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May 13, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)



Company name: Denka Co. Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 4061
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 Scheduled date of annual general meeting of shareholders: June 19, 2026
 Scheduled date to commence dividend payments: June 22, 2026
 Scheduled date to file annual securities report: June 17, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for equity analysts and institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results (Percentages indicate 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	%
Fiscal year ended								
March 31, 2026	384,247	(4.0)	26,225	82.0	19,295	153.1	15,695	–
March 31, 2025	400,251	2.8	14,413	7.7	7,623	39.3	(12,300)	–

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥19,143 million [–%]
 For the fiscal year ended March 31, 2025: ¥(7,089) million [–%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	182.10	–	5.2	2.9	6.8
March 31, 2025	(142.73)	–	(4.1)	1.2	3.6

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2026: ¥1,700 million
 For the fiscal year ended March 31, 2025: ¥1,983 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	681,006	338,826	45.6	3,604.53
March 31, 2025	655,524	308,296	45.2	3,436.95

Reference: Equity
 As of March 31, 2026: ¥310,709 million
 As of March 31, 2025: ¥296,181 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	36,154	(45,021)	7,603	35,270
March 31, 2025	18,620	(59,586)	40,118	37,002

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	–	50.00	–	50.00	100.00	8,627	–	2.9
Fiscal year ended March 31, 2026	–	50.00	–	50.00	100.00	8,626	54.9	2.8
Fiscal year ending March 31, 2027 (Forecast)	–	50.00	–	50.00	100.00		53.9	

3. Forecasts for consolidated financial results for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate 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
First half	210,000	6.8	12,000	23.2	7,000	3.1	0	(100)	0.00
Full fiscal year	450,000	17.1	30,000	14.4	20,000	3.7	16,000	1.9	185.67

* **Notes**

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

Newly included: 3 companies (TOYO STYRENE Co., Ltd., Flowers Co., Ltd., and KAINOS Laboratories, Inc.)

Excluded: 0 companies (Company name)

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of March 31, 2026	88,555,840 shares
As of March 31, 2025	88,555,840 shares

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

As of March 31, 2026	2,356,126 shares
As of March 31, 2025	2,380,123 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	86,192,997 shares
Fiscal year ended March 31, 2025	86,176,487 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	300,421	(2.7)	12,814	341.1	9,056	142.7	3,550	–
March 31, 2025	308,715	1.7	2,904	(35.0)	3,730	59.5	(11,110)	–

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2026	41.19	–
March 31, 2025	(128.92)	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	493,116	193,865	39.3	2,249.03
March 31, 2025	502,602	197,105	39.2	2,287.25

Reference: Equity

As of March 31, 2026: ¥193,865 million

As of March 31, 2025: ¥197,105 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

Earnings forecasts and other forward-looking statements in this report are based on information presently available to management and assumptions that management deems reasonable. Actual earnings and other forecasts may differ significantly from those in this report in accordance with numerous factors. For the assumptions used for the financial results forecasts and the notes regarding the use thereof, please refer to “1. Overview of Operating Results, etc. (4) Future Outlook” on page 5 of the attached document.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

Operating results for the fiscal year under review

During the fiscal year under review, the Japanese economy moved toward a moderate recovery as personal consumption and capital investment showed signs of improvement. The global economy as a whole showed a rebound. However, the outlook is uncertain due to factors such as developments in U.S. trade policy and escalating tensions in the Middle East.

Amid such circumstances, the Group focused on expanding business and securing profit by promoting initiatives based on the three growth strategies set forth in “Mission 2030,” the eight-year management plan launched in FY2023: Business Value Creation, Human Resources Value Creation, and Management Value Creation.

