

Consolidated Financial Report for the Fiscal Year Ended March 31, 2026

May 13, 2026

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(Amounts rounded to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2026

(From April 1, 2025 to March 31, 2026)

(1) Consolidated Operating Results

(% indicates the rate of increase / decrease to the same period of previous year)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
April 2025 – March 2026	462,343 (5.0)%	18,941 5.0%	37,506 67.7%	23,872 -
April 2024 – March 2025	486,802 4.0%	18,042 (19.7)%	22,369 (38.4)%	(4,816) -

(Note) Comprehensive Income: From April 1, 2025 to March 31, 2026: 54,350 Million Yen —
 From April 1, 2024 to March 31, 2025: (6,337) Million Yen —

	Net income per share (Yen)	Diluted net income per share (Yen)	Return on equity (%)	Ordinary profit to total assets (%)	Operating profit to net sales (%)
April 2025 – March 2026	245.76	245.73	5.7	4.1	4.1
April 2024 – March 2025	(49.60)	-	(1.2)	2.7	3.7

(Reference) Share of profit of entities accounted for using equity method: From April 1, 2025 to March 31, 2026: 15,448 Million Yen
 From April 1, 2024 to March 31, 2025: 7,641 Million Yen

(Note) The Company Group determined the provisional accounting treatment related to the business combination of a material-recycled plastic manufacturer in the consolidated of the fiscal year ended March 2026. The finalized accounting treatment is being applied in each reported figure for the fiscal year ended March 2025.

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio (%)	Shareholders' equity per share (Yen)
March 31, 2026	946,313	454,934	46.2	4,500.48
March 31, 2025	866,180	412,292	45.6	4,067.90

(Reference) Shareholders' equity: As of March 31, 2026: 437,200 Million Yen
 As of March 31, 2025: 395,078 Million Yen

[Shareholders' equity = Net assets – Share acquisition rights – Non-controlling interests]

(Note) The Company Group determined the provisional accounting treatment related to the business combination of a material-recycled plastic manufacturer in the consolidated of the fiscal year ended March 2026. The finalized accounting treatment is being applied in each reported figure for the fiscal year ended March 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 end of period
April 2025 – March 2026	59,984	(140,232)	13,027	52,583
April 2024 – March 2025	35,837	(63,152)	105,851	115,442

2. Cash Dividends

	Cash dividends per share (Yen)					Total dividends paid (Annual)	Dividend payout ratio (Consolidated) (%)	Dividend on net assets ratio (Consolidated) (%)
	First quarter	Second quarter	Third quarter	Year end	Annual			
April 2024 – March 2025	-	55.00	-	55.00	110.00	10,682	-	2.7
April 2025 – March 2026	-	55.00	-	55.00	110.00	10,686	44.8	2.6

(Note) We are currently reviewing our dividend policy, including the DOE level, with a view to improving capital efficiency and enhancing shareholder returns.

Accordingly, the forecast for the annual dividend for the fiscal year ending March 31, 2027 has not yet been determined. We plan to announce the forecast on May 20, 2026, and explain it at the Management Overview Briefing to be held on the same day.

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

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

(% indicates the rate of increase / decrease to the same period of previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share(Yen)
April 2026 – September 2026	235,000	10.5%	5,500	(34.8)%	14,000	(13.0)%	9,500	(14.3)%	97.79
April 2026 – March 2027	485,000	4.9%	23,500	24.1%	37,500	(0.0)%	24,500	2.6%	252.20

(Note) The Company Group determined the provisional accounting treatment related to the business combinations of a material-recycled plastic manufacturer and a urethane systems business company in the consolidated financial statements for the fiscal year ended March 2026.

The year-on-year changes for the first half of the fiscal year ending March 2027 reflect the finalized provisional accounting treatment.

(Notes)

(1) Changes in significant subsidiaries during the fiscal year ended March 31, 2026: Yes

Newly included: 11 companies

Company names: UBE URETHANES USA LLC (former company name: URETHANE SYSTEMS USA LLC) and 10 other companies

(Note) For more details, please refer to “7. Consolidated Financial Statements and (5) Notes to Consolidated Financial Statements (Significant changes in the scope of consolidation during the fiscal year under review).”

(2) Changes in accounting policies applied, changes in accounting estimates and retrospective restatement

Changes in accounting policies applied due to revisions of accounting standards: No

Changes in accounting policies other than the above: No

Changes in accounting estimates: No

Retrospective restatement: No

(3) Number of shares outstanding (common stock)

	March 31, 2026	March 31, 2025
Numbers of shares outstanding at period end	106,200,107	106,200,107
Numbers of shares of treasury stock at period end	9,054,915	9,079,297
	April 2025 – March 2026	April 2024 – March 2025
Weighted-average number of shares outstanding during period	97,135,011	97,094,764

(Reference) Overview of Non-Consolidated Financial Results

(Amounts rounded down to the nearest million yen)

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

(1) Non-Consolidated Operating Results (% indicates the rate of increase / decrease to the same period of previous year)

	Net sales		Operating profit		Ordinary profit		Net income	
April 2025 – March 2026	154,778	(4.5)%	3,061	203.4%	25,196	12.3%	22,201	127.7%
April 2024 – March 2025	162,092	(1.2)%	1,009	(86.9)%	22,435	9.6%	9,748	(40.9)%

	Net income per share (Yen)	Diluted net income per share (Yen)
April 2025 – March 2026	228.56	228.53
April 2024 – March 2025	100.40	100.36

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio (%)	Shareholders' equity per share (Yen)
March 31, 2026	607,281	216,286	35.6	2,226.28
March 31, 2025	637,068	202,920	31.8	2,089.11

(Reference) Shareholders' equity: As of March 31, 2026: 216,272 Million Yen

As of March 31, 2025: 202,895 Million Yen

[Shareholders' equity = Net assets – Share acquisition rights]

(Information regarding audit procedures)

The financial information contained in this report is not subject to audit by certified public accountants or audit corporations.

(Cautionary statement on forward-looking statements)

The description about the future in this document and the supplementary material, including the forecast of financial results, is based on certain assumptions that the Company Group considered reasonable as of the published date of this release and is not intended as a guarantee that the Company Group will achieve these targets. In addition, the actual results may differ materially from those projected herein depending on various factors. For assumptions used to project the financial results and instructions to use the projected financial results, please see the "(5) Forecast for the next fiscal year (April 1, 2026 to March 31, 2027)" on page 8.

4. Qualitative Information on Operating Results

(1) Overview of Operating Results

Overview

During the consolidated fiscal year under review, net sales decreased due to sluggish sales of nylon polymers, caprolactam, etc. in the Polymers & Chemicals Segment, as well as the exclusion of the Steel Products Business from the scope of consolidation following the transfer of its management rights to another company in the previous fiscal year in the Machinery segment, although the acquisition of the Urethane Systems Business from Germany-based LANXESS on April 1, 2025 contributed to sales.

