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## Consolidated Financial Results for the Six Months Ended September 30, 2025 (under Japanese GAAP)

November 5, 2025

Company name: **Sanyo Chemical Industries, Ltd.**  
Listing: Tokyo Stock Exchange  
Securities code: 4471  
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Representative: Akinori Higuchi, President & CEO  
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Scheduled date to file semi-annual securities report: November 13, 2025  
Scheduled date to commence dividend payments: December 8, 2025  
Preparation of supplementary material on financial results: Yes  
Holding of financial results presentation meeting: Yes (for analysts)

(Figures are rounded down to the nearest million yen)

### 1. Consolidated financial results for the first six months of the fiscal year ending March 31, 2026 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative) (% indicates year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2025	63,779	(17.2)	4,290	(3.7)	5,030	0.8	10,417	—
September 30, 2024	77,030	(2.8)	4,453	120.5	4,991	0.9	940	(78.6)

Note: Comprehensive income: Six months ended September 30, 2025 ¥14,889 million [—%]  
Six months ended September 30, 2024 ¥(545) million [—%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2025	470.92	—
September 30, 2024	42.55	—

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2025	186,158	151,222	79.6	6,696.23
March 31, 2025	176,366	138,302	76.8	6,119.90

Reference: Equity: As of September 30, 2025 ¥148,131 million  
As of March 31, 2025 ¥135,385 million

## 2. Cash dividends

	Cash dividends per share				
	1Q (as of June 30)	2Q (as of Sept. 30)	3Q (as of Dec. 31)	4Q (as of Mar. 31)	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	85.00	—	85.00	170.00
Fiscal year ending March 31, 2026	—	85.00			
Fiscal year ending March 31, 2026 (Forecast)			—	85.00	170.00

Note: Revisions of the latest forecasts for cash dividends announced: None

## 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(% indicates year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2026	130,000	(8.6)	10,000	18.5	11,000	13.8	16,000	285.4	723.26

Note: Revisions of the latest forecasts for earnings announced: None

**\* Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Excluded: 1 company (SDP Global Co., Ltd.)

Note: See page 11, “2. Semi-annual consolidated financial statements and significant notes thereto, (4) Notes to semi-annual consolidated financial statements, Significant changes in the scope of consolidation during the period” for more information.

(2) Application of special accounting methods for the preparation of semi-annual consolidated financial statements: Yes

Note: See page 11, “2. Semi-annual consolidated financial statements and significant notes thereto, (4) Notes to semi-annual consolidated financial statements, Application of special accounting methods for the preparation of semi-annual consolidated financial statements” for more information.

(3) Changes in accounting policies, accounting estimates, and restatements

- |  |        |
|--|--------|
| a. Changes in accounting policies associated with revised accounting standards, etc. | : None |
| b. Changes in accounting policies other than a. above                                | : None |
| c. Changes in accounting estimates   | : None |
| d. Restatements  | : None |

(4) Number of shares issued (common stock)

a. Number of shares issued at the end of the period (including treasury shares)

As of September 30, 2025	23,534,752 shares
As of March 31, 2025	23,534,752 shares

b. Number of treasury shares at the end of the period

As of September 30, 2025	1,413,064 shares
As of March 31, 2025	1,412,596 shares

c. Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

For the six months ended September 30, 2025	22,121,965 shares
For the six months ended September 30, 2024	22,097,785 shares

Note: Shares of Sanyo Chemical Industries, Ltd. (the “Company”) owned by the trust whose beneficiaries are directors, etc. of the Company are included in the treasury shares that are excluded in calculating the number of treasury shares at the end of the period and the average number of shares outstanding during the period.

\* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit corporation.

\* Appropriate use of earnings forecasts and other special items

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual earnings may differ significantly due to various factors. See page 5, “1. Qualitative information regarding financial results for the six months ended September 30, 2025, (3) Information concerning future forecast such as consolidated earnings forecasts” for more information regarding the circumstances behind the assumptions used in earnings forecasts and matters to be noted when relying on earnings forecasts.