As a result, for the fiscal year under review, sales volume of electronics and innovative products increased. However, net sales were ¥384,247 million, down ¥16,003 million, or 4.0%, year on year. This was mainly due to lower proceeds from sales price reviews in response to falling raw material and fuel prices. In terms of earnings, operating profit was ¥26,225 million (up ¥11,811 million, or 82.0%, year on year), and ordinary profit was ¥19,295 million (up ¥11,671 million, or 153.1%, year on year). Profit attributable to owners of parent was ¥15,695 million (compared with a loss of ¥12,300 million in the previous fiscal year), due to the recording of the gain on transfer of factory land at the Ofuna Plant and gain on sale of strategic cross-shareholdings as an extraordinary income, despite also recording an extraordinary loss related to Denka Performance Elastomer LLC, a U.S.-based subsidiary that has elected not to restart production at its chloroprene rubber manufacturing facilities for an indefinite period.

[Electronics & Innovative Products Division]

Demand for products in this division increased for AI-related applications and power infrastructure. Sales of spherical silica and spherical alumina remained strong with the expansion of demand for semiconductors for AI applications. Sales of high-performance film also increased, supported by a gradual recovery in demand for electronic component applications. Regarding acetylene black, sales for xEV applications declined year on year, but sales for high-voltage cable applications increased year on year, resulting in overall sales growth. In addition, sales of ALSINK, a high-reliability heat dissipating plate, increased due to a recovery in demand for electric railway applications and growth in demand for direct current transmission applications, and sales of the new product SNECTON, a low-dielectric organic insulating resin, also grew steadily.

As a result, division net sales increased ¥12,227 million, or 13.3%, year on year to ¥104,430 million, and operating profit increased ¥4,717 million, or 51.5%, year on year to ¥13,886 million.

[Life Innovation Division]

Overall sales volume of POCT test reagents declined year on year, as infectious diseases such as influenza and COVID-19 spread to a certain extent, but subsided rapidly after the start of the year, resulting in a decline in the number of tests conducted. In addition, sales of other test reagents resulted in a year-on-year decrease due partly to some slump in sales for overseas. Influenza vaccines were shipped as planned.

As a result, division net sales decreased ¥2,742 million, or 6.3%, year on year to ¥40,520 million, and operating profit decreased ¥3,354 million, or 34.9%, year on year to ¥6,247 million.

[Elastomers & Infrastructure Solutions Division]

Demand for chloroprene rubber continued to remain sluggish. However, profitability improved as high-cost manufacturing facilities at a U.S.-based subsidiary remained suspended. In addition, sales of corrugated pipes for agricultural and civil engineering applications increased, but sales of special cement additives fell below the previous fiscal year’s level due to construction delays and other factors.

As a result, division net sales decreased ¥14,090 million, or 12.6%, year on year to ¥97,583 million, and operating profit was ¥68 million, an increase of ¥8,030 million year on year (operating loss in the previous fiscal year was ¥7,962 million).

[Polymer Solutions Division]

In response to lower raw material and fuel costs, the division revised the selling price of each product. Shipments of AS and ABS resins and styrene monomer exceeded the previous fiscal year's level, while sales of MS resins by Denka Singapore Pte. Ltd. fell below the previous fiscal year's level. Also, sales of sheets for food wrapping materials and their processed products fell below the previous fiscal year's level due to the delayed recovery in demand.

As a result, division net sales decreased ¥11,204 million, or 8.3%, year on year to ¥124,161 million, and operating profit increased ¥2,420 million, or 209.8%, year on year to ¥3,574 million.

[Others Division]

Transaction volumes of Akros Trading Co., Ltd. and other trading companies remained roughly unchanged year on year.

As a result, division net sales decreased ¥194 million, or 1.1%, year on year to ¥17,552 million, and operating profit increased ¥31 million, or 1.3%, year on year to ¥2,427 million.

(2) Overview of Financial Position for the Fiscal Year under Review

Total assets at the end of the fiscal year under review increased by ¥25,482 million from the end of the previous fiscal year to ¥681,006 million.