Operating profit increased despite weak sales in the Pharmaceutical Segment, the Specialty Products Segment, the Machinery Segment, and the High Performance Urethane Segment. This was mainly due to lower depreciation expenses following the impairment loss recorded in the previous fiscal year as a result of the decision to implement structural reforms in the ammonia, caprolactam, and nylon polymer businesses in the Polymers & Chemicals Segment, as well as the absence of large-scale biennial maintenance at the ammonia plant during the period and a decline in raw material prices for elastomers.

Ordinary profit increased, mainly due to an increase in operating profit, the absence of share of loss of entities accounted for using equity method recorded in the previous fiscal year following the decision to dissolve an equity-method affiliate engaged in the Elastomer Business, and an increase in foreign exchange gains.

Profit attributable to owners of parent increased mainly because the extraordinary losses recognized in the previous fiscal year in relation to the decision to implement structural reform of the ammonia, caprolactam, and nylon polymer businesses were not incurred in the period.

As a result, the Company Group reports its consolidated results during the current term as follows:

(Billions of yen)

Item	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
April 2025– March 2026 ①	462.3	18.9	37.5	23.9
April 2024– March 2025 ②	486.8	18.0	22.4	(4.8)
Difference ① - ②	(24.5)	0.9	15.1	28.7
Percentage change	(5.0)%	5.0%	67.7%	—

Overview by Segment

Net sales

(Billions of yen)

Segment	April 2024 – March 2025 ①	April 2025 – March 2026 ②	Difference ② – ①	Percentage Change
Specialty Products	66.2	61.9	(4.3)	(6.4)%
High Performance Urethane	15.6	46.5	30.9	198.1%
Pharmaceutical	31.5	21.0	(10.5)	(33.3)%
Polymers & Chemicals	273.6	251.2	(22.3)	(8.2)%
Machinery	86.9	68.4	(18.5)	(21.3)%
Others	39.2	34.5	(4.7)	(12.0)%
Adjustment	(26.1)	(21.2)	4.9	—
Total	486.8	462.3	(24.5)	(5.0)%

Operating profit (Billions of yen)

Segment	April 2024 – March 2025 ①	April 2025 – March 2026 ②	Difference ② – ①	Percentage Change
Specialty Products	11.7	9.8	(1.9)	(16.4)%
High Performance Urethane	(0.2)	(0.5)	(0.3)	—
Pharmaceutical	1.2	(1.3)	(2.4)	—
Polymers & Chemicals	(0.7)	8.2	8.9	—
Machinery	7.9	6.2	(1.6)	(20.8)%
Others	2.1	1.9	(0.1)	(6.9)%
Adjustment	(3.8)	(5.4)	(1.6)	—
Total	18.0	18.9	0.9	5.0%

(Note1) Starting from the fiscal year ended March 2026, the segments have been revised from the previous four segments of “Specialty Products,” “Polymers & Chemicals,” “Machinery,” and “Others” to six segments of “Specialty Products,” “High Performance Urethane,” “Pharmaceutical,” “Polymers & Chemicals,” “Machinery,” and “Others.” The results for the fiscal year ended March 2026 are figures reflecting the segment reclassification.

(Note2) The Company Group determined the provisional accounting treatment related to the business combination of a material-recycled plastic manufacturer in the consolidated of the fiscal year ended March 2026. The finalized accounting treatment is being applied in each reported figure for the fiscal year ended March 2025.

(Note3) Adjustment for operating profit includes corporate expenses (general expenses that are not distributed to each reportable segment) and internal transactions between the segments.

Specialty Products – Decreases in both net sales and operating profit

The Polyimide Business recorded a decrease in net sales, although sales of films remained at the same level as the previous fiscal year, due to sluggish sales of varnishes, affected in part by declining sales of smartphones incorporating the Company’s products.

The Separation Membrane Business recorded a decrease in net sales, as sales of CO₂ separation membranes for biomethane production remained weak due to continued impacts such as inventory adjustments at certain customers, despite firm sales of nitrogen membranes. The medium- to long-term trend of expanding demand for CO₂ separation membranes used in biomethane production continues.

The Ceramics Business recorded a decrease in net sales due to sluggish sales of products for bearings and substrates resulting from the slowdown in growth in the electric vehicle market.

The Separators Business recorded an increase in net sales due to an increase in sales volume in line with an increase in demand for products for hybrid vehicles.

The Specialty Products Segment as a whole recorded decreases in both net sales and operating profit due to weak performance of polyimide, separation membranes, and ceramics despite solid performance of separators.

High Performance Urethane – Increase in net sales and decrease in operating profit

The Urethane Systems Business was acquired from Germany-based LANXESS on April 1, 2025. As the companies engaged in this business have December fiscal year-ends, their results for the nine-month period from April to December are reflected in the results for the fiscal year under review.

The High-Performance Coatings Business recorded a decrease in net sales due to sluggish sales in overseas markets.

The High Performance Urethane Segment as a whole recorded an increase in net sales but a decrease in operating profit. The acquisition of the Urethane Systems Business contributed to higher net sales, and demand for semiconductor manufacturing equipment applications remained firm, mainly in the U.S. market.

However, operating profit decreased due to sluggish sales in the High-Performance Coatings Business and costs related to post-merger integration following the acquisition.

Pharmaceutical – Decreases in both net sales and operating profit

The Pharmaceutical Segment recorded decreases in both net sales and operating profit due to lower sales volumes in the contract manufacturing business.

Polymers & Chemicals – Decrease in net sales and increase in operating profit

■Performance Polymers & Chemicals Business

The Composites Business recorded an increase in net sales due to increased sales volume reflecting a recovery trend in domestic demand for automotive applications, as well as the acquisition of a European material-recycled plastic manufacturer in the previous fiscal year.

The Nylon Polymer Business recorded a decrease in net sales mainly due to weak demand for nylon films for food packaging overseas, resulting in decreases in sales volume and selling prices.

The Caprolactam & Ammonium Sulfate Business recorded a decrease in net sales due to a decrease in sales volume and a decline in selling prices caused by intensifying competition.

The Industrial Chemicals Business recorded an increase in net sales due to higher sales volume resulting from the absence of large-scale biennial maintenance at the ammonia plant.

■The Elastomers Business recorded a decrease in net sales, although product sales remained firm, due to lower market prices for products in line with the decline in the price of butadiene, the main raw material.

■The Polymers & Chemicals Segment as a whole recorded a decrease in net sales but an increase in operating profit. Although sales of nylon polymers, caprolactam, and other products remained weak, operating profit increased due to lower depreciation expenses following the impairment losses recorded in the previous fiscal year associated with the decision to implement structural reform of the ammonia, caprolactam, and nylon polymer businesses, the absence of large-scale biennial maintenance at the ammonia plant, as well as the decline in raw material prices in the Elastomers Business.

Machinery – Decreases in both net sales and operating profit

The Molding Machine Business recorded a decrease in net sales, although after-sales services remained firm, due to weak performance of products sales for the automotive industry.

The Industrial Machines Business recorded a decrease in net sales due to fewer large projects in product sales compared to of the previous fiscal year, while performance of after-sales services was strong.