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## 1. Qualitative information regarding financial results for the six months ended September 30, 2025

### (1) Financial position and operating results

During the six months ended September 30, 2025, Japanese economy showed a gradual recovery against a backdrop of an improvement in the employment and income environment. Meanwhile, the situation has been unpredictable as the impact on the business performances of certain manufacturing industries centered on the automobile industry is beginning to emerge, among other factors, despite a reduction in uncertainty from U.S. tariff policies. The forex market, driven by factors such as trends of the Japan-U.S. interest rate differential, saw the yen appreciate in the first half of the period, but it then shifted to a yen depreciation trend in the second half. Furthermore, oil prices dropped mainly due to a global economic slowdown and increased crude oil production policies by OPEC+. In the global economy, the outlook remains uncertain due to factors such as an economic slowdown caused by U.S. tariff policies, stagnation of the Chinese economy, the prolonged situation between Russia and Ukraine, and the geopolitical risks surrounding the Middle East region.

In the chemical industry, the business environment is undergoing irreversible changes, such as the continued influx of Chinese products into the Japanese and Asian markets as a result of sluggish Chinese domestic demand and oversupply, and the progression of large-scale business restructuring and collaborations aimed at strengthening competitiveness in the domestic petrochemicals business, among others. In response to this change, the Company has been working to enhance profitability for its core businesses through the implementation of our business portfolio reform aimed at shifting to high-value-added businesses set out in the “New Medium-Term Management Plan 2025.” Additionally, it is also focusing on the continuous promotion of “Monozukuri Transformation” aimed at streamlining the entire supply chain and the promotion of “Production Restructuring” which works toward the divestiture, integration, and consolidation of production facilities, among others.

Under these circumstances, net sales for the period under review decreased by 17.2% year on year to ¥63,779 million primarily due to the impact of withdrawal from the superabsorbent polymer business and intensified competition with low-cost products made in China. In term of profit, operating profit was ¥4,290 million (a decrease of 3.7% year on year), as the improvement in profitability due to the withdrawal from the superabsorbent polymer business was not enough to offset the negative impact of decreased revenue, etc. Meanwhile, ordinary profit was ¥5,030 million (an increase of 0.8% year on year), mainly due to the foreign exchange gains. Additionally, profit attributable to owners of parent was ¥10,417 million (compared to profit of ¥940 million in the same period of the previous fiscal year due to factors such as the recording of ¥2,151 million in business restructuring expenses) mainly due to a recording of taxes expenses (profit), which includes income taxes and income taxes - deferred, resulting from careful consideration of the recoverability of deferred tax assets for the tax loss carry forwards and deductible temporary differences and the like carried over from the Company’s consolidated subsidiary SDP Global Co., Ltd. in connection with the absorption-type merger of said company.

## 1) Business performance

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025	Change		FY2024
			(Amount)	(Change)	
Net sales	77,030	63,779	(13,251)	(17.2)%	142,258
Operating profit	4,453	4,290	(163)	(3.7)%	8,439
Ordinary profit	4,991	5,030	39	0.8%	9,670
Profit attributable to owners of parent	940	10,417	9,477	—	4,151
Basic earnings per share	¥42.55	¥470.92	¥428.37	—	¥187.79
ROA (Return on assets*)	5.1%	5.6%		0.5 percentage point	5.1%
ROE (Return on equity)	1.4%	9.2%		7.8 percentage point	3.0%
ROIC (Return on invested capital)	4.8%	9.9%		5.1 percentage point	4.8%
Currency exchange (US\$, CNY)	US\$=¥152.78 CNY=¥21.17	US\$=¥146.03 CNY=¥20.30		¥(6.75) ¥(0.87)	US\$=¥152.62 CNY=¥21.11
Naphtha price in Japan	¥78,000/kl	¥64,900/kl		¥(13,100)/kl	¥75,700/kl

\*ROA (Return on assets) is calculated based on ordinary profit.

