Summary of Consolidated Financial Results for Second Quarter (First Half) of FY2026

Nov 11, 2026
Mitsui Chemicals, Inc.

1. Summary of Operating Results

(Unit : Billions of Yen)

	1st Half of FY2025	1st Half of FY2026	Incr. (Decr.)	FY2025	Outlook for FY2026 (announced Nov. 11)	
					FY2026	Incr. (Decr.)
Sales revenue	813.6	979.1	165.5	1,668.8	2,095.0	426.2
Operating income before special items	44.5	99.3	54.8	100.0	150.0	50.0
Operating income	27.9	93.8	65.9	73.8	112.0	38.2
Net income	15.7	71.4	55.7	46.9	70.0	23.1
Net income attributable to owners of the parent	7.8	58.8	51.0	34.4	53.0	18.6

2. Sales Revenue and Operating Income (loss) before Special Items by Business Segment

・Sales revenue

(Unit : Billions of Yen)

	1st Half of FY2025	1st Half of FY2026	Incr. (Decr.)	Breakdown		FY2025	Outlook for FY2026 (announced Nov. 11)	
				Volume	Price		FY2026	Incr. (Decr.)
Life & Healthcare Solutions	115.3	134.6	19.3	15.3	4.0	259.1	330.0	70.9
Mobility Solutions	258.2	300.4	42.2	1.5	40.7	515.4	620.0	104.6
ICT Solutions	137.0	159.2	22.2	6.9	15.3	279.5	330.0	50.5
Specialty chemicals domains	510.5	594.2	83.7	23.7	60.0	1,054.0	1,280.0	226.0
Basic & Green Materials	295.6	376.5	80.9	(2.5)	83.4	599.9	800.0	200.1
Others	7.5	8.4	0.9	-	0.9	14.9	15.0	0.1
Total	813.6	979.1	165.5	21.2	144.3	1,668.8	2,095.0	426.2

・Operating income (loss) before special items

(Unit : Billions of Yen)

	1st Half of FY2025	1st Half of FY2026	Incr. (Decr.)	Breakdown			FY2025	Outlook for FY2026 (announced Nov. 11)	
				Volume	Price ※	Fixed Costs etc.		FY2026	Incr. (Decr.)
Life & Healthcare Solutions	13.0	12.7	(0.3)	3.1	(0.1)	(3.3)	34.2	34.5	0.3
Mobility Solutions	26.0	36.6	10.6	0.0	11.5	(0.9)	51.0	51.0	0.0
ICT Solutions	17.8	24.8	7.0	3.8	4.6	(1.4)	36.9	48.0	11.1
Specialty chemicals domains	56.8	74.1	17.3	6.9	16.0	(5.6)	122.1	133.5	11.4
Basic & Green Materials	(10.5)	28.2	38.7	(0.4)	33.2	5.9	(18.4)	22.5	40.9
Others	(0.3)	0.2	0.5	-	-	0.5	(0.1)	(2.0)	(1.9)
Adjustment	(1.5)	(3.2)	(1.7)	-	-	(1.7)	(3.6)	(4.0)	(0.4)
Total	44.5	99.3	54.8	6.5	49.2	(0.9)	100.0	150.0	50.0

※ Price includes both selling and purchasing price variances.

3. Summary of Statement of Financial Position

(Unit : Billions of Yen)

	Assets				Liabilities and Equity		
	As of Mar. 31, 2026	As of Sept. 30, 2026	Incr. (Decr.)		As of Mar. 31, 2026	As of Sept. 30, 2026	Incr. (Decr.)
Current assets	993.2	1,168.4	175.2	Interest-bearing debt	795.8	958.8	163.0
Property, plant and equipment & right-of-use assets	720.8	754.1	33.3	Other liabilities	367.1	476.3	109.2
Goodwill and intangible assets	98.0	205.2	107.2	Equity attributable to owners of the parent	864.7	889.6	24.9
Other non-current assets	339.7	349.0	9.3	Non-controlling interests	124.1	152.0	27.9
Total assets	2,151.7	2,476.7	325.0	Total liabilities and equity	2,151.7	2,476.7	325.0
				[Net D/E Ratio]	0.70	0.84	(0.14)

4. Summary of Statement of Cash Flows

(Unit : Billions of Yen)

	1st Half of FY2025	1st Half of FY2026	Incr. (Decr.)	FY2025	Outlook for FY2026 (announced Nov. 11)	
					FY2026	Incr. (Decr.)
Cash flows from operating activities	127.2	91.1	(36.1)	213.0	150.0	(63.0)
Cash flows from investing activities	(57.6)	(181.2)	(123.6)	(134.8)	(261.0)	(126.2)
Free cash flows	*69.6*	*(90.1)*	*(159.7)*	*78.2*	*(111.0)*	*(189.2)*
Cash flows from financing activities	(72.8)	114.2	187.0	(75.9)	111.0	186.9
Others	1.5	(2.1)	(3.6)	10.2	0.0	(10.2)
Net incr.(decr.) in cash and cash equivalents	(1.7)	22.0	23.7	12.5	0.0	(12.5)
Cash and cash equivalents at the end of period	168.9	205.1	36.2	183.1		

5. Accounting Fundamentals

		1st Half of FY2025	1st Half of FY2026	Incr. (Decr.)	FY2025	Outlook for FY2026 (announced Nov. 11)	
						FY2026	Incr. (Decr.)
R & D expenses	¥ Billions	23.3	23.1	(0.2)	46.4	50.0	3.6
Depreciation & amortization	¥ Billions	51.2	58.7	7.5	104.7	124.0	19.3
Capital expenditures	¥ Billions	91.2	215.5	124.3	162.2	291.0	128.8
Interest-bearing debt	¥ Billions	750.5	958.8	208.3	795.8	958.0	162.2
Net D/E Ratio	Times	0.67	0.84	0.17	0.70	0.88	0.18
Number of employees	Person	17,261	18,571	1,310	16,967	18,500	1,533
Exchange rate	Yen / US$	146	159	13	151	157	6
Domestic standard naphtha price	Yen / KL	64,900	108,350	43,450	65,300	101,700	36,400
Number of group companies	Company	156	171	15	154	170	16

6. Dividends

	Annual Dividends per Share (yen)				
	1st Q	Interim (2nd Q)	3rd Q	Year-end (4th Q)	Annual Total
FY2025 Result	—	75.00	—	37.50	—
FY2026 Result/Forecast	—	37.50	—	37.50	75.00

On January 1, 2026, Mitsui Chemicals, Inc. (hereinafter the “Company”) conducted a two-for-one stock split of its common shares.
The above dividend per share for the second quarter of the FY2025 is the amounts before the stock split.
The total annual dividend per share for the FY2025 is not stated because the interim dividend and the year-end dividend cannot be simply added together due to the stock split. If the stock split is taken into account, the interim dividend per share for FY2025 would be 37.50 yen, and the total annual dividend would be 75.00 yen.

