Denka Company Limited

Q2 Financial Results Briefing for the Fiscal Year Ending March 2027

November 9, 2026

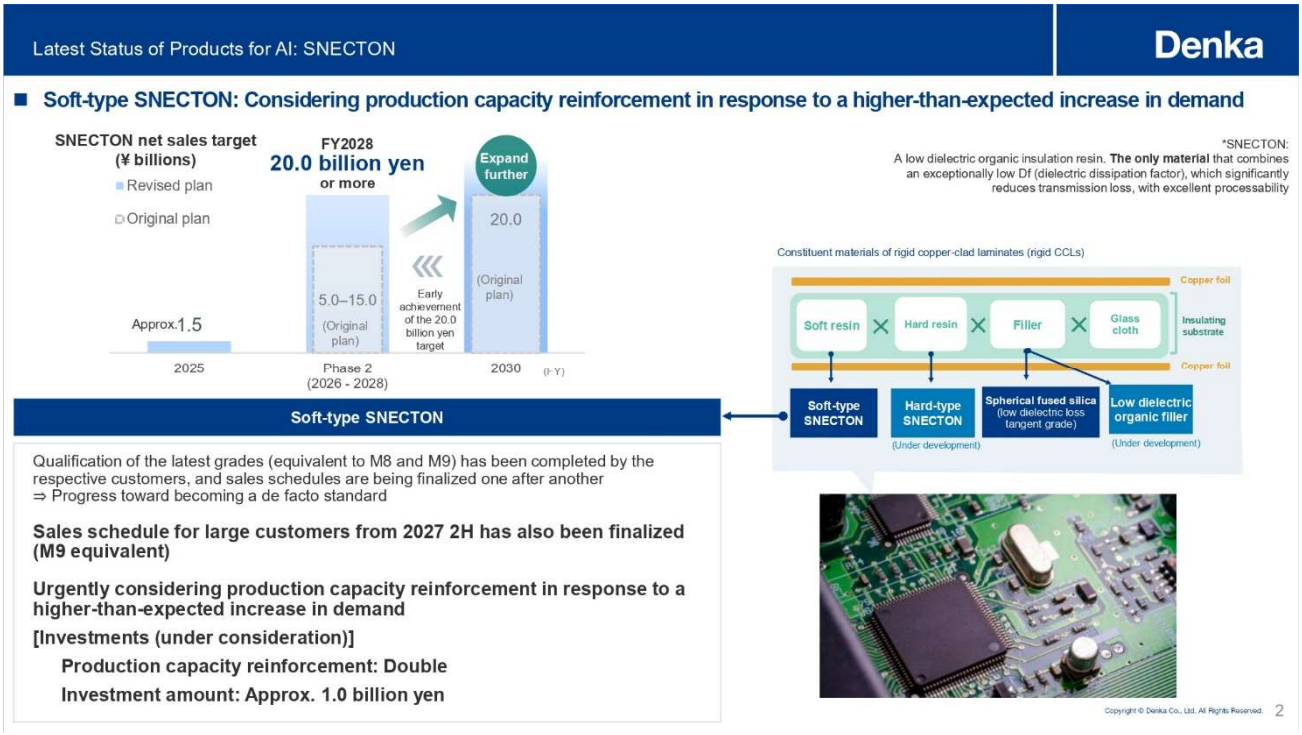
Event Summary

[Event Name]	Q2 Financial Results Briefing for the Fiscal Year Ending March 2027
[Fiscal Period]	FY2027 Q2
[Date]	November 9, 2026
[Venue]	Webcast
[Speakers]	

Ikuo Ishida	Representative Director, President & CEO
Rimiru Hayashida	Director, Senior Managing Executive Officer, CFO

Presentation

Ishida: Hello everyone. This is Ishida. Thank you very much for taking the time out of your busy schedule to attend Denka Co., Ltd.'s FY2026 Q2 financial results briefing today. I would also like to express our sincere gratitude for your continued support of our business.



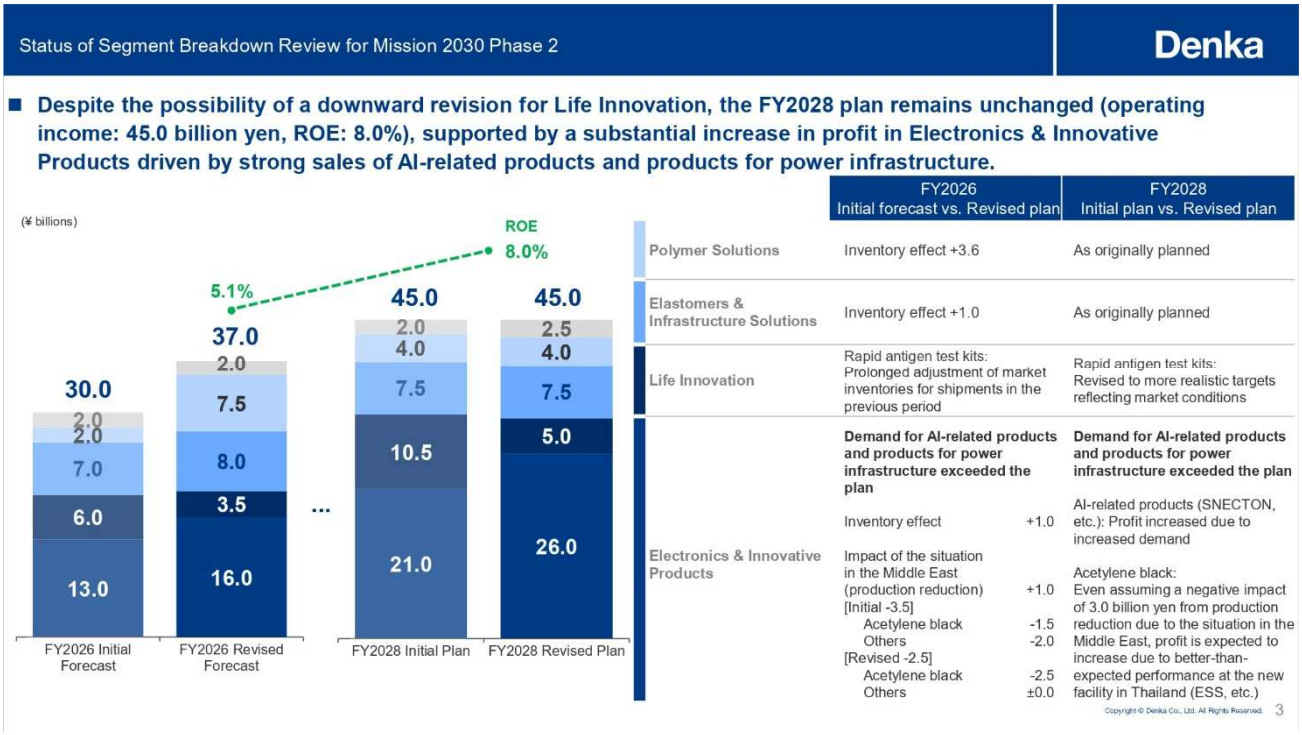
First, I will explain the latest status of our products for AI, SNECTON, which plays a pivotal role in driving our growth.

Demand for SNECTON is growing faster than we expected. Consequently, we have brought forward the target year for achieving net sales of JPY20 billion from FY2030 to FY2028. We expect sales to expand further in FY2030.

Soft-type SNECTON is one of the materials that make up the insulating layer of CCL. CCL materials that enable high-speed communications, including AI applications, must exhibit an extremely low dielectric loss tangent. Demand for these materials is growing rapidly.

Qualification of the latest grades of soft-type SNECTON, equivalent to M8 and M9 for CCL, has been completed by the respective customers. We are making good progress towards establishing it as the de facto standard. Sales schedules are also being finalized one after another, with those confirmed for large customers from H2 of 2027.

In addition, we are expediting the discussions for doubling our production capacity, which will require an investment of around JPY1 billion, in response to a higher-than-expected increase in demand.



Let me explain the status of segment breakdown review for Mission 2030 Phase 2. We have upwardly revised the operating income forecast for this fiscal year from JPY30 billion to JPY37 billion. CFO Hayashida will elaborate on this later.

Accordingly, we have reviewed the segment breakdown of our management plan, Mission 2030 Phase 2, in line with current progress by segment.

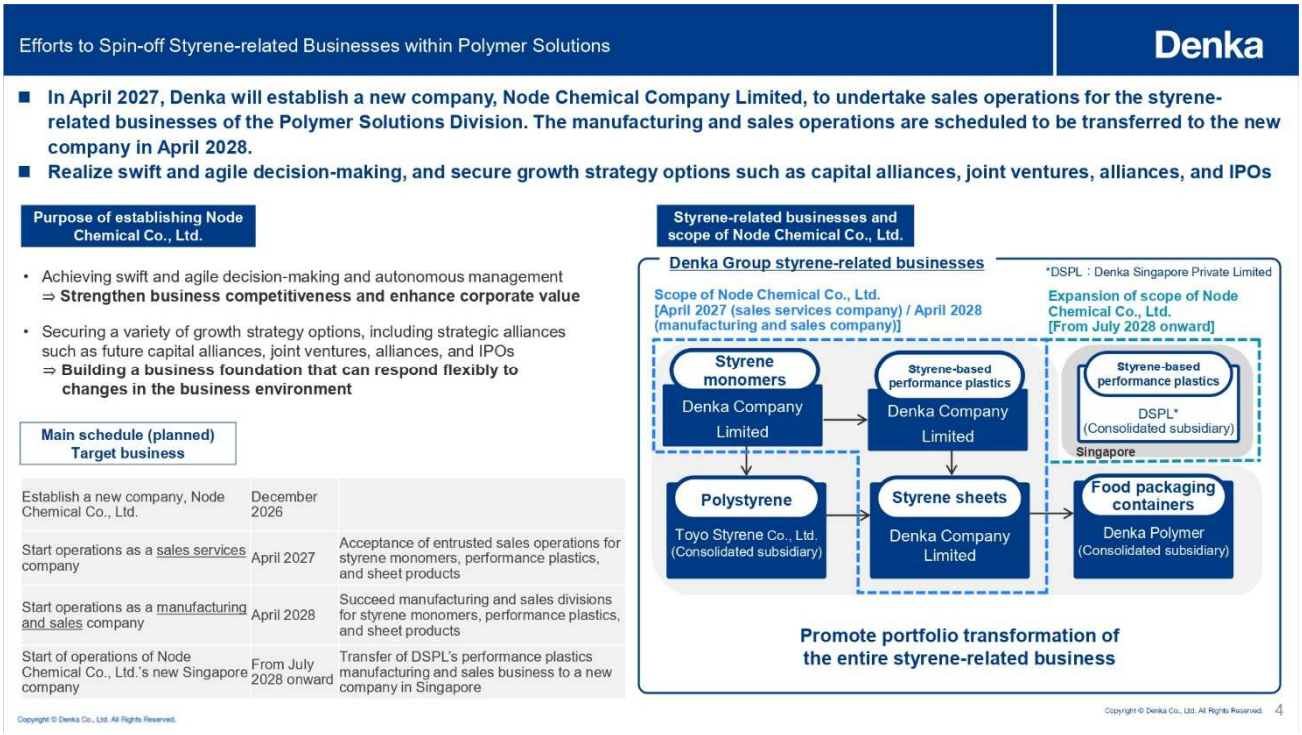
The electronics & innovative products, which enjoys strong sales of AI- and power infrastructure-related products, has exceeded its initial plan and is expected to post an operating income of JPY16 billion for FY2026, representing a significant increase.

