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Consolidated Financial Results for the Nine Months Ended December 31, 2025 (under Japanese GAAP)

February 9, 2026

Company name: **Sanyo Chemical Industries, Ltd.**
 Listing: Tokyo Stock Exchange
 Securities code: 4471
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 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: None
 Holding of financial results presentation meeting: None

(Figures are rounded down to the nearest million yen)

1. Consolidated financial results for the first nine months of the fiscal year ending March 31, 2026 (from April 1, 2025 to December 31, 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	%
Nine months ended								
December 31, 2025	96,600	(13.1)	7,558	10.0	9,393	9.4	12,807	251.8
December 31, 2024	111,108	(9.0)	6,872	62.9	8,588	24.8	3,640	22.1

Note: Comprehensive income: Nine months ended December 31, 2025 ¥21,296 million [–%]
 Nine months ended December 31, 2024 ¥1,681 million [(56.8)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended		
December 31, 2025	578.97	–
December 31, 2024	164.70	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
December 31, 2025	193,209	155,484	78.9	6,887.33
March 31, 2025	176,366	138,302	76.8	6,119.90

Reference: Equity: As of December 31, 2025 ¥152,358 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	14,000	237.2	632.86

Note: Revisions of the latest forecasts for earnings announced: Yes

* For revisions of earnings forecasts, please see the “Notice of Revision of the Consolidated Earnings Forecast for the Fiscal Year Ending March 2026” released today (February 9, 2026).

* **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. Quarterly consolidated financial statements and significant notes thereto, (4) Notes to quarterly 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 quarterly consolidated financial statements: Yes

Note: See page 11, “2. Quarterly consolidated financial statements and significant notes thereto, (4) Notes to quarterly consolidated financial statements, Application of special accounting methods for the preparation of quarterly 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 December 31, 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 December 31, 2025	1,413,188 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 nine months ended December 31, 2025	22,121,866 shares
For the nine months ended December 31, 2024	22,105,143 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.

- * Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None

- * 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 nine months ended December 31, 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 nine months ended December 31, 2025

(1) Financial position and operating results

During the nine months ended December 31, 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, mainly due to the impact of U.S. tariff policies on the business performances of certain manufacturing industries centered on the automobile industry, and an increase in tension between Japan and China. The forex market saw yen appreciation at the start of the fiscal year, mainly driven by uncertainty around the U.S. trade policies; however, the yen subsequently began to depreciate, mainly due to trends in the Japan-U.S. interest rate differential. Furthermore, oil prices remained soft overall, affected by background factors such as production policies by OPEC+ and the demand forecast. In the global economy, the outlook remains uncertain due to factors such as an economic slowdown against the backdrop of U.S. trade 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 these changes, 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 13.1% year on year to ¥96,600 million primarily due to the impact of withdrawal from the superabsorbent polymer business and intensified competition with low-cost products made in China. In terms of profit, operating profit was ¥7,558 million (an increase of 10.0% year on year) and ordinary profit was ¥9,393 million (an increase of 9.4% year on year), mainly due to an improvement in profitability resulting from the abovementioned business withdrawal and streamlining of the entire supply chain, as well as favorable conditions in the advanced semiconductor field. Additionally, profit attributable to owners of parent was ¥12,807 million (an increase of 251.8% year on year) 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)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025	Change		FY2024
			(Amount)	(Change)	
Net sales	111,108	96,600	(14,507)	(13.1)%	142,258
Operating profit	6,872	7,558	685	10.0%	8,439
Ordinary profit	8,588	9,393	804	9.4%	9,670
Profit attributable to owners of parent	3,640	12,807	9,167	251.8%	4,151
Basic earnings per share	¥164.70	¥578.97	¥414.27	251.5%	¥187.79
ROA (Return on assets*)	5.9%	6.8%		0.9 percentage point	5.1%
ROE (Return on equity)	3.5%	10.1%		6.6 percentage point	3.0%
ROIC (Return on invested capital)	4.4%	10.0%		5.6 percentage point	4.8%
Currency exchange (US\$, CNY)	US\$=¥152.64 CNY=¥21.17	US\$=¥148.71 CNY=¥20.77		¥(3.93) ¥(0.4)	US\$=¥152.62 CNY=¥21.11
Naphtha price in Japan	¥76,400/kl	¥65,100/kl		¥(11,300)/kl	¥75,700/kl

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

Note: ROA, ROE and ROIC for the nine months ended December 31, 2024 and 2025 are annualized.