7. Number of Shares Outstanding (common stock)

	FY2025	1st Half of FY2026
Number of shares outstanding at term-end (including treasury stock)	401,687,630	381,587,374
Number of shares of treasury stock at term-end	33,588,357	20,060,171
Average number of shares	375,614,325※	361,515,495

※1st Half of FY2025

On January 1, 2026, the Company conducted a two-for-one stock split of its common shares.
The average number of shares has been calculated assuming that the stock split was conducted at the beginning of the FY2025.

1. Operating Results

(1) Overview

In the fiscal period under review (the six-month period from April 1, 2026 to September 30, 2026, hereinafter the "first half"), economic recovery continued moderately worldwide. Meanwhile, the pace of recovery in some countries and regions has slowed amid weak demand and U.S. trade policies. In addition, uncertainty regarding energy supplies and international logistics persisted due to instability in the Middle East driven by military conflicts between the United States and Iran.

In Japan, economic activity continued to recover moderately, supported by improvements in employment and income conditions. However, uncertainty remained due to the impact of U.S. trade policies and instability in the Middle East.

The Mitsui Chemicals Group (hereinafter the “Group”) reported the operating results for the first half as follows. The Group employs operating income before special items, which stands for operating income excluding non-recurring items (e.g., losses resulting from withdrawing from and/or downsizing businesses), as a management indicator.

(Billions of Yen)

	Sales Revenue	Operating Income before Special Items	Operating Income	Net Income Attributable to Owners of the Parent
First half	979.1	99.3	93.8	58.8
Same period of previous fiscal year	813.6	44.5	27.9	7.8
Difference	165.5	54.8	65.9	51.0
Difference (%)	20.3	123.4	235.6	650.0

Sales revenue was 979.1 billion yen, an increase of 165.5 billion yen, or 20.3%, year on year. This result was mainly due to price revisions resulting from rising raw material prices, such as naphtha, and the impact of exchange rate differences.

Operating income before special items was 99.3 billion yen, an increase of 54.8 billion yen, or 123.4%, year on year. This was mainly due to improved inventory revaluation gain and loss resulting from higher raw material prices, such as naphtha, and improved terms of trade through price revisions.

Operating income was 93.8 billion yen, an increase of 65.9 billion yen, or 235.6%, year on year. This result was mainly due to the increase in operating income before special items.

Financial income/expenses worsened 1.5 billion yen year on year to a 3.2 billion yen loss.

As a result of the aforementioned factors, **income before income taxes** amounted to 90.6 billion yen, an increase of 64.4 billion yen, or 246.2%, year on year.

Net income attributable to owners of the parent after accounting for income taxes and non-controlling interests was 58.8 billion yen, an increase of 51.0 billion yen, or 650.0%, year on year. Basic earnings per share for the period amounted to 162.71 yen.

(2) Results by Business Segment

The status of each segment during the first half is as follows.

Life & Healthcare Solutions

Sales revenue increased 19.3 billion yen compared with the corresponding period of the previous fiscal year to 134.6 billion yen and comprised 14% of total sales. This was mainly due to the consolidation of Ultradent Products, Inc. (hereinafter “Ultradent”) and its subsidiaries. Operating income before special items decreased 0.3 billion yen to 12.7 billion yen year on year. This result was mainly due to expenses associated with the step-up in inventory to fair value at the time of the acquisition of Ultradent, despite healthy sales in vision care materials.

In **vision care materials**, sales were healthy for ophthalmic lens materials.

In **oral care materials**, sales increased compared with the corresponding period of the previous fiscal year due to the consolidation of Ultradent as a subsidiary. On the other hand, fixed costs increased due to expenses associated with the step-up in inventory to fair value at the time of the acquisition of Ultradent, while fixed costs were reduced through business restructuring.

In **agrochemicals**, sales remained at the same level as the corresponding period of the previous fiscal year.

Mobility Solutions

Sales revenue increased 42.2 billion yen compared with the corresponding period of the previous fiscal year to 300.4 billion yen and comprised 31% of total sales. Operating income before special items increased 10.6 billion yen to 36.6 billion yen year on year. This was mainly due to improved terms of trade through price revisions in response to rising raw material prices and exchange rate differences, and an increase in sales driven by the integration of the domestic polyolefin business, despite a decrease in sales due to instability in the Middle East and an increase in fixed costs, such as depreciation associated with capacity expansion.

In **elastomers**, sales decreased compared with the corresponding period of the previous fiscal year. On the other hand, terms of trade improved due to price revisions and exchange rate differences, despite an increase in fixed costs, such as depreciation, due to capacity expansion.

In **polypropylene compounds**, sales increased compared with the corresponding period of the previous fiscal year due to the integration of the domestic polyolefin business. In addition, terms of trade improved due to price revisions and exchange rate differences.

In **solutions business**, sales decreased compared with the corresponding period of the previous fiscal year. On the other hand, fixed costs were reduced through business restructuring.

ICT Solutions

Sales revenue increased 22.2 billion yen compared with the corresponding period of the previous fiscal year to 159.2 billion yen and comprised 16% of total sales. Operating income before special items increased 7.0 billion yen to 24.8 billion yen year on year. This was mainly due to improved terms of trade resulting from price revisions in response to rising raw material prices, as well as healthy sales in semiconductor & optical materials and ICT films & sheets.

In **semiconductor & optical materials**, sales were healthy.

In **coatings & engineering materials**, sales remained at the same level as the

corresponding period of the previous fiscal year.

In **ICT films & sheets**, sales were healthy. In addition, terms of trade improved due to price revisions and exchange rate differences.