The Machinery Segment as a whole recorded decreases in both net sales and operating profit. In addition to the impact of transferring management rights of the Steel Products Business to another company in the previous fiscal year, sales of products in the Industrial Machines Business decreased, and product sales in the Molding Machine Business were sluggish.

Others – Decrease in both net sales and operating profit

The Others Segment recorded a decrease in net sales as prices of electricity sold declined in line with the fall in coal prices in the Power Business. However, operating profit remained at the same level as the same period of the previous fiscal year due to the absence of large-scale biennial maintenance at the in-house power plant.

Cement-Related Business (Equity-Method Affiliate “Mitsubishi UBE Cement Corporation”)

Although the domestic cement business saw the effects of selling price adjustments that took effect in April 2025, share of profit of entities accounted for using equity method relating to the Cement-Related business

decreased. This was due to factors such as a decline in ready-mixed concrete sales volumes in overseas (North American) market and the recognition of impairment losses associated with the decision to restructure the domestic production system (the shutdown of the kiln at the Kanda District 2 of its Kyushu Plant).

Extraordinary losses

Extraordinary losses decreased by ¥29,778 million from the previous fiscal year to ¥7,106 million, mainly due to the absence of losses related to the business structural reforms in the ammonia, caprolactam, and nylon polymer businesses that were recorded in the previous fiscal year.

(2) Overview of Financial Condition

Total Assets

Total assets increased by 80,133 million yen or 9.3% compared to the end of the previous fiscal year, to 946,313 million yen.

Current assets decreased by 50,085 million yen or 14.0% to 308,292 million yen mainly due to a decrease in cash and deposits, despite an increase in inventories, such as merchandise and finished goods

Non-current assets increased by 130,247 million yen or 25.7% to 637,826 million yen as property, plant and equipment and Intangible assets increased.

Deferred assets decreased by 29 million yen or 12.9% to 195 million yen as bond issuance costs decreased.

Liabilities

Liabilities increased by 37,491 million yen or 8.3% compared to the end of the previous fiscal year, to 491,379 million yen. The balance of interest-bearing debt increased by 27,636 million yen or 8.4% to 358,172 million yen.

Current liabilities increased by 6,189 million yen or 3.1% to 203,908 million yen mainly due to an increase in notes and accounts payable and short-term borrowings despite a decrease in commercial paper.

Non-current liabilities increased by 31,302 million yen or 12.2% to 287,471 million yen, mainly due to an increase in long-term borrowings.

Net assets

Net assets increased by 42,642 million yen or 10.3% compared to the end of the previous fiscal year, to 454,934 million yen.

Shareholders' equity increased by 13,237 million yen or 3.9% to 351,463 million yen, mainly because retained earnings increased by 23,872 million yen due to profit attributable to owners of parent, despite a decrease of 10,684 million yen resulting from dividends.

Accumulated other comprehensive income increased by 28,885 million yen or 50.8% to 85,737 million yen mainly due to an increase in valuation difference on available-for-sale securities, foreign currency translation adjustment and remeasurements of defined benefit plans, net of tax.

Non-controlling interests increased by 531 million yen or 3.1% to 17,721 million yen.

As a result, shareholders' equity ratio increased by 0.6 to 46.2% compared to the end of the previous fiscal year.

(3) Overview of cash flow

Cash flows from operating activities

Net cash provided by operating activities increased by 24,147 million yen compared to the previous term, and totaled 59,984 million yen. This is the result of deducting income taxes paid from profit before income taxes, depreciation and amortization, impairment losses, increase (decrease) in working capital, etc.

Cash flows from investing activities

Net cash used in investing activities increased by 77,080 million yen compared to the previous term, and totaled 140,232 million yen. This was mainly due to capital expenditures, purchase of shares of subsidiaries resulting in change in scope of consolidation, and other factors.

Cash flows from financing activities

Net cash provided by financing activities totaled 13,027 million yen (105,851 million yen of income in the previous term). This is the result of deducting cash dividends paid and other items from borrowings of interest-bearing debt.

As a result, cash and cash equivalents at the end of the period, including the effect of exchange rate changes on cash and cash equivalents, decreased by 62,859 million yen, or 54.5%, from the end of the previous fiscal year, to 52,583 million yen.

(4) Dividend policy

In the medium-term management plan “UBE Vision 2030 Transformation - 2nd Stage -” of which the term starts from FY2025, we set the goal to achieve DOE (dividend on equity ratio) of 2.5% or more.

We are currently reviewing our dividend policy to improve capital efficiency and enhance shareholder returns.

Accordingly, the forecast for the annual dividend for the fiscal year ending March 31, 2027 has not yet been determined. We plan to announce the forecast on May 20, 2026, and explain it at the Management Overview Briefing to be held on the same day.

(5) Forecast for the next fiscal year (April 1, 2026 to March 31, 2027)

On the assumption that the dollar-yen exchange rate would hover at a level of 155 yen /dollar and the prices of domestic product naphtha and Australian coal would be respectively around 82,500 yen per 1kl and 145.0 dollar per ton, from April 1, 2026 through March 31, 2027, we forecast the earnings as follows.

Net sales and operating profit are expected to increase due to the sales expansion from new facilities in the Specialty Products Segment and recoveries in the Pharmaceutical Segment and the High Performance Urethane Segment. Ordinary profit is expected to decrease, as foreign exchange gains recorded in the current fiscal year will not recur, although equity-method affiliates are expected to remain solid. Profit attributable to owners of parent is expected to increase due to an improvement in extraordinary income and losses.

Regarding the impact of the situation in the Middle East, the forecast assumes that instability will continue for a certain period. It incorporates increases in raw material prices and the pass-through of such increases to selling prices, but does not assume production stoppages or declines in operating rates.

(Billions of yen)

Item	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
April 2026 – March 2027 ①	485.0	23.5	37.5	24.5
April 2025 – March 2026 ②	462.3	18.9	37.5	23.9
Difference ① – ②	22.7	4.6	(0.0)	0.6
Percentage change	4.9%	24.1%	(0.0)%	2.6%

Overview by Segment

Net sales (Billions of yen)

Segment	April 2025 – March 2026 ①	April 2026 – March 2027 ②	Difference ② – ①	Percentage change
Specialty Products	71.0	89.0	18.0	25.4%
High Performance Urethane	46.5	68.0	21.5	46.1%
Pharmaceutical	21.0	21.0	(0.0)	(0.0)%
Polymers & Chemicals	248.8	239.0	(9.8)	(3.9)%
Machinery	68.4	70.0	1.6	2.3%
Others	34.5	36.0	1.5	4.4%
Adjustment	(27.9)	(38.0)	(10.1)	—
Total	462.3	485.0	22.7	4.9%

Operating profit (Billions of yen)

Segment	April 2025 – March 2026 ①	April 2026 – March 2027 ②	Difference ② – ①	Percentage change
Specialty Products	9.9	15.0	5.1	52.1%
High Performance Urethane	(0.5)	1.0	1.5	—
Pharmaceutical	(1.3)	0.5	1.8	—
Polymers & Chemicals	8.0	5.0	(3.0)	(37.7)%
Machinery	6.2	4.5	(1.7)	(27.9)%
Others	1.9	1.5	(0.4)	(21.7)%
Adjustment	(5.3)	(4.0)	1.3	—
Total	18.9	23.5	4.6	24.1%

(Note 1) Starting from the fiscal year ending March 2027, UBE America Inc. has been reclassified from the “Polymers & Chemicals” segment to the “Specialty Products” segment. The results for the fiscal year ended March 2026 are reference figures reflecting the segment reclassification.

