# Consolidated Financial Results for the Six Months Ended September 30, 2026 (Under Japanese GAAP)

November 11, 2026

Name of Listed Company: **Kaneka Corporation** Stock Exchange Listing: Tokyo
Code Number: 4118 URL https://www.kaneka.co.jp/en/
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Scheduled date for filing semi-annual securities report: November 12, 2026
Scheduled date of dividend distribution: December 4, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for securities analysts and institutional investors)

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

## 1. Consolidated Financial Results for the Six Months Ended September 30, 2026 (from April 1, 2026 to September 30, 2026)

### (1) Consolidated operating results

(% indicates year-on-year change)

| | Net sales | | Operating income | | Ordinary income | | Net income attributable to owners of parent | |
|---|---|---|---|---|---|---|---|---|
| | ¥ million | % | ¥ million | % | ¥ million | % | ¥ million | % |
| Apr. 1, 2026–Sep. 30, 2026 | 446,972 | 12.5 | 28,678 | 91.7 | 24,323 | 106.8 | 14,645 | 32.5 |
| Apr. 1, 2025–Sep. 30, 2025 | 397,428 | 0.4 | 14,963 | (21.7) | 11,762 | (18.3) | 11,049 | 8.7 |

Note: Comprehensive income: ¥15,954 million [9.7%] for the six months ended September 30, 2026
¥14,540 million [53.4%] for the six months ended September 30, 2025

| | Basic net income per share | Diluted net income per share |
|---|---|---|
| | ¥ | ¥ |
| Apr. 1, 2026–Sep. 30, 2026 | 243.48 | 242.55 |
| Apr. 1, 2025–Sep. 30, 2025 | 176.51 | 175.92 |

### (2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|---|---|---|---|
| | ¥ million | ¥ million | % |
| As of September 30, 2026 | 985,366 | 530,769 | 51.4 |
| As of March 31, 2026 | 959,154 | 521,669 | 52.0 |

Reference: Equity (Shareholders' equity + Accumulated other comprehensive income):
¥506,887 million as of September 30, 2026
¥498,656 million as of March 31, 2026

## 2. Dividends

| | Annual dividends | | | | |
|---|---|---|---|---|---|
| | 1st Quarter | 2nd Quarter | 3rd Quarter | Year-end | Annual |
| | ¥ | ¥ | ¥ | ¥ | ¥ |
| Apr. 1, 2025–Mar. 31, 2026 | – | 80.00 | – | 80.00 | 160.00 |
| Apr. 1, 2026–Mar. 31, 2027 | – | 105.00 | | | |
| Apr. 1, 2026–Mar. 31, 2027 (Forecasts) | | | – | 110.00 | 215.00 |

Note: Changes in dividend forecast during the quarter under review: Yes

## 3. Forecast for Consolidated Financial Results for the Fiscal Year Ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentage figures represent changes from the corresponding periods of the previous fiscal year)

| | Net sales | | Operating income | | Ordinary income | | Net income attributable to owners of parent | | Net income per share |
|---|---|---|---|---|---|---|---|---|---|
| | ¥ million | % | ¥ million | % | ¥ million | % | ¥ million | % | ¥ |
| Full year | 890,000 | 9.7 | 48,000 | 45.9 | 41,500 | 43.7 | 32,000 | 3.3 | 536.33 |

Note: Revisions to consolidated business performance forecasts during the quarter under review: Yes

* Notes

(1) Changes in the scope of consolidation during the term: Yes
Newly included: 1 company (Company name) Kaneka Korea Corporation
Excluded: 1 company (Company name) AB BIOTICS PTE.LTD.

(2) Application of simplified methods of accounting and specific accounting methods: None

(3) Changes in accounting principles, changes in estimates, or restatements
1. Changes owing to revisions in accounting standards: None
2. Changes other than 1. above: None
3. Changes in accounting estimates: None
4. Restatements: None

(4) Number of shares issued (common stock)

| | | | |
|---|---|---|---|
| 1. Number of shares issued at the end of the period (including treasury stock): | September 30, 2026 | 63,000,000 shares | March 31, 2026 | 63,000,000 shares |
| 2. Number of shares of treasury stock at the end of the period: | September 30, 2026 | 3,145,441 shares | March 31, 2026 | 2,774,693 shares |
| 3. Average number of shares outstanding during the period (calculated cumulatively from the beginning of the fiscal year): | September 30, 2026 | 60,149,864 shares | September 30, 2025 | 62,598,751 shares |

* Semi-annual financial results reports are not subject to review by certified public accountants or an audit firm.

