Summary of Consolidated Financial Results for FY2025

May 13, 2026
Mitsui Chemicals, Inc.

1. Summary of Operating Results

(Unit : Billions of Yen)

	FY2024	FY2025	Incr. (Decr.)	Outlook for FY2026 Full year
Sales revenue	1,809.2	1,668.8	(140.4)	1,900.0
Operating income before special items	101.0	100.0	(1.0)	105.0
Operating income	78.3	73.8	(4.5)	83.0
Net income	42.6	46.9	4.3	55.0
Net income attributable to owners of the parent	32.2	34.4	2.2	45.0

2. Sales Revenue and Operating Income before Special Items by Business Segment ※1

・Sales revenue

(Unit : Billions of Yen)

	FY2024	FY2025	Incr. (Decr.)	Breakdown		Outlook for FY2026 Full year
				Volume	Price	
Life & Healthcare Solutions	251.7	259.1	7.4	11.1	(3.7)	270.0
Mobility Solutions	555.1	515.4	(39.7)	(22.6)	(17.1)	530.0
ICT Solutions	277.6	279.5	1.9	2.4	(0.5)	320.0
Specialty chemicals domains	1,084.4	1,054.0	(30.4)	(9.1)	(21.3)	1,120.0
Basic & Green Materials	710.0	599.9	(110.1)	(73.5)	(36.6)	630.0
Others	14.8	14.9	0.1	-	0.1	150.0
Total	1,809.2	1,668.8	(140.4)	(82.6)	(57.8)	1,900.0

・Operating income (loss) before special items

(Unit : Billions of Yen)

	FY2024	FY2025	Incr. (Decr.)	Breakdown			Outlook for FY2026 Full year
				Volume	Price ※2	Fixed Costs etc.	
Life & Healthcare Solutions	34.1	34.2	0.1	3.4	(0.5)	(2.8)	38.0
Mobility Solutions	55.1	51.0	(4.1)	(2.4)	(0.9)	(0.8)	51.0
ICT Solutions	26.7	36.9	10.2	6.7	2.7	0.8	41.0
Specialty chemicals domains	115.9	122.1	6.2	7.7	1.3	(2.8)	130.0
Basic & Green Materials	(11.4)	(18.4)	(7.0)	(2.0)	(9.8)	4.8	(3.0)
Others	(2.6)	(0.1)	2.5	-	-	2.5	(18.0)
Adjustment	(0.9)	(3.6)	(2.7)	-	-	(2.7)	(4.0)
Total	101.0	100.0	(1.0)	5.7	(8.5)	1.8	105.0

※1 In accordance with the organizational reform implemented on April 1, 2025, the Mitsui Chemicals group has revised the segment classifications for Mitsui Chemicals Asahi Life Materials Co., Ltd. and certain other consolidated subsidiaries. Accordingly, the results for the previous year have been reclassified into the post-revision reportable segment classifications.

※2 Price includes both selling and purchasing price variances.

3. Summary of Statement of Financial Position

(Unit : Billions of Yen)

	Assets		
	As of Mar. 31, 2025	As of Mar. 31, 2026	Incr. (Decr.)
Current assets	1,041.2	993.2	(48.0)
Property, plant and equipment & right-of-use assets	669.2	720.8	51.6
Goodwill and intangible assets	87.3	98.0	10.7
Other non-current assets	356.3	339.7	(16.6)
Total assets	2,154.0	2,151.7	(2.3)

	Liabilities and Equity		
	As of Mar. 31, 2025	As of Mar. 31, 2026	Incr. (Decr.)
Interest-bearing debt	791.7	795.8	4.1
Other liabilities	391.7	367.1	(24.6)
Equity attributable to owners of the parent	848.3	864.7	16.4
Non-controlling interests	122.3	124.1	1.8
Total liabilities and equity	2,154.0	2,151.7	(2.3)
[Net D/E Ratio]	0.73	0.70	(0.03)

4. Summary of Statement of Cash Flows

(Unit : Billions of Yen)

	FY2024	FY2025	Incr. (Decr.)
Cash flows from operating activities	200.5	213.0	12.5
Cash flows from investing activities	(165.0)	(134.8)	30.2
Free cash flows	*35.5*	*78.2*	*42.7*
Cash flows from financing activities	(74.4)	(75.9)	(1.5)
Others	(0.8)	10.2	11.0
Net incr.(decr.) in cash and cash equivalents	(39.7)	12.5	52.2
Cash and cash equivalents at the end of period	170.6	183.1	12.5