(Note 2) Adjustment for operating profit includes corporate expenses (general expenses that are not distributed to each reportable segment) and internal transactions between the segments.

5. Management policy

(1) Basic management policy

The UBE Group has formulated a new medium-term management plan, “UBE Vision 2030 Transformation - 2nd Stage-,” covering the six-year period from FY2025 to FY2030, and has set the following numerical targets and action plans. Looking ahead to 2030, the Group will transform itself into a specialty chemicals company and steadily implement the action plans to realize this transformation.

◆Vision for 2030

A specialty chemicals company that contributes to the global environment, human health, and an enriched future society

◆Numeric targets

FY2030 Plan: Net sales 550.0 billion yen, operating profit 60.0 billion yen, ROE 9%

FY2035-2040: Net sales 1 trillion yen, operating profit 100.0 billion yen, ROE 10% or more

◆Action plans

To achieve the vision for 2030, the Group has identified the following five items as material issues, taking into account its Purpose and Corporate Philosophy, as well as the extent of their impact on social issues. To address these issues, the Group will swiftly and effectively implement various initiatives, including the promotion of digital transformation (DX).

<Materiality of the UBE Group>

- (1) Expanding specialty businesses
- (2) Empowering and engaging a diverse workforce
- (3) Ensuring occupational safety and health, process safety, and disaster prevention
- (4) Addressing global environmental issues
- (5) Upholding integrity and fairness in corporate governance

(2) Challenges that the Company should address

In FY2025, the first year of the medium-term management plan, we fell short of the numerical targets. However, we made investments in manufacturing facilities for polyimide films, separation membranes, ceramics, and DMC/EMC, all of which are competitive products based on our proprietary technologies. In addition, we are implementing initiatives for future growth, including the acquisition of the urethane systems business from LANXESS, Germany.

Regarding ammonia, caprolactam, and nylon polymers, given their large earning volatility, declining profitability with limited prospects of recovery, and high greenhouse gas emissions, we shut down and downsized our caprolactam and nylon polymer manufacturing facilities in Thailand in March 2026. We will cease operations of our caprolactam and nylon polymer manufacturing facilities in Japan in March 2027, and our ammonia manufacturing facilities in March 2028, with the aim of reducing fluctuations in profit and loss and improving profitability.

In addition, we will pursue optimal capital allocation through ROIC-based management and steadily advance these initiatives.

This will enable us to achieve sustainable growth as a specialty chemicals company.

6. Basic policy on adoption of accounting standard

Considering comparability of consolidated financial statements in terms of the covered periods and respective companies, the Company Group has a policy to prepare consolidated financial statement based on the Japanese accounting standard.

In regard to adoption of the international accounting standard, we will make appropriate response with consideration to internal and external circumstances at the time.

7. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	April 2024 – March 2025	April 2025 – March 2026
Assets		
Current assets		
Cash and deposits	115,969	55,834
Notes receivable - trade	6,271	4,492
Accounts receivable - trade	96,469	92,307
Contract assets	3,877	5,439
Merchandise and finished goods	57,697	66,279
Work in process	26,136	29,784
Raw materials and supplies	38,156	40,641
Other	13,939	13,631
Allowance for doubtful accounts	(137)	(115)
Total current assets	358,377	308,292
Non-current assets		
Property, plant and equipment		
Buildings and structures	157,841	177,730
Accumulated depreciation and impairment	(105,939)	(113,552)
Buildings and structures, net	51,902	64,178
Machinery, equipment and vehicles	514,950	557,774
Accumulated depreciation and impairment	(442,596)	(476,102)
Machinery, equipment and vehicles, net	72,354	81,672
Land	37,522	43,982
Leased assets	6,157	6,866
Accumulated depreciation and impairment	(1,995)	(2,492)
Leased assets, net	4,162	4,374
Construction in progress	46,820	90,323
Other	44,525	49,328
Accumulated depreciation and impairment	(34,365)	(37,964)
Other, net	10,160	11,364
Total property, plant and equipment	222,920	295,893
Intangible assets		
Leased assets	261	274
Goodwill	2,002	32,247
Other	9,691	26,137
Total intangible assets	11,954	58,658
Investments and other assets		
Investment securities	225,502	233,972
Long-term loans receivable	120	141
Retirement benefit asset	19,590	27,486
Deferred tax assets	19,752	14,255
Other	7,958	7,693
Allowance for doubtful accounts	(217)	(272)
Total investments and other assets	272,705	283,275
Total non-current assets	507,579	637,826
Deferred assets		
Bond issuance costs	224	195
Total deferred assets	224	195
Total assets	866,180	946,313

(Millions of yen)

	April 2024 – March 2025	April 2025 – March 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	48,258	53,737
Short-term borrowings	70,838	80,754
Commercial papers	8,996	—
Current portion of bonds payable	10,000	10,000
Lease liabilities	561	642
Accounts payable - other	28,221	23,316
Income taxes payable	4,427	4,047
Contract liabilities	13,008	9,157
Provision for bonuses	4,600	5,846
Provision for loss on orders received	104	294
Other	8,706	16,115
Total current liabilities	197,719	203,908
Non-current liabilities		
Bonds payable	80,000	80,000
Long-term borrowings	155,646	182,190
Lease liabilities	4,495	4,586
Deferred tax liabilities	1,089	2,719
Provision for retirement benefits for directors (and other officers)	128	152
Provision for special repairs	2,191	4,716
Provision for loss on business restructuring	86	65
Retirement benefit liability	4,711	4,513
Asset retirement obligations	1,220	1,763
Other	6,603	6,767
Total non-current liabilities	256,169	287,471
Total liabilities	453,888	491,379
Net assets		
Shareholders' equity		
Share capital	58,435	58,435
Capital surplus	40,363	40,355
Retained earnings	260,914	274,102
Treasury shares	(21,486)	(21,429)
Total shareholders' equity	338,226	351,463
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,555	11,543
Deferred gains or losses on hedges	12	(2)
Foreign currency translation adjustment	41,331	62,652
Remeasurements of defined benefit plans	7,954	11,544
Total accumulated other comprehensive income	56,852	85,737
Share acquisition rights	24	13
Non-controlling interests	17,190	17,721
Total net assets	412,292	454,934
Total liabilities and net assets	866,180	946,313

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

• Consolidated Statements of Income

(Millions of yen)

