

Key Figures of Consolidated Financial Results for FY2025

May 14, 2026
Sumitomo Chemical Co., Ltd.
(Billions of yen)

1. Financial Summary (IFRS)

	FY2025	FY2024	Variance	FY2026 (Forecast)	Variance
Sales revenue	2,328.5	2,606.3	(277.8)	2,360.0	31.5
Core operating income	208.4	140.5	67.9	215.0	6.6
Operating income	151.7	193.0	(41.3)	177.0	25.3
Net income attributable to owners of the parent	60.9	38.6	22.4	70.0	9.1
Basic earnings per share	¥ 37.16	¥ 23.59	¥ 13.57	¥ 42.40	¥ 5.24
Return on equity	6.4%	4.1%	2.3%	6.8%	0.4%
Cash dividends per share	¥ 13.50	¥ 9.00	¥ 4.50	¥ 16.00	¥ 2.50
Dividend payout ratio	36.3%	38.2%	(1.9)%	37.7%	1.4%
Exchange rate (yen/\$)	150.67	152.62	—	155.00	—
Naphtha price (yen/kl)	65,200	75,600	—	92,000	—

*Core operating income is a gain and loss concept that reflects recurring earning capacity by deducting gains and losses incurred by non-recurring factors from operating income, which includes the share of profits or losses from investments accounted for using the equity method.

2. Sales Revenue / Core Operating Income by Reporting Segment (IFRS)

		FY2025	FY2024	Variance	FY2026 (Forecast)	Variance
Agro & Life Solutions	Sales revenue	519.3	540.2	(21.0)	560.0	40.7
	Core operating income	56.3	55.0	1.4	65.0	8.7
ICT & Mobility Solutions	Sales revenue	574.2	607.0	(32.8)	590.0	15.8
	Core operating income	53.0	70.6	(17.5)	55.0	2.0
Advanced Medical Solutions	Sales revenue	58.6	62.1	(3.5)	60.0	1.4
	Core operating income	2.8	4.0	(1.1)	3.0	0.2
Essential & Green Materials	Sales revenue	678.8	899.0	(220.2)	560.0	(118.8)
	Core operating income	14.4	(58.5)	72.9	20.0	5.6
Sumitomo Pharma	Sales revenue	451.9	398.0	53.9	540.0	88.1
	Core operating income	108.4	35.3	73.1	94.0	(14.4)
Others	Sales revenue	45.8	99.9	(54.1)	50.0	4.2
	Core operating income	4.4	66.9	(62.5)	4.0	(0.4)
Adjustments	Sales revenue	—	—	—	—	—
	Core operating income	(31.1)	(32.7)	1.6	(26.0)	5.1
Total	Sales revenue	2,328.5	2,606.3	(277.8)	2,360.0	31.5
	Core operating income	208.4	140.5	67.9	215.0	6.6

3. Summary of Consolidated Statement of Income (IFRS)

(Billions of yen)

	FY2025	FY2024	Variance	Variance Ratio
Sales revenue	2,328.5	2,606.3	(277.8)	(10.7)%
Core operating income	208.4	140.5	67.9	48.3%
of which equity-method investments	(43.3)	(62.9)	19.7	-
Total non-recurring items (breakdown below)	(56.6)	52.5	(109.1)	-
Impairment losses	(34.6)	(26.3)	(8.3)	-
Restructuring costs	(26.6)	(23.6)	(3.0)	-
Gains on sales of property, plant and equipment, and intangible assets	1.2	14.3	(13.1)	-
Share of profit of investments accounted for using the equity method (non-recurring factors)	-	83.6	(83.6)	-
Gains on fair value measurement of the residual interest	-	9.4	(9.4)	-
Others	3.4	(4.9)	8.3	-
Operating income	151.7	193.0	(41.3)	(21.4)%
Finance income/expenses (breakdown below)	(35.7)	(134.9)	99.3	-
Loss on foreign currency transactions including gain (loss) on derivatives	0.7	(10.9)	11.7	-
Loss on valuation of investment securities	(13.6)	-	(13.6)	-
Loss on debt waiver for a loan	-	(109.8)	109.8	-
Others	(22.8)	(14.2)	(8.6)	-
Income before taxes	116.1	58.1	58.0	99.8%
Income tax expenses	(0.7)	(15.4)	14.7	-
Net income	115.4	42.7	72.7	170.3%
Net (income) loss attributable to non-controlling interests	(54.5)	(4.1)	(50.4)	-
Net income attributable to owners of the parent	60.9	38.6	22.4	57.9%
ROE	6.4%	4.1%		
Exchange rate (yen/\$)	150.67	152.62		
Naphtha price (yen/kl)	65,200	75,600		
Overseas sales revenue ratio	71.0%	69.9%		

4. Summary of Consolidated Statement of Financial Position (IFRS)

(Billions of yen)

	31-Mar-26	31-Mar-25	Variance		31-Mar-26	31-Mar-25	Variance
Current assets	1,507.7	1,583.1	(75.4)	Liabilities	2,168.4	2,365.4	(197.0)
Cash and cash equivalents	208.6	209.8	(1.2)	Trade and other payables	464.4	488.1	(23.7)
Trade and other receivables	608.7	593.8	14.8	Interest-bearing liabilities	1,151.5	1,286.1	(134.7)
Inventories	595.5	625.2	(29.8)	Others	552.5	591.1	(38.6)
Others	95.0	154.2	(59.2)	Equity	1,236.7	1,074.4	162.3
Non-current assets	1,897.3	1,856.7	40.7	Shareholders' equity	744.9	722.3	22.6
Property, plant and equipment	770.7	759.3	11.4	Other components of equity	263.8	178.5	85.3
Goodwill and intangible assets	501.0	497.1	3.9	Non-controlling interests	228.0	173.6	54.4
Others	625.6	600.3	25.3				
Total	3,405.0	3,439.8	(34.7)	Total	3,405.0	3,439.8	(34.7)
				Ratio of equity attributable to owners of the parent to total assets	29.6%	26.2%	3.4%
				D/E ratio (times)	0.93	1.20	(0.27)