5. Accounting Fundamentals

		FY2024	FY2025	Incr. (Decr.)	Outlook for FY2026 Full year
R & D expenses	¥ Billions	45.8	46.4	0.6	50.0
Depreciation & amortization	¥ Billions	99.8	104.7	4.9	121.0
Capital expenditures	¥ Billions	145.2	162.2	17.0	134.0
Interest-bearing debt	¥ Billions	791.7	795.8	4.1	837.8
Net D/E Ratio	Times	0.73	0.70	(0.03)	-
Number of employees	Person	17,320	16,967	(353)	17,000
Exchange rate	Yen / US$	153	151	(2)	155
Domestic standard naphtha price	Yen / KL	75,600	65,300	(10,300)	95,000

6. Scope of Consolidation and Equity Method

(Unit : Number of Companies)

	FY2024	FY2025	Incr. (Decr.)	Outlook for FY2026 Full year
Consolidated subsidiaries	127	129	2	127
Joint operations	4	4	—	4
Joint ventures and affiliates	23	21	(2)	19
Total	154	154	—	150

7. Dividends

	Annual Dividends per Share (yen)				
	1st Q	Interim (2nd Q)	3rd Q	Year-end (4th Q)	Annual Total
FY2025 Result	—	75.00	—	37.50	—
FY2026 Forecast	—	37.50	—	37.50	75.00

On January 1, 2026, Mitsui Chemicals, Inc. (hereinafter the “Company”) conducted a two-for-one stock split of its common shares. The above dividend per share for the second quarter of the FY2025 is the amounts before the stock split.
The total annual dividend per share for the FY2025 is not stated because the interim dividend and the year-end dividend cannot be simply added together due to the stock split. If the stock split is not taken into account, the year-end dividend per share for FY2025 would be 75.00 yen, and the total annual dividend would be 150.00 yen.

8. Number of Shares Outstanding (common stock)

	FY2024	FY2025
Number of shares outstanding at term-end (including treasury stock)	401,687,630	401,687,630
Number of shares of treasury stock at term-end	27,005,490	33,588,357
Average number of shares	378,073,390	375,211,777

On January 1, 2026, the Company conducted a two-for-one stock split of its common shares.
The above number of Shares Outstanding (common stock) has been calculated assuming that the stock split had been conducted at the beginning of the FY2024.

9. [Reference] Non-Consolidated Financial Results for FY2025 (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	749,791	(15.6)	(30,409)	—	9,344	(52.7)	13,530	(47.1)
FY2024	888,431	2.5	(15,676)	—	19,753	(47.6)	25,566	(33.3)

	Earnings per share	Diluted earnings per share
	Yen	Yen
FY2025	36.06	—
FY2024	67.62	—

On January 1, 2026, the Company conducted a two-for-one stock split of its common shares.
Earnings per share has been calculated assuming that the stock split had been conducted at the beginning of the FY2024.

(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	1,306,168	376,113	28.8	1,021.77
March 31, 2025	1,338,531	404,721	30.2	1,080.17

Reference: Shareholders' equity
As of March 31, 2026: 376,113 million yen
As of March 31, 2025: 404,721 million yen

On January 1, 2026, the Company conducted a two-for-one stock split of its common shares.
Net assets per share been calculated assuming that the stock split had been conducted at the beginning of the FY2024.

1. Operating Results

(1) Overview

In the fiscal period under review (the twelve-month period from April 1, 2025 to March 31, 2026, hereinafter "fiscal 2025"), economic recovery continued moderately worldwide. Meanwhile, the pace of recovery in some countries and regions has slowed amid weak demand and U.S. trade policies. In addition, the instability in the Middle East, driven by military conflicts between the United States and Iran, has increased uncertainty regarding energy supplies and international logistics.

In Japan, economic activity has continued to recover with the improvement of employment and income environment. However, uncertainty increased due to the impact of U.S. trade policies and the international situation.

In the chemical industry, domestic naphtha cracker operating rates remained low due to slowing demand for downstream products. Furthermore, the instability in the Middle East has heightened uncertainty surrounding energy supplies and raw material procurement.

Under these circumstances, the Mitsui Chemicals Group (hereinafter "the Group") has a philosophy that is to contribute broadly to society by providing high-quality products and services to customers through innovation and the creation of materials, while keeping in harmony with the global environment. The Group is also working to solve social challenges through its business activities by managing its business with ESG elements at its core. In addition, under the long-term management plan "VISION 2030" formulated in fiscal 2021, the Group is accelerating its transformation toward the future society that it envisions.