In **nonwovens**, sales remained at the same level as the corresponding period of the previous fiscal year. In addition, terms of trade improved due to price revisions.

Basic & Green Materials

Sales revenue increased 80.9 billion yen compared with the corresponding period of the previous fiscal year to 376.5 billion yen and comprised 38% of total sales. Operating income before special items improved 38.7 billion yen, resulting in a profit of 28.2 billion yen. This was mainly due to improved terms of trade resulting from improved inventory revaluation gain and loss owing to higher raw material prices, such as naphtha, despite weak sales. In addition, lower fixed costs through business restructuring and increased share of profit of investments accounted for using the equity method also contributed to the improvement in operating income before special items.

In **phenols**, sales decreased compared with the same period of the previous fiscal year. On the other hand, terms of trade improved due to such factors as improved inventory revaluation gain and loss, while fixed costs improved through business restructuring.

In **polyolefin**, sales increased compared with the corresponding period of the previous fiscal year due to the integration of the domestic polyolefin business. In addition, terms of trade improved due to such factors as improved inventory revaluation gain and loss.

Naphtha cracker operating rates remained low mainly due to adjusting operations resulting from instability in the Middle East.

Others

Sales revenue increased 0.9 billion yen compared with the corresponding period of the previous fiscal year to 8.4 billion yen and comprised 1% of total sales. Operating Income before special items improved 0.5 billion yen, resulting in a profit of 0.2 billion yen year on year.

2. Financial Position

(1) Status of Assets, Liabilities and Net Assets

Total assets at the end of the first half stood at 2,476.7 billion yen, an increase of 325.0 billion yen compared with the previous fiscal year-end.

Total liabilities at the end of the first half increased 272.2 billion yen compared with the previous fiscal year-end to 1,435.1 billion yen. **Interest-bearing debt** amounted to 958.8 billion yen, an increase of 163.0 billion yen compared with the previous fiscal year-end. As a result, the interest-bearing debt ratio was 38.7%, an increase of 1.7 percentage point.

Total equity was 1,041.6 billion yen, an increase of 52.8 billion yen compared with the previous fiscal year-end. The **ratio of equity attributable to owners of the parent** was 35.9%, a decrease of 4.3 percentage point.

Accounting for the aforementioned factors, the **net debt-equity ratio** stood at 0.84 at the end of the first half, a 0.14 percentage point increase from the previous fiscal year-end.

(2) Cash Flow Status

Cash and cash equivalents (hereinafter "net cash") at the end of the first half increased 22.0 billion yen to 205.1 billion yen compared with the previous fiscal year-end.

Cash Flows from Operating Activities

Net cash provided by operating activities decreased 36.1 billion yen to 91.1 billion yen compared with the same period of the previous fiscal year, mainly due to an increase in working capital.

Cash Flows from Investing Activities

Net cash used in investing activities increased 123.6 billion yen to 181.2 billion yen compared with the same period of the previous fiscal year, due to an increase in payments for the acquisition of subsidiaries.

Cash Flows from Financing Activities

Net cash provided by financing activities was 114.2 billion yen, compared with a 72.8 billion yen expenditure in the same period of the previous fiscal year, due to an increase in borrowings of interest-bearing debt.

3. Outlook for Fiscal 2026 (Year Ending March 31, 2027)

(1) Overview

Revised financial forecasts are based on the following assumptions:
a) Exchange rate for the full year is 157 yen/US$ (Oct – Mar: 155 yen/US$)
b) Average price of domestic naphtha for the full year is 101,700 yen/kl (Oct – Mar: 95,000yen/kl)

In light of the actual results for the first half, sales revenue and incomes are expected to increase from the previously announced forecasts. This is mainly due to improvements in terms of trade resulting from price revisions in response to higher raw material prices, such as naphtha.

(Billions of Yen)

	Sales Revenue	Operating Income before Special Items	Operating Income	Net Income	Net Income Attributable to Owners of the Parent	Basic Earnings per Share (yen)
Previous forecast (A)	1,900.0	105.0	83.0	55.0	45.0	124.48
Revised forecast (B)	2,095.0	150.0	112.0	70.0	53.0	146.60
Difference (B-A)	195.0	45.0	29.0	15.0	8.0	
Difference (%)	10.3	42.9	34.9	27.3	17.8	
(Reference) FY2025 Actual (Apr. 1 2025-Mar. 31, 2026)	1,668.8	100.0	73.8	46.9	34.4	91.62

Note: On January 1, 2026, Mitsui Chemicals, Inc. (hereinafter the “Company”) conducted a two-for-one stock split of its common shares. Basic earnings per share has been calculated assuming that the stock split had been conducted at the beginning of the FY2025.

(2) Business Segment

Forecast by business segment is as follows.

(Billions of Yen)

	Sales Revenue						
	Life & Healthcare Solutions	Mobility Solutions	ICT Solutions	Basic & Green Materials	Others	Adjustment	Total
Previous forecast	270.0	530.0	320.0	630.0	150.0	-	1,900.0
Revised forecast	330.0	620.0	330.0	800.0	15.0	-	2,095.0
Difference	60.0	90.0	10.0	170.0	(135.0)	-	195.0

(Billions of Yen)

	Sales Revenue						
	Life & Healthcare Solutions	Mobility Solutions	ICT Solutions	Basic & Green Materials	Others	Adjustment	Total
Previous forecast	38.0	51.0	41.0	(3.0)	(18.0)	(4.0)	105.0
Revised forecast	34.5	51.0	48.0	22.5	(2.0)	(4.0)	150.0
Difference	(3.5)	0.0	7.0	25.5	16.0	0.0	45.0

4. Consolidated Statement of Financial Position

	Millions of yen	
	FY2025 As of March 31, 2026	FY2026 As of September 30, 2026
Assets		
Current assets		
Cash and cash equivalents	183,113	205,131
Trade receivables	327,640	355,131
Inventories	414,466	522,976
Other financial assets	34,749	51,982
Other current assets	33,191	33,258
Total current assets	**993,159**	**1,168,478**
Non-current assets		
Property, plant and equipment	672,745	706,915
Right-of-use assets	48,039	47,191
Goodwill	24,782	86,403
Intangible assets	73,195	118,795
Investment property	21,744	21,744
Investments accounted for using equity method	156,208	162,967
Other financial assets	99,075	102,196
Retirement benefit assets	48,339	48,935
Deferred tax assets	5,382	5,087
Other non-current assets	8,984	8,029
Total non-current assets	**1,158,493**	**1,308,262**
Total assets	**2,151,652**	**2,476,740**