2) Business performance by segment

(Millions of yen)

	Nine months ended December 31, 2024		Nine months ended December 31, 2025		Change		FY2024	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Toiletries and Health Care	25,940	209	12,976	(142)	(12,963)	(352)	30,680	176
Petroleum and Automotives	37,536	3,092	36,905	4,376	(631)	1,283	49,232	3,979
Plastics and Textiles	20,432	2,256	19,643	1,764	(788)	(491)	26,839	2,867
Information and Electrics/Electronics	15,888	2,086	17,107	2,622	1,219	535	20,911	2,532
Environmental Protection, Construction and Others	11,311	40	9,966	(44)	(1,344)	(85)	14,594	4

<Toiletries and Health Care>

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 50.0% year on year, to ¥12,976 million. Operating loss was ¥142 million (compared to operating profit of ¥209 million during the same period of the previous fiscal year).

<Petroleum and Automotives>

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 1.7% year on year, to ¥36,905 million. Operating profit was ¥4,376 million (an increase of 41.5% 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 3.9% year on year, to ¥19,643 million. Operating profit was ¥1,764 million (a decrease of 21.8% 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 had been sluggish for automotive applications due to the slow recovery of the EV market, but performed favorably following an increase in demand for the non-automotive market. In addition, as the advanced semiconductor market remained strong, sales of related materials increased, driving an increase in net sales.

As a result, total net sales in this segment increased by 7.7% year on year, to ¥17,107 million. Operating profit was ¥2,622 million (an increase of 25.7% year on year).

<Environmental Protection, Construction and Others>

In the Environmental Protection segment, sales remained flat due to low demand for heavy metal immobilizers, despite favorable sales of 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 11.9% year on year, to ¥9,966 million. Operating loss was ¥44 million (compared to operating profit of ¥40 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 ¥16,843 million compared with the end of the previous fiscal year, amounting to ¥193,209 million.

Net assets increased by ¥17,182 million from the end of the previous fiscal year, to ¥155,484 million.

Equity ratio rose by 2.1 percentage points from the end of the previous fiscal year, to 78.9%.

(2) Cash flows

Cash and cash equivalents ("cash") as of the end of the period under review amounted to ¥30,871 million. This marked an increase of ¥6,860 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 ¥15,059 million (compared to ¥9,441 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 ¥7,952 million and depreciation of ¥6,883 million, which outweighed the cash outflow mainly from income taxes paid of ¥1,559 million and payment for business restructuring of ¥1,173 million.

Cash flows from investing activities

Net cash used in investing activities amounted to ¥4,644 million (compared to ¥8,458 million in net cash used during the same period of the previous fiscal year). This result was mainly due to the cash outlay of ¥4,881 million for purchase of non-current assets.

Cash flows from financing activities

Net cash used in financing activities amounted to ¥4,535 million (compared to ¥11,475 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 ¥3,750 million.

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

Among the full-year consolidated earnings forecasts announced on November 5, 2025, profit attributable to owners of the parent is now expected to be lower than the forecast. The full-year consolidated earnings forecasts have therefore been revised as follows.

Fiscal year ending March 31, 2026

	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
Previously announced forecast (November 5) (A)	130,000	10,000	11,000	16,000	723.26
Revised forecast (B)	130,000	10,000	11,000	14,000	632.86
Amount of change (B-A)	-	-	-	(2,000)	
Percentage change (%)	-	-	-	(12.5)	
Results for the previous fiscal year (Fiscal year ended March 31, 2025)	142,258	8,439	9,670	4,151	187.79

* 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. Quarterly consolidated financial statements and significant notes thereto