5. Summary of Consolidated Statement of Cash Flows (IFRS)

(Billions of yen)					
	FY2025	FY2024	Variance	FY2026 (Forecast)	Variance
Cash flows from operating activities	234.8	233.0	1.7	210.0	(24.8)
Cash flows from investing activities	(74.8)	85.2	(160.1)	(150.0)	(75.2)
Free cash flows	159.9	318.3	(158.3)	60.0	(99.9)
Cash flows from financing activities	(199.1)	(300.8)	101.7	0.0	199.1
Others	15.7	(6.8)	22.5	0.0	(15.7)
Increase (decrease) in cash and cash equivalents	(23.5)	10.7	(34.1)	60.0	83.5
Cash and cash equivalents at the end of the period	208.6	209.8	(1.2)	268.6	60.0

6. Other Data (IFRS)

(Billions of yen)					
	FY2025	FY2024	Variance	FY2026 (Forecast)	Variance
Capital expenditures	121.6	131.7	(10.2)	119.0	(2.6)
Depreciation and amortization expenses	121.1	131.6	(10.5)	121.0	(0.1)
Research and development expenses	144.7	145.2	(0.5)	161.0	16.3
Interest-bearing liabilities at the end of the period	1,151.5	1,286.1	(134.7)	1,120.0	(31.5)
Net interest expenses	(21.7)	(12.9)	(8.9)	(24.0)	(2.3)
Number of employees at the end of the period	27,491	29,279	(1,788)	27,700	209
Number of consolidated subsidiaries and equity method investees	175	195	(20)	174	(1)
Of which: subsidiaries	152	168	(16)	150	(2)

Summary of Consolidated Financial Results for Fiscal Year 2025 (Under IFRS)

Company name: Sumitomo Chemical Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 4005
 URL: <https://www.sumitomo-chem.co.jp/english/>
 Representative: Nobuaki Mito, Representative Director & President
 Inquiries: Toshihiro Yamauchi, Managing Executive Officer, General Manager, Corporate Communications Dept.
 Telephone: +81-3-5201-0200
 Scheduled date of annual general meeting of shareholders: June 24, 2026
 Scheduled date to commence dividend payments: June 3, 2026
 Scheduled date to file annual securities report: June 22, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(All amounts are rounded to the nearest million yen.)

1. Consolidated Financial Results for Fiscal Year 2025 (April 1, 2025 to March 31, 2026)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Sales revenue		Core operating income		Operating income		Net income		Net income attributable to owners of the parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2025	2,328,515	(10.7)	208,376	48.3	151,744	(21.4)	115,402	170.3	60,947	57.9	187,881	—
FY2024	2,606,281	6.5	140,519	—	193,033	—	42,688	—	38,591	—	(54,622)	—

	Basic earnings per share	Diluted earnings per share	Return on equity attributable to owners of the parent	Ratio of income before taxes to total assets	Ratio of core operating income to sales revenue
	Yen	Yen	%	%	%
FY2025	37.16	37.15	6.4	3.4	8.9
FY2024	23.59	23.58	4.1	1.6	5.4

Reference: Share of profit (loss) of investments accounted for using the equity method

FY2025: ¥ (43,271) million FY2024: ¥ 20,639 million

Income before taxes

FY2025: ¥ 116,068 million FY2024: ¥ 58,093 million

*Core operating income is a gain and loss concept that reflects recurring earning capacity by deducting gains and losses incurred by non-recurring factors from operating income, which includes the share of profits or losses from investments accounted for using the equity method.

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets	Equity attributable to owners of the parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2026	3,405,041	1,236,673	1,008,644	29.6	610.78
March 31, 2025	3,439,784	1,074,415	900,790	26.2	550.37

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2025	234,759	(74,821)	(199,068)	208,589
FY2024	233,027	85,229	(300,778)	209,838

2. Dividends

	Dividends per share					Total dividends	Dividend payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of the parent (Consolidated)
	Q1 end	Q2 end	Q3 end	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2024	—	3.00	—	6.00	9.00	14,730	38.2	1.6
FY2025	—	6.00	—	7.50	13.50	22,210	36.3	2.3
FY2026 (Forecast)	—	8.00	—	8.00	16.00		37.7	

3. Consolidated Financial Forecasts for Fiscal Year 2026 (April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Sales revenue		Core operating income		Operating income		Net income attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First-half of FY2026	—	—	—	—	—	—	—	—	—
Full-year of FY2026	2,360,000	1.4	215,000	3.2	177,000	16.6	70,000	14.9	42.40

*The consolidated financial forecast for the first-half of FY2026 is not disclosed due to prediction difficulties.

Notes:

(1) Changes in significant subsidiaries during the period: Yes

Newly consolidated: —

Excluded: 2 companies (XUYOU Electronic Materials (Wuxi) Co., Ltd.)
(Sumitomo Pharma UK Holdings, Ltd.)

(2) Changes in accounting policies and changes in accounting estimates

- (i) Changes in accounting policies required by IFRS: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None

(3) Number of shares issued (common shares)

(i) Total number of shares issued at the end of the period (including treasury shares)

As of March 31, 2026	1,657,914,399 shares
As of March 31, 2025	1,657,217,608 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2026	6,500,914 shares
As of March 31, 2025	20,517,033 shares

(iii) Average number of shares outstanding during the period

FY2025	1,640,185,011 shares
FY2024	1,635,928,636 shares

[Reference]

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

(1) Non-Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2025	758,245	(11.5)	35,206	(41.0)	60,044	(29.3)	32,110	32.8
FY2024	856,554	5.8	59,653	—	84,885	58.9	24,174	177.7

	Earnings per share	Diluted earnings per share
	Yen	Yen
FY2025	19.57	—
FY2024	14.77	—

(Note) Figures for diluted earnings per share are not listed, because there are no potential shares.

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Ratio of shareholders' equity to total assets	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	1,701,862	421,580	24.8	255.28
March 31, 2025	1,816,932	393,915	21.7	240.68

Reference: Shareholders' equity

As of March 31, 2026: ¥421,580 million

As of March 31, 2025: ¥393,915 million

(Note) Non-consolidated results are under Japanese GAAP.

* This summary of financial results is exempt from audit procedures.