This includes negative factors such as a JPY2.5 billion decrease in acetylene black production in Singapore, indicating robust growth as a key driver of our growth.

We also factored in demand expansion into our FY2028 plan, raising the operating income forecast from JPY21 billion to JPY26 billion. Operating income is expected to significantly exceed the initial plan due to the growth of SNECTON and other AI-related products, as well as the better-than expected performance of the new facility in Thailand with increased demand for ESS, even assuming the negative impact of JPY3 billion from production cutbacks in acetylene black.

Meanwhile, in the life innovation, we have lowered the forecast for this fiscal year from JPY6 billion to JPY3.5 billion in response to prolonged adjustments to market inventories of test kits. The FY2028 plan has also been revised from JPY10.5 billion to JPY5 billion, reflecting market conditions and ensuring more realistic targets.

Overall, despite the possibility of a downward revision for the life innovation, we forecast higher-than-expected growth for the electronics & innovative products. Therefore, our initial plan for FY2028 remains unchanged. We are aiming for an operating income of JPY45 billion and an ROE of 8%.



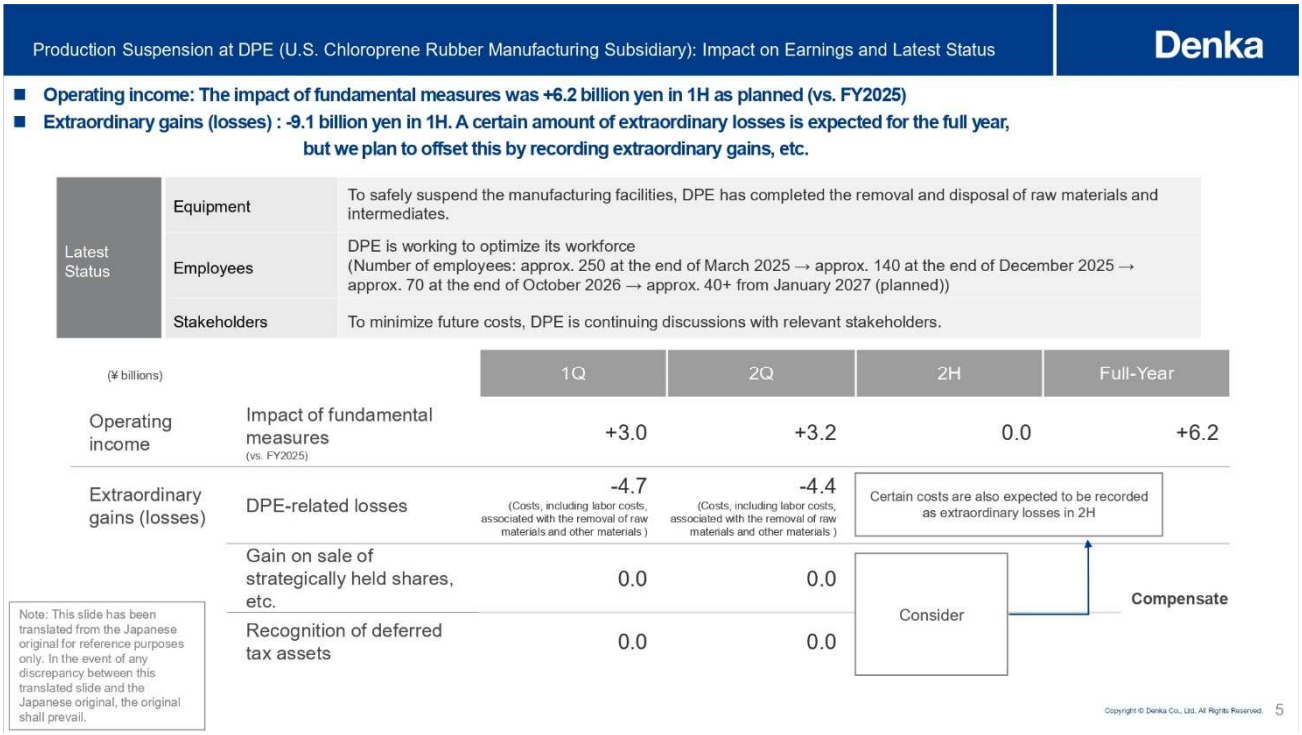
Let me explain our efforts toward the spin-off of the styrene-related businesses within polymer solutions division. As announced in February this year, we have been considering the spin-off of the business, with a target date of April 2027.

Following deliberations, we have decided to establish a new company, Node Chemical Company Limited, which will undertake sales operations for styrene-related businesses, in April 2027. The manufacturing and sales divisions are scheduled to be transferred to the new company in April 2028. The manufacturing and sales business of performance plastics in Singapore is scheduled to be transferred to the new company after July 2028.

Our aim in establishing Node Chemical is to enable swift and agile decision-making and autonomous management, thereby making our business more competitive and increasing its value.

We will also secure a variety of growth strategy options, including strategic alliances such as future capital alliances, joint ventures, alliances, and IPOs in order to build a business foundation that can respond flexibly to changes in the business environment.

We will continue to move swiftly to transform the entire portfolio of styrene-related businesses, including those under Node Chemical, Toyo Styrene, and Denka Polymer.



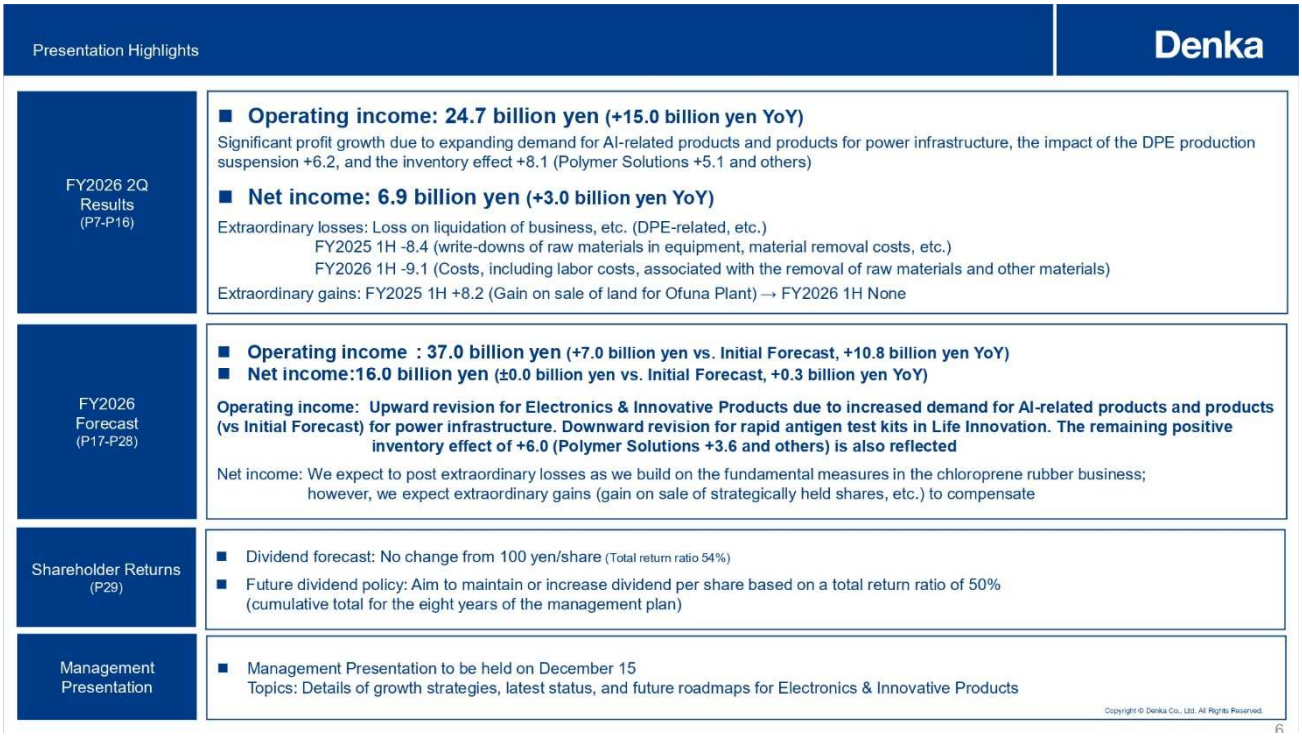
Let me explain the impact on earnings and latest status of DPE, our US manufacturing subsidiary of chloroprene rubber, following the production suspension.

To safely suspend the manufacturing facilities, DPE has completed the removal and disposal of raw materials and intermediates. With the completion of the work, the number of employees is expected to decrease from about 70 at the end of October 2026 to just over 40 after January 2027.

At the same time, we will also focus our efforts on discussions with stakeholders, with the aim of achieving an early resolution and minimizing future costs.

Let me explain its impact on our performance. The impact of fundamental measures on operating income was a positive JPY6.2 billion in H1 of FY2026 compared to FY2025. This represents a positive impact of JPY15 billion compared to FY2024, before the production suspension.

As for the impact on extraordinary gains/losses, we recorded a negative impact of JPY9.1 billion in H1 due to labor costs and other expenses for removing raw materials, etc. We expect certain expenses to incur as extraordinary losses in H2 as well. However, we intend to offset this impact through extraordinary gains or other measures to manage our net income for this fiscal year as well.



Here is a summary of the latest financial results. In Q2 of FY2026, operating income was JPY24.7 billion and net income was JPY6.9 billion, both of which representing a YoY increase.

Also, as mentioned earlier, we have raised our full-year operating income forecast for FY2026 to JPY37 billion. The net income forecast remains unchanged from the initial forecast. The dividend forecast is also unchanged from the initial forecast.