	Millions of yen	
	FY2025 As of March 31, 2026	FY2026 As of September 30, 2026
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	133,628	210,333
Bonds and borrowings	296,727	476,554
Income taxes payable	6,075	16,996
Other financial liabilities	103,361	108,439
Provisions	1,857	1,962
Other current liabilities	49,453	53,067
Total current liabilities	**591,101**	**867,351**
Non-current liabilities		
Bonds and borrowings	443,464	427,965
Other financial liabilities	53,017	54,559
Retirement benefit liabilities	16,926	16,199
Provisions	7,297	5,098
Deferred tax liabilities	50,879	63,236
Other non-current liabilities	184	711
Total non-current liabilities	**571,767**	**567,768**
Total liabilities	**1,162,868**	**1,435,119**
Equity		
Share capital	125,738	125,738
Capital surplus	51,100	18,065
Treasury stock	(56,991)	(34,819)
Retained earnings	626,617	672,092
Other components of equity	118,263	108,505
Total equity attributable to owners of the parent	**864,727**	**889,581**
Non-controlling interests	**124,057**	**152,040**
Total equity	**988,784**	**1,041,621**
Total liabilities and equity	**2,151,652**	**2,476,740**

5. Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

(Consolidated Statement of Income)

	Millions of yen	
	FY2025 April 1, 2025 to September 30, 2025	FY2026 April 1, 2026 to September 30, 2026
Sales revenue	**813,590**	**979,082**
Cost of sales	(633,598)	(735,180)
Gross profit	**179,992**	**243,902**
Selling, general and administrative expenses	(142,562)	(157,470)
Other operating income	894	1,828
Other operating expenses	(19,290)	(8,530)
Share of profit of investments accounted for using equity method	8,903	14,034
Operating income	**27,937**	**93,764**
Financial income	4,014	4,516
Financial expenses	(5,787)	(7,699)
Income before income taxes	**26,164**	**90,581**
Income tax expense	**(10,478)**	**(19,230)**
Net income	**15,686**	**71,351**
Net income attributable to:		
Owners of the parent	**7,843**	**58,822**
Non-controlling interests	**7,843**	**12,529**
Net income	**15,686**	**71,351**
Earnings per share		
Basic earnings per share (Yen)	20.88	162.71

(Consolidated Statement of Comprehensive Income)

	Millions of yen	
	FY2025 April 1, 2025 to September 30, 2025	FY2026 April 1, 2026 to September 30, 2026
Net income	**15,686**	**71,351**
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	4,268	(899)
Remeasurements of defined benefit plans	9,396	109
Share of other comprehensive income of investments accounted for using equity method	90	(237)
Total of items that will not be reclassified to profit or loss	13,754	(1,027)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	2,433	(8,091)
Effective portion of net change in fair value of cash flow hedges	2	(66)
Share of other comprehensive income of investments accounted for using equity method	(1,961)	(1,211)
Total of items that may be reclassified to profit or loss	474	(9,368)
Total other comprehensive income, net of tax	**14,228**	**(10,395)**
Comprehensive income	**29,914**	**60,956**
Comprehensive income attributable to:		
Owners of the parent	21,492	49,619
Non-controlling interests	8,422	11,337
Comprehensive income	**29,914**	**60,956**

6. Consolidated Statement of Cash Flows

	Millions of yen	
	FY2025 April 1, 2025 to September 30, 2025	FY2026 April 1, 2026 to September 30, 2026
Net cash provided by (used in) operating activities		
Income before income taxes	26,164	90,581
Depreciation and amortization	51,163	58,706
Impairment loss	12,457	1,399
Interest and dividend income	(3,792)	(3,601)
Interest expenses	4,056	4,903
Share of loss (profit) of investments accounted for using equity method	(8,903)	(14,034)
Decrease (increase) in trade receivables	64,513	(20,474)
Decrease (increase) in inventories	19,578	(76,613)
Increase (decrease) in trade payables	(19,554)	75,340
Decrease (increase) in accounts receivable	9,660	(16,494)
Other	(19,845)	2,864
Subtotal	**135,497**	**102,577**
Interest and dividends received	6,559	8,305
Proceeds from insurance income	111	89
Interest paid	(4,169)	(5,845)
Income taxes refund (paid)	(10,786)	(14,039)
Net cash provided by (used in) operating activities	**127,212**	**91,087**
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(54,683)	(60,140)
Proceeds from sale of property, plant and equipment	46	278
Purchase of intangible assets	(5,746)	(2,397)
Proceeds from sale of intangible assets	1	—
Purchase of investment securities	(2,163)	(3,743)
Proceeds from sale and redemption of investment securities	4,260	986
Payments for acquisition of subsidiaries	(3,706)	(115,617)
Proceeds from sale of subsidiaries	5,448	—
Decrease in the loss of control of subsidiaries	—	(588)
Purchase of equity accounted investments	(1)	—
Proceeds from sale of equity accounted investments	—	404
Other	(1,043)	(357)
Net cash provided by (used in) investing activities	**(57,587)**	**(181,174)**

	Millions of yen	
	FY2025 April 1, 2025 to September 30, 2025	FY2026 April 1, 2026 to September 30, 2026
Net cash provided by (used in) financing activities		
Increase (decrease) in short-term borrowings	(4,235)	182,854
Increase (decrease) in commercial papers	(28,000)	1,000
Proceeds from long-term borrowings	4,381	—
Repayments of long-term borrowings	(5,223)	(16,619)
Redemption of bonds	(10,000)	(15,000)
Repayments of lease liabilities	(4,757)	(4,993)
Proceeds from sale of treasury stock	1	0
Purchase of treasury stock	(8)	(12,785)
Dividends paid	(14,051)	(13,804)
Capital contribution from non-controlling interests	—	5
Dividends paid to non-controlling interests	(8,520)	(6,500)
Payments for acquisition of interests in subsidiaries from non-controlling	(2,369)	—
Other	1	1
Net cash provided by (used in) financing activities	**(72,780)**	**114,159**
Effect of exchange rate change on cash and cash equivalents	1,462	(2,054)
Net increase (decrease) in cash and cash equivalents	**(1,693)**	**22,018**
Cash and cash equivalents at beginning of period	**170,615**	**183,113**
Cash and cash equivalents at end of period	**168,922**	**205,131**

7. Segment Information

(1) Overview of Reportable Segments

The Group's business segments are the components for which separate financial information is available and that are regularly reviewed by the Board of Directors (chief operating decision maker) to make decisions about management resources to be allocated to the segments and assess their performance.