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	24,532	31,019
Notes and accounts receivable - trade	35,059	37,591
Electronically recorded monetary claims - operating	146	133
Merchandise and finished goods	12,965	12,410
Semi-finished goods	5,118	5,425
Work in process	257	52
Raw materials and supplies	4,480	4,701
Other	2,867	3,156
Allowance for doubtful accounts	(485)	(481)
Total current assets	84,942	94,008
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,729	14,398
Machinery, equipment and vehicles, net	19,866	19,032
Land	8,850	8,923
Construction in progress	510	556
Other, net	2,185	1,986
Total property, plant and equipment	46,142	44,896
Intangible assets		
Software	5,231	4,278
Other	1,055	1,083
Total intangible assets	6,286	5,362
Investments and other assets		
Investment securities	30,713	39,532
Long-term loans receivable	2,255	1,899
Deferred tax assets	258	1,453
Retirement benefit asset	4,588	4,653
Other	1,204	1,428
Allowance for doubtful accounts	(25)	(25)
Total investments and other assets	38,994	48,942
Total non-current assets	91,423	99,201
Total assets	176,366	193,209

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	16,881	19,332
Electronically recorded obligations - operating	2,910	4,928
Short-term borrowings	441	421
Current portion of long-term borrowings	747	929
Accounts payable - other	4,581	3,415
Income taxes payable	669	407
Provision for bonuses	1,829	1,090
Provision for bonuses for directors (and other officers)	72	48
Electronically recorded obligations - non-operating	567	729
Other	1,629	2,473
Total current liabilities	30,332	33,777
Non-current liabilities		
Long-term borrowings	2,230	2,227
Deferred tax liabilities	2,808	0
Provision for share-based payments	366	452
Retirement benefit liability	91	188
Provision for business restructuring	1,664	533
Other	571	544
Total non-current liabilities	7,731	3,947
Total liabilities	38,063	37,724
Net assets		
Shareholders' equity		
Share capital	13,051	13,051
Capital surplus	13,289	13,289
Retained earnings	99,868	109,012
Treasury shares	(5,525)	(5,528)
Total shareholders' equity	120,683	129,824
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,412	18,036
Foreign currency translation adjustment	1,488	2,813
Remeasurements of defined benefit plans	1,800	1,682
Total accumulated other comprehensive income	14,702	22,533
Non-controlling interests	2,917	3,126
Total net assets	138,302	155,484
Total liabilities and net assets	176,366	193,209

(2) Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Net sales	111,108	96,600
Cost of sales	86,239	71,672
Gross profit	24,869	24,927
Selling, general and administrative expenses	17,996	17,369
Operating profit	6,872	7,558
Non-operating income		
Interest income	138	126
Dividend income	1,114	1,242
Foreign exchange gains	76	667
Share of profit of entities accounted for using equity method	721	–
Other	136	113
Total non-operating income	2,187	2,149
Non-operating expenses		
Interest expenses	99	85
Share of loss of entities accounted for using equity method	–	95
Compensation expenses	–	72
Other	372	61
Total non-operating expenses	471	314
Ordinary profit	8,588	9,393
Extraordinary income		
Gain on sale of investment securities	49	–
Insurance claim income	39	29
Total extraordinary income	88	29
Extraordinary losses		
Loss on retirement of non-current assets	465	991
Impairment losses	*1 308	–
Loss on valuation of investment securities	8	114
Business restructuring expenses	*2 1,574	*2 363
Other	18	–
Total extraordinary losses	2,374	1,469
Profit before income taxes	6,302	7,952
Income taxes	2,106	(5,477)
Profit	4,196	13,430
Profit attributable to non-controlling interests	555	622
Profit attributable to owners of parent	3,640	12,807

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Profit	4,196	13,430
Other comprehensive income		
Valuation difference on available-for-sale securities	1,470	6,623
Foreign currency translation adjustment	(3,909)	1,359
Remeasurements of defined benefit plans, net of tax	(75)	(117)
Total other comprehensive income	(2,514)	7,865
Comprehensive income	1,681	21,296
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,081	20,611
Comprehensive income attributable to non-controlling interests	600	684