We plan to hold a management presentation session on December 15, focusing on the robustly growing electronics & innovative products business, which I just shared its outlook for FY2028. We will be elaborating on our growth strategies, latest progress, and future roadmaps.

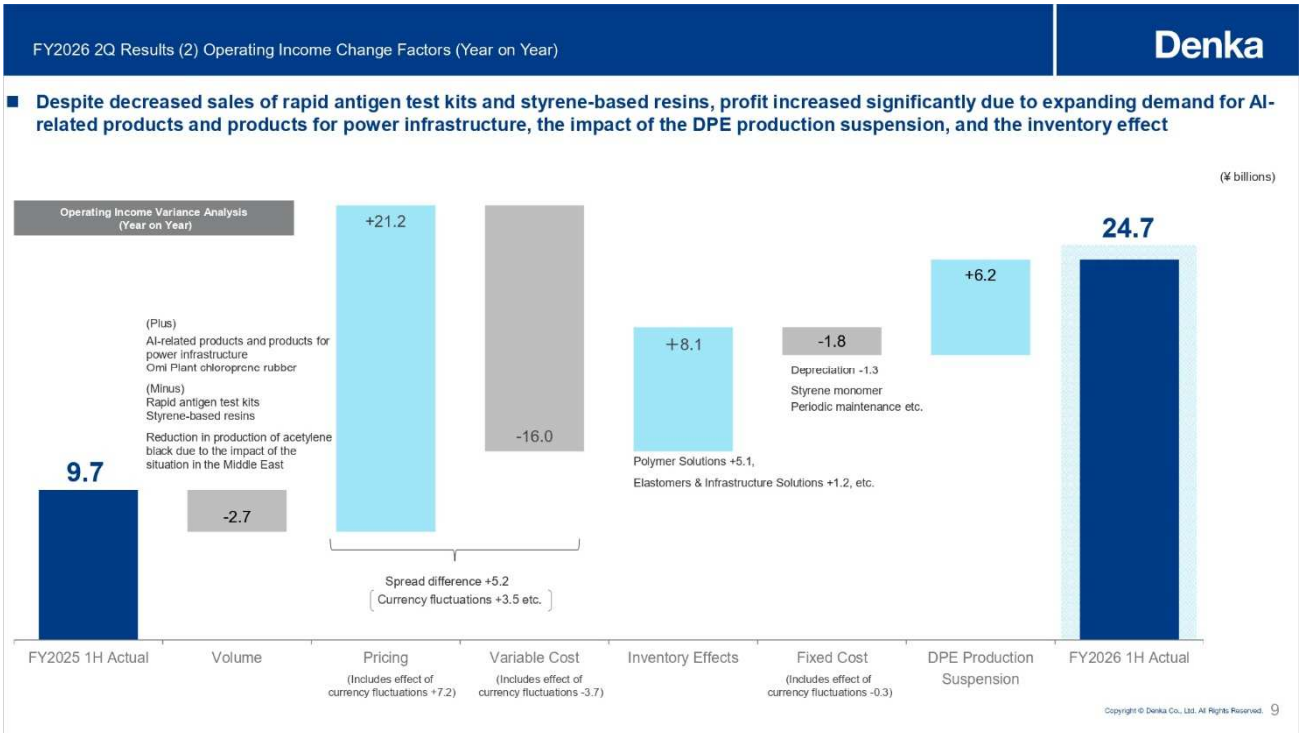
From the next page, CFO Hayashida will explain the details of our performance. Let me hand it over to Hayashida.



Hayashida: This is Hayashida.

First, let me explain the financial results. In Q2 FY2026, sales amounted to JPY208.7 billion, operating income to JPY24.7 billion, ordinary income to JPY21.2 billion and net income to JPY6.9 billion.

These figures represent significant increases in profits compared to the previous fiscal year, and the forecast announced in August.



I will go through the factors behind the YoY changes in operating income. In the volume factor, sales increased for AI-related and power infrastructure products, and chloroprene rubber at theOmi plant, while sales of test kits and styrene-based resins declined. Additionally, due to raw material procurement difficulties caused by the Middle East situation, acetylene black production was reduced, resulting in a negative YoY impact of JPY2.7 billion overall.

The spread difference, which nets the pricing and variable cost, had a positive impact of JPY5.2 billion mainly due to currency effects and price increases. The inventory effects were also positive by JPY8.1 billion, as we sold beginning-of-period inventory that was secured before the raw material and fuel price surges.

The fixed cost had a negative impact of JPY1.8 billion mainly due to increased depreciation and large-scale quadrennial maintenance at the styrene monomer plant. DPE production suspension had a positive impact of JPY6.2 billion.

As a result of these factors, operating income increased significantly to JPY24.7 billion.

FY2026 2Q Results (3) Change Factors by Segment (Year on Year)

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■ **Profit increased in Electronics & Innovative Products, Elastomers & Infrastructure Solutions and Polymer Solutions**

(¥ billions)

Sales	FY2025 1H Actual	FY2026 1H Actual	Incr. Decr.	Volume	Pricing	DPE Production Suspension
Electronics & Innovative Products	50.1	**56.1**	+6.0	+0.8	+5.2	
Life Innovation	21.4	**19.8**	-1.7	-1.7	+0.0	
Elastomers & Infrastructure Solutions	49.9	**48.1**	-1.7	+0.8	+3.5	-6.0
Polymer Solutions	65.4	**76.7**	+11.3	-1.2	+12.5	
Others	9.8	**7.9**	-1.9	-1.9	-	
Total	196.7	**208.7**	+12.0	-3.2	+21.2	-6.0

Operating income	FY2025 1H Actual	FY2026 1H Actual	Incr. Decr.	Volume	Pricing	Cost and Others	DPE Production Suspension
Electronics & Innovative Products	6.3	**8.3**	+2.0	+0.3	+5.2	-3.5	
Life Innovation	3.8	**2.2**	-1.7	-3.3	+0.0	+1.6	
Elastomers & Infrastructure Solutions	-3.4	**5.7**	+9.1	+2.0	+3.5	-2.7	+6.2
Polymer Solutions	1.5	**7.2**	+5.7	-1.6	+12.5	-5.2	
Others	1.5	**1.3**	-0.2	-0.2	-	-	
Total	9.7	**24.7**	+15.0	-2.7	+21.2	-9.7	+6.2

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Here are the factors for change in sales and operating income by segment. In the electronics & innovative products, the pricing improved due to strong sales of AI-related and power infrastructure products, leading to a better product mix.

Overall profit increased significantly, driven by the elastomers & infrastructure solutions with production suspension of DPE and the polymer solutions with inventory effects.

FY2026 2Q Results (4) Operating Income Change Factors by Segment (vs. FY2026 1Q)

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■ **Profit increased in Electronics & Innovative Products and Life Innovation**

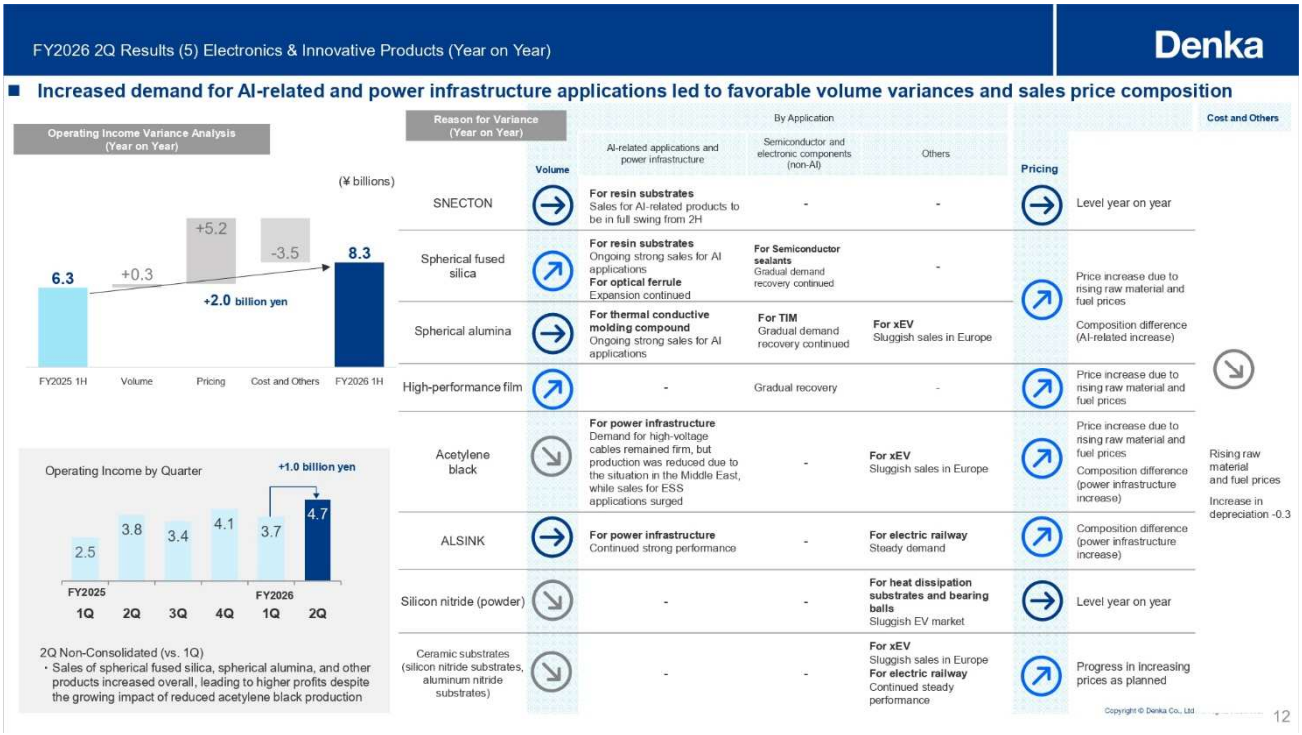
(¥ billions)

Sales	FY2024 1Q	2Q	3Q	4Q	FY2025 1Q	2Q	3Q	4Q	FY2026 1Q	**2Q**	vs. 1Q (Incr. Decr.)
Electronics & Innovative Products	21.9	23.2	22.5	24.7	23.6	26.5	25.8	28.5	26.4	**29.7**	+3.4
Life Innovation	7.8	14.6	12.7	8.2	6.6	14.8	13.5	5.6	7.0	**12.8**	+5.8
Elastomers & Infrastructure Solutions	29.2	27.2	28.0	27.2	25.8	24.1	22.9	24.8	23.7	**24.5**	+0.8
Polymer Solutions	32.6	34.9	34.9	33.0	33.8	31.6	27.8	30.9	36.1	**40.7**	+4.6
Others	3.8	4.0	4.4	5.6	4.3	5.6	4.0	3.7	3.9	**4.1**	+0.2
Total	95.2	103.8	102.5	98.7	94.1	102.6	94.1	93.5	97.0	**111.7**	+14.8

Operating income	FY2024 1Q	2Q	3Q	4Q	FY2025 1Q	2Q	3Q	4Q	FY2026 1Q	**2Q**	vs. 1Q (Incr. Decr.)
Electronics & Innovative Products	2.3	2.7	2.0	2.2	2.5	3.8	3.4	4.1	3.7	**4.7**	+1.0
Life Innovation	1.7	4.0	1.9	2.0	0.2	3.6	2.8	-0.4	0.2	**1.9**	+1.7
Elastomers & Infrastructure Solutions	-0.2	-2.9	-2.6	-2.3	-1.4	-2.0	1.1	2.4	2.7	**2.9**	+0.2
Polymer Solutions	0.3	0.4	0.4	0.1	0.4	1.1	0.5	1.6	3.6	**3.6**	-0.0
Others	0.7	0.5	0.7	0.5	0.6	0.9	0.6	0.3	0.7	**0.6**	-0.2
Total	4.7	4.7	2.4	2.6	2.3	7.4	8.5	8.0	11.0	**13.7**	+2.7

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Here are the quarterly trends and QoQ changes by segment. In Q2, overall profit increased significantly, driven by particularly strong growth in the electronics & innovative products and the life innovation.