The Group positions business sector distinguished by their products and services within its headquarters. Each business sector proposes comprehensive domestic and overseas strategies in addition to pursuing business expansion in its respective product and service area.

Comprehensively considering similarities such as the details of products and services and target markets, the four reportable segments (distinguished by products and services) that comprise the Group's operations without aggregating the business segments are: Life & Healthcare Solutions, Mobility Solutions, ICT Solutions, and Basic & Green Materials. Business segments, which are not included in the reportable segments. are classified into “Others.”
Major products manufactured and sold by business segments are as follows:

Segments		Major Products and Businesses
Reportable Segments	Life & Healthcare Solutions	Vision care materials, oral care materials, personal care materials, and agrochemicals
	Mobility Solutions	Elastomers, performance compounds, polypropylene compounds, and comprehensive services regarding to the development of automotive and industrial products (Solution business)
	ICT Solutions	Materials and components for semiconductor and electronic component manufacturing processes, optical materials, nonwoven fabrics, lithium-ion battery materials, next-generation battery materials, and high-performance food packaging materials
	Basic & Green Materials	Ethylene, propylene, polyethylene, polypropylene, catalysts, phenols, PTA, PET, polyurethane materials, and industrial chemical products
Others	Others	Other related businesses, etc.

(2) Methods to Determine Sales Revenue, and Income or Loss by Reportable Business Segment

Reportable segment income is presented in operating income before special items which stands for operating income excluding non-recurring items (e.g., losses resulting from withdrawing from and/or downsizing businesses).
Intersegment transaction pricing and transfer pricing are negotiated and determined based on prevailing market prices.

(3) Information concerning Sales Revenue, and Income or Loss by Reportable Business Segment

Same period of previous fiscal year (April 1, 2025 – September 30, 2025) (Millions of yen)

	Reportable Segment					Others (Note 1)	Adjustment (Note 2)	Consolidated
	Life & Healthcare Solutions	Mobility Solutions	ICT Solutions	Basic & Green Materials	Total			
Sales revenue								
1) External customers	115,303	258,230	137,034	295,563	806,130	7,460	—	813,590
2) Intersegment	2,135	1,564	2,682	33,000	39,381	31,166	(70,547)	—
Total	117,438	259,794	139,716	328,563	845,511	38,626	(70,547)	813,590
Segment income (loss) (Operating income before special items)	13,006	26,027	17,788	(10,533)	46,288	(364)	(1,467)	44,457

Notes: 1. "Others" encompasses business segments not included in the reportable segments and includes other related businesses, etc.
2. The negative 1,467 million yen in adjustments to segment income includes corporate loss of 1,383 million yen not allocated to reportable segments and negative 84 million yen elimination of intersegment transactions. Corporate profit (loss) mainly comprise general & administrative expenses and R&D expenses for new business which are usually not attributed to segments, and allocation difference of general & administrative expenses to be borne by segments.

First Half (April 1, 2026 – September 30, 2026) (Millions of yen)

	Reportable Segment					Others (Note 1)	Adjustment (Note 2)	Consolidated
	Life & Healthcare Solutions	Mobility Solutions	ICT Solutions	Basic & Green Materials	Total			
Sales revenue								
1) External customers	134,564	300,424	159,258	376,486	970,732	8,350	—	979,082
2) Intersegment	2,637	1,697	4,732	48,839	57,905	33,254	(91,159)	—
Total	137,201	302,121	163,990	425,325	1,028,637	41,604	(91,159)	979,082
Segment income (loss) (Operating income before special items)	12,742	36,545	24,787	28,238	102,312	258	(3,241)	99,329

Notes: 1. "Others" encompasses business segments not included in the reportable segments and includes other related businesses, etc.
2. The negative 3,241 million yen in adjustments to segment income includes corporate loss of 2,884 million yen not allocated to reportable segments and negative 357 million yen elimination of intersegment transactions. Corporate profit (loss) mainly comprise general & administrative expenses and R&D expenses for new business which are usually not attributed to segments, and allocation difference of general & administrative expenses to be borne by segments.

(4) Adjustments from segment income to income before income taxes

(Millions of yen)

	Same period of previous fiscal year (April 1, 2025 – September 30, 2025)	First Half (April 1, 2026 – September 30, 2026)
Total reportable segment income	44,457	99,329
Loss on disposal of non-current assets	(1,757)	(4,170)
Impairment loss	(12,457)	(1,399)
Loss on related business	(2,201)	(41)
Other	(105)	45
Operating income	27,937	93,764
Financial income	4,014	4,516
Financial expenses	(5,787)	(7,699)
Income before income taxes	26,164	90,581

8. Business Combination

(Integrate Polyolefin Business in Japan)

On July 1, 2026, Prime Polymer Co., Ltd. (hereinafter “PRM”), a consolidated subsidiary of the Company, implemented a business integration (hereinafter the “Business Integration”) of Sumitomo Chemical Co., Ltd.’s (hereinafter “Sumitomo Chemical”) domestic polypropylene (“PP”) and linear low-density polyethylene (“LLDPE”) businesses into PRM.
The Business Integration follows the memorandum of understanding dated September 10, 2025 and the definitive agreements executed on December 24, 2025.