(3) Consolidated statements of cash flows

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Cash flows from operating activities		
Profit before income taxes	6,302	7,952
Depreciation	7,381	6,883
Loss on retirement of non-current assets	465	991
Impairment losses	308	–
Increase (decrease) in provision for bonuses	(977)	(741)
Increase (decrease) in retirement benefit asset and liability	(140)	(156)
Increase (decrease) in provision for bonuses for directors (and other officers)	24	(24)
Increase (decrease) in provision for share-based payments	79	86
Interest and dividend income	(1,253)	(1,369)
Interest expenses	99	85
Share of loss (profit) of entities accounted for using equity method	(721)	95
Loss (gain) on sale of investment securities	(49)	–
Loss (gain) on valuation of investment securities	8	114
Decrease (increase) in trade receivables	2,183	(2,099)
Decrease (increase) in inventories	2,869	478
Increase (decrease) in trade payables	(1,541)	3,759
Business restructuring expenses	1,574	363
Other, net	(1,638)	(637)
Subtotal	14,974	15,782
Interest and dividends received	1,693	2,115
Interest paid	(109)	(105)
Income taxes paid	(2,448)	(1,559)
Payment for business restructuring	(4,669)	(1,173)
Net cash provided by (used in) operating activities	9,441	15,059
Cash flows from investing activities		
Purchase of non-current assets	(5,342)	(4,881)
Proceeds from sale of investment securities	87	–
Payments for sale of investments in capital of subsidiaries and associates resulting in change in scope of consolidation	* (3,589)	–
Proceeds from collection of loans receivable	823	598
Loan advances	(86)	(120)
Other, net	(351)	(242)
Net cash provided by (used in) investing activities	(8,458)	(4,644)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(7,007)	(68)
Repayments of long-term borrowings	(168)	(178)
Net decrease (increase) in treasury shares	(3)	(2)
Dividends paid	(3,748)	(3,750)
Dividends paid to non-controlling interests	(400)	(475)
Other, net	(147)	(60)
Net cash provided by (used in) financing activities	(11,475)	(4,535)
Effect of exchange rate change on cash and cash equivalents	141	611
Net increase (decrease) in cash and cash equivalents	(10,351)	6,491
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	16,837	30,871

(4) Notes to quarterly consolidated financial statements

Notes to going concern assumptions

None

Significant changes in the scope of consolidation during the period

During the first quarter of the fiscal year ending March 31, 2026, 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 first quarter of the fiscal year ending March 31, 2026.

Notes on significant changes in the amount of shareholders' equity

None

Application of special accounting methods for the preparation of quarterly 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 third quarter 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.

Consolidated statements of income

*1 Impairment losses

Nine months ended December 31, 2024 (April 1, 2024 to December 31, 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.

Nine months ended December 31, 2025 (April 1, 2025 to December 31, 2025)

None

*2 Business restructuring expenses

Nine months ended December 31, 2024 (April 1, 2024 to December 31, 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, ¥(868) million for reversal of provision for business restructuring, and ¥386 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.

Nine months ended December 31, 2025 (April 1, 2025 to December 31, 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 ¥230 million for impairment losses, and ¥132 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	Buildings and structures ¥83 million Machinery, equipment and vehicles ¥144 million Others ¥2 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.

Consolidated statements of cash flows

- * Breakdown of the key components of assets and liabilities for company that ceased to be a consolidated subsidiary as a result of the transfer of equity interest

Nine months ended December 31, 2024 (April 1, 2024 to December 31, 2024)

Following San-Dia Polymers (Nantong) Co., Ltd. ceasing to be a consolidated subsidiary due to a transfer of equity interest, a breakdown of the key components of assets and liabilities at the time of transfer, transfer price, and net disbursement for transfer are as follows.

	(Millions of yen)
Current assets	11,393
Non-current assets	1,331
Current liabilities	(2,764)
Non-current liabilities	(69)
Foreign currency translation adjustment	(4,157)
Gain on transfer of investments in capital of subsidiaries and associates	85
<hr/>	
Transfer price of investments in capital	5,818
Cash and cash equivalents (Note)	(3,589)
Portion of transfer price uncollected	(5,818)
<hr/>	
Balance: disbursement for transfer	(3,589)

Note: This was the balance for San-Dia Polymers (Nantong) Co., Ltd. as of September 30, and has decreased as a result of it being excluded from the scope of consolidation.

Nine months ended December 31, 2025 (April 1, 2025 to December 31, 2025)

None

Notes on segment information, etc.