Current assets decreased by ¥10,379 million from the end of the previous fiscal year to ¥260,075 million, mainly due to a decrease in inventories. Non-current assets increased by ¥35,861 million from the end of the previous fiscal year to ¥420,930 million, mainly due to an increase in property, plant and equipment.

Liabilities decreased by ¥5,047 million from the end of the previous fiscal year to ¥342,180 million, mainly due to a decrease in accounts payable for construction contracts.

Net assets, including non-controlling interests, increased by ¥30,530 million from the end of the previous fiscal year to ¥338,826 million.

As a result, the equity ratio increased from 45.2% at the end of the previous fiscal year to 45.6%, and net assets per share increased from ¥3,436.95 to ¥3,604.53.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents at the end of the fiscal year under review amounted to ¥35,270 million, a decrease of ¥1,732 million compared with the end of the previous fiscal year. Cash flows for the fiscal year under review are summarized as follows.

Net cash provided by operating activities amounted to ¥36,154 million, mainly due to an increase in profit before income taxes.

Net cash used in investing activities amounted to ¥45,021 million, mainly due to payments for capital expenditures.

Net cash provided by financing activities amounted to ¥7,603 million, mainly due to an increase in loans payable.

Reference: Trends in cash flow indicators

	FY2021	FY2022	FY2023	FY2024	FY2025
Equity ratio (%)	51.7	50.1	49.9	45.2	45.6
Equity ratio based on market value (%)	52.6	39.8	32.8	28.1	44.7
Ratio of interest-bearing debt to cash flows (years)	3.2	19.0	4.8	11.7	6.1
Interest coverage ratio (times)	45.4	8.1	21.7	8.9	17.7

Equity ratio: $\text{Equity} / \text{Total assets}$

Equity ratio based on market value: $\text{Market capitalization} / \text{Total assets}$

Ratio of interest-bearing debt to cash flows: $\text{Interest-bearing debt} / \text{Cash flows from operating activities}$

Interest coverage ratio: $\text{Cash flows from operating activities} / \text{Interest paid}$

Notes: 1. All figures are based on consolidated financial data.

2. Market capitalization is calculated based on the number of outstanding shares excluding treasury shares.

3. Interest-bearing debt includes all liabilities recorded on the consolidated balance sheet that bear interest.

(4) Future Outlook

For FY2026, while strong global demand related to AI, semiconductors, and power infrastructure is expected to drive overall performance, rising tensions in the Middle East are likely to have a certain impact on the Group's business due to difficulties in procuring petroleum-derived raw materials.

Accordingly, in formulating our earnings forecasts, we assume that raw material procurement will be disrupted during the first half of the fiscal year and recover to normal conditions from October onward, and that raw material prices will remain at a high level throughout the fiscal year.

As a result, net sales are expected to be ¥450,000 million, and operating profit is expected to increase from the previous fiscal year to ¥30,000 million. We also forecast ordinary profit of ¥20,000 million and profit attributable to owners of parent of ¥16,000 million.

For FY2026 earnings forecast, please also refer to the Results Presentation of FY2025 (Fiscal Year Ended March 2026) disclosed today.

[FY2026 earnings forecast]

- Net sales: ¥450.0 billion (up 17.1% YoY)
- Operating profit: ¥30.0 billion (up 14.4% YoY)
- Ordinary profit: ¥20.0 billion (up 3.7% YoY)
- Profit attributable to owners of parent: ¥16.0 billion (up 1.9% YoY)
- Dividends: ¥100.00 per share

[Assumptions for FY2026 earnings forecast]

- Domestic naphtha price: ¥123,250 per kiloliter
- Exchange rate: ¥158.00 per U.S. dollar

[Earnings forecast by segment]

(Billions of yen)

Net sales and operating profit (forecast)		FY2026 2Q cumulative forecast	FY2026 full-year forecast
Electronics & Innovative Products	Net sales	50.0	110.0
	Operating profit	4.0	13.0
Life Innovation	Net sales	20.0	45.0
	Operating profit	3.0	6.0
Elastomers & Infrastructure Solutions	Net sales	50.0	105.0
	Operating profit	4.0	7.0
Polymer Solutions	Net sales	80.0	170.0
	Operating profit	0.0	2.0
Others and elimination	Net sales	10.0	20.0
	Operating profit	1.0	2.0
Total	Net sales	210.0	450.0
	Operating profit	12.0	30.0

2. Basic Policy on Selection of Accounting Standards

The Group prepares its consolidated financial statements in accordance with Japanese GAAP in order to ensure compatibility between companies and over time.

