	January 15, 2026
Execution of Absorption-type Company Split Agreement	January 15, 2026
Effective date of Absorption-type Company Split	April 1, 2026

The Absorption-type Company Split satisfies the requirements for a simplified company split under Article 796, Paragraph 2 of the Companies Act with respect to Daicel, and a short-form company split under Article 784, Paragraph 1 of the Companies Act with respect to Polyplastics. Accordingly, neither company obtains approval from its shareholders’ meeting.

(2) Method of the Company Split

The Absorption-type Company Split (a simplified absorption-type company split) is implemented with Polyplastics as the splitting company and the Company as the succeeding company.

(3) Content of the Allotment Related to the Company Split

No shares, cash, or other consideration will be allotted in connection with the Absorption-type Company Split.

(4) Treatment of Stock Acquisition Rights and Bonds with Stock Acquisition Rights in connection with the Company Split
Not applicable.

(5) Increase or Decrease in Capital Due to the Company Split

There will be no increase or decrease in the Company's capital as a result of the Absorption-type Company Split.

(6) Rights and Obligations to be Succeeded by the Succeeding Company

The Company will succeed the assets, liabilities, contracts, and rights and obligations relating to the Target Business of Polyplastics within the scope specified in the Absorption-type Company Split Agreement.

(7) Prospects for Fulfillment of Obligations

The Company has determined that there are no issues with the prospects for fulfilling the obligations that the Company should bear in this Absorption-Type Company Split.

3. Overview of the Companies Involved in the Split (as of March 31, 2026)

	Splitting Company	Succeeding Company
(1) Name	Polyplastics Co., Ltd.	Daicel Corporation
(2) Head Office	2-18-1 Konan, Minato-ku, Tokyo	3-1 Ofuka-cho, Kita-ku, Osaka
(3) Representative	Takashi Miyamoto, President and CEO	Yasuhiro Sakaki, President and CEO
(4) Business Description	Manufacture, import, and sale of polymers, plastics, industrial chemicals, and products worked therefrom	Manufacture and sale of cellulose, organic chemicals, synthetic resins, and pyrotechnic products
(5) Capital	JPY 3,000 million	JPY 36,275 million
(6) Date of Establishment	May 4, 1964	September 8, 1919
(7) Number of Shares Issued	6,000,000	266,942,682
(8) Fiscal Year-End	March 31	March 31
(9) Major Shareholders and Shareholding Ratios	Daicel Corporation – 100%	The Master Trust Bank of Japan, Ltd. (Trust Account) – 13.81% Custody Bank of Japan, Ltd. (Trust Account) – 10.36% Nippon Life Insurance Company – 6.81%
(10) Financial Condition and Operating Results		
Fiscal Year	Fiscal year ended March 2025 (Non-consolidated)	Fiscal year ended March 2025 (Consolidated)
	Polyplastics Co., Ltd.	Daicel Corporation
Net Assets	JPY 45,936 million	JPY 370,380 million
Total Assets	JPY 132,177 million	JPY 833,929 million
Net Assets per Share	JPY 7,656.15	JPY 1,392.36
Net Sales	JPY 119,813 million	JPY 579,629 million
Operating Income	JPY 5,144 million	JPY 42,069 million

Ordinary Income	JPY 18,497 million	JPY 45,130 million
Net Income	JPY 13,722 million	JPY 10,180 million
Net Income per Share	JPY 2,287.09	JPY 38.75

Note: “Net Income” for Daicel represents “Profit attributable to owners of parent”.

4. Overview of the Business to Be Succeeded

(1) Description of the Business to Be Succeeded

The Target Business of Polyplastics.

(2) Operating Results of the Business to Be Succeeded (Year ended Mar. 31, 2026)

Net Sales: JPY 119,813 million

(3) Items and Book Values of Assets and Liabilities to Be Succeeded

Assets		Liabilities	
Items	Book Value	Items	Book Value
Current Assets	JPY 67,550 million	Current Liabilities	JPY 85,400 million
Non-current Assets	JPY 18,545 million	Non-current Liabilities	JPY 695 million
Total	JPY 86,095 million	Total	JPY 86,095 million

5. Status After the Absorption-type Company Split

In connection with the Absorption-type Company Split, Polyplastics changed its trade name to HPP Holdings Co., Ltd effective April 1, 2026. The Company also changed the name of Polyplastics’ domestic and overseas affiliates at the same time.

6. Outline of the accounting method to be implemented

In accordance with the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, January 16, 2019) and the “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, September 13, 2024), the Company Split was accounted for as a transaction under common control. Since this absorption-type company split is eliminated as an intercompany transaction in the consolidated financial statements, it has no impact on the consolidated results of operations.