In Life & Healthcare Solutions, amid declining birthrates and aging populations in advanced countries as well as growing economies and increasing populations in emerging markets, people are growing ever more concerned about improving their quality of life (QOL) and social issues, such as food resource shortages. In vision care materials, an area in which the Group boasts the world-leading market share, Mitsui Chemicals, Inc. (hereinafter "the Company") has decided to relocate the headquarters of its subsidiary, SDC Technologies, Inc., (hereinafter “SDC”) from Irvine to Rancho Santa Margarita in California, United States. SDC manufactures, sells, and conducts research on high-performance coating materials and coating equipment that contribute to longer eyeglass lens life, as well as anti-fog and photochromic functionality. This relocation aims to significantly strengthen SDC’s research and development and manufacturing capabilities. In addition, to develop the medical sector as the third pillar of business, alongside the life care and wellness sectors, the Company conducted a tender offer for DNA Chip Research Inc. (hereinafter “DNA Chip Research”). As a result of the tender offer, DNA Chip Research has become a wholly owned subsidiary of the Company. DNA Chip Research specializes in advanced genetic analysis technology, allowing it to run such businesses as a diagnostic business, which provides genetic diagnosis services for diseases such as cancer, and a contracting business, which provides experimental analysis services for universities, research institutions and companies.

In Mobility Solutions, there has been diversified needs for lighter, more comfortable vehicles in the automotive industry in addition to a shift toward electric cars and an increased need for improved fuel economy. In the field of composite materials that contribute to lighter and higher-performance automobiles, the Group is deepening regional integration between development, production, and sales in the Americas, Europe, China, and India to provide for stronger regional ties across all composite materials. In addition to these efforts, the Group is also promoting product differentiation. Moreover, the Company has entered into a contract with Polyplastics Co., Ltd. (hereinafter “Polyplastics”) for marketing operations related to ARLEN® and AURUM®, engineering plastic products known for their high heat resistance and other advanced performance characteristics. Through this collaboration, the Company aims to achieve further business growth by leveraging Polyplastics' customer network and solution capabilities to meet the growing demand for high-performance engineering plastics in the automotive, electrical and electronics sectors. This contract was comprehensively transferred

on April 1, 2026, to Daicel Corporation, the parent company of Polyplastics, due to the group reorganization of Polyplastics.

In ICT Solutions, in line with the advance of global digitalization, such as high-speed telecommunications and the development of AI, the importance of evolution is increasing in the information, communication and technology (ICT) field regarding Beyond 5G and AI, which support safe and comfortable infrastructure and a sustainable global environment. For ICROS™ Tape, which is used in semiconductor manufacturing processes and experiencing growing demand driven by generative AI, the Group is capitalizing on its technical support capabilities to accelerate marketing toward peripheral domains. To support this effort, the Group has fitted its plant in Taiwan with evaluation and prototyping capabilities to flesh out a local development setup, in addition to the Creative Integration Lab.™, completed last year at the Nagoya Works. Moreover, the Group has advanced the development of Diffrar™ polymer wafers for waveguides used in augmented reality (AR) glasses, with a view to expanding the augmented and virtual reality markets. As a result, it has successfully developed the world's first (according to the Company's research) optical polymer wafers with refractive indices of 1.67 and 1.74 in a 12-inch size, specifically for AR glasses.

In Basic & Green Materials, the Group is promoting further restructuring and accelerating collaboration with other companies to realize a resilient entity that supports Japanese industry. Regarding ethylene production facilities, which are positioned upstream in the petrochemical industry, the Company has agreed to discontinue operations of the facility owned by Asahi Kasei Corporation and Mitsubishi Chemical Corporation in the Western Japan region and consolidate operations into the Group's facility targeting fiscal 2030. In addition, the Company has agreed to discontinue operations of the facility owned by Idemitsu Kosan Co., Ltd. (hereinafter "Idemitsu") in the Chiba region and consolidate operations into the Group's facility in July 2027, after the regular maintenance at Idemitsu's Chiba Complex. Moreover, with respect to the polyolefin business, which provides materials used in a wide range of applications such as automobiles, electronic materials, and medical devices, the Company has concluded a definitive agreement to integrate Sumitomo Chemical Co., Ltd.'s domestic polypropylene (PP) business and linear low-density polyethylene (LLDPE) business into Prime Polymer Co., Ltd., a joint venture between Idemitsu and the Company, and is proceeding with preparations toward the integration scheduled for July 2026.