* Explanations or other items pertaining to appropriate use of business performance forecasts
The business performance forecasts and certain other statements contained in this document are forward-looking statements, which are based on information currently available to the Company and certain assumptions determined to be reasonable by the Company. For a variety of reasons, actual performance may differ substantially from these forecasts. They do not constitute a guarantee that the Company will achieve these forecasts or other forward-looking statements. For cautionary items used in business performance forecasts, please refer to the section entitled “(3) Earnings Forecasts and Other Forward-looking Statements” under “1. Semi-annual Consolidated Financial Results” on page 4.

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1. Semi-annual Consolidated Financial Results

(1) Operating Results

➢ State of Global Economy – Concerns over slowing growth mount –

As protectionism and fragmentation deepen and the stalemate in the Middle East persists, the world is in turmoil.

In the U.S., uncertainty over policy management is increasing following the midterm election results and could lead to economic disruption. In Europe, inflationary pressures are slowing the economic recovery. China continues to face a slump in domestic demand, while Japan is concerned that rising prices and interest rate hikes could weigh on the economy.

There is still no clear path toward stabilizing the global economy, and concerns over slowing growth are mounting.

➢ Kaneka Group's Business Performance – Sales and profits increased –

Under these circumstances, Kaneka Group's business performance for the six months ended September 30, 2026 was as follows. Consolidated net sales were ¥446,972 million (up 12.5% year-on-year), operating income was ¥28,678 million (up 91.7% year-on-year), ordinary income was ¥24,323 million (up 106.8% year-on-year), and net income attributable to owners of parent was ¥14,645 million (up 32.5% year-on-year).

Net sales, operating income, ordinary income, and net income attributable to owners of parent all significantly exceeded the figures for the same period last year.

Business performance for the six months ended September 30, 2026 (Millions of yen)

| | FY2025 1H(Apr.-Sep.) | **FY2026 1H(Apr.-Sep.)** | Difference (year-on-year) |
|---|---|---|---|
| Net sales | 397,428 | **446,972** | 49,544<br>12.5% |
| Operating income | 14,963 | **28,678** | 13,714<br>91.7% |
| Ordinary income | 11,762 | **24,323** | 12,560<br>106.8% |
| Net income attributable to owners of parent | 11,049 | **14,645** | 3,596<br>32.5% |

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

| | Net sales | | | | Operating income | | | |
|---|---|---|---|---|---|---|---|---|
| | FY2026 | | | Difference (year-on-year) | FY2026 | | | Difference (year-on-year) |
| | 1Q | 2Q | Total | | 1Q | 2Q | Total | |
| Material SU | **94,444** | **90,533** | **184,977** | 22,483<br>13.8% | **10,858** | **8,438** | **19,296** | 6,694<br>53.1% |
| Quality of Life SU | **53,849** | **54,312** | **108,161** | 11,144<br>11.5% | **7,006** | **7,884** | **14,890** | 5,449<br>57.7% |
| Health Care SU | **22,026** | **23,464** | **45,491** | 8,144<br>21.8% | **3,258** | **3,553** | **6,812** | 1,112<br>19.5% |
| Nutrition SU | **52,434** | **55,422** | **107,857** | 7,761<br>7.8% | **3,363** | **3,891** | **7,254** | 1,300<br>21.8% |
| Others | **270** | **214** | **485** | 10<br>2.3% | **140** | **60** | **200** | 2<br>1.4% |
| Adjustment | **-** | **-** | **-** | - | **(9,681)** | **(10,093)** | **(19,775)** | (845)<br>- |
| Total | **223,025** | **223,947** | **446,972** | 49,544<br>12.5% | **14,944** | **13,733** | **28,678** | 13,714<br>91.7% |

*SU: Solutions Unit

- Remarks on the Group-wide Business Performance

In 2Q (July 1 to September 30, 2026), we focused on stabilizing supply chains and further strengthening market confidence, as we did in 1Q (April 1 to June 30, 2026). Although the surge in raw material prices since 1Q led to a substantial increase in costs in some businesses, we continued to respond swiftly through appropriate product price revisions, cost reductions, and other measures.