	April 2024 – March 2025	April 2025 – March 2026
Net sales	486,802	462,343
Cost of sales	395,869	358,886
Gross profit	90,933	103,457
Selling, general and administrative expenses	72,891	84,516
Operating profit	18,042	18,941
Non-operating income		
Interest income	749	555
Dividend income	528	447
Rental income	895	915
Share of profit of entities accounted for using equity method	7,641	15,448
Foreign exchange gains	—	4,307
Other	727	3,107
Total non-operating income	10,540	24,779
Non-operating expenses		
Interest expenses	1,730	3,465
Rental expenses	445	431
Foreign exchange losses	178	—
Loss on disposal of non-current assets	560	502
Other	3,300	1,816
Total non-operating expenses	6,213	6,214
Ordinary profit	22,369	37,506
Extraordinary income		
Gain on sale of non-current assets	336	92
Gain on sale of investment securities	2,975	239
Gain on liquidation of subsidiaries and associates	311	—
Total extraordinary income	3,622	331
Extraordinary losses		
Loss on disposal of non-current assets	1,017	746
Loss on sale of investment securities	2,903	—
Impairment losses	29,079	2,699
Loss on valuation of investment securities	34	1
Loss on related business	3,851	3,660
Total extraordinary losses	36,884	7,106
Profit (loss) before income taxes	(10,893)	30,731
Income taxes - current	6,914	6,111
Income taxes - deferred	(8,590)	509
Total income taxes	(1,676)	6,620
Profit (loss)	(9,217)	24,111
Profit (loss) attributable to non-controlling interests	(4,401)	239
Profit (loss) attributable to owners of parent	(4,816)	23,872

	April 2024 – March 2025	April 2025 – March 2026
Profit (loss)	(9,217)	24,111
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,725)	1,861
Deferred gains or losses on hedges	(3)	(5)
Foreign currency translation adjustment	3,479	18,105
Remeasurements of defined benefit plans, net of tax	1,138	3,174
Share of other comprehensive income of entities accounted for using equity method	(9)	7,104
Total other comprehensive income	2,880	30,239
Comprehensive income	(6,337)	54,350
Comprehensive income attributable to owners of parent	(3,037)	52,757
Comprehensive income attributable to non-controlling interests	(3,300)	1,593

(3) Consolidated Statements of Changes in Net Assets

• For the fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the year	58,435	40,370	276,409	(21,598)	353,616
Changes during the year					
Cash dividends			(10,679)		(10,679)
Profit or loss attributable to owners of parent			(4,816)		(4,816)
Purchase of treasury stock				(6)	(6)
Disposal of treasury stock		(7)		118	111
Net changes of items other than shareholders' equity					
Total changes during the year	-	(7)	(15,495)	112	(15,390)
Balance at the end of the year	58,435	40,363	260,914	(21,486)	338,226

(Millions of yen)

	Accumulated Other Comprehensive Income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the year	8,885	64	39,418	6,706	55,073	62	20,604	429,355
Changes during the year								
Cash dividends								(10,679)
Profit or loss attributable to owners of parent								(4,816)
Purchase of treasury stock								(6)
Disposal of treasury stock								111
Net changes of items other than shareholders' equity	(1,330)	(52)	1,913	1,248	1,779	(38)	(3,414)	(1,673)
Total changes during the year	(1,330)	(52)	1,913	1,248	1,779	(38)	(3,414)	(17,063)
Balance at the end of the year	7,555	12	41,331	7,954	56,852	24	17,190	412,292

• For the fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the year	58,435	40,363	260,914	(21,486)	338,226
Changes during the year					
Cash dividends			(10,684)		(10,684)
Profit or loss attributable to owners of parent			23,872		23,872
Purchase of treasury stock				(6)	(6)
Disposal of treasury stock		(8)		63	55
Net changes of items other than shareholders' equity					
Total changes during the year	—	(8)	13,188	57	13,237
Balance at the end of the year	58,435	40,355	274,102	(21,429)	351,463

(Millions of yen)

	Accumulated Other Comprehensive Income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the year	7,555	12	41,331	7,954	56,852	24	17,190	412,292
Changes during the year								
Cash dividends								(10,684)
Profit or loss attributable to owners of parent								23,872
Purchase of treasury stock								(6)
Disposal of treasury stock								55
Net changes of items other than shareholders' equity	3,988	(14)	21,321	3,590	28,885	(11)	531	29,405
Total changes during the year	3,988	(14)	21,321	3,590	28,885	(11)	531	42,642
Balance at the end of the year	11,543	(2)	62,652	11,544	85,737	13	17,721	454,934

(4) Consolidated Statements of Cash Flows

(Millions of yen)

April 2024 – March 2025

April 2025 – March 2026

Cash flows from operating activities		
Profit (loss) before income taxes	(10,893)	30,731
Depreciation and amortization	27,177	25,687
Impairment losses	29,079	2,699
Loss on retirement of non-current assets	672	423
Amortization of goodwill	244	1,773
Interest and dividend income	(1,277)	(1,002)
Interest expenses	1,730	3,465
Share of loss (profit) of entities accounted for using equity method	(7,641)	(15,448)
Loss (gain) on sale of investment securities	(72)	(239)
Loss (gain) on valuation of investment securities	34	1
Provision for loss over investment cost of subsidiaries and affiliates	3,851	3,660
Loss (gain) on sale of non-current assets	(301)	(92)
Increase (decrease) in allowance for doubtful accounts	9	31
Increase(decrease) in defined benefit asset and liability	(3,372)	(8,598)
Increase (decrease) in remeasurements of defined benefit plans	1,175	3,392
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(45)	24
Increase (decrease) in other provisions	(874)	2,747
Decrease (increase) in trade receivables	(414)	14,348
Decrease (increase) in inventories	10,418	(431)
Increase (decrease) in trade payables	(10,740)	(2,769)
Increase (decrease) in accounts payable - other	(567)	(694)
Increase (decrease) in contract liabilities	(1,737)	(4,295)
Decrease (increase) in other current assets	(495)	3,115
Increase (decrease) in other current liabilities	(846)	4,229
Increase (decrease) in other non-current liabilities	(1,677)	(121)
Other, net	(4,990)	(2,913)
Subtotal	28,448	59,723
Interest and dividends received	14,163	11,028
Interest paid	(1,676)	(3,020)
Income taxes paid	(5,098)	(7,747)
Net cash provided by (used in) operating activities	35,837	59,984
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(58,930)	(72,449)
Proceeds from sale of property, plant and equipment	540	130
Purchase of investment securities	(51)	(364)
Proceeds from sale of investment securities	3,647	369
Purchase of shares of subsidiaries and associates	(10,715)	(821)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,855)	(71,532)
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(695)	—
Proceeds from withdrawal of investments in subsidiaries and associates	1,672	6,965
Decrease (increase) in short-term loans receivable	3,244	—
Payments into time deposits	(858)	(6,199)
Proceeds from withdrawal of time deposits	898	3,605
Other, net	(49)	64
Net cash provided by (used in) investing activities	(63,152)	(140,232)

April 2024 – March 2025

April 2025 – March 2026

Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	20,118	8,188
Net increase (decrease) in commercial papers	8,996	(8,996)
Proceeds from long-term borrowings	99,993	46,128
Repayments of long-term borrowings	(31,097)	(20,056)
Proceeds from issuance of bonds	29,881	9,955
Redemption of bonds	(10,000)	(10,000)
Purchase of treasury shares	(6)	(6)
Dividends paid	(10,649)	(10,656)
Dividends paid to non-controlling interests	(726)	(728)
Other, net	(659)	(802)
Net cash provided by (used in) financing activities	105,851	13,027
Effect of exchange rate change on cash and cash equivalents	1,047	4,362
Net increase (decrease) in cash and cash equivalents	79,583	(62,859)
Cash and cash equivalents at beginning of period	35,859	115,442
Cash and cash equivalents at end of period	115,442	52,583

(5) Notes to Consolidated Financial Statements

(Note to events and conditions which indicate there could be substantial doubt about going concern assumption)
None.