* Notes regarding the appropriate use of forecasts and other special items:

Descriptions regarding forward-looking statements about the future performance of the Company contained in this summary are based on information currently available to the Company and certain assumptions judged reasonable and involve risks and uncertainties. The important factors that could cause actual results to differ materially from those discussed in the forward-looking statements include, but are not limited to, general economic conditions in the Company's markets; demand for, and competitive pricing pressure on, the Company's products in the marketplace; rise in prices of raw materials; and fluctuations in foreign exchange rates.

For details of the forecast, please refer to "1. Summary of Operating Results for Fiscal Year 2025 (4) Outlook for Fiscal Year 2026" on page 3.

* This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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1. Summary of Operating Results for Fiscal Year 2025

(1) Operating Results

In FY2025, the global economy maintained steady overall growth despite heightened geopolitical risks and uncertainty regarding trade policies, supported by fiscal and monetary policies implemented in various countries and strong AI-related investments. In Japan as well, the economy continued its moderate recovery despite the inflationary pressure from factors such as higher crude oil prices. This recovery was supported by stronger consumer spending amid improving income conditions, and by domestic demand underpinned by steady corporate capital investment in labor-saving initiatives and digitalization.

As a result, the Group's sales revenue declined by ¥277.8 billion compared to FY2024, to ¥2,328.5 billion. In terms of profits and losses, core operating income* was ¥208.4 billion, higher than in FY2024, but operating income was ¥151.7 billion, lower than in FY2024. Net income attributable to owners of the parent was ¥60.9 billion, higher than in FY2024.

*Core operating income is a gain and loss concept that reflects recurring earning capacity by deducting gains and losses incurred by non-recurring factors from operating income, which includes the share of profits or losses from investments accounted for using the equity method.

The financial results by reportable segment for FY2025 are as follows:

Agro & Life Solutions

Shipments of crop protection chemicals remained steady in Japan and overseas. Methionine (feed additive) faced a decline in shipments compared to FY2024. As a result, sales revenue declined by ¥21.0 billion compared to FY2024, to ¥519.3 billion. Despite the decline in sales revenue, core operating income increased by ¥1.4 billion compared to FY2024, to ¥56.3 billion, supported also by the domestic shipments of crop protection chemicals mentioned above.

ICT & Mobility Solutions

In addition to the decline in the selling price of display-related materials due to severe price competition, there was also an impact from fundamental structural reforms implemented for the polarizing film business for large-size liquid crystal displays. Market conditions for semiconductor processing materials continue to slowly recover, and shipments have increased, but the business also faced higher fixed costs. In addition, the stronger yen decreased export income and negatively impacted sales from subsidiaries outside of Japan when converted into yen. As a result, sales revenue declined by ¥32.8 billion compared to FY2024, to ¥574.2 billion, and core operating income declined by ¥17.5 billion compared to FY2024, to ¥53.0 billion.

Advanced Medical Solutions

Oligonucleotide production and shipments increased, but due to a different product mix of active pharmaceutical ingredients and intermediates, sales revenue declined by ¥3.5 billion compared to FY2024, to ¥58.6 billion, and core operating income declined by ¥1.1 billion compared to FY2024, to ¥2.8 billion.

Essential & Green Materials

Shipments of the sales subsidiary declined because of the periodic shutdown maintenance at Rabigh Refining and Petrochemical Company (hereinafter, "Petro Rabigh"), an affiliated company accounted for using the equity method. In addition, shipments of aluminum and other products declined due to the Group's exit from the business in FY2024, while shipments of synthetic resins declined following the exit from the business in FY2025. As a result, sales revenue declined by ¥220.2 billion compared to FY2024, to ¥678.8 billion. Core operating income increased by ¥72.9 billion compared to FY2024, to ¥14.4 billion, due to a gain on the sale of a portion of the Group's shares in Petro Rabigh, as well as improved trade terms for Petro Rabigh and for synthetic resins and other products.

Sumitomo Pharma

Sales revenue declined in Japan and Asia, but in North America there was an increase in sales of ORGOVYX® (therapeutic agent for advanced prostate cancer) and GEMTESA® (therapeutic agent for overactive bladder). Sales revenue was further increased by the recording of an ORGOVYX® sales milestone. As a result, sales revenue increased by ¥53.9 billion compared to FY2024, to ¥451.9 billion. Core operating income increased by ¥73.1 billion compared to FY2024, to ¥108.4 billion. In addition to the benefit of higher sales revenue, there was a reduction in selling, general and administrative expenses, including research and development expenses, resulting from the effects of business structure improvements, and there was also a gain posted on the partial divestiture of the Asian business. Sales revenue and core operating income differ between this segment and the results reported by Sumitomo Pharma Co., Ltd., a consolidated subsidiary of Sumitomo Chemical Co., Ltd., due to the Group's contract and manufacturing business for regenerative medicine and cell therapy products not being included in this segment and because of the Group's consolidated account reporting.

Others

In addition to the above five segments, the Group supplies electric power and steam, and also provides transportation and warehousing. Sales revenue declined by ¥54.1 billion compared to FY2024, to ¥45.8 billion, due to the sale of the radiopharmaceutical business and other businesses in FY2024. Core operating income declined by ¥62.5 billion compared to FY2024, to ¥4.4 billion, due to the deconsolidation of the radiopharmaceutical business and other businesses, and the absence of non-recurring gains associated with the sale of those businesses.

(2) Consolidated Financial Position

As of the end of FY2025, total assets decreased by ¥34.7 billion compared to the end of FY2024, to ¥3,405.0 billion, mainly due to decreases in assets held for sale and inventories.

Total liabilities decreased by ¥197.0 billion compared to the end of FY2024, to ¥2,168.4 billion. Interest-bearing liabilities decreased by ¥134.7 billion compared to the end of FY2024, to ¥1,151.5 billion.

Total equity (including non-controlling interests) increased by ¥162.3 billion compared to the end of FY2024, to ¥1,236.7 billion, because of increases in other components of equity and non-controlling interests.

The ratio of equity attributable to the owners of the parent company increased by 3.4 percentage points compared to the end of FY2024, to 29.6%.

(3) Consolidated Cash Flows

Net cash from operating activities in FY2025 was essentially unchanged from FY2024, with a net inflow of ¥234.8 billion, as the increase in income before taxes was largely offset by an increase in working capital and other factors.