Next, I will elaborate on the factors for changes by segment.

The electronics & innovative products saw a profit increase, due to YoY volume increase with growing demand for AI-related and power infrastructure applications, with a better pricing mix.

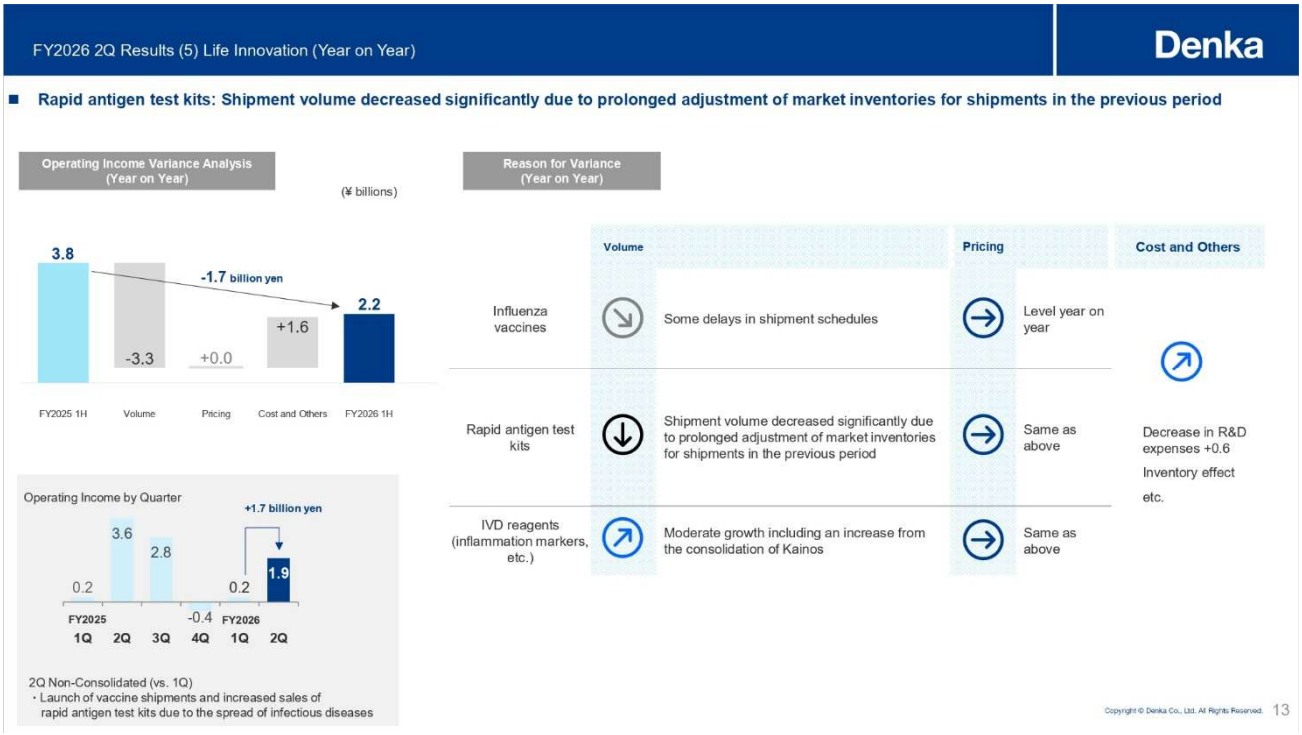
Sales trends by application include continued expansion in demand for spherical fused silica for resin substrate and optical ferrule, and spherical alumina for thermal conductive molding compound. For SNECTON, we expect that sales of AI-related products to be in full swing from H2.

For acetylene black, demand for high-voltage cables for power infrastructure remained firm, but we were forced to cut production due to the situation in the Middle East. Meanwhile, sales of ESS for data center applications surged.

The pricing improved YoY, with better product mix in spherical fused silica, spherical alumina, acetylene black, and ALSINK, which saw increased sales of AI-related and power infrastructure applications. Ceramic substrates have seen price increases progress as planned, showing YoY improvement.

Costs across the segment increased YoY, driven by rising raw material and fuel prices and increased depreciation.

A comparison with the previous quarter is shown at the bottom left of the slide. In Q2, despite the greater impact of reduced acetylene black production, sales generally increased, especially in spherical fused silica and spherical alumina, resulting in profit growth compared to Q1.

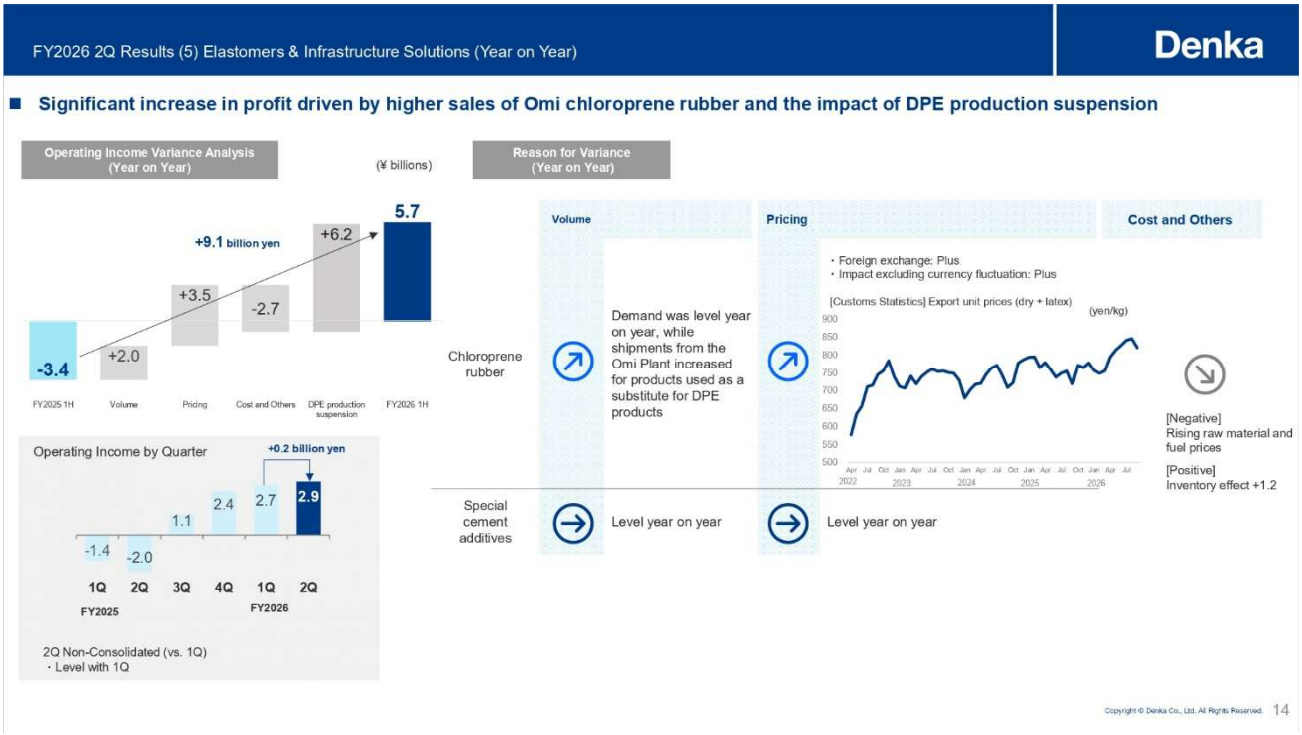


Let me move on to the life innovation. Profit decreased in the life innovation, due to prolonged adjustments to market inventories of test kits, resulting in a significant drop in sales volume.

Additionally, some shipments of influenza vaccines were delayed to H2, resulting in a YoY decrease in sales volume. IVD reagents outperformed its prior-year performance with modest growth, including an increase from the consolidation of Kainos.

The cost difference improved, mainly due to a decrease in R&D expenses and inventory effect.

Compared to Q1, profit increased due to the start of vaccine shipments and increased sales of test kits due to early influenza outbreaks.



Moving on to the elastomers & infrastructure solutions. Demand for chloroprene rubber remained at the same level as the previous year, while shipments from the Omi Plant increased due to a smooth transition from DPE products.

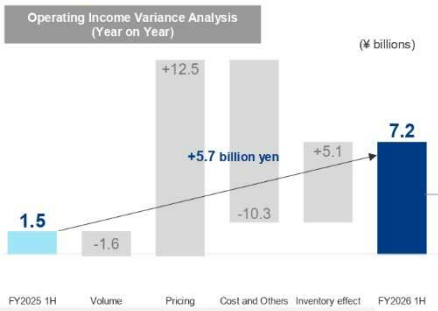
In addition, the DPE production suspension effect resulted in a YoY improvement of JPY6.2 billion, driving a significant increase in profit across the entire segment.

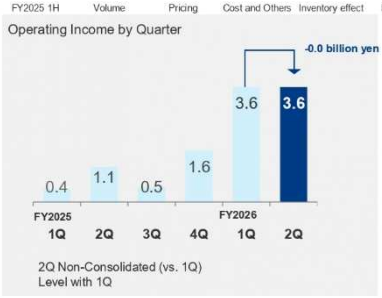
Compared to Q1, the performance remains similar level.