Note: ROA, ROE and ROIC for the six months ended September 30, 2024 and 2025 are annualized.

## 2) Business performance by segment

(Millions of yen)

	Six months ended September 30, 2024		Six months ended September 30, 2025		Change		FY2024	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Toiletries and Health Care	20,729	252	8,462	(129)	(12,267)	(381)	30,680	176
Petroleum and Automotives	25,112	2,113	24,702	2,890	(410)	776	49,232	3,979
Plastics and Textiles	13,384	1,426	12,978	1,023	(405)	(403)	26,839	2,867
Information and Electrics/Electronics	10,484	1,206	11,166	1,365	682	158	20,911	2,532
Environmental Protection, Construction and Others	7,318	(2)	6,468	(181)	(850)	(178)	14,594	4

## &lt;Toiletries and Health Care&gt;

In the Toiletries segment and the Health Care segment, sales declined significantly as a result of the withdrawal from the superabsorbent polymer business.

As a result, total net sales in this segment decreased by 59.2% year on year, to ¥8,462 million. Operating loss was ¥129 million (compared to operating profit of ¥252 million during the same period of the previous fiscal year).

## &lt;Petroleum and Automotives&gt;

In the Petroleum segment, while demand for lubricant additives was strong, due to a temporary increase in demand in the same period of the previous fiscal year, sales remained flat.

In the Automotives segment, sales decreased as the business environment became more challenging due to the inflow of low-cost products from overseas, which adversely affected the market for raw materials for polyurethane foams used in automobile seats and other applications, leading to sluggish sales both in Japan and overseas.

As a result, total net sales in this segment decreased by 1.6% year on year, to ¥24,702 million. Operating profit was ¥2,890 million (an increase of 36.7% year on year).

<Plastics and Textiles>

In the Plastics segment, although sales remained strong due to demand for permanent antistatic agents recovering, sales decreased due to sluggish sales of paint coating agents.

In the Textiles segment, sales decreased because sales of chemicals for carbon fibers used in wind turbines for wind power generation were sluggish, despite demand for urethane resins for synthetic leather and elastomer fiber for automotive interior recovering.

As a result, total net sales in this segment decreased by 3.0% year on year, to ¥12,978 million. Operating profit was ¥1,023 million (a decrease of 28.3% year on year).

<Information and Electrics/Electronics>

In the Information segment, sales of polymerization toner-related materials were weak, mainly due to the withdrawal from production operations in China. However, demand for toner resins showed a recovery trend, resulting in flat overall sales.

In the Electrics/Electronics segment, sales of electrolyte for aluminum electrolytic capacitors remained sluggish due to the slow recovery of the EV market. However, net sales increased due to higher sales of related materials as the advanced semiconductor market remained strong.

As a result, total net sales in this segment increased by 6.5% year on year, to ¥11,166 million. Operating profit was ¥1,365 million (an increase of 13.2% year on year).

<Environmental Protection, Construction and Others>

In the Environmental Protection segment, sales were weak due to low demand for heavy metal immobilizers, despite signs of recovery in cationic monomers used in polymer flocculants.

In the Construction segment, sales decreased significantly as the business environment became more challenging due to the inflow of low-cost products from overseas, which adversely affected the market for raw materials for polyurethane foams used in furniture, insulation agents, and other applications.

As a result, total net sales in this segment decreased by 11.6% year on year, to ¥6,468 million. Operating loss was ¥181 million (compared to operating loss of ¥2 million during the same period of the previous fiscal year).

The Group's financial position at the end of the period under review was as follows:

Total assets increased by ¥9,792 million compared with the end of the previous fiscal year, amounting to ¥186,158 million.

Net assets increased by ¥12,919 million from the end of the previous fiscal year, to ¥151,222 million.

Equity ratio rose by 2.8 percentage points from the end of the previous fiscal year, to 79.6%.