In preparation for the future adoption of international accounting standards, the Group is working to acquire knowledge of international accounting standards, analyze gaps with Japanese standards, and investigate the impact of their introduction. The Group will continue to monitor domestic and international developments and take appropriate measures as necessary.

3. Consolidated Financial Statements and Principal Notes
(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	37,002	35,270
Notes and accounts receivable - trade, and contract assets	88,035	88,299
Merchandise and finished goods	89,988	84,661
Work in process	6,565	7,235
Raw materials and supplies	33,951	35,500
Other	15,175	9,367
Allowance for doubtful accounts	(262)	(258)
Total current assets	270,455	260,075
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	85,794	87,304
Machinery, equipment and vehicles, net	99,494	106,783
Tools, furniture and fixtures, net	5,239	5,264
Land	63,674	61,412
Leased assets, net	3,823	3,424
Construction in progress	54,942	78,997
Total property, plant and equipment	312,969	343,187
Intangible assets		
Goodwill	10	2,246
Patent right	396	264
Software	1,828	1,701
Other	861	841
Total intangible assets	3,097	5,053
Investments and other assets		
Investment securities	48,702	47,463
Long-term loans receivable	87	980
Retirement benefit asset	4,316	9,032
Deferred tax assets	9,988	6,822
Other	5,985	8,670
Allowance for doubtful accounts	(77)	(278)
Total investments and other assets	69,002	72,690
Total non-current assets	385,069	420,930
Total assets	655,524	681,006

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	48,023	43,005
Short-term borrowings	74,679	51,797
Commercial papers	33,000	20,000
Current portion of long-term borrowings	–	150
Current portion of bonds payable	15,000	15,000
Income taxes payable	2,321	7,520
Accrued consumption taxes	262	491
Provision for bonuses	2,909	3,647
Other	54,304	43,484
Total current liabilities	230,501	185,096
Non-current liabilities		
Bonds payable	15,000	10,000
Long-term borrowings	80,000	124,766
Deferred tax liabilities	3,777	5,341
Deferred tax liabilities for land revaluation	8,613	8,524
Retirement benefit liability	2,506	1,895
Provision for share awards	145	141
Other	6,684	6,414
Total non-current liabilities	116,727	157,083
Total liabilities	347,228	342,180
Net assets		
Shareholders' equity		
Share capital	36,998	36,998
Capital surplus	49,412	49,415
Retained earnings	167,074	174,127
Treasury shares	(7,786)	(7,716)
Total shareholders' equity	245,698	252,825
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,062	14,258
Deferred gains or losses on hedges	(56)	760
Revaluation reserve for land	10,161	10,176
Foreign currency translation adjustment	26,104	26,934
Remeasurements of defined benefit plans	2,210	5,752
Total accumulated other comprehensive income	50,483	57,883
Non-controlling interests	12,114	28,117
Total net assets	308,296	338,826
Total liabilities and net assets	655,524	681,006