Sales continue to expand in the Health Care Solutions Unit and Supplemental Nutrition, which are our priority areas. Earnings from the Leading-edge businesses are growing steadily, and the transformation of our business portfolio is progressing.

All units recorded year-on-year increases in sales and profits in 2Q, and first-half (April 1 to September 30, 2026) sales and profits also significantly exceeded the figures for the same period last year.

The operating performance by business segment was as follows:

### (i) Material Solutions Unit

This unit recorded increased sales and profits as a whole by revising prices and taking other measures as raw material prices continued to soar.

- For Vinyls and Chlor-Alkali, the business achieved increased sales and profits by ensuring a stable supply of products and working to revise product prices.
- For Modifiers, sales remained strong globally. Efforts to ensure a stable supply and expand sales of differentiated products led to increased sales and profits. Sales of epoxy masterbatch (MX) also remained strong.
- For Modified Silicone polymers, sales increased as the replacement of other materials and sales expansion progressed amid persistently high raw material prices. The results of our collaboration with Cemedine Co., Ltd. also helped increase sales and profits.
- For Green Planet®, joint initiatives with global brand holders are progressing steadily. Its adoption is expected to continue expanding domestically and internationally, mainly in applications such as cutlery and packaging.

### (ii) Quality of Life Solutions Unit

This unit posted increased sales and profits as a whole.

- For Foam & Residential Techs, we maintained a stable supply in response to strong market demand and expanded sales. Efforts to revise prices and reduce overall costs improved profit margins.
- For E & I Technology, sales and profits increased, due in part to expanded sales of high-value-added grades of polyimide films, despite optical films for large-screen LCD TVs being affected by demand adjustments in 2Q.
- For PV & Energy management, sales of high-efficiency photovoltaic modules for domestic single homes remained firm. Development of mass production technology for tandem-type perovskite photovoltaic modules is proceeding.
- For Performance Fibers, sales of hair attachment products expanded. Sales of flame-retardant fabrics remained strong, and price revisions contributed to increased sales and profits.

### (iii) Health Care Solutions Unit

This unit reported increased sales and profits, with strong momentum in Medical driving the unit's overall performance.

- For Medical, sales of both blood purification devices and catheters continued to expand, leading to a substantial increase in profit. Overseas sales expansion also progressed, and the contribution of M&A (including EndoStream Medical Ltd.'s business) to results is growing at an accelerating pace.
- For Pharma, earnings remained low, partly due to the impact of periodic maintenance on biopharmaceutical production and sales being pushed back to the second half of the fiscal year (October 1, 2026 to March

31, 2027). We are working to acquire new projects by strengthening development capabilities in small molecule pharmaceuticals and biopharmaceuticals, with the aim of further increasing profits.

### (iv) Nutrition Solutions Unit

This unit saw increased sales and profits, with strong sales of Supplemental Nutrition driving the unit's overall performance.

- For Supplemental Nutrition, sales volume of the active form of coenzyme Q10 increased substantially, primarily in the U.S. and Asia.
- For Foods & Agris, the shift to high-value-added products and price revisions are progressing. We will also work to expand sales of "Business to Consumer" products.

## (2) Financial Position for the Six Months Ended September 30, 2026

- Assets, Liabilities, Net Assets

As of September 30, 2026, total assets were ¥985,366 million, up ¥26,212 million from the previous fiscal year-end. This is mainly due to an increase in inventories and property, plant and equipment.
Liabilities totaled ¥454,597 million, up ¥17,111 million, primarily due to an increase in trade payables and the issuance of bonds.
Net assets were ¥530,769 million, up ¥9,100 million, owing chiefly to an increase in retained earnings, which offset dividend payments and an increase in treasury shares. Equity ratio was 51.4%.

- Consolidated Cash Flows

In the six months ended September 30, 2026, net cash provided by operating activities was ¥29,735 million, mainly due to the recording of income before income taxes and depreciation and amortization. Net cash used in investing activities amounted to ¥28,012 million, mainly due to purchase of property, plant and equipment. Net cash provided by financing activities was ¥3,286 million due to proceeds from issuance of bonds and an increase in loans payable. As a result, cash and cash equivalents as of September 30, 2026 totaled ¥55,082 million.

## (3) Earnings Forecasts and Other Forward-looking Statements

The conflict in the Middle East continues, and global political instability is intensifying. The business environment is expected to remain uncertain in 3Q (October 1 to December 31, 2026) and beyond.