(2) Cash flows

Cash and cash equivalents ("cash") as of the end of the period under review amounted to ¥28,399 million. This marked an increase of ¥4,388 million compared with the end of the previous fiscal year.

The cash flow movements during the period under review and the factors influencing them were as follows:

*Cash flows from operating activities*

Net cash provided by operating activities amounted to ¥9,191 million (compared to ¥4,905 million in net cash provided during the same period of the previous fiscal year). This result was mainly due to the cash inflow from profit before income taxes of ¥3,998 million and depreciation of ¥4,598 million, which outweighed the cash outflow mainly from payment for business restructuring of ¥896 million and income taxes paid of ¥750 million.

*Cash flows from investing activities*

Net cash used in investing activities amounted to ¥2,902 million (compared to ¥3,475 million in net cash used during the same period of the previous fiscal year). This result was mainly due to the cash outlay of ¥3,106 million for purchase of non-current assets.

*Cash flows from financing activities*

Net cash used in financing activities amounted to ¥2,394 million (compared to ¥6,777 million in net cash used during the same period of the previous fiscal year). This result was mainly due to the cash outflow from dividends paid of ¥1,880 million.

(3) Information concerning future forecast such as consolidated earnings forecasts

Performance for the six months ended September 30, 2025 was mostly in line with the forecasts announced on August 1, 2025, and so the Company has left its full-year consolidated earnings forecasts unchanged.

The rates of progress made during the period under review in comparison to the full-year consolidated earnings forecasts announced on August 1, 2025 are shown in the table below.

(Millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Semi-annual consolidated earnings forecasts	62,000	4,500	5,000	11,500
[Progress to forecasts (%)]	[102.9]	[95.3]	[100.6]	[90.6]
Full-year consolidated earnings forecasts	130,000	10,000	11,000	16,000
[Progress to forecasts (%)]	[49.1]	[42.9]	[45.7]	[65.1]

\* These earnings forecasts were based on information available at the time of announcement. Actual earnings may differ due to various factors occurring in the future.



## 2. Semi-annual consolidated financial statements and significant notes thereto

### (1) Semi-annual consolidated balance sheets

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	24,532	28,542
Notes and accounts receivable - trade	35,059	34,577
Electronically recorded monetary claims - operating	146	125
Merchandise and finished goods	12,965	12,021
Semi-finished goods	5,118	5,116
Work in process	257	225
Raw materials and supplies	4,480	4,773
Other	2,867	3,097
Allowance for doubtful accounts	(485)	(485)
Total current assets	84,942	87,993
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,729	14,524
Machinery, equipment and vehicles, net	19,866	18,802
Land	8,850	8,879
Construction in progress	510	1,065
Other, net	2,185	2,024
Total property, plant and equipment	46,142	45,296
Intangible assets		
Software	5,231	4,597
Other	1,055	1,044
Total intangible assets	6,286	5,641
Investments and other assets		
Investment securities	30,713	35,428
Long-term loans receivable	2,255	1,945
Deferred tax assets	258	3,791
Retirement benefit asset	4,588	4,633
Other	1,204	1,453
Allowance for doubtful accounts	(25)	(24)
Total investments and other assets	38,994	47,226
Total non-current assets	91,423	98,165
Total assets	176,366	186,158

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	16,881	17,108
Electronically recorded obligations - operating	2,910	3,400
Short-term borrowings	441	391
Current portion of long-term borrowings	747	863
Accounts payable - other	4,581	3,913
Income taxes payable	669	535
Provision for bonuses	1,829	1,935
Provision for bonuses for directors (and other officers)	72	29
Electronically recorded obligations - non-operating	567	802
Other	1,629	1,994
Total current liabilities	30,332	30,976
Non-current liabilities		
Long-term borrowings	2,230	2,070
Deferred tax liabilities	2,808	—
Provision for share-based payments	366	423
Retirement benefit liability	91	97
Provision for business restructuring	1,664	813
Other	571	555
Total non-current liabilities	7,731	3,960
Total liabilities	38,063	34,936
<b>Net assets</b>		
Shareholders' equity		
Share capital	13,051	13,051
Capital surplus	13,289	13,289
Retained earnings	99,868	108,515
Treasury shares	(5,525)	(5,527)
Total shareholders' equity	120,683	129,328
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,412	14,941
Foreign currency translation adjustment	1,488	2,139
Remeasurements of defined benefit plans	1,800	1,722
Total accumulated other comprehensive income	14,702	18,803
Non-controlling interests	2,917	3,090
Total net assets	138,302	151,222
Total liabilities and net assets	176,366	186,158