(Significant changes in scope of consolidation during the fiscal year ended March 31, 2026)

A total of 11 companies, including UBE URETHANES USA LLC (formerly URETHANE SYSTEMS USA LLC), have been included in the scope of consolidation from the fiscal year ended March 31, 2026, as they became subsidiaries through share acquisitions.

(Notes regarding change in presentation)

(Consolidated Statements of Cash Flows)

"Payments into time deposits" and "Proceeds from withdrawal of time deposits," which were included in "Other" under "Cash flows from investing activities" in the preceding consolidated fiscal year, are presented independently from the consolidated fiscal year under review because their quantitative significance has increased. To reflect this change in the presentation method, certain reclassifications have been made to the consolidated financial statements for the preceding consolidated fiscal year.

As a result, the amount of (9)million yen presented as "Other" in the consolidated statement of cash flows for the preceding consolidated fiscal year has been reclassified as "Payments into time deposits" of (858)million yen, "Proceeds from withdrawal of time deposits" of 898 million yen, and "Other" of (49)million yen.

(Notes to Segment Information, etc.)

[Segment Information]

1. Overview of reportable segments

The Company's reportable segments are those components of the Company for which separate financial information is available and which are subject to regular review by the Board of Directors for the purpose of determining the allocation of management resources and evaluating business performance.

The Company aggregates business segments with similar economic characteristics and markets by product and service, and has classified them into the six reportable segments of "Specialty Products," "High Performance Urethane," "Pharmaceutical," "Polymers & Chemicals," "Machinery," and "Others."

The Specialty Products Segment manufactures and sells polyimide, separation membranes, ceramics, separators (lithium-ion battery materials), and other products.

The High Performance Urethane Segment manufactures and sells urethane resin intermediates (Prepolymers for high-performance cast urethane elastomers), high-performance coating products (PCD and PUD), and other products.

The Pharmaceutical Segment engages in drug discovery and the contract manufacturing and sale of active pharmaceutical ingredients and intermediates.

The Polymers & Chemicals Segment manufactures and sells composites, nylon polymers, caprolactam (a raw material for nylon), ammonium sulfate (fertilizer), industrial chemicals, elastomers (synthetic rubber), and other products.

The Machinery Segment manufactures and sells molding machines (die casting machines, extrusion presses, and injection molding machines), industrial machinery (kilns, chemical equipment, grinding machines, conveying equipment, dust collectors, and crushers), bridges and steel structures, and other products.

The Others Segment engages in electric power supply, the sale, leasing, and management of real estate, and other businesses.

Starting from the consolidated fiscal year under review, due to changes in management classification, the reportable segments have been changed from the previous four segments of "Specialty Products," "Polymers & Chemicals," "Machinery," and "Others" to the six segments of "Specialty Products," "High Performance Urethane," "Pharmaceutical," "Polymers & Chemicals," "Machinery," and "Others."

Segment information for the previous consolidated fiscal year is disclosed based on the revised classification method.

2. Calculation method of net sales, income or loss, assets, liabilities and other items by reportable segment
The accounting method applied for the reportable segments is based on the accounting policies adopted for the preparation of the consolidated financial statements.
Reportable segment profit consists of figures based on operating profit.
Intersegment sales or transfers are based on market prices.
3. Information concerning Net Sales and Operating Profit or Loss, Assets, Liabilities and other items by Reportable Business Segment

For the fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reported segment						Total	Adjustment (Note 1)	Amount recorded in consolidated statements of income (Note 2)
	Specialty Products	High Performance Urethane	Pharmaceutical	Polymers & Chemicals	Machinery	Others			
Net sales									
External sales	50,250	15,067	29,780	255,248	86,362	50,095	486,802	—	486,802
Internal sales or transfers	15,907	549	1,710	18,310	514	(10,891)	26,099	(26,099)	—
Total	66,157	15,616	31,490	273,558	86,876	39,204	512,901	(26,099)	486,802
Segment profit or loss (Operating profit or loss)	11,668	(200)	1,151	(713)	7,883	2,057	21,846	(3,804)	18,042
Assets	94,028	98,669	39,892	265,890	78,991	52,803	630,273	235,907	866,180
Other items									
Depreciation and amortization (Note 3)	4,095	838	1,981	13,487	2,023	1,933	24,357	2,820	27,177
Investment in equity-method affiliates	5,133	175	—	14,477	—	14,905	34,690	176,939	211,629
Increase in property, plant and equipment and intangible assets (Note 4)	14,236	582	2,825	33,519	2,932	1,181	55,275	5,383	60,658

(Note 1) Adjustments are applied to the followings:

- (3,804) million yen for adjustment for segment profit or loss includes (63) million yen for the elimination of transaction between the segments and (3,741) million yen for company-wide cost that is not allocated to each reported segment. Company-wide cost consists mainly of administration and general expense that is not attributed to each reported segment.
- Adjustment for segment assets of 235,907 million yen includes assets of the Cement-related business of 178,413 million yen, eliminations of inter-segment receivables of (91,141) million yen, and corporate assets not belonging to specific segments of 148,635 million yen.
- 2,820 million yen for adjustment for depreciation and amortization consists of depreciation and amortization of company-wide assets that is not attributed to each reported segment.
- Adjustment for investment in equity-method affiliates of 176,939 million yen is investment in the Cement-related business.
- 5,383 million yen for adjustment for the increase in property, plant and equipment and intangible assets consists of a company-wide assets increase that is not attributed to each reported segment.

(Note 2) Segment profit or loss is adjusted with operating profit recorded in the consolidated financial statements.

(Note 3) Depreciation and amortization includes amortization of long-term prepaid expenses.

(Note 4) The increase in property, plant and equipment and intangible assets includes increases in long-term prepaid expenses.

(Note 5) Segment information for the previous consolidated fiscal year is presented based on the revised amounts following the finalization of the provisional accounting treatment for the business combination.