Net cash from investing activities was a net outflow of ¥74.8 billion, a decrease of ¥160.1 billion from FY2024 due to higher cash outflow for purchase of other financial assets.

This resulted in positive free cash flow of ¥159.9 billion for FY2025, compared with positive free cash flow of ¥318.3 billion for FY2024.

Net cash outflow from financing activities were ¥199.1 billion, mainly due to the decrease in interest-bearing liabilities.

The balance of cash and cash equivalents at the end of FY2025 decreased by ¥1.2 billion compared to the end of FY2024, to ¥208.6 billion, considering the amount transferred to assets held for sale.

(4) Outlook for Fiscal Year 2026

For FY2026, the Company forecasts that sales revenue will be ¥2,360.0 billion, core operating income and operating income are projected to be ¥215.0 billion and ¥177.0 billion, respectively, and net income attributable to owners of the parent to be ¥70.0 billion, assuming an exchange rate of ¥155.00/\$ and a naphtha price of ¥92,000/kl.

There remains a high degree of uncertainty regarding the outlook for rising raw material prices and potential impacts on the supply chain stemming from heightened geopolitical risks in the Middle East.

Based on information currently available to the Company and certain assumptions deemed reasonable, the above forecast incorporates, to a certain extent, the impact of the situation in the Middle East.

(5) Profit and Dividend Distribution Policy and Dividends for Fiscal Year 2025 and 2026

We consider shareholder returns as one of our priority management issues and have made it a policy to maintain stable dividend payments, giving due consideration to our business performance and a dividend payout ratio for each fiscal period, the level of retained earnings necessary for future growth, and other relevant factors. We aim to maintain a dividend payout ratio of around 30% over the medium to long term.

We will use our retained earnings for investment to increase the competitiveness of our core businesses and expand our overseas businesses, and thereby seek to enhance our profitability.

Dividends are paid twice a year in principle, after closing the first half of each fiscal year and each full fiscal year. Under our Articles of Incorporation, in order to implement the distribution of profits and retained earnings to shareholders in a timely manner, the Board of Directors is authorized to decide the level of dividends paid.

The Company has decided to pay a year-end dividend of ¥7.5 per share. As a result, the Company's annual dividend for FY2025 is ¥13.5 per share, including an interim dividend of ¥6 per share. The Company plans to pay an interim dividend of ¥8 per share and a year-end dividend of ¥8 per share, making the Company's annual dividend for FY2026 ¥16 per share (dividend payout ratio of 37.7%).

2. Basic Rationale for Selection of Accounting Standards

The Group has been applying International Financial Reporting Standards (IFRS) since FY2017 ended March 31, 2018, for the purpose of improving comparability of financial information in the global capital market and improving its business management within the Group by standardizing the accounting treatment used.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Statement of Financial Position

Millions of yen	As of March 31, 2026	As of March 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	¥ 208,589	¥ 209,838
Trade and other receivables	608,670	593,836
Other financial assets	47,551	45,015
Inventories	595,471	625,243
Other current assets	47,429	49,993
Subtotal	1,507,710	1,523,925
Assets held for sale	—	59,209
Total current assets	1,507,710	1,583,134
Non-current assets:		
Property, plant and equipment	770,688	759,266
Goodwill	275,711	257,811
Intangible assets	225,334	239,319
Investments accounted for using the equity method	203,862	287,977
Other financial assets	301,222	177,405
Retirement benefit assets	52,222	72,618
Deferred tax assets	39,227	34,608
Other non-current assets	29,065	27,646
Total non-current assets	1,897,331	1,856,650
Total assets	¥ 3,405,041	¥ 3,439,784

Liabilities and equity**Liabilities**

Current liabilities:

Bonds and borrowings	¥	241,422	¥	252,892
Trade and other payables		464,422		488,132
Other financial liabilities		63,737		81,364
Income taxes payable		7,022		10,627
Provisions		110,408		89,711
Other current liabilities		114,335		109,360
Subtotal		1,001,346		1,032,086
Liabilities directly associated with assets held for sale		—		6,661
Total current liabilities		1,001,346		1,038,747
Non-current liabilities:				
Bonds and borrowings		910,033		1,033,236
Other financial liabilities		87,885		91,157
Retirement benefit liabilities		22,084		24,841
Provisions		26,383		25,974
Deferred tax liabilities		78,321		111,048
Other non-current liabilities		42,316		40,366
Total non-current liabilities		1,167,022		1,326,622
Total liabilities		2,168,368		2,365,369

Equity

Share capital		90,179		90,059
Capital surplus		1,966		—
Retained earnings		655,384		640,611
Treasury shares		(2,650)		(8,361)
Other components of equity		263,765		174,871
Other comprehensive income associated with assets held for sale		—		3,610
Equity attributable to owners of the parent		1,008,644		900,790
Non-controlling interests		228,029		173,625
Total equity		1,236,673		1,074,415
Total liabilities and equity	¥	3,405,041	¥	3,439,784

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

Fiscal years ended March 31, 2026 and 2025

Millions of yen		FY2025		FY2024
Sales revenue	¥	2,328,515	¥	2,606,281
Cost of sales		(1,660,247)		(1,880,805)
Gross profit		668,268		725,476
Selling, general and administrative expenses		(565,505)		(601,074)
Other operating income		127,776		97,341
Other operating expenses		(35,524)		(49,349)
Share of profit (loss) of investments accounted for using the equity method		(43,271)		20,639
Operating income		151,744		193,033
Finance income		28,100		17,650
Finance expenses		(63,776)		(152,590)
Income before taxes		116,068		58,093
Income tax expenses		(666)		(15,405)
Net income		115,402		42,688
Net income attributable to:				
Owners of the parent		60,947		38,591
Non-controlling interests		54,455		4,097
Net income	¥	115,402	¥	42,688

Yen		FY2025		FY2024
Earnings per share:				
Basic earnings per share		37.16		23.59
Diluted earnings per share		37.15		23.58