(2) Semi-annual consolidated statements of income and semi-annual consolidated statements of comprehensive income  
Semi-annual consolidated statements of income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	77,030	63,779
Cost of sales	60,415	47,980
Gross profit	16,614	15,798
Selling, general and administrative expenses	12,161	11,508
Operating profit	4,453	4,290
Non-operating income		
Interest income	113	86
Dividend income	510	680
Foreign exchange gains	–	104
Share of profit of entities accounted for using equity method	463	–
Other	165	85
Total non-operating income	1,253	956
Non-operating expenses		
Interest expenses	70	56
Foreign exchange losses	444	–
Share of loss of entities accounted for using equity method	–	50
Compensation expenses	–	73
Other	200	37
Total non-operating expenses	715	216
Ordinary profit	4,991	5,030
Extraordinary losses		
Loss on retirement of non-current assets	309	695
Impairment losses on non-current assets	*1 308	–
Loss on valuation of investment securities	8	110
Business restructuring expenses	*2 2,151	*2 225
Total extraordinary losses	2,778	1,031
Profit before income taxes	2,212	3,998
Income taxes	920	(6,795)
Profit	1,292	10,794
Profit attributable to non-controlling interests	352	376
Profit attributable to owners of parent	940	10,417

## Semi-annual consolidated statements of comprehensive income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	1,292	10,794
Other comprehensive income		
Valuation difference on available-for-sale securities	(64)	3,528
Foreign currency translation adjustment	(1,723)	645
Remeasurements of defined benefit plans, net of tax	(50)	(78)
Total other comprehensive income	(1,838)	4,095
Comprehensive income	(545)	14,889
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(920)	14,491
Comprehensive income attributable to non-controlling interests	375	398

## (3) Semi-annual consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	2,212	3,998
Depreciation	5,119	4,598
Loss on retirement of non-current assets	309	695
Impairment losses	308	—
Increase (decrease) in provision for bonuses	(69)	104
Increase (decrease) in retirement benefit asset and liability	(107)	(157)
Increase (decrease) in provision for bonuses for directors (and other officers)	5	(42)
Increase (decrease) in provision for share-based payments	51	57
Interest and dividend income	(624)	(766)
Interest expenses	70	56
Share of loss (profit) of entities accounted for using equity method	(463)	50
Loss (gain) on valuation of investment securities	8	110
Decrease (increase) in trade receivables	6,469	746
Decrease (increase) in inventories	1,472	778
Increase (decrease) in trade payables	(5,228)	257
Business restructuring expenses	2,151	225
Other, net	(2,509)	(761)
Subtotal	9,176	9,950
Interest and dividends received	703	947
Interest paid	(78)	(60)
Income taxes paid	(1,227)	(750)
Payment for business restructuring	(3,668)	(896)
Net cash provided by (used in) operating activities	4,905	9,191
Cash flows from investing activities		
Purchase of non-current assets	(3,877)	(3,106)
Proceeds from collection of loans receivable	734	428
Loan advances	(84)	(80)
Other, net	(247)	(144)
Net cash provided by (used in) investing activities	(3,475)	(2,902)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(4,437)	(67)
Repayments of long-term borrowings	(166)	(173)
Net decrease (increase) in treasury shares	(2)	(1)
Dividends paid	(1,880)	(1,880)
Dividends paid to non-controlling interests	(175)	(225)
Other, net	(115)	(46)
Net cash provided by (used in) financing activities	(6,777)	(2,394)
Effect of exchange rate change on cash and cash equivalents	(119)	124
Net increase (decrease) in cash and cash equivalents	(5,466)	4,018
Cash and cash equivalents at beginning of period	27,188	24,010
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	—	369
Cash and cash equivalents at end of period	21,722	28,399