The Group reported the operating results for fiscal 2025 as follows. The Group employs operating income before special items, which stands for operating income excluding non-recurring items (e.g., losses resulting from withdrawing from and/or downsizing businesses), as a management indicator.

(Billions of Yen)

	Sales Revenue	Operating Income before Special Items	Operating Income	Net Income Attributable to Owners of the Parent
Fiscal 2025	1,668.8	100.0	73.8	34.4
Previous fiscal year	1,809.2	101.0	78.3	32.2
Difference	(140.4)	(1.0)	(4.5)	2.2
Difference (%)	(7.8)	(0.9)	(5.8)	6.6

Sales revenue was 1,668.8 billion yen, a decrease of 140.4 billion yen, or 7.8%, year on year. This result was mainly due to the decrease in selling prices, which was resulting from the fall in raw material prices, such as naphtha, and the decrease in sales mainly in the Basic & Green Materials segment.

Operating income before special items was 100.0 billion yen, a decrease of 1.0 billion yen, or 0.9%, year on year. This result was mainly due to the worsened inventory revaluation gain and loss resulting from the fall in raw material prices, such as naphtha.

Operating income was 73.8 billion yen, a decrease of 4.5 billion yen, or 5.8%, year on year. This result was mainly due to the decrease in operating income before special items and the recognition of an impairment loss on an investment accounted for using equity method to operate phenol businesses in China, etc.

Financial income/expenses improved 1.5 billion yen year on year to a 5.2 billion yen loss.

As a result of the aforementioned factors, **income before income taxes** amounted to 68.6 billion yen, a decrease of 3.0 billion yen, or 4.2%, year on year.

Net income attributable to owners of the parent after accounting for income taxes and non-controlling interests was 34.4 billion yen, an increase of 2.2 billion yen, or 6.6%, year on year. Basic earnings per share for the period amounted to 91.62 yen. On January 1, 2026, the Company conducted a two-for-one stock split of its common shares.

(2) Results by Business Segment

The status of each segment during fiscal 2025 is as follows.

In accordance with the organizational reform implemented on April 1, 2025, the Group has revised the segment classifications for Mitsui Chemicals Asahi Life Materials Co., Ltd. and certain other consolidated subsidiaries. Accordingly, the results for the previous year have been reclassified into the post-revision reportable segment classifications.

Life & Healthcare Solutions

Sales revenue increased 7.4 billion yen compared with the previous fiscal year to 259.1 billion yen and comprised 15% of total sales. Operating income before special items increased 0.1 billion yen to 34.2 billion yen year on year. This result was mainly due to the healthy sales in vision care materials and agrochemicals, despite the impact of a halt in production facilities at the Omuta Works.

In **vision care materials**, sales were healthy for ophthalmic lens materials. On the other hand, the halt in production facilities at the Omuta Works had a negative impact on fixed costs, etc.

In **oral care materials**, sales remained at the same level as the previous fiscal year. In addition, fixed costs improved as a result of business restructuring.

In **agrochemicals**, sales were healthy.

Mobility Solutions

Sales revenue decreased 39.7 billion yen year on year to 515.4 billion yen and comprised 31% of total sales. This was mainly due to the transfer of the Group's subsidiary shares. Operating income before special items decreased 4.1 billion yen to 51.0 billion yen. This was mainly due to the decrease in sales of polypropylene compounds caused by the impact of U.S. tariffs, a shortage of semiconductor supplies, and reduced production by various companies engaged in OEM following a fire at an aluminum plant in North America. It was also due to the worsened terms of trade by exchange rate differences.

In **elastomers**, sales remained at the same level as the previous fiscal year. In addition, terms of trade worsened mainly due to exchange rate differences.

In **polypropylene compounds**, sales decreased compared with the previous fiscal year. Meanwhile, the revision of prices contributed to an improvement in the terms of trade despite the adverse impact of exchange rate differences.

In **solutions business**, sales decreased compared with the previous fiscal year.

ICT Solutions

Sales revenue increased 1.9 billion yen compared with the previous fiscal year to 279.5 billion yen and comprised 17% of total sales, despite the transfer of the Group's subsidiary shares. Operating income before special items increased 10.2 billion yen to 36.9 billion yen year on year. This was mainly due to healthy sales in semiconductor & optical materials and ICT films & sheets.