Consolidated Statement of Comprehensive Income

Fiscal years ended March 31, 2026 and 2025

Millions of yen		FY2025		FY2024
Net income	¥	115,402	¥	42,688
Other comprehensive income :				
Items that will not be reclassified to profit or loss				
Remeasurements of financial assets (equity instruments) measured at fair value through other comprehensive income		33,752		(32,471)
Remeasurements of defined benefit plans		(13,673)		(20,432)
Share of other comprehensive income of investments accounted for using the equity method		2,552		1,742
Total items that will not be reclassified to profit or loss		22,631		(51,161)
Items that may be subsequently reclassified to profit or loss				
Remeasurements of financial assets (debt instruments) measured at fair value through other comprehensive income		58		(58)
Cash flow hedge		(370)		(180)
Exchange differences on conversion of foreign operations		58,051		(49,682)
Share of other comprehensive income of investments accounted for using the equity method		(7,891)		3,771
Total items that may be subsequently reclassified to profit or loss		49,848		(46,149)
Other comprehensive income, net of taxes		72,479		(97,310)
Total comprehensive income		187,881		(54,622)
Total comprehensive income attributable to :				
Owners of the parent		119,702		(53,967)
Non-controlling interests		68,179		(655)
Total comprehensive income	¥	187,881	¥	(54,622)

(3) Consolidated Statement of Changes in Equity

Fiscal year 2025 ended March 31, 2026

	Equity attributable to owners of the parent							
					Other components of equity			
	Share capital		Capital surplus	Retained earnings	Treasury shares	Remeasurements of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	
Millions of yen								
Balance as of April 1, 2025	¥ 90,059	¥ —	¥ 640,611	¥ (8,361)	¥ 1,186	¥ —		
Net income	—	—	60,947	—	—	—		
Other comprehensive income	—	—	—	—	31,356	(15,635)		
Total comprehensive income	—	—	60,947	—	31,356	(15,635)		
Issuance of new shares	120	120	—	—	—	—		
Purchase of treasury shares	—	—	—	(6)	—	—		
Disposal of treasury shares	—	(1)	—	0	—	—		
Dividends	—	—	(19,645)	—	—	—		
Changes resulting from additions to consolidation	—	—	—	—	—	—		
Changes resulting from loss of control of subsidiaries	—	—	1,789	—	(1,611)	(221)		
Change in interest due to transactions with non-controlling interests	—	1,915	—	5,717	—	—		
Transfer from other components of equity to retained earnings	—	—	(28,318)	—	12,462	15,856		
Others, net	—	(68)	—	—	—	—		
Transfer to other comprehensive income associated with assets held for sale	—	—	—	—	—	—		
Transfer of negative balance of other capital surplus	—	—	—	—	—	—		
Total transactions with owners	120	1,966	(46,174)	5,711	10,851	15,635		
Balance as of March 31, 2026	¥ 90,179	¥ 1,966	¥ 655,384	¥ (2,650)	¥ 43,393	¥ —		

	Equity attributable to owners of the parent						
	Other components of equity			Other comprehensive income associated with assets held for sale	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Cash flow hedges	Exchange differences on conversion of foreign operations	Total				
Balance as of April 1, 2025	¥ 87	¥ 173,598	¥ 174,871	¥ 3,610	¥ 900,790	¥ 173,625	¥1,074,415
Net income	—	—	—	—	60,947	54,455	115,402
Other comprehensive income	(301)	61,917	77,337	(18,582)	58,755	13,724	72,479
Total comprehensive income	(301)	61,917	77,337	(18,582)	119,702	68,179	187,881
Issuance of new shares	—	—	—	—	240	—	240
Purchase of treasury shares	—	—	—	—	(6)	—	(6)
Disposal of treasury shares	—	—	—	—	(0)	—	(0)
Dividends	—	—	—	—	(19,645)	(1,660)	(21,305)
Changes resulting from additions to consolidation	—	—	—	—	—	—	—
Changes resulting from loss of control of subsidiaries	—	—	(1,832)	43	—	(3,176)	(3,176)
Change in interest due to transactions with non-controlling interests	—	—	—	—	7,631	(8,939)	(1,308)
Transfer from other components of equity to retained earnings	—	—	28,318	—	—	—	—
Others, net	—	—	—	—	(68)	—	(68)
Transfer to other comprehensive income associated with assets held for sale	—	(14,929)	(14,929)	14,929	—	—	—
Transfer of negative balance of other capital surplus	—	—	—	—	—	—	—
Total transactions with owners	—	(14,929)	11,557	14,972	(11,848)	(13,775)	(25,623)
Balance as of March 31, 2026	¥ (214)	¥ 220,586	¥ 263,765	¥ —	¥1,008,644	¥ 228,029	¥1,236,673

Fiscal year 2024 ended March 31, 2025

	Equity attributable to owners of the parent											
					Other components of equity							
					Remeasurements of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans						
	Share capital		Capital surplus		Retained earnings		Treasury shares					
Millions of yen												
Balance as of April 1, 2024	¥	89,938	¥	237	¥	578,175	¥	(8,355)	¥	83,448	¥	—
Net income (loss)		—		—		38,591		—		—		—
Other comprehensive income		—		—		—		—		(25,304)		(22,303)
Total comprehensive income		—		—		38,591		—		(25,304)		(22,303)
Issuance of new shares		120		120		—		—		—		—
Purchase of treasury shares		—		—		—		(6)		—		—
Disposal of treasury shares		—		(0)		—		0		—		—
Dividends		—		—		(9,818)		—		—		—
Changes resulting from additions to consolidation		—		—		—		—		—		—
Changes resulting from loss of control of subsidiaries		—		—		115		—		—		—
Change in interest due to transactions with non-controlling interests		—		(1,413)		—		—		—		—
Transfer from other components of equity to retained earnings		—		—		34,604		—		(56,907)		22,303
Others, net		—		—		—		—		—		—
Transfer to other comprehensive income associated with assets held for sale		—		—		—		—		(51)		—
Transfer of negative balance of other capital surplus		—		1,056		(1,056)		—		—		—
Total transactions with owners		120		(237)		23,845		(6)		(56,958)		22,303
Balance as of March 31, 2025	¥	90,059	¥	—	¥	640,611	¥	(8,361)	¥	1,186	¥	—