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

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	400,251	384,247
Cost of sales	315,655	289,991
Gross profit	84,595	94,256
Selling, general and administrative expenses	70,182	68,030
Operating profit	14,413	26,225
Non-operating income		
Interest income	549	328
Dividend income	812	1,312
Share of profit of entities accounted for using equity method	1,983	1,700
Foreign exchange gains	–	543
Other	880	672
Total non-operating income	4,226	4,557
Non-operating expenses		
Interest expenses	2,093	2,104
Loss on disposal of non-current assets	2,543	1,872
Cost during the suspension of plant operation	3,416	3,358
Foreign exchange losses	599	–
Other	2,362	4,152
Total non-operating expenses	11,016	11,487
Ordinary profit	7,623	19,295
Extraordinary income		
Gain on sale of investment securities	367	12,623
Gain on sale of non-current assets	–	8,188
Gain on bargain purchase	–	6,517
Other	–	721
Total extraordinary income	367	28,050
Extraordinary losses		
Impairment losses	16,111	–
Loss on liquidation of business	7,852	21,112
Loss on valuation of shares of subsidiaries and associates	1,110	–
Loss on step acquisitions	–	4,875
Total extraordinary losses	25,074	25,987
Profit (loss) before income taxes	(17,083)	21,357
Income taxes - current	2,995	8,048
Income taxes - deferred	(3,022)	2,057
Total income taxes	(26)	10,105
Profit (loss)	(17,056)	11,252
Loss attributable to non-controlling interests	(4,756)	(4,443)
Profit (loss) attributable to owners of parent	(12,300)	15,695

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit (loss)	(17,056)	11,252
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,712)	1,422
Deferred gains or losses on hedges	(557)	530
Revaluation reserve for land	(246)	–
Foreign currency translation adjustment	10,587	1,204
Remeasurements of defined benefit plans, net of tax	2,177	3,541
Share of other comprehensive income of entities accounted for using equity method	717	1,192
Total other comprehensive income	9,966	7,891
Comprehensive income	(7,089)	19,143
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(3,161)	23,081
Comprehensive income attributable to non-controlling interests	(3,928)	(3,937)

(3) Consolidated Statement of Changes in Equity
Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	36,998	49,405	187,574	(7,785)	266,192
Cumulative effects of changes in accounting policies			(435)		(435)
Restated balance	36,998	49,405	187,138	(7,785)	265,757
Changes during period					
Dividends of surplus			(7,764)		(7,764)
Profit (loss) attributable to owners of parent			(12,300)		(12,300)
Change in ownership interest of parent due to transactions with non-controlling interests		16			16
Sale of shares of consolidated subsidiaries		(8)			(8)
Purchase of treasury shares				(5)	(5)
Disposal of treasury shares		(0)	(0)	4	4
Reversal of revaluation reserve for land			0		0
Net changes in items other than shareholders' equity					-
Total changes during period	-	7	(20,064)	(0)	(20,058)
Balance at end of period	36,998	49,412	167,074	(7,786)	245,698

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	14,257	(34)	10,407	16,680	33	41,344	9,377	316,915
Cumulative effects of changes in accounting policies						-		(435)
Restated balance	14,257	(34)	10,407	16,680	33	41,344	9,377	316,479
Changes during period								
Dividends of surplus						-		(7,764)
Profit (loss) attributable to owners of parent						-		(12,300)
Change in ownership interest of parent due to transactions with non-controlling interests						-		16
Sale of shares of consolidated subsidiaries						-		(8)
Purchase of treasury shares						-		(5)
Disposal of treasury shares						-		4
Reversal of revaluation reserve for land						-		0
Net changes in items other than shareholders' equity	(2,195)	(22)	(246)	9,424	2,177	9,138	2,736	11,874
Total changes during period	(2,195)	(22)	(246)	9,424	2,177	9,138	2,736	(8,183)
Balance at end of period	12,062	(56)	10,161	26,104	2,210	50,483	12,114	308,296

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	36,998	49,412	167,074	(7,786)	245,698
Changes during period					
Dividends of surplus			(8,627)		(8,627)
Profit (loss) attributable to owners of parent			15,695		15,695
Change in ownership interest of parent due to transactions with non-controlling interests		2			2
Purchase of treasury shares				(6)	(6)
Disposal of treasury shares				77	77
Reversal of revaluation reserve for land			(15)		(15)
Net changes in items other than shareholders' equity					-
Total changes during period	-	2	7,053	70	7,126
Balance at end of period	36,998	49,415	174,127	(7,716)	252,825