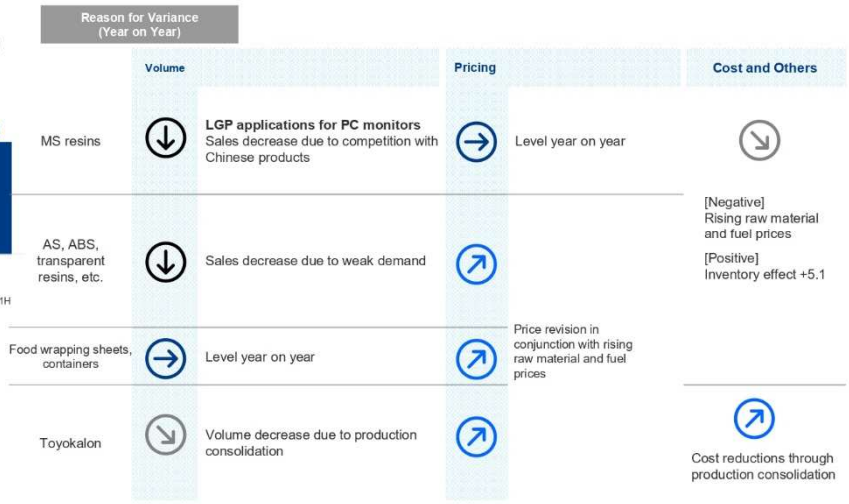
FY2026 2Q Results (5) Polymer Solutions (Year on Year)

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■ **Despite lower sales of styrene-based resins, profit increased significantly as the positive inventory effect of +5.1 billion yen continued to contribute**







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Moving on to the polymer solutions. The segment saw a significant increase in profit, driven by the positive inventory effect of JPY5.1 billion.

By product, sales volume of MS resins decreased due to competition with Chinese products. Additionally, demand for styrene-based resins such as AS, ABS, and transparent resins declined, falling below the previous year's level.

Compared to Q1, the performance remains similar level.

FY2026 2Q Results (6) Breakdown by Segment (vs. August Forecast)

Denka

■ **Upward performance driven by increased demand for AI-related and power infrastructure applications, as well as positive inventory effect**

(¥ billions)

Sales	FY2026 1H August Forecast	FY2026 1H Actual	Incr. Decr.	Volume	Pricing	DPE Production Suspension
Electronics & Innovative Products	55.0	**56.1**	+1.1	+0.6	+0.5	
Life Innovation	17.0	**19.8**	+2.8	+2.6	+0.1	
Elastomers & Infrastructure Solutions	50.0	**48.1**	-1.9	-2.0	+0.1	±0.0
Polymer Solutions	73.0	**76.7**	+3.7	+1.7	+2.1	
Others	10.0	**7.9**	-2.1	-2.1	-	
Total	205.0	**208.7**	+3.7	+0.9	+2.8	±0.0

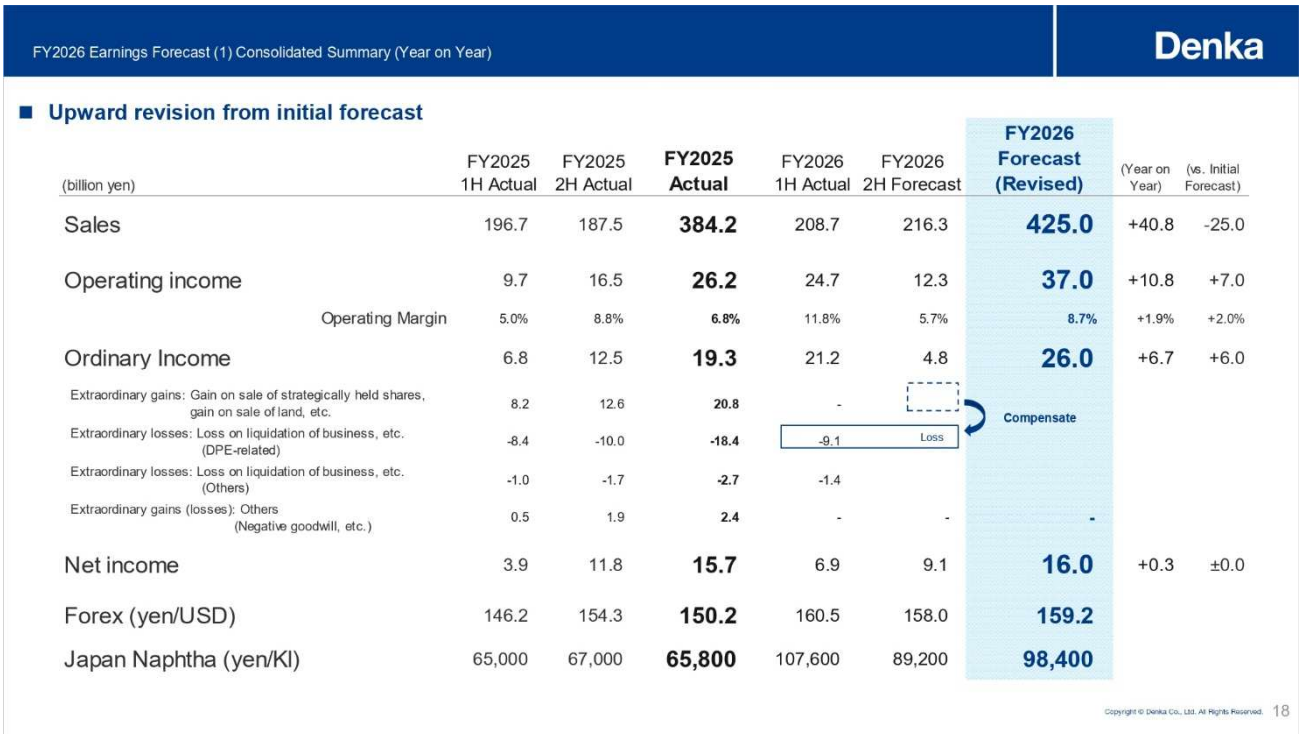
Operating income	FY2026 1H August Forecast	FY2026 1H Actual	Incr. Decr.	Volume	Pricing	Cost and Others	DPE Production Suspension
Electronics & Innovative Products	6.0	**8.3**	+2.3	+1.1	+0.5	+0.8	
Life Innovation	1.0	**2.2**	+1.2	+0.7	+0.1	+0.3	
Elastomers & Infrastructure Solutions	5.0	**5.7**	+0.7	+0.4	+0.1	+0.1	±0.0
Polymer Solutions	4.0	**7.2**	+3.2	-0.6	+2.1	+1.7	
Others	1.0	**1.3**	+0.3	+0.3	+0.0	-0.0	
Total	17.0	**24.7**	+7.7	+2.0	+2.8	+2.9	±0.0

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Here is a breakdown by segment compared to the forecast we announced in August. Compared to the August forecast, demand for the electronics & innovative products in AI-related and power infrastructure applications exceeded our expectations.

The life innovation saw the influenza outbreak happen earlier than expected, resulting in higher sales of test kits. The polymer solutions saw a better-than-expected inventory effect.

As a result, overall performance have exceeded the initial forecast.


FY2026 Earnings Forecast (1) Consolidated Summary (Year on Year)

Denka

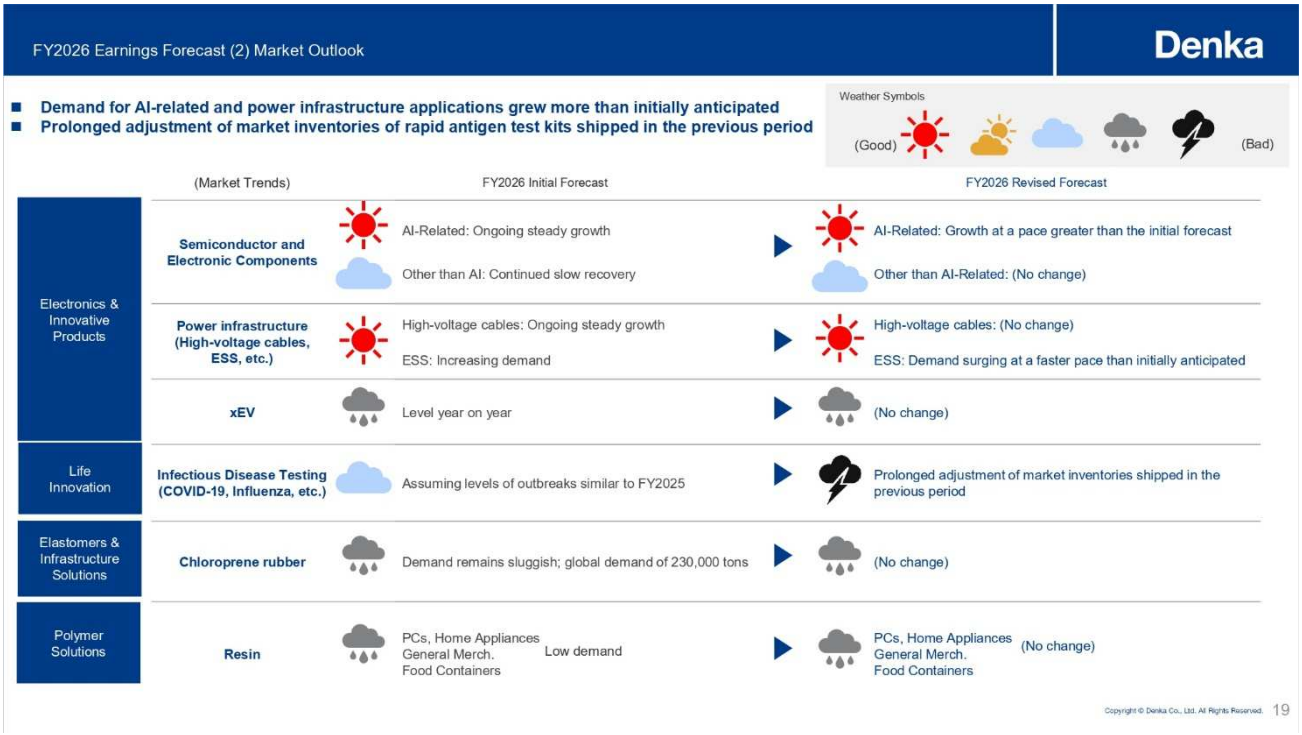
■ Upward revision from initial forecast

(billion yen)	FY2025 1H Actual	FY2025 2H Actual	FY2025 Actual	FY2026 1H Actual	FY2026 2H Forecast	FY2026 Forecast (Revised)	(Year on Year)	(vs. Initial Forecast)
Sales	196.7	187.5	384.2	208.7	216.3	425.0	+40.8	-25.0
Operating income	9.7	16.5	26.2	24.7	12.3	37.0	+10.8	+7.0
Operating Margin	5.0%	8.8%	6.8%	11.8%	5.7%	8.7%	+1.9%	+2.0%
Ordinary Income	6.8	12.5	19.3	21.2	4.8	26.0	+6.7	+6.0
Extraordinary gains: Gain on sale of strategically held shares, gain on sale of land, etc.	8.2	12.6	20.8	-		Compensate		
Extraordinary losses: Loss on liquidation of business, etc. (DPE-related)	-8.4	-10.0	-18.4	-9.1	Loss			
Extraordinary losses: Loss on liquidation of business, etc. (Others)	-1.0	-1.7	-2.7	-1.4				
Extraordinary gains (losses): Others (Negative goodwill, etc.)	0.5	1.9	2.4	-	-	-		
Net income	3.9	11.8	15.7	6.9	9.1	16.0	+0.3	±0.0
Forex (yen/USD)	146.2	154.3	150.2	160.5	158.0	159.2		
Japan Naphtha (yen/Kl)	65,000	67,000	65,800	107,600	89,200	98,400		