	Equity attributable to owners of the parent						
	Other components of equity			Other comprehensive income associated with assets held for sale	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Cash flow hedges	Exchange differences on conversion of foreign operations	Total				
Balance as of April 1, 2024	¥ 319	¥ 220,266	¥ 304,033	¥ 1,725	¥ 965,753	¥ 198,613	¥1,164,366
Net income (loss)	—	—	—	—	38,591	4,097	42,688
Other comprehensive income	(232)	(40,803)	(88,642)	(3,916)	(92,558)	(4,752)	(97,310)
Total comprehensive income	(232)	(40,803)	(88,642)	(3,916)	(53,967)	(655)	(54,622)
Issuance of new shares	—	—	—	—	240	—	240
Purchase of treasury shares	—	—	—	—	(6)	—	(6)
Disposal of treasury shares	—	—	—	—	0	—	0
Dividends	—	—	—	—	(9,818)	(11,695)	(21,513)
Changes resulting from additions to consolidation	—	—	—	—	—	(154)	(154)
Changes resulting from loss of control of subsidiaries	—	—	—	(115)	—	(7,869)	(7,869)
Change in interest due to transactions with non-controlling interests	—	—	—	—	(1,413)	(4,615)	(6,028)
Transfer from other components of equity to retained earnings	—	—	(34,604)	—	—	—	—
Others, net	—	—	—	—	—	—	—
Transfer to other comprehensive income associated with assets held for sale	—	(5,865)	(5,916)	5,916	—	—	—
Transfer of negative balance of other capital surplus	—	—	—	—	—	—	—
Total transactions with owners	—	(5,865)	(40,520)	5,801	(10,996)	(24,333)	(35,329)
Balance as of March 31, 2025	¥ 87	¥ 173,598	¥ 174,871	¥ 3,610	¥ 900,790	¥ 173,625	¥1,074,415

(4) Consolidated Statement of Cash Flows

Fiscal years ended March 31, 2026 and 2025

Millions of yen	FY2025	FY2024
Cash flows from operating activities:		
Income before taxes	¥ 116,068	¥ 58,093
Depreciation and amortization	121,069	131,597
Gains on business transfers	(96,559)	(56,653)
Impairment losses	34,607	26,312
Share of (profit) loss of investments accounted for using the equity method	43,271	(20,639)
Interest and dividend income	(11,728)	(15,831)
Interest expenses	33,454	28,704
Restructuring costs	26,627	23,583
Changes in fair value of contingent consideration	(1,153)	(2,427)
(Gain) loss on sale of property, plant and equipment, and intangible assets	(1,207)	(14,339)
(Increase) decrease in trade receivables	(3,624)	(21,964)
(Increase) decrease in inventories	38,564	56,532
Increase (decrease) in trade payables	(71,947)	(6,113)
Increase (decrease) in unearned revenue	(9,235)	(23,064)
Increase (decrease) in provisions	8,897	(326)
Others, net	53,093	110,069
Subtotal	280,197	273,534
Interest and dividends received	15,873	20,659
Interest paid	(29,833)	(27,478)
Income taxes paid	(27,379)	(10,090)
Restructuring costs paid	(4,099)	(23,598)
Net cash provided by (used in) operating activities	234,759	233,027
Cash flows from investing activities:		
Net (increase) decrease in time deposits	(2,963)	(6,968)
Net (increase) decrease in securities	(9,875)	2,910
Purchase of property, plant and equipment, and intangible assets	(121,566)	(130,465)
Proceeds from sales of property, plant and equipment, and intangible assets	4,243	16,816
Purchase of investments in subsidiaries	(6,985)	(196)
Purchase of other financial assets	(115,409)	(4,117)
Proceeds from sales and redemption of other financial assets	121,426	179,970
Proceeds from sale of subsidiaries	55,731	39,671
Payments for sale of subsidiaries	(20)	(11,614)
Others, net	597	(778)
Net cash provided by (used in) investing activities	(74,821)	85,229
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	5,996	(226,165)
Net increase (decrease) in commercial paper	(40,423)	(37,000)
Proceeds from long-term borrowings	37,570	153,978
Repayments of long-term borrowings	(155,889)	(132,253)
Proceeds from issuance of bonds	—	99,161
Redemption of bonds	—	(120,000)
Repayments of finance lease liabilities	(20,643)	(19,201)
Proceeds from sale and leaseback transactions	—	6,700
Cash dividends paid	(19,680)	(9,866)
Cash dividends paid to non-controlling interests	(1,662)	(11,698)
Payments for acquisition of subsidiaries' interests from non-controlling interests	(2,245)	(5,330)
Others, net	(2,092)	896
Net cash provided by (used in) financing activities	(199,068)	(300,778)
Effect of exchange rate changes on cash and cash equivalents	15,657	(6,823)
Increase (decrease) in cash and cash equivalents	(23,473)	10,655
Cash and cash equivalents at the beginning of the year	209,838	217,449
Net increase (decrease) in cash and cash equivalents resulting from transfer to assets held for sale	22,224	(18,266)
Cash and cash equivalents at the end of the period	¥ 208,589	¥ 209,838

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Segment Information

1. Reportable Segments

The reportable segments of the Group refer to business units for which separate financial information is available and that are reviewed regularly at the Board of Directors meeting in order to determine the allocation of management resources and evaluate the business performance of each business unit.

The Group divides its operations into business sectors identified by products and services, which manage manufacturing, sales, and research in an integrated manner. Each business sector is responsible for developing comprehensive domestic and overseas strategies with respect to its products and services, and operates its business activities.

Principally in accordance with the business sectors, the Group consists of the five reportable segments based on its products and services: "Agro & Life Solutions", "ICT & Mobility Solutions", "Advanced Medical Solutions", "Essential & Green Materials", and "Sumitomo Pharma".