[Segment information]

I Nine months ended December 31, 2024 (April 1, 2024 to December 31, 2024)

1. Information regarding net sales and 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	25,940	37,536	20,432	15,888	11,311	111,108	–	111,108
Intersegment sales/transfers	–	–	–	–	94	94	(94)	–
Total	25,940	37,536	20,432	15,888	11,405	111,202	(94)	111,108
Segment profit (loss)	209	3,092	2,256	2,086	40	7,685	(813)	6,872

Notes: 1. Company-wide expenses of ¥813 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 quarterly 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 quarterly consolidated statements of income.

II Nine months ended December 31, 2025 (April 1, 2025 to December 31, 2025)

1. Information regarding net sales and 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	12,976	36,905	19,643	17,107	9,966	96,600	–	96,600
Intersegment sales/transfers	–	–	–	1	147	148	(148)	–
Total	12,976	36,905	19,643	17,109	10,114	96,749	(148)	96,600
Segment profit (loss)	(142)	4,376	1,764	2,622	(44)	8,575	(1,017)	7,558

Notes: 1. Company-wide expenses of ¥1,017 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 quarterly 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	230	–	–	–	–	230
Total	230	–	–	–	–	230

Note: Of the impairment losses, ¥230 million is included in “Business restructuring expenses” in the quarterly consolidated statements of income.

<Reference>

[Information by geographic segment]

Nine months ended December 31, 2024 (April 1, 2024 to December 31, 2024)

(Millions of yen)

	Japan	USA	China	Other	Total	Elimination or common assets	Consolidated total
Net sales							
(1) Sales to external customers	83,781	7,716	14,260	5,349	111,108	–	111,108
(2) Intersegment sales/transfers	11,437	29	311	979	12,757	(12,757)	–
Total	95,219	7,745	14,571	6,329	123,866	(12,757)	111,108
Operating profit (loss)	5,920	306	89	570	6,886	(13)	6,872

Nine months ended December 31, 2025 (April 1, 2025 to December 31, 2025)

(Millions of yen)

	Japan	USA	China	Other	Total	Elimination or common assets	Consolidated total
Net sales							
(1) Sales to external customers	77,614	8,713	3,764	6,508	96,600	–	96,600
(2) Intersegment sales/transfers	11,837	15	249	1,699	13,801	(13,801)	–
Total	89,451	8,728	4,014	8,207	110,402	(13,801)	96,600
Operating profit (loss)	5,717	1,026	162	643	7,549	8	7,558

[Overseas net sales]

Nine months ended December 31, 2024 (April 1, 2024 to December 31, 2024)

(Millions of yen)

	Asia	[Of which, China]	Americas	Other	Total
I. Overseas net sales	34,904	[20,250]	8,608	3,500	47,013
II. Consolidated net sales	–	[–]	–	–	111,108
III. Percentage of overseas net sales to consolidated net sales (%)	31.4	[18.2]	7.7	3.2	42.3

Nine months ended December 31, 2025 (April 1, 2025 to December 31, 2025)

(Millions of yen)

	Asia	[Of which, China]	Americas	Other	Total
I. Overseas net sales	24,266	[11,221]	8,637	2,867	35,770
II. Consolidated net sales	–	[–]	–	–	96,600
III. Percentage of overseas net sales to consolidated net sales (%)	25.1	[11.6]	8.9	3.0	37.0

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	2Q	3Q	4Q	Total
	April 2024 to June 2024	July 2024 to September 2024	October 2024 to December 2024	January 2025 to March 2025	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	2Q	3Q	Change (%)	
				The same period of the previous fiscal year October 2024 to December 2024	The previous period July 2025 to September 2025
	April 2025 to June 2025	July 2025 to September 2025	October 2025 to December 2025		
Net sales	31,987	31,791	32,821	(3.7)	3.2
Operating profit	1,858	2,431	3,267	35.1	34.4
Ordinary profit	2,285	2,744	4,362	21.3	58.9
Profit (loss) attributable to owners of parent	8,992	1,424	2,390	(11.5)	67.8
Comprehensive income	10,537	4,352	6,406	187.7	47.2