In Health Care Solutions Unit, we expect to make steady progress in expanding sales of new Medical products and broadening our sales areas, including the U.S. and China, as well as to see an increase in new projects for small molecule pharmaceuticals and biopharmaceuticals in Pharma.
In Quality of Life Solutions Unit, E & I Technology will expand sales of high-value-added grades although demand for smartphones and large-screen LCD TVs is likely to slow temporarily. In Performance Fibers, demand for hair attachment products is expected to remain robust.
In Nutrition Solutions Unit, sales of the active form of coenzyme Q10 will continue to expand in Supplemental Nutrition, primarily in the U.S. and Asia. In Foods & Agris, where 3Q is the peak demand season, profitability will improve as the shift toward high-value-added products progresses.
In Material Solutions Unit, market conditions are likely to remain highly volatile, with continued uncertainty. Under these circumstances, we will work to stabilize profit margins, expand sales of high-value-added products, and leverage our quality advantage to further expand sales.

Considering the above, we have revised the full-year forecast for consolidated financial results announced on May 14, 2026, as shown in the table below.

Revisions to the full-year consolidated earnings forecast for the fiscal year ending March 31, 2027 (April 1, 2026 to March 31, 2027)

| | Net sales | Operating income | Ordinary income | Net income attributable to owners of parent | Net income per share |
|---|---|---|---|---|---|
| Previous forecast (A) | ¥ million<br>820,000 | ¥ million<br>36,000 | ¥ million<br>32,000 | ¥ million<br>31,500 | ¥<br>523.04 |
| Current forecast (B) | 890,000 | 48,000 | 41,500 | 32,000 | 536.33 |
| Difference (B-A) | 70,000 | 12,000 | 9,500 | 500 | |
| Difference (%) | 8.5 | 33.3 | 29.7 | 1.6 | |
| (Reference:<br>Year ended March 31, 2026) | 811,638 | 32,894 | 28,873 | 30,977 | 501.26 |

Revisions to earnings forecasts by business segments (Millions of yen)

| | Net sales | | | Operating income | | |
|---|---|---|---|---|---|---|
| | Previous forecast | **Revised forecast** | Difference | Previous forecast | **Revised forecast** | Difference |
| Material SU | 326,000 | 358,000 | 32,000<br>9.8% | 24,200 | 31,700 | 7,500<br>31.0% |
| Quality of Life SU | 197,000 | 210,000 | 13,000<br>6.6% | 19,200 | 25,100 | 5,900<br>30.7% |
| Health Care SU | 89,000 | 97,000 | 8,000<br>9.0% | 18,100 | 17,100 | (1,000)<br>(5.5%) |
| Nutrition SU | 207,000 | 224,000 | 17,000<br>8.2% | 14,000 | 15,600 | 1,600<br>11.4% |
| Others | 1,000 | 1,000 | -<br>- | 500 | 500 | -<br>- |
| Adjustment | - | - | - | (40,000) | (42,000) | (2,000)<br>- |
| Total | 820,000 | 890,000 | 70,000<br>8.5% | 36,000 | 48,000 | 12,000<br>33.3% |

※SU：Solutions Unit

(4) Revision to Dividend Forecast

Given the upward revision to the full-year net income forecast, the year-end dividend forecast has been increased to ¥110 per share from the previous forecast announced on May 14, 2026. As a result, the annual dividend for the fiscal year ending March 31, 2027 is expected to be ¥215 per share.

| | Annual Dividend per share (yen) | | |
|---|---|---|---|
| | End of 2nd quarter | Fiscal Year-End | Total |
| Previous forecast | 105 | 105 | 210 |
| Revised forecast | — | 110 | 215 |
| Actual Result | 105 | — | — |
| Previous year results<br>(Fiscal year ended March 31, 2026) | 80 | 80 | 160 |