(1) Outline of the Business Integration

a) Description of the Businesses Subject to the Business Integration

Sumitomo Chemical’s domestic PP business and LLDPE business (hereinafter, the “Subject Businesses”)

b) Primary reason for the Business Integration

Since its establishment in 2005 as a joint venture between the Company and Idemitsu Kosan Co., Ltd. (hereinafter “Idemitsu”), PRM has been a leader in the Japanese polyolefin (“PO”) industry, with PP, LLDPE, and high-density polyethylene as its main products. PRM and Sumitomo Chemical have a shared understanding that integrating the Subject Businesses into PRM will not only strengthen the domestic PO business but also enhance its competitiveness against imported products. The Business Integration is expected to generate significant synergies both in the operations of PRM and Sumitomo Chemical, both having operating bases in the Keiyo region of Japan, and in the development of technologies to reduce environmental impact.

Through the Business Integration, the Company, Idemitsu, and Sumitomo Chemical will work together to optimize the PO production system, with the goal of achieving cost savings of more than 8 billion yen per year, thereby further strengthening their competitiveness as resilient and essential companies. Furthermore, by enhancing their capabilities to develop high-performance and environmentally conscious products, the Company, Idemitsu, and Sumitomo Chemical will accelerate efforts to achieve a sustainable green chemical business.

c) Method of the Business Integration

In order to achieve the Business Integration as swiftly as possible, Sumitomo Chemical transfers its businesses subject to the Business Integration to PRM through a two-phase absorption-type split (the first phase of the absorption-type split is hereinafter referred to as “Absorption-Type Split Phase One,” and the second phase as “Absorption-Type Split Phase Two”).

In consideration for Absorption-Type Split Phase One, Sumitomo Chemical acquired equity shares equivalent to a 20% stake in PRM. The consideration for Absorption-Type Split Phase Two will be a split value to be separately agreed upon by Sumitomo Chemical and PRM.

d) Effective Date

Absorption-Type Split Phase One: July 1, 2026
Absorption-Type Split Phase Two: April 1, 2027 (planned)

e) Share Allocation Related to the Business Integration

Following the effectiveness of the Business Integration, PRM issued new common shares and delivered them to Sumitomo Chemical as consideration for the rights and obligations succeeded to by PRM. As a result, the equity interests in PRM became 52% for the Company, 28% for Idemitsu, and 20% for Sumitomo Chemical.

(2) Acquisition-Date Fair Value of Consideration Transferred

(Millions of Yen)

	Amount
Fair value of PRM common shares delivered on the date of the Business Integration	14,248
Fair value of consideration transferred (total)	14,248

(3) Assets Acquired, Liabilities Assumed, Non-controlling Interests, and Goodwill

(Millions of Yen)

	Fair Value
Trade receivables	133
Inventories	19,550
Property, plant and equipment	261
Intangible assets	9,570
Bonds and borrowings	(4,084)
Other liabilities	(3,814)
Fair value (net) of assets acquired and liabilities assumed	21,616
Non-controlling interests	10,376
Goodwill	3,008

Notes:

1. Non-controlling interests are calculated as the ratio of non-controlling interests to the fair value of identifiable net assets of the acquired company.
2. Because the fair value measurement of assets acquired and liabilities assumed has not been completed as of the end of the interim consolidated accounting period and purchase price allocation has not been finalized, the above amounts have been calculated provisionally based on reasonable information available at this time.
3. The principal components of goodwill consist of synergies with the existing businesses and excess earning power expected to result from the Business Integration, which do not qualify for separate recognition. No amount of goodwill is expected to be deductible for tax purposes.

(4) Business Integration-related Costs

Business Integration-related costs of 489 million yen were recognized under “Selling, general and administrative expenses” in the consolidated statements of income.

(5) Impact on the Business Performance of the Group

Sales revenue and interim profit generated by the acquiree subsequent to the acquisition date are not disclosed because the amounts were immaterial.

In addition, profit or loss information assuming that the business combination had been carried out at the beginning of the fiscal year is not disclosed because the amount of the impact on the condensed interim consolidated financial statements was immaterial. The related pro forma information has not been subject to an interim review.

(Acquisition of Ultradent Products, Inc. in the United. States.)

The Company acquired shares of Ultradent which engages in the development, manufacturing, and sale of dental products, such as teeth whitening and dental restorative materials, primarily in the United States, through MC Dental Holdings America, Inc., a wholly owned subsidiary established in North America with 100% investment by Mitsui Chemicals America, Inc., a wholly owned subsidiary of the Company, and made Ultradent a wholly owned subsidiary (hereinafter the “Acquisition”).

(1) Outline of the Acquisition

a) Name of the Acquired Company and Description of Its Business

Name of acquired company: Ultradent Products, Inc.

Description of its business:

Development, manufacture and sale of dental products, including teeth whitening and dental restorative materials

b) Acquisition Date

August 14, 2026

c) Primary Reason for the Acquisition

Ultradent has development and manufacturing bases in the United States and is a global leader in teeth whitening and dental restorative materials within dental material markets, with outstanding design, development, and manufacturing technologies. Meanwhile, the teeth whitening sector is expected to expand globally at a high growth rate, supported by rising awareness of oral health and aesthetics worldwide. In addition, Ultradent has established direct sales channels to dental clinics, and the Company believes that the acquisition will strengthen the Group’s business foundation in the United States for its oral care business.

In addition, Kulzer GmbH Group (hereinafter “Kulzer”), which is at the center of the Company’s oral care business, is expanding globally with EMEA (Europe, the Middle East and Africa) as a key region, and its product portfolio is particularly strong in dental restorative materials. Kulzer and Ultradent are complementary not only in terms of their geographic footprint but also in terms of their product portfolios, and the Company determined that this aligns with its growth strategy for the oral care business, leading the Company to carry out the acquisition.

d) Method of Obtaining Control of the Acquired Company

Acquisition of shares for cash through a wholly owned subsidiary of the Company

(2) Acquisition-Date Fair Value of Consideration Transferred

(Millions of Yen)

	Amount
Consideration transferred (cash)	124,055
Fair value of consideration transferred (total)	124,055

(3) Assets Acquired, Liabilities Assumed, and Goodwill

(Millions of Yen)

	Fair Value
Cash and cash equivalents	9,015
Trade receivables	8,501
Inventories	16,443
Property, plant and equipment	17,208
Other assets	56,259
Financial liabilities	(15,524)
Other liabilities	(27,076)
Fair value (net) of assets acquired and liabilities assumed	64,826
Basis adjustment	577
Goodwill	59,806

Business real estate	15,259

Notes:
1. Because the fair value measurement of assets acquired and liabilities assumed has not been completed as of the end of the interim consolidated accounting period and purchase price allocation has not been finalized, the above amounts have been calculated provisionally based on reasonable information available at this time.
2. The Company entered into foreign exchange forward contracts to hedge the foreign exchange risk associated with the U.S. dollar-denominated consideration for the Acquisition and applied hedge accounting. These hedging instruments were cash-settled at fair value on the acquisition date. The basis adjustment represents the change in the fair value of the hedging instruments recognized in other comprehensive income as of the acquisition date and is ultimately included in the carrying amount of goodwill.
3. The principal components of goodwill consist of synergies with the existing businesses and excess earning power expected to result from the Acquisition, which do not qualify for separate recognition. No amount of goodwill is expected to be deductible for tax purposes.
4. The amount of business real estate acquired together with the shares is presented for reference purposes.