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	12,062	(56)	10,161	26,104	2,210	50,483	12,114	308,296
Changes during period								
Dividends of surplus						-		(8,627)
Profit (loss) attributable to owners of parent						-		15,695
Change in ownership interest of parent due to transactions with non-controlling interests						-		2
Purchase of treasury shares						-		(6)
Disposal of treasury shares						-		77
Reversal of revaluation reserve for land						-		(15)
Net changes in items other than shareholders' equity	2,195	817	15	830	3,541	7,400	16,002	23,403
Total changes during period	2,195	817	15	830	3,541	7,400	16,002	30,530
Balance at end of period	14,258	760	10,176	26,934	5,752	57,883	28,117	338,826

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit (loss) before income taxes	(17,083)	21,357
Depreciation	27,820	29,156
Amortization of goodwill	37	9
Increase (decrease) in provision for bonuses	(26)	468
Increase (decrease) in retirement benefit liability	166	(29)
Increase (decrease) in allowance for doubtful accounts	6	189
Interest and dividend income	(1,362)	(1,640)
Interest expenses	2,093	2,104
Share of loss (profit) of entities accounted for using equity method	(1,983)	(1,700)
Loss (gain) on valuation of investment securities	1,110	38
Loss (gain) on sale of investment securities	(367)	(12,621)
Loss (gain) on sale and retirement of non-current assets	422	(6,819)
Loss on liquidation of business	5,986	1,170
Impairment losses	16,111	–
Decrease (increase) in trade receivables	10,416	2,503
Decrease (increase) in inventories	(9,456)	14,116
Increase (decrease) in trade payables	(7,812)	(10,903)
Other, net	(2,787)	1,460
Subtotal	23,291	38,860
Interest and dividends received	2,522	2,044
Interest paid	(2,097)	(2,037)
Income taxes refund (paid)	(5,096)	(2,712)
Net cash provided by (used in) operating activities	18,620	36,154
Cash flows from investing activities		
Purchase of property, plant and equipment	(58,752)	(67,166)
Proceeds from sale of property, plant and equipment	3	11,343
Purchase of intangible assets	(1,078)	(480)
Purchase of investment securities	(870)	(412)
Proceeds from sale of investment securities	1,471	13,599
Proceeds from sale of shares of subsidiaries	715	410
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	–	282
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(3,192)
Other, net	(1,074)	594
Net cash provided by (used in) investing activities	(59,586)	(45,021)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	53,647	(36,027)
Proceeds from long-term borrowings	–	43,579
Repayments of long-term borrowings	(5,000)	–
Proceeds from issuance of bonds	–	10,000
Redemption of bonds	(7,000)	(15,000)
Purchase of treasury shares	(5)	(6)
Cash dividends paid	(7,764)	(8,627)
Dividends paid to non-controlling interests	(161)	(152)
Proceeds from share issuance to non-controlling shareholders	6,956	14,213
Other, net	(554)	(375)
Net cash provided by (used in) financing activities	40,118	7,603
Effect of exchange rate change on cash and cash equivalents	2,464	(470)
Net increase (decrease) in cash and cash equivalents	1,616	(1,732)
Cash and cash equivalents at beginning of period	35,386	37,002
Cash and cash equivalents at end of period	37,002	35,270

(5) Notes to Consolidated Financial Statements

Notes on going concern assumption

Not applicable.

Segment information, etc.

a. Segment information

1. Overview of reportable segments

Our reportable segments are components of our organization for which separate financial information is available and which are regularly reviewed by the Board of Directors for the purpose of determining the allocation of management resources and evaluating performance.

In order to develop products closely aligned with market needs, the Group has established four divisions by business field, which formulate domestic and overseas business strategies and implement business operations. The Group has consolidated segments with similar economic characteristics, product nature, and service content into the following reportable segments: Electronics & Innovative Products, Life Innovation, Elastomers & Infrastructure Solutions, and Polymer Solutions.