The major products and services of each reportable segment are as follows:

Reportable Segment	Major Products and Services
Agro & Life Solutions	Crop protection chemicals, fertilizers, agricultural materials, household insecticides, products for control of infectious diseases, feed additives, etc.
ICT & Mobility Solutions	Optical products, semiconductor processing materials, compound semiconductor materials, touch screen sensor panels, high-purity aluminum and alumina, specialty chemicals, additives, engineering plastics, battery materials, etc.
Advanced Medical Solutions	Contract development and manufacturing organization business for advanced small-molecule drug, oligonucleotides, and regenerative medicine and cell therapy products, etc.
Essential & Green Materials	Synthetic resins, raw materials for synthetic fibers, various industrial chemicals, methyl methacrylate products, synthetic resin processed products, industrial alumina, synthetic rubber, etc.
Sumitomo Pharma	Small molecule pharmaceuticals

2. Reportable Segment Information

The accounting methods for each reportable segment are, in principle, identical to those used in the consolidated financial statements. The segment profit or loss is core operating income, which is calculated from operating income after excluding effects from non-recurring factors.

Inter-segment sales revenue is based on market prices.

Fiscal year 2025

Millions of yen	Agro & Life Solutions	ICT & Mobility Solutions	Advanced Medical Solutions	Essential & Green Materials	Sumitomo Pharma	Total	Others (Note 3)	Adjustments (Note 4)	Consolidated
Sales revenue:									
Sales revenues from external customers	¥ 519,256	¥ 574,162	¥ 58,601	¥ 678,800	¥ 451,933	¥ 2,282,752	¥ 45,763	¥ —	¥ 2,328,515
Inter-segment sales revenues	1,094	968	13,812	4,576	1,361	21,811	49,001	(70,812)	—
Total sales revenue	520,350	575,130	72,413	683,376	453,294	2,304,563	94,764	(70,812)	2,328,515
Segment profit (loss) : core operating income (loss) (Note 1, 2)	¥ 56,334	¥ 53,041	¥ 2,818	¥ 14,446	¥ 108,444	¥ 235,083	¥ 4,394	¥ (31,101)	¥ 208,376
Segment assets	819,631	722,571	125,225	639,853	785,884	3,093,164	231,026	80,851	3,405,041
Other items:									
Depreciation and amortization	21,152	33,735	7,844	19,217	20,771	102,719	7,045	11,305	121,069
Share of profit (loss) of investments accounted for using the equity method	350	—	—	(49,544)	4,821	(44,373)	1,192	(90)	(43,271)
Impairment losses	1,274	2,830	3,766	23,016	2,073	32,959	—	1,648	34,607
Reversal of impairment losses	—	—	—	—	1,086	1,086	—	—	1,086
Investment accounted for using the equity method	9,031	569	—	116,065	29,311	154,976	49,929	(1,043)	203,862
Capital expenditures	15,846	52,970	9,575	18,176	8,115	104,682	7,261	9,617	121,560

Note 1: ¥14,446 million for segment profit (core operating income) in "Essential & Green Materials" includes ¥55,807 million for gain related to business transfer.

Note 2: ¥108,444 million for segment profit (core operating income) in "Sumitomo Pharma" includes ¥50,024 million for gain related to business transfer.

Note 3: "Others" represents businesses such as supplying electrical power and steam, and providing transport and warehousing, which are not included in reportable segments.

Note 4: Amounts in "Adjustments" are as follows:

- (1) ¥(31,101) million for segment profit (loss) in "Adjustments" includes inter-segment elimination of ¥586 million and corporate expenses of ¥(31,687) million unallocated to each reportable segment. Corporate expenses are mainly research and development expenses for company-wide research, which are not treated as attributable to specific reportable segments.
- (2) Segment assets in "Adjustments" are ¥80,851 million, which includes ¥(135,817) million in eliminations of inter-segment receivables and other assets, and ¥216,668 million of corporate assets unallocated to each reportable segment. Corporate assets mainly consist of cash and cash equivalents, investment securities, and the assets related to research and development activities for company-wide research.
- (3) Depreciation and amortization in "Adjustments" is ¥11,305 million, mainly related to the assets arising from research and development activities for company-wide research unallocated to each reportable segment.
- (4) Investments accounted for using the equity method in "Adjustments" is ¥(1,043) million, which is mainly eliminations of inter-segment transactions.
- (5) Capital expenditures in "Adjustments" amounting to ¥9,617 million is mainly contributed by company-wide research activities that are not allocated to each reportable segment.

Fiscal year 2024

Millions of yen	Agro & Life Solutions	ICT & Mobility Solutions	Advanced Medical Solutions	Essential & Green Materials	Sumitomo Pharma	Total	Others (Note 2)	Adjustments (Note 3)	Consolidated
Sales revenue:									
Sales revenues from external customers	¥ 540,221	¥ 606,995	¥ 62,145	¥ 899,029	¥ 398,001	¥ 2,506,391	¥ 99,890	¥ —	¥ 2,606,281
Inter-segment sales revenues	1,114	3,258	10,388	4,874	529	20,163	65,195	(85,358)	—
Total sales revenue	541,335	610,253	72,533	903,903	398,530	2,526,554	165,085	(85,358)	2,606,281
Segment profit (loss) : core operating income (loss) (Note 1)	¥ 54,978	¥ 70,555	¥ 3,966	¥ (58,471)	¥ 35,337	¥ 106,365	¥ 66,855	¥ (32,701)	¥ 140,519
Segment assets	771,293	635,736	125,339	791,922	728,688	3,052,978	284,587	102,219	3,439,784
Other items:									
Depreciation and amortization	21,046	34,154	7,701	22,764	24,862	110,527	9,763	11,307	131,597
Share of profit (loss) of investments accounted for using the equity method	322	3	—	13,191	(355)	13,161	6,383	1,095	20,639
Impairment losses	6,066	2,724	7,895	2,802	5,463	24,950	1,340	22	26,312
Reversal of impairment losses	—	—	—	—	274	274	—	—	274
Investment accounted for using the equity method	8,765	507	—	233,959	—	243,231	45,699	(953)	287,977
Capital expenditures	20,102	49,230	12,998	26,300	11,453	120,083	4,398	7,244	131,725

Note 1: ¥66,855 million for segment profit (core operating income) in "Others" included ¥48,879 million for gain on business transfer.

Note 2: "Others" represented businesses such as radiopharmaceuticals, supplying electrical power and steam, providing services for the design, engineering, and construction management of chemical plants, and providing transport and warehousing, which were not included in reportable segments.