In **semiconductor & optical materials**, sales were healthy due to a recovery in demand in the semiconductor market.

In **coatings & engineering materials**, sales remained at the same level as the previous fiscal year.

In **ICT films & sheets**, sales were healthy due to a recovery in demand in the semiconductor market.

In **nonwovens**, sales decreased compared with the previous fiscal year.

Basic & Green Materials

Sales revenue decreased 110.1 billion yen compared with the previous fiscal year to 599.9 billion yen and comprised 36% of total sales. Operating loss before special items increased 7.0 billion yen, resulting in an 18.4 billion yen loss. This was mainly due to the worsened inventory revaluation gain and loss resulting from the falling raw material prices, such as naphtha, and deteriorating market conditions, despite the improvements in fixed costs, etc. from business restructuring and the increase in share of profit of investments accounted for using the equity method.

Sales of **phenols** decreased compared with the previous fiscal year.

In **polyolefin** price revisions have improved terms of trade.

Naphtha cracker operating rates remained low due to a decrease in demand for downstream products and the scheduled major maintenance.

Others

Sales revenue increased 0.1 billion yen to 14.9 billion yen and comprised 1% of total sales. Operating loss before special items improved 2.5 billion yen compared with the previous fiscal year to a loss of 0.1 billion yen.

2. Financial Position

(1) Status of Assets, Liabilities and Net Assets

Total assets at the end of the fiscal year stood at 2,151.7 billion yen, a decrease of 2.3 billion yen compared with the previous fiscal year-end.

Total liabilities at the end of the fiscal year decreased 20.5 billion yen compared with the previous fiscal year-end to 1,162.9 billion yen. **Interest-bearing debt** amounted to 795.8 billion yen, an increase of 4.1 billion yen compared with the previous fiscal year-end. As a result, the interest-bearing debt ratio was 37.0%, an increase of 0.2 percentage point.

Total equity was 988.8 billion yen, an increase of 18.2 billion yen compared with the previous fiscal year-end. The **ratio of equity attributable to owners of the parent** was 40.2%, an increase of 0.8 percentage point.

Accounting for the aforementioned factors, the **net debt-equity ratio** stood at 0.70 at the end of the fiscal year, a 0.03-percentage point decrease from the previous fiscal year-end.

(2) Cash Flow Status

Cash and cash equivalents (hereinafter "net cash") at the end of the fiscal year increased 12.5 billion yen to 183.1 billion yen compared with the previous fiscal year-end.

Cash Flows from Operating Activities

Net cash provided by operating activities increased 12.5 billion yen to 213.0 billion yen, mainly due to decrease in working capital.

Cash Flows from Investing Activities

Net cash used in investing activities decreased 30.2 billion yen to 134.8 billion yen, compared with the previous fiscal year, mainly due to a decrease in purchase of investment securities.

Cash Flows from Financing Activities

Net cash used in financing activities increased 1.5 billion yen to 75.9 billion yen compared with the previous fiscal year.

(3) Trends in Cash Flow Indicators

	FY2021 (As of March 31, 2022)	FY2022 (As of March 31, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)	FY2025 (As of March 31, 2026)
Shareholders' Equity Ratio (%)	36.8	38.0	38.9	39.4	40.2
Shareholders' Equity Ratio on a Market Value Basis (%)	30.9	31.3	37.2	29.1	31.8
Ratio of Interest-bearing Debt to Cash Flows	7.7	7.8	5.0	3.9	3.7
Interest Coverage Ratio (Times)	23.3	17.2	21.6	25.0	25.3

Notes:
- Shareholders' Equity Ratio: Equity attributable to owners of the parent to total assets.
- Shareholders' Equity Ratio on a Market Value Basis: Market capitalization to total assets.
- Ratio of Interest-bearing Debt to Cash Flows: Interest-bearing debt to cash flows.
- Interest Coverage Ratio: Cash flows to interest paid.
- Each of the indicators was calculated using consolidated financial figures.
- The market capitalization was calculated by multiplying the closing share price as of the end of the period with the number of shares outstanding (excluding treasury stock).
- Cash flows from operating activities have been used for cash flow calculations.
- Interest-bearing debt is the portion of total debt booked on the consolidated statement of financial position on which interest is being paid. Interest paid is the amount of interest paid as reported in the consolidated statements of cash flows.