(4) Notes to semi-annual consolidated financial statements

*Notes to going concern assumptions*

None

*Significant changes in the scope of consolidation during the period*

During the six months ended September 30, 2025, SDP Global Co., Ltd., which was a wholly owned subsidiary of the Company, was dissolved in an absorption merger with the Company as the surviving company, and it has therefore been excluded from the scope of consolidation in the six months ended September 30, 2025.

*Notes on significant changes in the amount of shareholders' equity*

None

*Application of special accounting methods for the preparation of semi-annual consolidated financial statements*

*(Calculation of income tax expense)*

After applying tax effect accounting to profit before income taxes for the fiscal year, which includes the first six months under review, the Company makes a reasonable estimate of the effective tax rate and multiplies the profit before income taxes by that estimated effective tax rate. However, if the calculation of tax using such estimated effective tax rate would significantly lack rationality, the statutory tax rate is used after adjusting for important items in profit before income taxes among items that are not categorized as temporary differences, etc. Furthermore, income tax adjustments are included in the presentation of income taxes.

*Semi-annual consolidated statements of income*

*\*1 Impairment losses*

Six months ended September 30, 2024 (April 1, 2024 to September 30, 2024)

The Group recorded impairment losses on the following asset groups.

Location	Main use	Key breakdown components
San-Dia Polymers (Nantong) Co., Ltd. Jiangsu Province, China	Facilities related to Toiletries and Health Care	Machinery, equipment and vehicles ¥270 million Others ¥37 million

In principle, the Group classifies its assets into groups by factory.

As certain facilities are no longer expected to be used, the carrying amount has been reduced to the recoverable amount, and ¥308 million has been recorded as an impairment loss under extraordinary losses. The recoverable amount is measured by net realizable value, which is assessed based on professional appraisals.

Six months ended September 30, 2025 (April 1, 2025 to September 30, 2025)

None

\*2 Business restructuring expenses

Six months ended September 30, 2024 (April 1, 2024 to September 30, 2024)

Business restructuring expenses refer to those associated with the decision, made in the fiscal year ended March 31, 2024, to withdraw from the superabsorbent polymer business and cease production of surfactants and urethane resin products, etc. in Nantong, Jiangsu Province, China as part of the structural reform under the “New Medium-Term Management Plan 2025.”

The breakdown of business restructuring expenses was mainly ¥2,057 million for impairment losses, and ¥94 million for others.

Details concerning impairment losses are outlined below.

Location	Main use	Key breakdown components
San-Dia Polymers (Nantong) Co., Ltd. Jiangsu Province, China	Facilities related to Toiletries and Health Care	Buildings and structures ¥664 million Machinery, equipment and vehicles ¥1,046 million Others ¥346 million

In principle, the Group classifies its assets into groups by factory.

In accordance with the conclusion of an equity interest transfer agreement concerning San-Dia Polymers (Nantong) Co., Ltd. on September 27, 2024, the carrying amount of the above facilities has been reduced to the recoverable amount, and the decrement has been recorded in business restructuring expenses as an impairment loss under extraordinary losses. The recoverable amount is measured by net realizable value, which is assessed based on the equity interest transfer agreement.

Six months ended September 30, 2025 (April 1, 2025 to September 30, 2025)

Business restructuring expenses refer to those associated with the decision, made in the fiscal year ended March 31, 2024, to withdraw from the superabsorbent polymer business and cease production of surfactants and urethane resin products, etc. in Nantong, Jiangsu Province, China as part of the structural reform under the “New Medium-Term Management Plan 2025.”