(4) Payments for the Acquisition of a Subsidiary

(Millions of Yen)

	Amount
Consideration transferred (cash)	124,055
Cash and cash equivalents held by the acquiree at the acquisition date	(9,015)
Cash paid for the acquisition of the subsidiary	115,040
Basis adjustment	577
Net cash paid for the acquisition of the subsidiary	115,617

Notes:
1. A portion of the above consideration transferred was contributed to an escrow account, as stipulated in the share transfer agreement, during the current interim consolidated accounting period.

(5) Acquisition-related Costs

Acquisition-related costs of 366 million yen were recognized under “Selling, general and administrative expenses” in the consolidated statements of income.

(6) Impact on the Business Performance of the Group

Sales revenue and interim profit generated by the acquiree subsequent to the acquisition date are not disclosed because the amounts were immaterial.

In addition, profit or loss information assuming that the business combination had been carried out at the beginning of the fiscal year is not disclosed because the amount of the impact on the condensed interim consolidated financial statements was immaterial. The related pro forma information has not been subject to an interim review.

9. Subsequent Events

(The Execution of Agreement to Acquire JSR Corporation)

In order to accelerate a major business portfolio transformation toward realizing the Group's goal of becoming a truly global specialty company, the Company, by a resolution of its Board of Directors dated November 9, 2026, resolved as follows, and has entered into the relevant agreements:

・to enter into a share purchase agreement with investment funds managed and operated by JIC Capital, Ltd. (JIC Capital, Ltd. and such funds, individually or collectively, hereinafter referred to as "JICC" or the "Sellers") for the shares of JSR Corporation (hereinafter referred to as "JSR"), which engages in the development and manufacture of semiconductor materials including photoresists, and to make JSR a consolidated subsidiary of the Company (the "Transaction");
・to make a shelf registration for the issuance of new shares in conjunction with the implementation of the Transaction; and
・to enter into a shareholders' agreement with Development Bank of Japan Inc. ("DBJ"), which will jointly invest in connection with the Transaction.

Accordingly, in connection with the Transaction, JSR and four of its affiliated companies will become specified subsidiaries of the Company.

(1) Background and Objectives of the Implementation of the Transaction
Under "VISION 2030," the Company has established five basic strategies consisting of "Pursuing Business Portfolio Transformation," "Building Solutions-based Business Models," "Bolstering Circular Economy Initiatives," "Achieving Corporate Transformation through Digital Transformation," and "Accelerating Management and Business Transformation," and aims to realize a corporate group that continues to grow sustainably.

In "Pursuing Business Portfolio Transformation," which is at the core of "VISION 2030," the Company is pursuing, as its basic policy, the concentrated allocation of resources particularly in the ICT Solutions domain, which has high growth potential, and the Life & Healthcare Solutions domain, where stable growth can be expected, and the achievement of returns exceeding market growth, so that the Company can become a global specialty company that achieves high growth and high profitability in specialty chemicals domains.

In this context, the Company determined that JSR, which has an advanced semiconductor materials business, including advanced photoresists with world-class competitiveness, a strong customer base in the semiconductor and optical fields, market-leading product lines, world-leading technological and development capabilities, as well as global expansion capabilities, would become a business that plays a central role in strengthening the ICT Solutions domain promoted by the Company and accelerating its business portfolio transformation. Accordingly, the Company resolved to implement the Transaction. The Company believes that the Transaction is in line with the basic policy described above and that, by becoming one of Japan's leading semiconductor materials companies in terms of sales through combining the Company and JSR, the Group, as a corporate group with competitive strength in semiconductor materials, will attain a strong presence in its market and realize high growth potential and profitability in its ICT Solutions business through the creation of synergies.

Following completion of the Transaction, the Company will position JSR as a core business in the ICT Solutions domain and concentrate its management resources on JSR, actively making investments in research and development, human resources, and facilities, thereby continuing technological innovation in advanced semiconductor materials from a long-term perspective and pursuing the sustainable growth of the businesses of both the Company and

JSR. By mutually leveraging the customer bases, product lines and technologies in the semiconductor materials domain possessed by the Company and JSR, respectively, such as MITSUI PELLICLE™ and advanced photoresists in the front-end processes and ICROS™ Tape and thick-film resists in the back-end processes, the Company will seek to strengthen the development structure in cutting-edge fields, including advanced photoresists, create new products by combining the technologies of both companies, and strengthen the global development and supply structure, thereby aiming to enhance competitiveness in the semiconductor materials field and capture medium- to long-term growth opportunities. Furthermore, the Company believes that, in order to sustainably promote the mutual complementarity and growth of the businesses of both JSR and the Company following implementation of the Transaction, it will be necessary to carefully select the areas in which management resources are to be invested and actively invest such resources in business areas on which focus should be placed, as well as to optimize the Group's operating structure, including the rationalization of various functions.

Following completion of the Transaction, the Company will, in consultation with JSR, continuously consider the optimal business structure from the perspective of enhancing corporate value, and aim to achieve annual incremental profit of approximately 40 billion yen by fiscal year 2035 through the realization of the growth synergies and cost synergies described above. Furthermore, taking the Transaction as an opportunity, the Company will pursue further reorganizations and alliances in specialty fields, including semiconductors, going forward and seek to transform itself into a Japan-originated global specialty company capable of competing on an equal footing with global specialty companies overseas.