3. Outlook for Fiscal 2026 (Year Ending March 31, 2027)

(1) Overall of Financial Outlook for Fiscal 2026

In fiscal 2026, the global economy continues to face risks related to energy supply and international logistics due to the instability in the Middle East, driven by military conflicts between the United States and Iran, and the outlook remains uncertain.

In the Japanese economy, although the recovery continues due to improvement of employment and income environment, downside risks are increasing because of U.S. trade

policies and instability in the Middle East.

In the chemical industry, domestic naphtha cracker operating rates remain low due to slowing demand for downstream products. Furthermore, the instability in the Middle East has heightened uncertainty surrounding energy supplies and raw material procurement.

Under these conditions, the Group forecasts business performance and earnings growth for fiscal 2026 as follows.

(Billions of Yen)

	Sales Revenue	Operating Income before Special Items	Operating Income	Net Income	Net Income Attributable to Owners of the Parent
Fiscal 2026	1,900.0	105.0	83.0	55.0	45.0
Fiscal 2025	1,668.8	100.0	73.8	46.9	34.4
Difference	231.2	5.0	9.2	8.1	10.6
Difference (%)	13.9	5.0	12.5	17.2	30.9

Outlooks above are based on the following assumptions:
a) Exchange rate for the full year is 155 yen/US$
b) Average price of domestic naphtha for the full year is 95,000 yen/kl
c) "Operating income before special items" is operating income excluding non-recurring items (e.g., losses resulting from withdrawing from and/or downsizing businesses).

(2) Outlook for Fiscal 2026 by Business Segment

Forecast by business segment is as follows.
As it is currently difficult to reasonably estimate by segment the impact of the instability in the Middle East mainly on raw material procurement, the estimated impact has been classified under the “Others” segment.

(Billions of Yen)

	Sales Revenue						
	Life & Healthcare Solutions	Mobility Solutions	ICT Solutions	Basic & Green Materials	Others	Adjustment	Total
Fiscal 2026	270.0	530.0	320.0	630.0	150.0	-	1,900.0
Fiscal 2025	259.1	515.4	279.5	599.9	14.9	-	1,668.8
Difference	10.9	14.6	40.5	30.1	135.1	-	231.2
Difference (%)	4.2	2.8	14.5	5.0	906.7	-	13.9

(Billions of Yen)

	Operating Income before Special Items						
	Life & Healthcare Solutions	Mobility Solutions	ICT Solutions	Basic & Green Materials	Others	Adjustment	Total
Fiscal 2026	38.0	51.0	41.0	(3.0)	(18.0)	(4.0)	105.0
Fiscal 2025	34.2	51.0	36.9	(18.4)	(0.1)	(3.6)	100.0
Difference	3.8	0.0	4.1	15.4	(17.9)	(0.4)	5.0
Difference (%)	11.1	0.0	11.1	-	-	-	5.0

4. Basic Policy on Appropriation of Profits, Cash Dividends for Fiscal 2025 and 2026 (Year Ending March 31, 2026 and March 31, 2027)

(1) Basic Policy on Appropriation of Profits

The Company is committed to enhancing shareholder returns through improved capital efficiency, stable and continuous dividend payments, and agile and flexible acquisition of our own shares. Specifically, the Company will aim to achieve a steady 3.0% or higher level for dividends on equity (DOE) (Note 1) and a total return ratio (Note 2) of 40% or more.

Note 1: Dividends on equity = dividends paid / total equity attributable to owners of the parent
Note 2: Total return ratio = (dividends paid + treasury stock acquired) / net income attributable to owners of the parent

(2) Cash Dividends for Fiscal 2025 and 2026

Considering the recent business conditions, the Company plans to pay a year-end dividend of 37.5 yen per share for fiscal 2025.
The Company conducted a two-for-one stock split of its common shares effective January 1, 2026. The interim dividend paid on December 2, 2025, when adjusted for the stock split, amounts to 37.5 yen per share. As a result, the total dividends for the full year, including the interim dividend, will be 75 yen per share after the stock split and the dividends on equity will be 3.3%. In addition, as the Company resolved to acquire 30 billion yen of treasury stock to improve capital efficiency, the total shareholder return ratio, including dividends, will be 168.5%.

Turning to dividends for fiscal 2026, the Company plans to pay an interim dividend of 37.5 yen and a year-end dividend of 37.5 yen, totaling 75 yen per share for the full year.

5. Concept for Selection of Accounting Standard

Based on the Group's development of global business activities, the Group voluntarily adopted International Financial Reporting Standards (IFRS) from fiscal 2020 for the purpose of improving international comparability of financial information in capital market and enhancing its business management by unifying the accounting standard across the Group.