The breakdown of business restructuring expenses was mainly ¥126 million for impairment losses, and ¥99 million for others.

Details concerning impairment losses are outlined below.

Location	Main use	Key breakdown components
Sanyo Chemical Industries, Ltd. (the Company) Nagoya Factory Tokai, Aichi	Facilities related to Toiletries and Health Care	Machinery, equipment and vehicles ¥124 million Others ¥1 million

In principle, the Group classifies its assets into groups by factory.

Due to progress made in the withdrawal from the superabsorbent polymer business and making the decision to remove the above facilities during the period under review, the carrying amount of the above facilities has been reduced to the recoverable amount, and the decrement has been recorded in business restructuring expenses as an impairment loss under extraordinary losses.

The recoverable amount is measured by net realizable value, which is assessed as zero due to the difficulty of sale.

Notes on segment information, etc.

[Segment information]

I Six months ended September 30, 2024 (April 1, 2024 to September 30, 2024)

1. Information regarding net sales, profit or loss by reportable segment

(Millions of yen)

	Reportable Segment						Adjustment	Total
	Toiletries and Health Care	Petroleum and Automotives	Plastics and Textiles	Information and Electrics/ Electronics	Environmental Protection, Construction and Others	Subtotal		
Net sales								
Sales to external customers	20,729	25,112	13,384	10,484	7,318	77,030	—	77,030
Intersegment sales/transfers	—	—	—	—	66	66	(66)	—
Total	20,729	25,112	13,384	10,484	7,384	77,096	(66)	77,030
Segment profit (loss)	252	2,113	1,426	1,206	(2)	4,996	(543)	4,453

Notes: 1. Company-wide expenses of ¥543 million not allocated to reportable segments are included in the adjustment to segment profit (loss). Company-wide expenses are research and development expenses for new businesses, etc. not belonging to reportable segments.

2. Total amount of segment profit (loss) has been adjusted with operating profit in the semi-annual consolidated statements of income.

2. Information regarding impairment losses of non-current assets or goodwill, etc. by reportable segment

(Millions of yen)

	Toiletries and Health Care	Petroleum and Automotives	Plastics and Textiles	Information and Electrics/ Electronics	Environmental Protection, Construction and Others	Total
Impairment losses	308	—	—	—	—	308
Business restructuring expenses	2,057	—	—	—	—	2,057
Total	2,365	—	—	—	—	2,365

Note: Of the impairment losses, ¥2,057 million is included in “Business restructuring expenses” in the semi-annual consolidated statements of income.



II Six months ended September 30, 2025 (April 1, 2025 to September 30, 2025)

1. Information regarding net sales, profit or loss by reportable segment

(Millions of yen)

	Reportable Segment						Adjustment	Total
	Toiletries and Health Care	Petroleum and Automotives	Plastics and Textiles	Information and Electrics/ Electronics	Environmental Protection, Construction and Others	Subtotal		
Net sales								
Sales to external customers	8,462	24,702	12,978	11,166	6,468	63,779	—	63,779
Intersegment sales/transfers	—	—	—	1	111	112	(112)	—
Total	8,462	24,702	12,978	11,168	6,579	63,892	(112)	63,779
Segment profit (loss)	(129)	2,890	1,023	1,365	(181)	4,968	(678)	4,290

Notes: 1. Company-wide expenses of ¥678 million not allocated to reportable segments are included in the adjustment to segment profit (loss). Company-wide expenses are research and development expenses for new businesses, etc. not belonging to reportable segments.

2. Total amount of segment profit (loss) has been adjusted with operating profit in the semi-annual consolidated statements of income.

2. Information regarding impairment losses of non-current assets or goodwill, etc. by reportable segment

(Millions of yen)

	Toiletries and Health Care	Petroleum and Automotives	Plastics and Textiles	Information and Electrics/ Electronics	Environmental Protection, Construction and Others	Total
Business restructuring expenses	126	—	—	—	—	126
Total	126	—	—	—	—	126

Note: Impairment losses of ¥126 million are included in “Business restructuring expenses” in the semi-annual consolidated statements of income.