Main products of each reportable segment are as follows.

Reportable segment	Main products
Electronics & Innovative Products	Electronic packaging materials, fine ceramics, fused silica, acetylene black, electronic circuit substrates, industrial tapes, etc.
Life Innovation	Vaccines, diagnostic reagents, oncolytic virus agents, etc.
Elastomers & Infrastructure Solutions	Chloroprene rubber, cement, special cement additives, fertilizers, calcium carbide, fire resistant materials, environmental materials, etc.
Polymer Solutions	Styrene monomer, polystyrene resin, ABS resin, CLEAREN, heat-resistant resin, transparent resin, POVAL, synthetic fiber for wigs, food packaging materials, etc.

2. Basis for calculating net sales, profit or loss, assets, liabilities, and other items by reportable segment

The accounting methods applied to the reportable segments are consistent with the accounting policies adopted in the preparation of the consolidated financial statements. Internal sales and transfers between segments are based on prevailing market prices.

3. Information on net sales, profit or loss, assets, and other items by reportable segment

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segment					Other businesses (Note 1)	Total	Adjustments (Note 2)	Amount in consolidated financial statements (Note 3)
	Electronics & Innovative Products	Life Innovation	Elastomers & Infrastructure Solutions	Polymer Solutions	Total				
Net sales									
Sales to external customers	92,203	43,262	111,673	135,365	382,505	17,746	400,251	–	400,251
Intersegment sales or transfers	–	–	16	66	82	3,865	3,948	(3,948)	–
Total	92,203	43,262	111,690	135,432	382,588	21,611	404,199	(3,948)	400,251
Segment profit (loss)	9,168	9,602	(7,962)	1,154	11,962	2,395	14,358	55	14,413
Segment assets	230,862	60,174	158,633	110,715	560,386	50,557	610,943	44,580	655,524
Other items									
Depreciation	9,595	3,471	9,159	5,182	27,408	504	27,913	(93)	27,820
Increase in property, plant and equipment and intangible assets	40,860	10,613	11,681	6,004	69,159	71	69,231	(58)	69,173

Notes: 1. The other businesses category refers to business segments not included the reportable segments, including plant engineering business and trading company business, etc.

2. Adjustments to segment assets include amounts eliminated between segments and amounts attributable to corporate assets. The main components of corporate assets are the parent company's financial assets (cash and deposits, investment securities) and assets related to the supervisory organizations.

3. Segment profit (loss) is adjusted with operating profit in the consolidated statement of income.

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable segment					Other businesses (Note 1)	Total	Adjustments (Note 2)	Amount in consolidated financial statements (Note 3)
	Electronics & Innovative Products	Life Innovation	Elastomers & Infrastructure Solutions	Polymer Solutions	Total				
Net sales									
Sales to external customers	104,430	40,520	97,583	124,161	366,695	17,552	384,247	–	384,247
Intersegment sales or transfers	7	–	281	75	365	3,960	4,325	(4,325)	–
Total	104,438	40,520	97,864	124,237	367,060	21,512	388,573	(4,325)	384,247
Segment profit	13,886	6,247	68	3,574	23,777	2,427	26,204	20	26,225
Segment assets	255,642	72,288	145,514	119,647	593,092	48,842	641,935	39,071	681,006
Other items									
Depreciation	11,180	4,178	8,282	5,175	28,817	439	29,256	(100)	29,156
Increase in property, plant and equipment and intangible assets	37,947	2,050	11,125	5,019	56,143	28	56,171	(69)	56,101

- Notes: 1. The other businesses category refers to business segments not included the reportable segments, including plant engineering business and trading company business, etc.
2. Adjustments to segment assets include amounts eliminated between segments and amounts attributable to corporate assets. The main components of corporate assets are the parent company's financial assets (cash and deposits, investment securities) and assets related to the supervisory organizations.
3. Segment profit is adjusted with operating profit in the consolidated statement of income.

b. Related information

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

1. Information by product and service

As the classification of products and services is the same as the reportable segment classification, disclosure is omitted.