(2) Method of the Transaction

Pursuant to the share purchase agreement entered into between the Company and the Sellers, the Company expects to acquire, jointly with DBJ for cash consideration, all of the common shares of JSR held by JIC PEFJ1 Limited Partnership and JIC PEF1 Limited Partnership, investment funds managed and operated by JICC.

Furthermore, as of the present time, JSR has issued Class A preferred shares and Class B preferred shares, all of which are held by Mizuho Bank, Ltd. ("Mizuho Bank") and DBJ, respectively. With respect to both classes of preferred shares, the Company also expects to acquire them for cash consideration simultaneously with the implementation of the Transaction, based on the terms to be separately agreed upon with Mizuho Bank and DBJ, respectively. Both classes of preferred shares are scheduled to be converted into common shares following implementation of the Transaction.

Following the implementation of the Transaction, with respect to the common shares to be held by DBJ, it is planned that the terms of such shares will be amended so that all such shares will be converted into non-voting preferred shares.

(3) Overview of JSR

(i) Name	JSR Corporation
(ii) Location	1-9-2 Higashi-Shimbashi, Minato-ku, Tokyo
(iii) Description of business	Development, manufacture, and sale of advanced materials, such as semiconductor materials and display materials
(iv) Capital	16.3 billion yen (as of March 31, 2026)
(v) Date of establishment	June 2023 (business founded in December 1957)

(4) Number of Shares Acquired, Acquisition Amount, and Status of Shareholdings Before and After the Acquisition

(i) Number of shares owned before the acquisition	0 shares (Percentage of voting rights held: 0.0%)
(ii) Number of shares acquired	Common shares: 102,242,573 shares (In addition, Class A preferred shares: 1,868,933 shares; Class B preferred shares: 1,868,933 shares are also scheduled to be acquired pursuant to a separate agreement)
(iii) Acquisition price	1,840 billion yen (Note 1) Breakdown: Equity value: 1,392.1 billion yen (including DBJ's investment of 200 billion yen) Interest-bearing debt and other items: 447.9 billion yen
(iv) Number of shares owned after the acquisition	Common shares: 102,242,573 shares (of which DBJ will hold shares in a number equivalent to its investment of 200 billion yen) (In addition, Class A preferred shares: 1,868,933 shares; Class B preferred shares: 1,868,933 shares are also scheduled to be acquired pursuant to a separate agreement (Note 2)) (Percentage of voting rights held by the Company: 100.0% (Note 3))

(Note 1) The final acquisition consideration will be determined after applying various adjustments at closing.
(Note 2) It is anticipated that the Class A preferred shares and Class B preferred shares will be converted into common shares after implementation of the Transaction.
(Note 3) Following completion of the Transaction, all common shares of JSR held by DBJ will be converted into non-voting preferred shares.

(5) Schedule for the Transaction

(i) Date of execution of the agreement	November 9, 2026
(ii) Completion of the Transaction	The Transaction is expected to be completed promptly after the necessary approvals under competition law and foreign investment regulations have been obtained and other conditions precedent have been satisfied. (At present, the Company is aiming for completion in the second half of the fiscal year ending March 2028; however, this may change depending on when the necessary procedures and actions under competition law and foreign investment regulations are completed.)

(6) Financing Plan
(A) Method of Raising Acquisition Funds
Funds for the Transaction (including JSR's post-acquisition working capital and various expenses related to implementation of the Transaction) are planned to be raised as follows: 1,640 billion yen through a bridge loan to be provided by the principal financial institutions with which the Company has existing business relationships, and 200 billion yen through an investment from DBJ.

(B) Transition to Permanent Financing
Following completion of the Transaction, the Net Debt/EBITDA multiple is expected to temporarily exceed four times, and indicators such as the net debt-to-equity ratio and the equity ratio are also expected to be negatively impacted. Therefore, to restore financial

soundness promptly following completion of the Transaction, ensure financial soundness sufficient to sustain an issuer credit rating in the “A” category, and minimize refinancing risk, the Company aims to refinance the 1,640 billion yen bridge loan for the Transaction with permanent financing through a combination of bank loans, bonds and equity and, as part of such refinancing, will consider raising funds so that an amount equivalent to 300 billion yen will be recognized as equity by rating agencies, with a target of doing so within one year after completion of the acquisition. Specifically, the Company intends to cap the amount raised through common shares, including the use of treasury shares held by it, at 150 billion yen, and by combining this with mezzanine financing that qualifies as equity for rating purposes (300 billion yen, of which 50% is assumed to be recognized as equity), the Company will strive to secure a sound financial foundation while limiting dilution for existing shareholders to the extent possible. The Company plans to raise the remaining amount through debt financing, and by diversifying its funding methods, the Company will strive to reduce the overall capital and interest costs incurred in the transition to permanent financing.

(7) Matters Concerning the Shelf Registration

In connection with the financing plan described in Section (6) above, the Company made a shelf registration for common shares (up to 150 billion yen) on November 9, 2026. The specific timing of the fundraising will be considered based on the progress of the Transaction, and the Company will announce it when it is decided.

(a) Class of securities to be offered	: Common shares of the Company
(b) Scheduled issuance period	: From the scheduled effective date of the shelf registration (November 17, 2026) until the date two years later (November 16, 2028)
(c) Scheduled issuance amount	: Up to 150 billion yen
(d) Offering method	: To be determined
(e) Use of proceeds	: The entire amount is expected to be used to partially repay the bridge loan for the Transaction.
(f) Underwriting securities firms	: The primary underwriters are expected to be SMBC Nikko Securities Inc. and Mizuho Securities Co., Ltd.

(8) Changes in Specified Subsidiaries Resulting from the Transaction

As a result of the Transaction, in addition to JSR, four affiliated companies of JSR—Inpria Corporation, KBI Biopharma, Inc., JSR North America Holdings, Inc., and JSR Life Sciences, LLC—will become specified subsidiaries of the Company.

(9) Future Outlook

The Company aims to complete the Transaction in the second half of the fiscal year ending March 2028. The impact on the Company’s non-consolidated and consolidated financial results for the fiscal year ending March 2027 will be minor. The specific closing date depends on the status of obtaining the necessary permits, licenses, and approvals from relevant authorities in Japan and overseas; therefore, the Company will make a further announcement if any changes occur or if a more specific date becomes known.