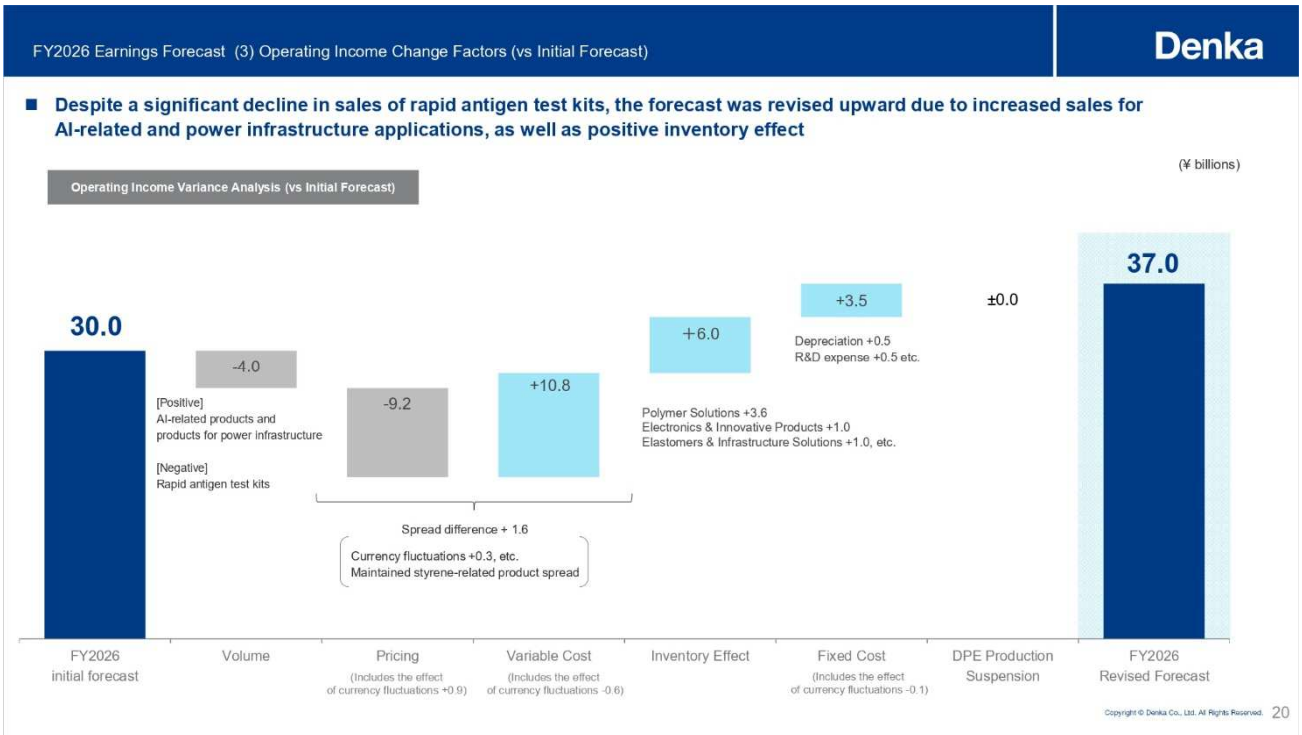
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Now, let me present our earnings forecast. We have set the full-year earnings forecast for FY2026 at JPY425 billion in sales, JPY37 billion in operating income, JPY26 billion in ordinary income and JPY16 billion in net income. Although we have raised the forecast for operating and ordinary income, the net income forecast remains unchanged from the initial forecast.

In H2, certain expenses related to DPE are expected to occur as extraordinary losses. However, we intend to compensate for this impact this fiscal year as well, with extraordinary gains and other measures to manage our net income.



I will discuss the market outlook that forms the basis for our earnings forecast. First, in the electronics & innovative products, demand for AI-related semiconductors, electronic components, and ESS applications for power infrastructure is expected to grow faster than initially anticipated. For infectious disease testing, we expect prolonged adjustments to market inventories.



Let me explain the factors behind the change in operating income compared to the initial forecast. For the overall volume, we expect YoY decrease of JPY4 billion due to a significant decrease in test kits, despite the expected growth in demand for AI-related and power infrastructure products.

The spread difference, which nets the pricing and variable cost, is expected to improve by JPY1.6 billion. The inventory effect is expected to increase by JPY6 billion, mainly for the polymer solutions. Fixed cost is expected to improve by JPY3.5 billion due to lower depreciation and R&D expenses.

FY2026 Earnings Forecast (4) By Segment (vs. Initial Forecast)

Denka

■ **Life Innovation was revised downward, but overall was revised upward due to upward revisions in other segments**

(¥ billions)

Sales	FY2026 Initial Forecast	FY2026 Revised Forecast	Incr. Decr.	Volume	Pricing	DPE Production Suspension
Electronics & Innovative Products	110.0	**117.0**	+7.0	+5.8	+1.2	
Life Innovation	45.0	**40.0**	-5.0	-5.3	+0.3	
Elastomers & Infrastructure Solutions	105.0	**100.0**	-5.0	-5.4	+0.4	±0.0
Polymer Solutions	170.0	**150.0**	-20.0	-8.9	-11.1	
Others	20.0	**18.0**	-2.0	-2.0	-	
Total	450.0	**425.0**	-25.0	-15.8	-9.2	±0.0

Operating income	FY2026 Initial Forecast	FY2026 Revised Forecast	Incr. Decr.	Volume	Pricing	Cost and Others	DPE Production Suspension
Electronics & Innovative Products	13.0	**16.0**	+3.0	+0.8	+1.2	+0.9	
Life Innovation	6.0	**3.5**	-2.5	-4.8	+0.3	+2.1	
Elastomers & Infrastructure Solutions	7.0	**8.0**	+1.0	-0.3	+0.4	+0.9	±0.0
Polymer Solutions	2.0	**7.5**	+5.5	+0.3	-11.1	+16.3	
Others	2.0	**2.0**	+0.0	+0.0	-	-0.0	
Total	30.0	**37.0**	+7.0	-4.0	-9.2	+20.2	±0.0

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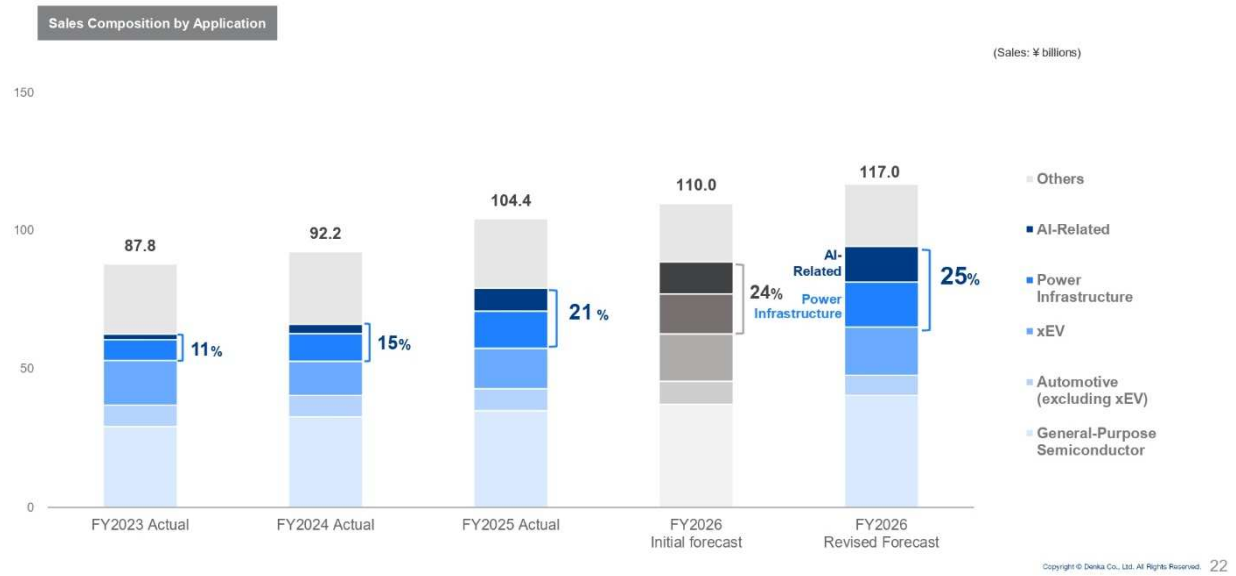
This is a comparison of sales and operating income forecast by segment. Despite the downward revision for the life innovation, we raised the forecast for all other segments, resulting in a significant upward revision overall.

I will go through these factors behind the change by segment.