**2. Semi-annual Consolidated Financial Statements and Main Notes**

**(1) Semi-annual Consolidated Balance Sheets**

(Millions of yen)

| | As of March 31, 2026 | As of September 30, 2026 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 50,973 | 56,185 |
| Notes and accounts receivable-trade, and contract assets | 163,638 | 158,908 |
| Electronically recorded monetary claims | 18,730 | 21,112 |
| Merchandise and finished goods | 110,765 | 125,443 |
| Work in process | 17,396 | 16,879 |
| Raw materials and supplies | 75,634 | 79,377 |
| Other | 30,465 | 26,790 |
| Allowance for doubtful accounts | (1,885) | (1,868) |
| Total current assets | 465,718 | 482,828 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 108,601 | 106,357 |
| Machinery, equipment and vehicles, net | 125,864 | 124,865 |
| Other, net | 121,314 | 128,663 |
| Total property, plant and equipment | 355,780 | 359,886 |
| Intangible assets | | |
| Goodwill | 2,213 | 2,042 |
| Other | 30,949 | 30,850 |
| Total intangible assets | 33,163 | 32,893 |
| Investments and other assets | | |
| Investment securities | 52,139 | 56,470 |
| Retirement benefit asset | 34,035 | 34,379 |
| Other | 18,699 | 19,283 |
| Allowance for doubtful accounts | (382) | (374) |
| Total investments and other assets | 104,492 | 109,758 |
| Total noncurrent assets | 493,436 | 502,538 |
| Total assets | 959,154 | 985,366 |

(Millions of yen)

| | As of March 31, 2026 | As of September 30, 2026 |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 81,006 | 88,349 |
| Electronically recorded obligations-operating | 5,245 | 5,820 |
| Short-term loans payable | 139,531 | 130,427 |
| Income taxes payable | 9,480 | 6,580 |
| Provision | 2,117 | 1,935 |
| Other | 66,673 | 67,904 |
| Total current liabilities | 304,056 | 301,018 |
| Noncurrent liabilities | | |
| Bonds payable | 15,000 | 25,000 |
| Long-term loans payable | 59,045 | 68,689 |
| Provision | 861 | 751 |
| Retirement benefit liability | 20,076 | 20,003 |
| Other | 38,445 | 39,134 |
| Total noncurrent liabilities | 133,429 | 153,578 |
| Total liabilities | 437,485 | 454,597 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 33,046 | 33,046 |
| Capital surplus | 30,084 | 30,113 |
| Retained earnings | 359,255 | 369,334 |
| Treasury stock | (11,400) | (13,588) |
| Total shareholders' equity | 410,986 | 418,906 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 23,556 | 26,471 |
| Foreign currency translation adjustment | 37,225 | 36,169 |
| Remeasurements of defined benefit plans | 26,887 | 25,340 |
| Total accumulated other comprehensive income | 87,669 | 87,981 |
| Subscription rights to shares | 770 | 884 |
| Non-controlling interests | 22,241 | 22,996 |
| Total net assets | 521,669 | 530,769 |
| Total liabilities and net assets | 959,154 | 985,366 |

**(2) Semi-annual Consolidated Statements of Income and Comprehensive Income**

Semi-annual Consolidated Statements of Income (Millions of yen)

| | Six months ended September 30, 2025 | Six months ended September 30, 2026 |
|---|---|---|
| Net sales | 397,428 | 446,972 |
| Cost of sales | 288,903 | 315,660 |
| Gross profit | 108,525 | 131,312 |
| Selling, general and administrative expenses | 93,561 | 102,634 |
| Operating income | 14,963 | 28,678 |
| Non-operating income | | |
| Dividends income | 1,067 | 804 |
| Equity in earnings of affiliates | 35 | 113 |
| Other | 770 | 682 |
| Total non-operating income | 1,873 | 1,600 |
| Non-operating expenses | | |
| Interest expenses | 2,023 | 2,337 |
| Loss on retirement of noncurrent assets | 1,268 | 1,779 |
| Foreign exchange losses | 586 | 829 |
| Other | 1,196 | 1,009 |
| Total non-operating expenses | 5,074 | 5,955 |
| Ordinary income | 11,762 | 24,323 |
| Extraordinary income | | |
| Gain on sales of investment securities | 6,161 | – |
| Total extraordinary income | 6,161 | – |
| Extraordinary losses | | |
| Litigation expenses | 586 | 645 |
| Loss on liquidation of business | 529 | – |
| Product warranty expense | – | ※1 1,285 |
| Total extraordinary losses | 1,115 | 1,930 |
| Income before income taxes | 16,808 | 22,393 |
| Income taxes-current | 5,280 | 7,072 |
| Income taxes-deferred | (279) | (469) |
| Total income taxes | 5,000 | 6,603 |
| Net income | 11,808 | 15,790 |
| Net income attributable to non-controlling interests | 758 | 1,144 |
| Net income attributable to owners of parent | 11,049 | 14,645 |