Note 3: Amounts in "Adjustments" were as follows:

- (1) ¥(32,701) million for segment profit (loss) in "Adjustments" included inter-segment elimination of ¥2,324 million and corporate expenses of ¥(35,025) million unallocated to each reportable segment. Corporate expenses were mainly research and development expenses for company-wide research, which were not treated as attributable to specific reportable segments.
- (2) Segment assets in "Adjustments" were ¥102,219 million, which included ¥(96,460) million in eliminations of inter-segment receivables and other assets, and ¥198,679 million of corporate assets unallocated to each reportable segment. Corporate assets mainly consisted of cash and cash equivalents, investment securities, and the assets related to research and development activities for company-wide research.
- (3) Depreciation and amortization in "Adjustments" was ¥11,307 million, mainly related to the assets arising from research and development activities for company-wide research unallocated to each reportable segment.
- (4) Investments accounted for using the equity method in "Adjustments" was ¥(953) million, which is eliminations of inter-segment transactions.
- (5) Capital expenditures in "Adjustments" amounting to ¥7,244 million was mainly contributed by company-wide research activities that were not allocated to each reportable segment.

Adjustments to income before taxes from core operating income were as follows:

Millions of yen	FY2025		FY2024	
Core operating income	¥	208,376	¥	140,519
Impairment losses		(34,607)		(26,312)
Restructuring costs		(26,627)		(23,583)
Gains on sales of property, plant and equipment, and intangible assets		1,207		14,339
Share of profit of investments accounted for using the equity method (non-recurring factors)		—		83,569
Gains on fair value measurement of the residual interest		—		9,449
Others, net		3,395		(4,948)
Operating income		151,744		193,033
Finance income		28,100		17,650
Finance expenses		(63,776)		(152,590)
Income before taxes	¥	116,068	¥	58,093

Note: Breakdown of share of profit (loss) of investments accounted for using the equity method included in operating income was as follows:

Millions of yen	FY2025		FY2024	
Share of profit (loss) of investments accounted for using the equity method	¥	(43,271)	¥	20,639
Of which resulting from recurring factors		(43,271)		(62,930)
Of which resulting from non-recurring factors		—		83,569

Earnings per Share

1. The Basis for Calculating Basic Earnings per Share

	FY2025	FY2024
Net income attributable to owners of the parent (millions of yen)	¥60,947	¥38,591
Amounts not attributable to ordinary shareholders of the parent (millions of yen)	—	—
Net income used to calculate basic earnings per share (millions of yen)	¥60,947	¥38,591
Average number of ordinary shares (thousands of shares)	1,640,185	1,635,928
Basic earnings per share (yen)	¥37.16	¥23.59

2. The Basis for Calculating Diluted Earnings per Share

	FY2025	FY2024
Net income used to calculate basic earnings per share (millions of yen)	¥60,947	¥38,591
Adjustments by dilutive potential ordinary shares of parent (millions of yen)	—	—
Net income used to calculate diluted earnings per share (millions of yen)	¥60,947	¥38,591
Average number of ordinary shares (thousands of shares)	1,640,185	1,635,928
Restricted stock compensation plan (thousands of shares)	539	587
Average number of ordinary shares after dilution (thousands of shares)	1,640,724	1,636,515
Diluted earnings per share (yen)	¥37.15	¥23.58
Stocks not included in the calculation of diluted earnings per share because they have anti-dilutive effect	—	—

Significant Subsequent Events

(Issuance of New Shares and Secondary Offering of Shares by the Company Subsidiary)

Sumitomo Pharma Co., Ltd. (hereinafter, "Sumitomo Pharma"), which is a subsidiary of the Company, resolved at the meeting of its Board of Directors held on April 8, 2026, to issue new shares (hereinafter "Public Offering") and the secondary offering of shares. It also determined on April 20, 2026, the issue price, the selling price, and other matters as set forth below. The payment for the Public Offering was completed on April 24, 2026, resulting in an increase in Sumitomo Pharma's share capital and legal capital surplus (capital surplus).

Sumitomo Pharma will issue a maximum of 59 million shares as a result of the Public Offering. This issuance, however, will not result in any changes to the status of Sumitomo Pharma as a consolidated subsidiary of the Company.

1. Issuance of new shares through public offering (domestic public offering and international offering)

(1) Class and number of shares issued	51,304,400 shares of common stock
(2) Issue price	¥1,990 per share
(3) Total amount of the issue price	¥102,096 million
(4) Amount paid in	¥1,907.08 per share
(5) Total amount paid in	¥97,842 million
(6) Amount of increase in share capital and legal capital surplus (capital surplus)	Amount of increase in share capital: ¥48,921 million Amount of increase in legal capital surplus (capital surplus): ¥48,921 million
(7) Payment date	April 24, 2026

2. Secondary offering of shares by the Company Subsidiary (offering by way of over-allotment)

(1) Class and number of shares offered	7,695,600 shares of common stock
(2) Selling price	¥1,990 per share
(3) Total amount of the selling price	¥15,314 million
(4) Delivery date	April 27, 2026

3. Issuance of new shares by way of third-party allotment (capital increase by way of third-party allotment in connection with the offering by way of over-allotment)

(1) Class and number of shares to be issued (maximum)	7,695,600 shares of common stock
(2) Amount to be paid in	¥1,907.08 per share
(3) Total amount to be paid in (maximum)	¥14,676 million
(4) Amount of share capital and legal capital surplus (capital surplus) to be increased (maximum)	Amount of share capital to be increased: ¥7,338 million Amount of legal capital surplus (capital surplus) to be increased: ¥7,338 million
(5) Payment date (scheduled)	May 26, 2026
(6) Allottee	SMBC Nikko Securities Inc.

4. Use of proceeds

The estimated total net proceeds of up to ¥111,566 million from the domestic public offering, international offering, and capital increase by way of third-party allotment are expected to be applied by the end of March 2029 for the following: ¥30 billion for R&D expenses in oncology area; ¥10 billion for R&D expenses in neurodegenerative diseases and infectious diseases; ¥10 billion for R&D expenses and capital expenditures to develop the regenerative medicine/cell therapy business; ¥10 billion for the capital expenditures in production and research and development, IT system investments, and strategic investments for alliances and licensing agreements; and the remaining funds for the repayment of interest-bearing debt.