For the fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reported segment							Adjustment (Note 1)	Amount recorded in consolidated statements of income (Note 2)
	Specialty Products	High Performance Urethane	Pharmaceutical	Polymers & Chemicals	Machinery	Others	Total		
Net sales									
External sales	50,930	46,130	20,640	228,419	68,087	48,137	462,343	—	462,343
Internal sales or transfers	10,970	419	364	22,818	327	(13,654)	21,244	(21,244)	—
Total	61,900	46,549	21,004	251,237	68,414	34,483	483,587	(21,244)	462,343
Segment profit or loss									
(Operating profit or loss)	9,758	(548)	(1,255)	8,189	6,242	1,916	24,302	(5,361)	18,941
Assets	102,829	129,117	41,063	307,170	78,102	52,449	710,730	235,583	946,313
Other items									
Depreciation and amortization (Note 3)	4,642	3,396	2,451	8,639	1,705	1,694	22,527	3,160	25,687
Investment in equity-method affiliates	5,287	167	—	14,609	—	15,820	35,883	181,732	217,615
Increase in property, plant and equipment and intangible assets (Note 4)	11,647	4,081	3,908	40,432	3,294	1,226	64,588	4,420	69,008

(Note 1) Adjustments are applied to the followings:

- i. (5,361) million yen for adjustment for segment profit or loss includes 712 million yen for the elimination of transaction between the segments and (6,073) million yen for company-wide cost that is not allocated to each reported segment. Company-wide cost consists mainly of administration and general expense that is not attributed to each reported segment.
- ii. Adjustment for segment assets of 235,583 million yen includes assets of the Cement-related business of 182,790 million yen, eliminations of inter-segment receivables of (52,660) million yen, and corporate assets not belonging to specific segments of 105,453 million yen.
- iii. 3,160 million yen for adjustment for depreciation and amortization consists of depreciation and amortization of company-wide assets that is not attributed to each reported segment.
- iv. Adjustment for investment in equity-method affiliates of 181,732 million yen is investment in the Cement-related business.
- v. 4,420 million yen for adjustment for the increase in property, plant and equipment and intangible assets consists of a company-wide assets increase that is not attributed to each reported segment.

(Note 2) Segment profit or loss is adjusted with operating profit recorded in the consolidated financial statements.

(Note 3) Depreciation and amortization includes amortization of long-term prepaid expenses.

(Note 4) The increase in property, plant and equipment and intangible assets includes increases in long-term prepaid expenses.

2. Related Information

For the fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Information by product and service

This information is omitted, because the same information is provided in the Segment information section.

(2) Information by region

① Net sales

(Millions of yen)

Japan	Asia	Europe	North America	Others	Total
226,017	138,394	65,011	38,429	18,951	486,802

(Note) The company classifies sales based on the location of the customer.

② Tangible assets

(Millions of yen)

Japan	Thailand	Spain	United States	Others	Total
150,932	21,967	24,125	25,676	220	222,920

(Note) Property, plant and equipment for the previous consolidated fiscal year are disclosed based on the amounts after reflecting material revisions to the initial allocation of acquisition cost resulting from the finalization of the provisional accounting treatment for the business combination.

(3) Information by major customer

This information is omitted, because net sales to certain external customers account for less than 10% of net sales in consolidated income statement.

For the fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(1) Information by product and service

This information is omitted, because the same information is provided in the Segment information section.

(2) Information by region

① Net sales

(Millions of yen)

Japan	Asia	Europe	North America	Others	Total
206,267	127,679	67,352	42,930	18,115	462,343

(Note) The company classifies sales based on the location of the customer.

(Change in presentation)

Net sales in North America, which were included in "Others" in the previous consolidated fiscal year, are presented separately from the fiscal year under review because their significance has increased. To reflect this change in presentation, certain reclassifications have been made to the figures for the previous consolidated fiscal year. As a result, the 57,380 million yen previously included in "Others" for the previous consolidated fiscal year has been reclassified as 38,429 million yen for "North America" and 18,951 million yen for "Others."

② Tangible assets

(Millions of yen)

Japan	Thailand	Spain	United States	Others	Total
163,831	21,210	27,190	74,145	9,517	295,893

(3) Information by major customer

This information is omitted, because net sales to certain external customers account for less than 10% of net sales in consolidated income statement.

3. Information Concerning Impairment Loss of Fixed Assets by Reportable Segment
Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Specialty Products	High Performance Urethane	Pharmaceutical	Polymers & Chemicals	Machinery	Others	Company wide / elimination	Total
Impairment loss	143	—	—	28,961	—	2	(27)	29,079

(Note) The amount in the “Company wide / elimination” section consists of impairment losses relating to company-wide assets that are not attributed to each reported Segment, as well as the elimination of unrealized gains on property, plant and equipment.

Fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(Millions of yen)

	Specialty Products	High Performance Urethane	Pharmaceutical	Polymers & Chemicals	Machinery	Others	Company wide / elimination	Total
Impairment loss	76	1,471	—	1,152	—	—	—	2,699

4. Information about amortization of goodwill and balance of unamortized goodwill by reportable segment
Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Specialty Products	High Performance Urethane	Pharmaceutical	Polymers & Chemicals	Machinery	Others	Company wide / elimination	Total
Amortization of goodwill	—	—	36	186	22	—	—	244
Balance at the end of the term	—	—	291	1,706	5	—	—	2,002

(Note) Property, plant and equipment for the previous consolidated fiscal year is presented based on the revised amounts following the finalization of the provisional accounting treatment for the business combination.

Fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(Millions of yen)

	Specialty Products	High Performance Urethane	Pharmaceutical	Polymers & Chemicals	Machinery	Others	Company wide / elimination	Total
Amortization of goodwill	—	1,422	38	308	5	—	—	1,773
Balance at the end of the term	—	29,976	253	2,018	—	—	—	32,247

5. Information concerning gain on negative goodwill by reportable segment

Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

None.

Fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

None.

(Information of per share)

	April 1, 2024 – March 31, 2025	April 1, 2025 – March 31, 2026
Shareholders' equity per share (Yen)	4,067.90	4,500.48
Net income or loss per share (Yen)	(49.60)	245.76
Diluted net income per share (Yen)	—	245.73

- (Note) 1. Diluted net income per share in the previous consolidated fiscal year is not presented, because net income per share was negative although there are dilutive shares.
2. In the consolidated fiscal year under review, the provisional accounting treatment for the business combination was finalized, and net assets per share and net loss per share for the previous consolidated fiscal year are calculated based on the amounts based on the revised amounts reflecting material revisions to the initial allocation of acquisition cost following this finalization.
3. Basis of calculation of net income or loss per share and diluted net income per share is as follows:

	April 1, 2024 – March 31, 2025	April 1, 2025 – March 31, 2026
Net income per share		
Profit or loss attributable to owners of parent (Millions of yen)	(4,816)	23,872
Profit or loss not attributable to shareholders of common stock (Millions of yen)	—	—
Profit or loss attributable to shareholders of common stock of parent (Millions of yen)	(4,816)	23,872
Weighted-average number of shares outstanding during period of common stock (Thousand shares)	97,094	97,135
Diluted net income per share		
Adjustments of profit attributable to owners of parent (Millions of yen)	—	—
Increase in the number of common shares (Thousand shares)	—	13
Of which, share acquisition rights	—	(13)
Descriptions of potentially dilutive common shares that were not included in the computation of diluted net income per share because of their anti-dilutive effect	—	

(Business Combinations)

Finalization of provisional accounting treatment for a business combination

With respect to the business combination with MANUFACTURAS PAULOWSKY, S.L. carried out on December 17, 2024, provisional accounting treatment had been applied in the previous consolidated fiscal year and was finalized in the consolidated fiscal year under review.