**Semi-annual Consolidated Statements of Comprehensive Income**

(Millions of yen)

| | Six months ended September 30, 2025 | Six months ended September 30, 2026 |
|---|---|---|
| Net income | 11,808 | 15,790 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 30 | 2,914 |
| Foreign currency translation adjustment | 3,101 | (1,201) |
| Remeasurements of defined benefit plans, net of tax | (400) | (1,547) |
| Share of other comprehensive income of associates accounted for using equity method | 0 | (1) |
| Total other comprehensive income | 2,731 | 164 |
| Comprehensive income | 14,540 | 15,954 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 13,496 | 14,956 |
| Comprehensive income attributable to non-controlling interests | 1,044 | 997 |

**(3) Semi-annual Consolidated Statements of Cash Flows**

(Millions of yen)

| | Six months ended September 30, 2025 | Six months ended September 30, 2026 |
|---|---|---|
| Net cash provided by (used in) operating activities | | |
| Income before income taxes | 16,808 | 22,393 |
| Depreciation and amortization | 23,185 | 24,232 |
| Litigation expenses | 586 | 645 |
| Loss on liquidation of business | 529 | – |
| Product warranty expense | – | 1,285 |
| Increase (decrease) in retirement benefit asset | (325) | (344) |
| Decrease (increase) in retirement benefit liability | (643) | (2,302) |
| Increase (decrease) in allowance for doubtful accounts | 0 | 3 |
| Interest and dividends income | (1,193) | (915) |
| Interest expenses | 2,023 | 2,337 |
| Equity in losses (earnings) of affiliates | (35) | (113) |
| Loss (gain) on disposal of noncurrent assets | 469 | 452 |
| Loss (gain) on sales of investment securities | (6,161) | – |
| Decrease (increase) in notes and accounts receivable-trade | 4,846 | 1,925 |
| Decrease (increase) in inventories | (5,332) | (18,405) |
| Increase (decrease) in notes and accounts payable-trade | (5,136) | 7,353 |
| Other, net | 2,658 | 2,520 |
| Subtotal | 32,279 | 41,067 |
| Interest and dividends income received | 1,208 | 929 |
| Interest expenses paid | (1,997) | (2,352) |
| Payments for litigation expenses | (586) | (645) |
| Income taxes paid | (6,332) | (9,263) |
| Net cash provided by (used in) operating activities | 24,571 | 29,735 |
| Net cash provided by (used in) investing activities | | |
| Purchase of property, plant and equipment | (22,260) | (29,163) |
| Proceeds from sales of property, plant and equipment | 113 | – |
| Purchase of intangible assets | (1,988) | (2,540) |
| Purchase of investment securities | (51) | (84) |
| Proceeds from sales and distributions of investment securities | 9,085 | 3,229 |
| Payments of loans receivable | (161) | (64) |
| Collection of loans receivable | 180 | 248 |
| Other, net | (202) | 361 |
| Net cash provided by (used in) investing activities | (15,283) | (28,012) |

(Millions of yen)

| | Six months ended September 30, 2025 | Six months ended September 30, 2026 |
|---|---|---|
| Net cash provided by (used in) financing activities | | |
| Net increase (decrease) in short-term loans payable | 6,936 | (4,389) |
| Proceeds from long-term loans payable | 38 | 10,475 |
| Repayment of long-term loans payable | (4,857) | (4,904) |
| Proceeds from issuance of bonds | – | 10,000 |
| Repayments of lease obligations | (548) | (612) |
| Purchase of treasury shares | (6,351) | (2,249) |
| Proceeds from sales of treasury shares | 0 | 0 |
| Cash dividends paid | (4,405) | (4,818) |
| Dividends paid to non-controlling interests | (175) | (202) |
| Purchase of shares of subsidiaries not resulting in change in scope of consolidation | (6) | (11) |
| Net cash provided by (used in) financing activities | (9,370) | 3,286 |
| Effect of exchange rate change on cash and cash equivalents | (261) | 505 |
| Net increase (decrease) in cash and cash equivalents | (343) | 5,515 |
| Cash and cash equivalents at beginning of period | 44,631 | 48,935 |
| Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation | – | 631 |
| Cash and cash equivalents at end of period | 44,288 | 55,082 |

(4) Notes to the Semi-annual Consolidated Financial Statements

(Notes to Semi-annual Consolidated Statements of Income)

*1 Product warranty expense

Six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)

The Company recognized the costs and other associated expenditures expected to be incurred in connection with its ongoing voluntary inspections and replacements of photovoltaic lead-in cables undertaken to ensure safety.