6. Consolidated Statement of Financial Position

	Millions of yen	
	FY2024 As of March 31, 2025	FY2025 As of March 31, 2026
Assets		
Current assets		
Cash and cash equivalents	170,615	183,113
Trade receivables	349,481	327,640
Inventories	442,763	414,466
Other financial assets	38,618	34,749
Other current assets	32,052	33,191
Total	1,033,529	993,159
Assets held for sale	7,642	—
Total current assets	**1,041,171**	**993,159**
Non-current assets		
Property, plant and equipment	623,097	672,745
Right-of-use assets	46,143	48,039
Goodwill	21,122	24,782
Intangible assets	66,202	73,195
Investment property	21,666	21,744
Investments accounted for using equity method	168,274	156,208
Other financial assets	93,618	99,075
Retirement benefit assets	57,745	48,339
Deferred tax assets	5,083	5,382
Other non-current assets	9,832	8,984
Total non-current assets	**1,112,782**	**1,158,493**
Total assets	**2,153,953**	**2,151,652**

	Millions of yen	
	FY2024 As of March 31, 2025	FY2025 As of March 31, 2026
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	157,742	133,628
Bonds and borrowings	282,488	296,727
Income taxes payable	6,106	6,075
Other financial liabilities	110,625	103,361
Provisions	1,177	1,857
Other current liabilities	45,643	49,453
Total	603,781	591,101
Liabilities directly associated with assets held for sale	2,146	—
Total current liabilities	**605,927**	**591,101**
Non-current liabilities		
Bonds and borrowings	455,489	443,464
Other financial liabilities	53,025	53,017
Retirement benefit liabilities	16,941	16,926
Provisions	7,115	7,297
Deferred tax liabilities	44,714	50,879
Other non-current liabilities	138	184
Total non-current liabilities	**577,422**	**571,767**
Total liabilities	**1,183,349**	**1,162,868**
Equity		
Share capital	125,738	125,738
Capital surplus	55,079	51,100
Treasury stock	(42,652)	(56,991)
Retained earnings	618,307	626,617
Other components of equity	91,812	118,263
Total equity attributable to owners of the parent	**848,284**	**864,727**
Non-controlling interests	**122,320**	**124,057**
Total equity	**970,604**	**988,784**
Total liabilities and equity	**2,153,953**	**2,151,652**

7. Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

(Consolidated Statement of Income)

	Millions of yen	
	FY2024	FY2025
	April 1, 2024 to March 31, 2025	April 1, 2025 to March 31, 2026
Sales revenue	**1,809,164**	**1,668,754**
Cost of sales	(1,420,872)	(1,288,244)
Gross profit	**388,292**	**380,510**
Selling, general and administrative expenses	(295,352)	(294,540)
Other operating income	5,322	8,266
Other operating expenses	(32,355)	(37,634)
Share of profit of investments accounted for using equity method	12,429	17,207
Operating income	**78,336**	**73,809**
Financial income	8,013	11,226
Financial expenses	(14,702)	(16,427)
Income before income taxes	**71,647**	**68,608**
Income tax expense	**(29,018)**	**(21,698)**
Net income	**42,629**	**46,910**
Net income attributable to:		
Owners of the parent	**32,242**	**34,378**
Non-controlling interests	**10,387**	**12,532**
Net income	**42,629**	**46,910**
Earnings per share		
Basic earnings per share (Yen)	85.28	91.62

(Consolidated Statement of Comprehensive Income)

	Millions of yen	
	FY2024	FY2025
	April 1, 2024 to March 31, 2025	April 1, 2025 to March 31, 2026
Net income	**42,629**	**46,910**
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(2,360)	6,077
Remeasurements of defined benefit plans	(6,281)	326
Share of other comprehensive income of investments accounted for using equity method	(458)	535
Total of items that will not be reclassified to profit or loss	(9,099)	6,938
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	318	22,188
Effective portion of net change in fair value of cash flow hedges	(6)	67
Share of other comprehensive income of investments accounted for using equity method	863	3,595
Total of items that may be reclassified to profit or loss	1,175	25,850
Total other comprehensive income, net of tax	**(7,924)**	**32,788**
Comprehensive income	**34,705**	**79,698**
Comprehensive income attributable to:		
Owners of the parent	22,999	62,932
Non-controlling interests	11,706	16,766
Comprehensive income	**34,705**	**79,698**