As a result of this finalization of the provisional accounting treatment, material revisions to the initial allocation of acquisition cost have been reflected in the comparative information included in the consolidated financial statements for the consolidated fiscal year under review.

As a result, in the consolidated balance sheet at the end of the previous consolidated fiscal year, goodwill decreased by 416 million yen, while buildings and structures increased by 88 million yen, machinery, equipment and vehicles increased by 40 million yen, land by 91 million yen, other intangible assets by 708 million yen, deferred tax liabilities by 232 million yen, and non-controlling interests by 279 million yen.

(1) Overview of the business combination

(i) Name of the acquired company and its business activities

Name of the acquired company

LANXESS Solutions Australia Pty Ltd

SISTEMAS DE URETANOS DO BRASIL LTDA.

Urethane Systems Canada Ltd.

Chemtura China Holding Co., Ltd.

LANXESS Advanced Materials (Nantong) Co., Ltd.

Elfte LXS GmbH
 LANXESS SOLUTIONS INDIA PRIVATE LIMITED
 LANXESS Solutions Italy S.r.l.
 LANXESS Sales Netherlands B.V.
 LANXESS Urethanes UK LTD
 URETHANE SYSTEMS USA LLC

Business activities

Manufacture and sale of polyurethane products (i.e., Prepolymers for high-performance cast urethane elastomers)

(ii) Reason for the business combination

UBE aims to achieve growth driven by specialty chemicals and contributing to the global environment. We are proceeding with a transformation of our group's business structure by expanding our specialty businesses through aggressive investment while downsizing and restructuring our basic businesses, such as the ammonia and caprolactam chains.

For the C1 chemical chain (one of the specialty businesses), the United States is our primary market, and currently, we are in the process of constructing a new plant for DMC (dimethyl carbonate) and EMC (ethyl methyl carbonate) in Louisiana, United States. Additionally, we are actively expanding our downstream operations of PCD (polycarbonate diol) and PUD (polyurethane dispersion). This acquisition is for the high-performance polyurethane resin operations, which are in the downstream and adjacent areas of PCD and PUD.

The Target Business is one of the leading manufacturers of high-performance polyurethane resins for thermosetting urethane elastomers. With over 70 years of experience, it has developed a high level of expertise and know-how in application development and has built a robust customer base. Leveraging its global manufacturing and development centers, primarily in North America, its largest base, it provides customized solutions that meet the needs of customers. Notably, it excels in high-end applications demanding superior performance, particularly within the semiconductor industry and other high-end applications.

By acquiring the Target Business's robust business foundation, marked by technical capabilities and know-how in polyurethane resins, global human resources, manufacturing bases, and strong partnerships and distribution networks with customers, we aim to amplify our PCD and PUD businesses and solidify our presence in the high-performance polyurethane resin market.

(iii) Date of business combination

April 1, 2025 (date of share acquisition)

(iv) Legal form of business combination

Acquisition of shares for cash

(v) Name after business combination

UBE URETHANES AUSTRALIA PTY LTD
 UBE LATIN AMERICA LTDA.
 UBE URETHANES CANADA LTD.
 UBE China Holding Company Limited
 UBE Urethanes Nantong Co., Ltd.
 UBE Urethanes Germany GmbH
 UBE URETHANES INDIA PRIVATE LIMITED
 UBE URETHANES ITALY S.R.L.
 UBE Urethanes Netherlands B.V.
 UBE URETHANES UK LTD.
 UBE URETHANES USA LLC

(vi) Percentage of voting rights acquired

100%

(vii) Reason for deciding on the acquired company

UBE and its consolidated subsidiaries, UBE CORPORATION AMERICA INC., UBE CORPORATION EUROPE S.A.U., and UBE Fine Chemicals (Asia) Co., Ltd., acquired the shares in exchange for cash.

(2) Period of results of the acquired company included in the consolidated financial statements

From April 1, 2025 to December 31, 2025

(3) Acquisition cost of the acquired company and breakdown by type of consideration

Consideration for acquisition: Cash 80,748 million yen

Acquisition cost: 80,748 million yen

(Note) The acquisition consideration will be adjusted at a later date, pursuant to the share transfer agreement, based on such amount to reflect increases or decreases in working capital and other items up to the closing date.

(4) Details and amounts of major acquisition-related expenses

Advisory fees and other: 2,509 million yen

(5) Amount of goodwill generated, reason for its occurrence, amortization method, and amortization period

(i) Amount of goodwill arising from the acquisition

27,698 million yen

(ii) Cause of recognition

This arose from the expected future excess earnings power from future business development.

(iii) Amortization method and amortization period

Straight-line amortization over 16 years

(6) Amounts of assets acquired and liabilities assumed on the date of business combination and their major breakdown

Current assets:	25,592 million yen
Non-current assets:	38,940 million yen
<u>Total assets:</u>	<u>64,532 million yen</u>
Current liabilities:	5,871 million yen
Non-current liabilities:	5,649 million yen
<u>Total liabilities:</u>	<u>11,520 million yen</u>

(7) Estimated impact on the consolidated statement of income for the consolidated fiscal year under review, assuming that the business combination had been completed on the first day of the consolidated fiscal year, and the method of calculation thereof

There is no impact, as the acquisition date was the first day of the consolidated fiscal year under review.

Material Subsequent Events

None.

(Reference) Consolidated Key Indicators

(Billions of yen)

	April 2024 – March 2025	April 2025 – March 2026	April 2026 – March 2027 (forecast)
Capital investment	60.7	69.0	85.0
Depreciation and amortization	27.2	25.7	31.0
Research and development expenses	9.9	12.4	13.0
Adjusted operating profit (loss) *1	27.0	35.4	41.5
Interest-bearing debt	330.5	358.2	415.0
Shareholders' equity *2	395.1	437.2	450.0
Total assets	866.2	946.3	1,020.0
D/E ratio (times)	0.84	0.82	0.92
Shareholders' equity ratio (%)	45.6	46.2	44.1
Return on sales - ROS (%) *3	3.7	4.1	4.8
Return on assets - ROA (%) *4	3.3	3.9	4.2
Return on equity - ROE (%) *5	(1.2)	5.7	5.5
Return on invested capital - ROIC (%) *6	3.0	3.8	4.0

*1 Adjusted operating profit (loss): Operating profit + Interest and dividend income + Share of profit (loss) of entities accounted for using equity method

*2 Shareholders' equity: Net assets – Share acquisition rights – Non-controlling interests

*3 ROS: Operating profit / Net sales

*4 ROA: Adjusted operating profit (loss) / Average total assets

*5 ROE: Profit (loss) attributable to owners of parent / Average shareholders' equity

6 ROIC: Net operating profit after tax + Share of profit (loss) of entities accounted for using equity method / Average invested capital (Invested capital: Interest-bearing debt + Shareholders' equity)

(Note) The Company Group determined the provisional accounting treatment related to the business combination of a material-recycled plastic manufacturer in the consolidated of the fiscal year ended March 2026. The finalized accounting treatment is being applied in each reported figure for the fiscal year ended March 2025.