<Reference>

[Information by geographic segment]

Six months ended September 30, 2024 (April 1, 2024 to September 30, 2024)

(Millions of yen)

	Japan	USA	China	Other	Total	Elimination or common assets	Consolidated total
Net sales							
(1) Sales to external customers	54,979	5,768	12,704	3,577	77,030	—	77,030
(2) Intersegment sales/transfers	7,852	14	167	670	8,704	(8,704)	—
Total	62,832	5,782	12,871	4,247	85,734	(8,704)	77,030
Operating profit (loss)	3,766	203	33	412	4,415	37	4,453

Six months ended September 30, 2025 (April 1, 2025 to September 30, 2025)

(Millions of yen)

	Japan	USA	China	Other	Total	Elimination or common assets	Consolidated total
Net sales							
(1) Sales to external customers	51,023	6,060	2,200	4,494	63,779	—	63,779
(2) Intersegment sales/transfers	7,683	14	145	1,111	8,956	(8,956)	—
Total	58,707	6,074	2,346	5,606	72,735	(8,956)	63,779
Operating profit (loss)	2,875	822	89	466	4,253	36	4,290

[Overseas net sales]

Six months ended September 30, 2024 (April 1, 2024 to September 30, 2024)

(Millions of yen)

	Asia	[Of which, China]	Americas	Other	Total
I. Overseas net sales	26,244	[16,041]	6,351	2,712	35,307
II. Consolidated net sales	—	[—]	—	—	77,030
III. Percentage of overseas net sales to consolidated net sales (%)	34.1	[20.8]	8.2	3.5	45.8

Six months ended September 30, 2025 (April 1, 2025 to September 30, 2025)

(Millions of yen)

	Asia	[Of which, China]	Americas	Other	Total
I. Overseas net sales	15,981	[7,200]	6,091	1,972	24,045
II. Consolidated net sales	—	[—]	—	—	63,779
III. Percentage of overseas net sales to consolidated net sales (%)	25.1	[11.3]	9.6	3.1	37.7

Notes: 1. The term “overseas net sales” refers to net sales of the Company (non-consolidated) and its consolidated subsidiaries registered in countries and regions outside Japan.

2. Areas included in each country or region are determined based on their degree of proximity.

3. Main countries or regions included in each geographic segment outside Japan

(1) Asia: South Korea, China, Indonesia, India, Thailand, etc.

(2) Americas: USA, Mexico, Brazil, etc.

(3) Other: Australia, Europe, the Middle East, etc.

### 3. Supplementary information

Trend of quarterly consolidated earnings

Fiscal year ended March 31, 2025

(Millions of yen)

	1Q April 2024 to June 2024	2Q July 2024 to September 2024	3Q October 2024 to December 2024	4Q January 2025 to March 2025	Total April 2024 to March 2025
Net sales	39,654	37,375	34,078	31,150	142,258
Operating profit	2,183	2,270	2,418	1,566	8,439
Ordinary profit	3,571	1,419	3,597	1,081	9,670
Profit (loss) attributable to owners of parent	2,402	(1,462)	2,700	511	4,151
Comprehensive income	4,278	(4,823)	2,227	(953)	728

Fiscal year ending March 31, 2026

(Millions of yen)

	1Q April 2025 to June 2025	2Q July 2025 to September 2025	Change (%)	
			The same period of the previous fiscal year July 2024 to September 2024	The previous period April 2025 to June 2025
Net sales	31,987	31,791	(14.9)	(0.6)
Operating profit	1,858	2,431	7.1	30.8
Ordinary profit	2,285	2,744	93.3	20.1
Profit (loss) attributable to owners of parent	8,992	1,424	—	(84.2)
Comprehensive income	10,537	4,352	—	(58.7)