FY2026 Earnings Forecast (5) Electronics & Innovative Products (Sales Composition by Application)

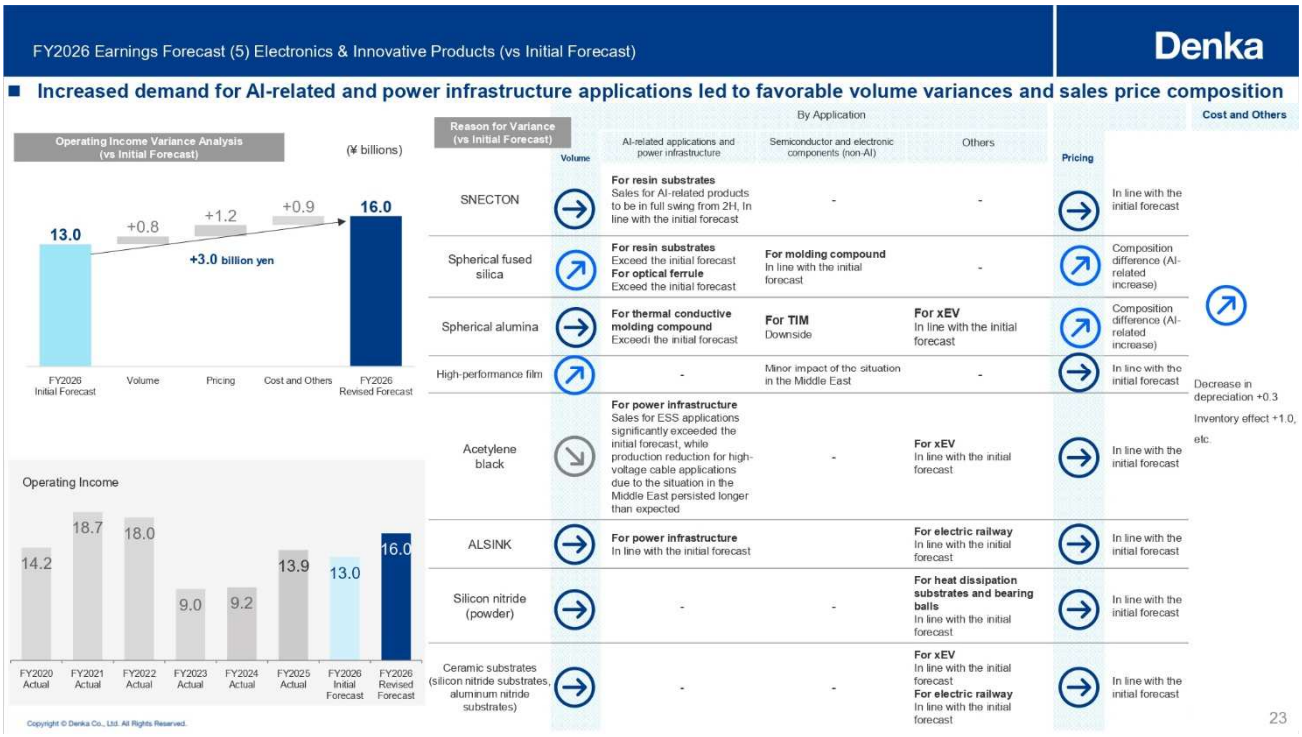
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■ **Growth in demand for AI-related and power infrastructure applications exceeded initial forecasts**



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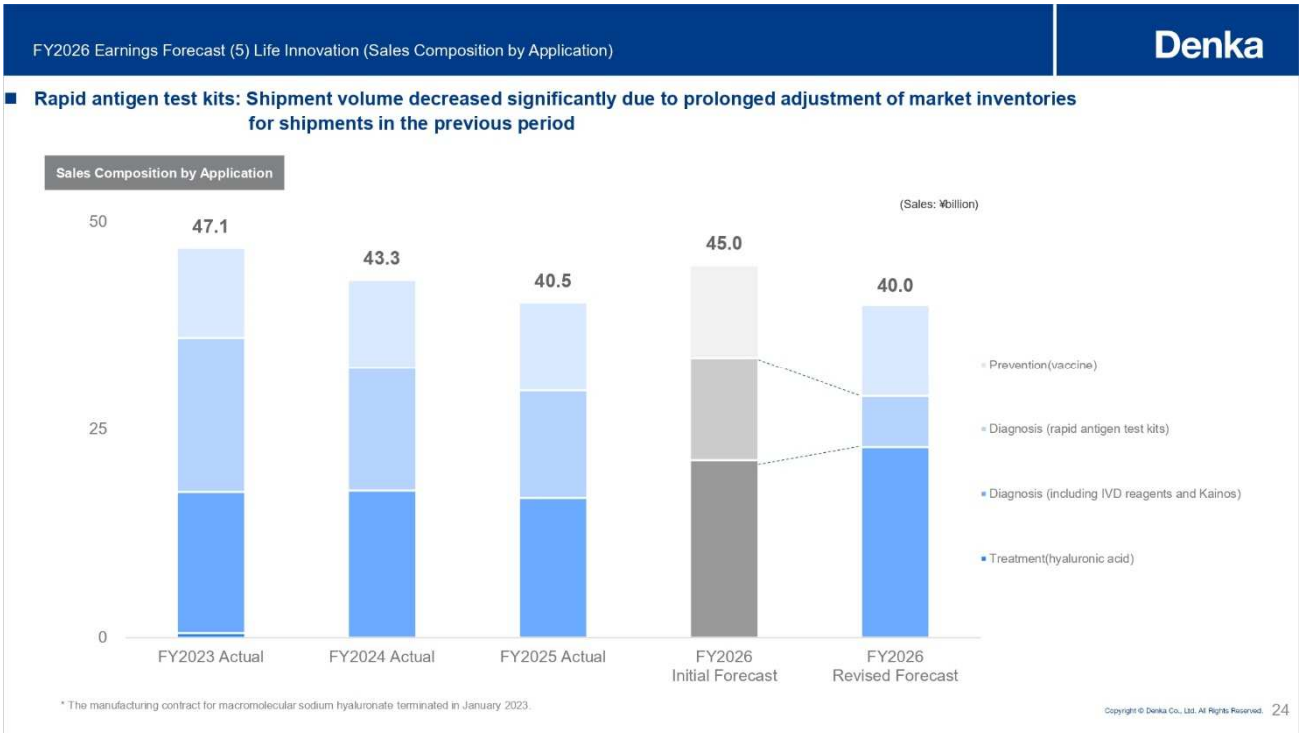
First, I will explain the sales composition trends by application for the electronic & innovative products. The demand for AI-related and power infrastructure applications is expected to grow faster than initially forecasted.



Let me explain the factors behind the change in operating income of the electronic & innovative products. The volume is expected to increase compared to the initial forecast due to expanding demand for AI and power infrastructure applications. The price mix is also expected to improve. The sales volume of spherical fused silica and spherical alumina for AI-related applications is expected to exceed the initial forecast.

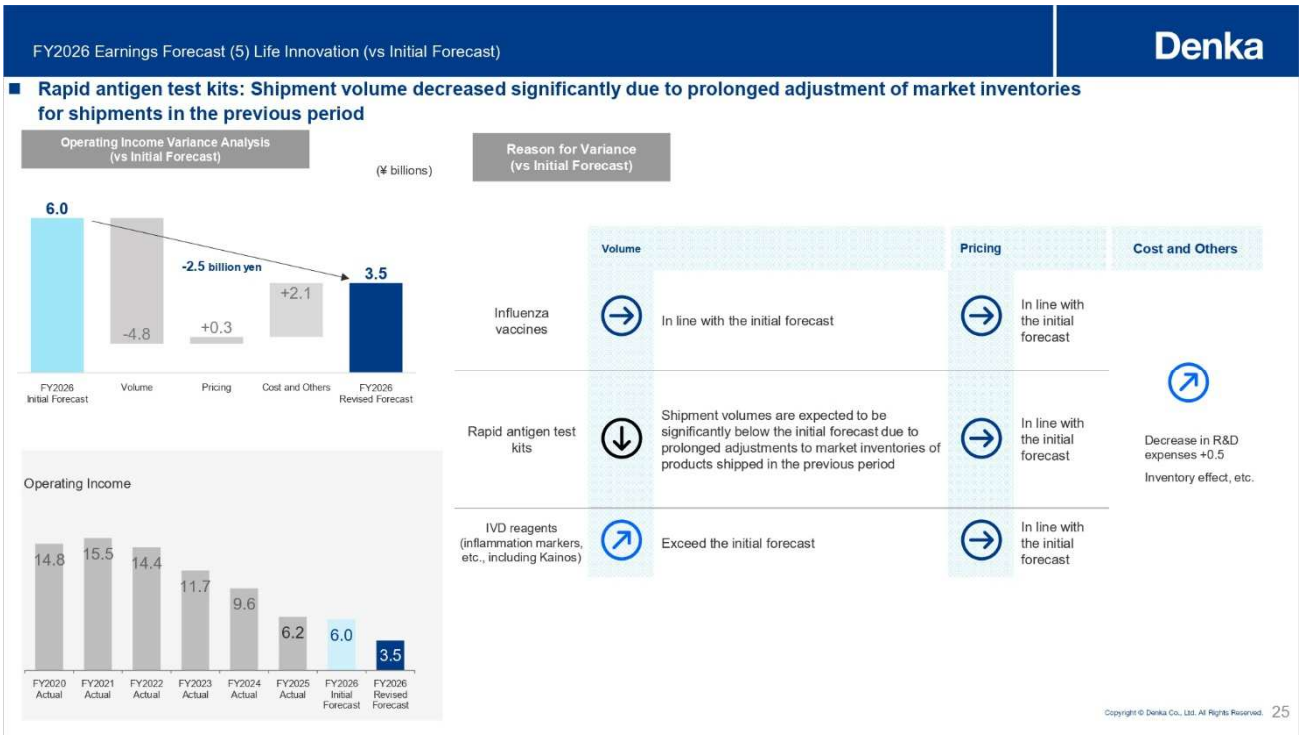
The volume of acetylene black for power infrastructure is expected to exceed the initial forecast for ESS applications. Demand for high-voltage cable applications remains strong. However, the overall volume of acetylene black is expected to fall short of initial forecasts due to prolonged production cutbacks caused by the situation in the Middle East.

Pricing is expected to improve compared to the initial forecast with a better product mix in spherical fused silica and spherical alumina, which have seen increased sales for AI-related applications. The cost difference is expected to improve due to lower depreciation and inventory effects.