2. Information by region

(1) Net sales

(Millions of yen)

	Japan	Overseas			Total
		Asia	Others	Total	
Net sales	221,661	114,406	64,184	178,590	400,251
Percentage of consolidated net sales (%)	55.4	28.6	16.0	44.6	100.0

Note: Net sales are classified by country or region based on the location of customers.

(2) Property, plant and equipment

(Millions of yen)

	Japan	Overseas			Total
		Asia	Others	Total	
Property, plant and equipment	247,909	64,591	467	65,059	312,969

3. Information by major customer

As there are no specific external customers accounting for more than 10% of net sales in the consolidated statement of income, disclosure is omitted.

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

1. Information by product and service

As the classification of products and services is the same as the reportable segment classification, disclosure is omitted.

2. Information by region

(1) Net sales

(Millions of yen)

	Japan	Overseas			Total
		Asia	Others	Total	
Net sales	214,341	105,999	63,906	169,906	384,247
Percentage of consolidated net sales (%)	55.8	27.6	16.6	44.2	100.0

Note: Net sales are classified by country or region based on the location of customers.

(2) Property, plant and equipment

(Millions of yen)

	Japan	Overseas			Total
		Asia	Others	Total	
Property, plant and equipment	253,534	89,275	376	89,652	343,187

3. Information by major customer

As there are no specific external customers accounting for more than 10% of net sales in the consolidated statement of income, disclosure is omitted.

c. Information on amortization of goodwill and unamortized balances by reportable segment

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segment					Other businesses	Total	Adjustments	Amount in consolidated financial statements
	Electronics & Innovative Products	Life Innovation	Elastomers & Infrastructure Solutions	Polymer Solutions	Total				
Amortization during the fiscal year	–	–	37	–	37	–	37	–	37
Balance at the end of the fiscal year	–	–	10	–	10	–	10	–	10

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable segment					Other businesses	Total	Adjustments	Amount in consolidated financial statements
	Electronics & Innovative Products	Life Innovation	Elastomers & Infrastructure Solutions	Polymer Solutions	Total				
Amortization during the fiscal year	–	–	9	–	9	–	9	–	9
Balance at the end of the fiscal year	–	2,246	–	–	2,246	–	2,246	–	2,246

d. Information on gain on bargain purchase by reportable segment

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

Not applicable.

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

In the Polymer Solutions segment, a gain on bargain purchase of ¥6,517 million was recorded as extraordinary income, resulting from the additional acquisition of shares of TOYO STYRENE Co., Ltd. and its subsequent consolidation.

Per share information

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)		Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)	
Net assets per share	¥3,436.95	Net assets per share	¥3,604.53
Basic loss per share	¥142.73	Basic earnings per share	¥182.10
Diluted earnings per share are not reported, as there is basic loss per share and there are no dilutive shares.		Diluted earnings per share are not reported, as there are no dilutive shares.	

- Notes: 1. In the calculation of net assets per share, shares of the Company held by the stock benefit trust are included in treasury shares that are deducted from the total number of shares outstanding at the end of the fiscal year.
Similarly, in the calculation of basic earnings per share or basic loss per share, such shares are included in treasury shares deducted when calculating the average number of shares outstanding during the fiscal year.
2. The basis for the calculation of basic earnings per share or basic loss per share is as follows.

	Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)
Basic earnings per share or basic loss per share		
Profit (loss) attributable to owners of parent (million yen)	(12,300)	15,695
Amount not attributable to owners of common stock (million yen)	–	–
Profit (loss) attributable to owners of parent relating to common stock (million yen)	(12,300)	15,695
Average number of shares outstanding during the fiscal year (shares)	86,176,487	86,192,997