(Additional Information)

Based on the “Inspection and Replacement of Photovoltaic Lead-in Cables” announced on October 4, 2024, the Company has been proceeding with inspections and replacements of the relevant lead-in cables, prioritizing the assurance of safety over the investigation of the cause.

Subsequent technical verification revealed that the cause of the malfunction lay in the quality of the lead-in cables supplied by another company. The results of this technical verification have also been confirmed by the National Institute of Technology and Evaluation (NITE), an Incorporated Administrative Agency under the jurisdiction of the Ministry of Economy, Trade and Industry.

The Company had been continuing discussions with the supplier seeking reimbursement of the construction costs. However, on July 14, 2026, the Company filed a lawsuit with the Osaka District Court against the supplier seeking compensation for the construction costs and other damages incurred by the Company.

(Segment Information)

I. For the six months ended September 30, 2025

1) Sales and Income by Segment

(Millions of yen)

| | Reportable Segment | | | | | Others (Note 1) | Total | Adjustment | Amounts on consolidated financial statements (Note 2) |
|---|---|---|---|---|---|---|---|---|---|
| | Material Solutions Unit | Quality of Life Solutions Unit | Health Care Solutions Unit | Nutrition Solutions Unit | Total | | | | |
| Sales | | | | | | | | | |
| Customers | 162,493 | 97,017 | 37,346 | 100,096 | 396,954 | 474 | 397,428 | – | 397,428 |
| Intersegment | 126 | 37 | 22 | 35 | 222 | 708 | 930 | (930) | – |
| Total | 162,620 | 97,054 | 37,368 | 100,132 | 397,176 | 1,182 | 398,359 | (930) | 397,428 |
| Segment profit | 12,602 | 9,440 | 5,699 | 5,953 | 33,696 | 197 | 33,894 | (18,930) | 14,963 |

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

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

2) Reconciliation between Segment Totals and Amounts on Semi-annual Consolidated Financial Statements (Adjustments)

(Millions of yen)

| Income | Amount |
|---|---|
| Segment total | 33,696 |
| Segment profit of Others | 197 |
| Elimination of intersegment transactions | 0 |
| Corporate expenses (Note) | (18,973) |
| Other adjustments | 43 |
| Operating income in the semi-annual consolidated statement of income | 14,963 |

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

II. For the six months ended September 30, 2026

1) Sales and Income by Segment

(Millions of yen)

| | Reportable Segment | | | | | Others (Note 1) | Total | Adjustment | Amounts on consolidated financial statements (Note 2) |
|---|---|---|---|---|---|---|---|---|---|
| | Material Solutions Unit | Quality of Life Solutions Unit | Health Care Solutions Unit | Nutrition Solutions Unit | Total | | | | |
| Sales | | | | | | | | | |
| Customers | 184,977 | 108,161 | 45,491 | 107,857 | 446,487 | 485 | 446,972 | – | 446,972 |
| Intersegment | 172 | 63 | – | 62 | 299 | 723 | 1,022 | (1,022) | – |
| Total | 185,149 | 108,225 | 45,491 | 107,920 | 446,786 | 1,208 | 447,995 | (1,022) | 446,972 |
| Segment profit | 19,296 | 14,890 | 6,812 | 7,254 | 48,253 | 200 | 48,454 | (19,775) | 28,678 |

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

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

2) Reconciliation between Segment Totals and Amounts on Semi-annual Consolidated Financial Statements (Adjustments)

(Millions of yen)

| Income | Amount |
|---|---|
| Segment total | 48,253 |
| Segment profit of Others | 200 |
| Elimination of intersegment transactions | (2) |
| Corporate expenses (Note) | (19,861) |
| Other adjustments | 88 |
| Operating income in the semi-annual consolidated statement of income | 28,678 |

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

3) Matters related to changes in reportable segments, etc.

Effective from the six months ended September 30, 2026, in connection with the launch of new products, certain business segments of consolidated subsidiaries have been reclassified from “Adjustment” to “Health Care Solutions Unit.” Accordingly, segment information for the six months ended September 30, 2025 has been presented based on the revised classification.

(Notes in the Event of Significant Changes in the Amount of Shareholders’ Equity)

Not applicable

(Going Concern Assumption)

Not applicable