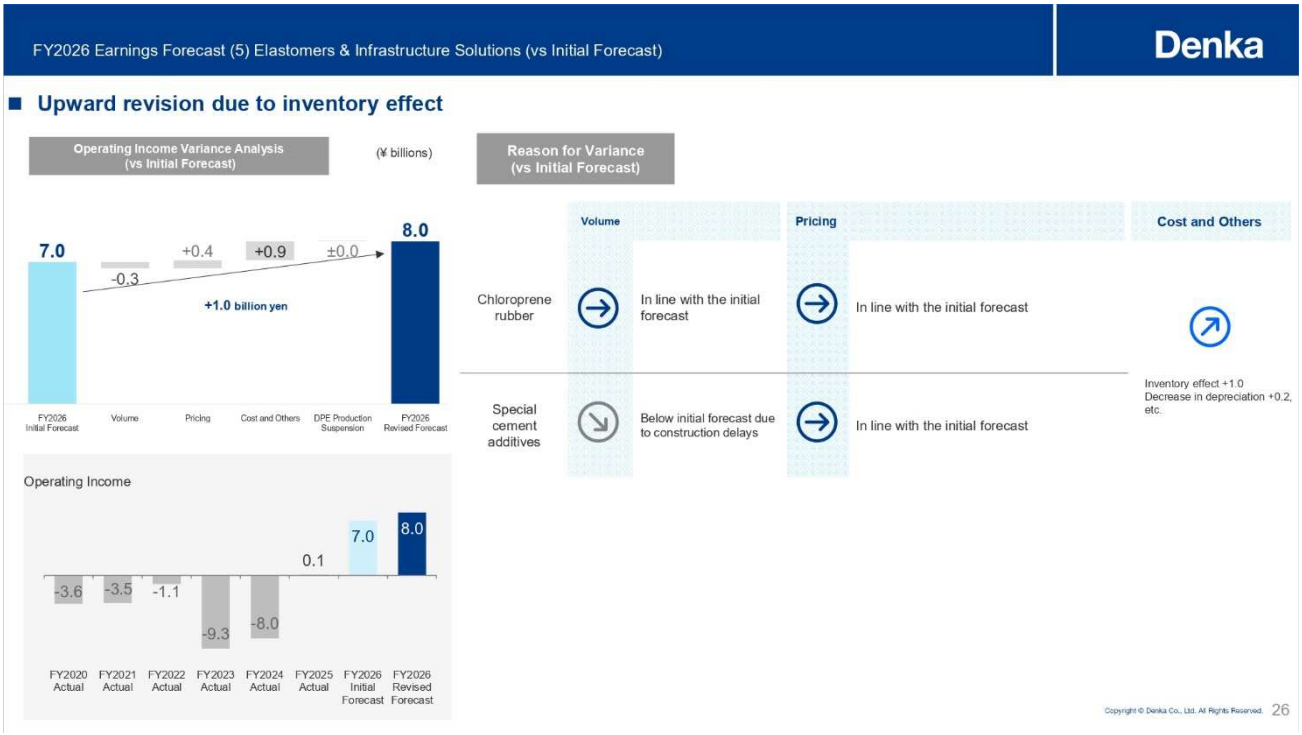


Moving on to the life innovation. Here is the sales composition trends for the life innovation by application.

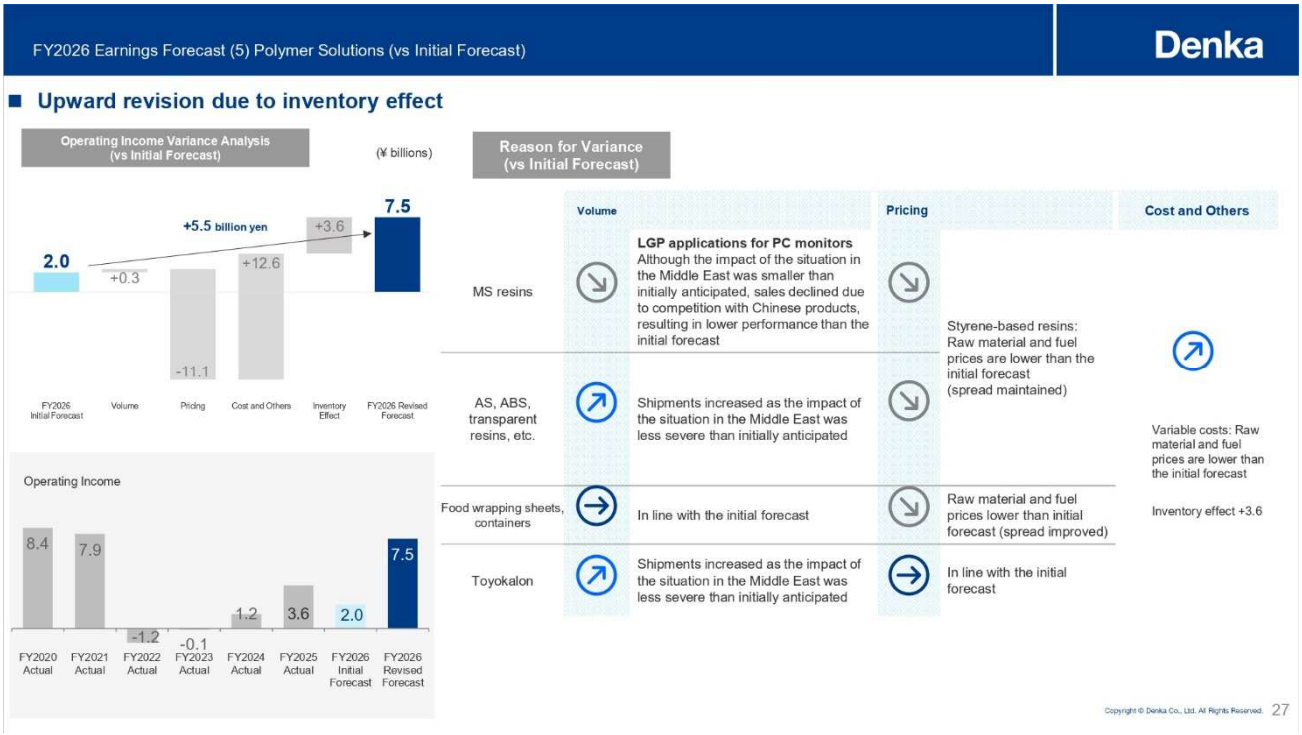
For the test kits, we expect prolonged adjustments to market inventories, resulting in a significant decrease in shipment volumes. Sales of IVD reagents remain strong.



Let me explain the factors behind the change in operating income of the life innovation. We have lowered the forecast due to the significant decrease in test kit sales volume, as described on the previous page. The cost difference is expected to improve, mainly due to lower R&D expenses and inventory effect.



Moving on to the elastomers & infrastructure solutions. We have revised its earnings forecast upward due to a positive inventory effect of JPY1 billion.



Moving on to the polymer solutions. We have revised its earnings forecast upward, mainly due to a positive inventory effect of JPY3.6 billion and improved spread.

FY2026 Earnings Forecast (6) Investments, Depreciation and R&D Expenses by Segment

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■ Decrease in depreciation and R&D expenses

(¥ billions)

	Investment & Lending *1				Depreciation				R&D			
	1H (YoY)		Full Year (vs. Initial Forecast)		1H (YoY)		Full Year (vs. Initial Forecast)		1H (YoY)		Full Year (vs. Initial Forecast)	
	FY2025 1H Actual	FY2026 **1H Actual**	FY2026 Initial Forecast	FY2026 **Revised Forecast**	FY2025 1H Actual	FY2026 **1H Actual**	FY2026 Initial Forecast	FY2026 **Revised Forecast**	FY2025 1H Actual	FY2026 **1H Actual**	FY2026 Initial Forecast	FY2026 **Revised Forecast**
Electronics & Innovative Products	11.7	**14.8**	25.0	No change	5.5	**5.8**	12.0	**11.7**	2.9	**3.2**	7.0	**7.0**
Life Innovation	1.2	**3.2**	4.0		2.1	**2.3**	4.2	**4.2**	2.3	**1.7**	4.0	**3.5**
Elastomers & Infrastructure Solutions	3.8	**5.5**	10.0		4.2	**4.3**	9.0	**8.8**	1.3	**1.5**	3.0	**3.0**
Polymer Solutions	2.3	**5.0**	7.0		2.5	**3.2**	6.4	**6.4**	1.0	**1.3**	2.0	**2.0**
Others	0.1	**0.2**	1.0		0.2	**0.2**	0.4	**0.4**	-			
Total	19.1	**28.8**	47.0		14.4	**15.7**	32.0	**31.5**	7.5	**7.6**	16.0	**15.5**

*1 "Others" includes CVC, etc.

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Here are the investments, depreciation and R&D expenses by segment. There are no changes in investments for FY2026 compared to the initial forecast. Depreciation and R&D expenses are expected to decrease slightly depending on current progress.

FY2026 Earnings Forecast (7) Shareholder Returns and ROE

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■ **Unchanged from the previous year dividend of 100 yen per share in anticipation of improved cash flow (maintained from the initial forecast)**

		FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Actual	FY2025 Actual	FY2026 initial forecast	FY2026 Revised Forecast
Net Income	(¥ billions)	22.8	26.0	12.8	11.9	-12.3	15.7	16.0	16.0
Dividends per Share	(yen/share)	125.0	145.0	100.0	100.0	100.0	100.0 Mid-term 50.0 End 50.0	100.0 Mid-term 50.0 End 50.0	100.0 Mid-term 50.0 End 50.0
Dividend	(¥ billions)	10.8	12.5	8.6	8.6	8.6	8.6	8.6	8.6
Shareholders Return		47%	48%	68%	72%	-	55%	54%	54%
Stock Purchase	(¥ billions)	-	-	-	-	-	-	-	-
Total Return	(¥ billions)	10.8	12.5	8.6	8.6	8.6	8.6	8.6	8.6
Total return ratio		47%	48%	68%	72%	-	55%	54%	54%
Depreciation	(¥ billions)	22.9	23.9	27.0	26.9	27.9	29.2	32.0	31.5
Investment & Lending	(¥ billions)	42.3	35.6	39.4	44.0	70.0	60.8	47.0	47.0
Interest Bearing Debt	(¥ billions)	138.2	137.0	169.7	174.4	217.7	221.7	245.0	245.0
Net D/E Ratio		0.42x	0.40x	0.50x	0.45x	0.61x	0.60x	0.69x	0.69x
ROIC		**6.8%**	**7.3%**	**6.7%**	**2.5%**	**2.5%**	**4.2%**	**4.5%**	**5.6%**
ROE		**8.8%**	**9.4%**	**4.4%**	**4.0%**	**-4.1%**	**5.2%**	**5.1%**	**5.1%**
DOE		**4.2%**	**4.5%**	**2.9%**	**2.9%**	**2.9%**	**2.8%**	**2.7%**	**2.7%**

*Including CVC, etc.

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I will now discuss shareholder returns and ROE. Our return policy for FY2026 remains unchanged. We aim to maintain or increase the dividend per share, based on a total return ratio of 50% over the eight-year period of the management plan. The dividend forecast remains unchanged at JPY100 per share, the same amount as last year.That concludes my explanation.

(Note about this transcript)

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