8. Consolidated Statement of Cash Flows

	Millions of yen	
	FY2024	FY2025
	April 1, 2024 to March 31, 2025	April 1, 2025 to March 31, 2026
Net cash provided by (used in) operating activities		
Income before income taxes	71,647	68,608
Depreciation and amortization	99,768	104,744
Impairment loss	18,515	21,913
Gain on negative goodwill	—	(2,585)
Insurance income	(2,683)	(3,854)
Interest and dividend income	(7,238)	(8,045)
Interest expenses	7,827	7,946
Share of loss (profit) of investments accounted for using equity method	(12,429)	(17,207)
Decrease (increase) in trade receivables	23,334	31,347
Decrease (increase) in inventories	5,550	38,387
Increase (decrease) in trade payables	(20,217)	(30,304)
Other	24,840	4,519
Subtotal	**208,914**	**215,469**
Interest and dividends received	15,029	18,614
Proceeds from insurance income	2,683	3,854
Interest paid	(8,017)	(8,432)
Income taxes refund (paid)	(18,108)	(16,517)
Net cash provided by (used in) operating activities	**200,501**	**212,988**
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(121,213)	(128,242)
Proceeds from sale of property, plant and equipment	284	588
Purchase of intangible assets	(17,193)	(9,517)
Proceeds from sale of intangible assets	0	1
Purchase of investment securities	(38,768)	(3,672)
Proceeds from sale and redemption of investment securities	2,827	5,468
Payments for acquisition of subsidiaries	—	(3,706)
Proceeds from acquisition of subsidiaries	—	346
Payments for sale of subsidiaries	(759)	(142)
Proceeds from sale of subsidiaries	10,897	5,456
Purchase of equity accounted investments	—	(1)
Proceeds from sale of equity accounted investments	79	13
Other	(1,166)	(1,363)
Net cash provided by (used in) investing activities	**(165,012)**	**(134,771)**

	Millions of yen	
	FY2024	FY2025
	April 1, 2024 to March 31, 2025	April 1, 2025 to March 31, 2026
Net cash provided by (used in) financing activities		
Increase (decrease) in short-term borrowings	28,071	(38,558)
Increase (decrease) in commercial papers	(82,000)	41,000
Proceeds from long-term borrowings	31,470	43,631
Repayments of long-term borrowings	(29,937)	(9,360)
Proceeds from issuance of bonds	40,000	—
Redemption of bonds	(5,000)	(40,000)
Repayments of lease liabilities	(9,762)	(9,796)
Proceeds from sale of treasury stock	4	4
Purchase of treasury stock	(10,031)	(17,295)
Dividends paid	(27,572)	(28,171)
Capital contribution from non-controlling interests	5	5
Dividends paid to non-controlling interests	(9,685)	(15,023)
Payments for acquisition of interests in subsidiaries from non-controlling interests	—	(2,369)
Other	—	1
Net cash provided by (used in) financing activities	**△74,437**	**(75,931)**
Effect of exchange rate change on cash and cash equivalents	(729)	10,212
Net increase (decrease) in cash and cash equivalents	**(39,677)**	**12,498**
Cash and cash equivalents at beginning of period	**210,292**	**170,615**
Cash and cash equivalents at end of period	**170,615**	**183,113**

9. Segment Information

(1) Overview of Reportable Segments

The Group's business segments are the components for which separate financial information is available and that are regularly reviewed by the Board of Directors (chief operating decision maker) to make decisions about management resources to be allocated to the segments and assess their performance.

The Group positions business sector distinguished by their products and services within its headquarters. Each business sector proposes comprehensive domestic and overseas strategies in addition to pursuing business expansion in its respective product and service area.

Comprehensively considering similarities such as the details of products and services and target markets, the four reportable segments (distinguished by products and services) that comprise the Group's operations without aggregating the business segments are: Life & Healthcare Solutions, Mobility Solutions, ICT Solutions, and Basic & Green Materials. Business segments, which are not included in the reportable segments, are classified into “Others.”

In accordance with the organizational reform implemented on April 1, 2025, the Group has revised the segment classifications for Mitsui Chemicals Asahi Life Materials Co., Ltd. and certain other consolidated subsidiaries.

Accordingly, the results for the previous year have been reclassified into the post-revision reportable segment classifications.
Major products manufactured and sold by business segments are as follows:

Segments		Major Products and Businesses
Reportable Segments	Life & Healthcare Solutions	Vision care materials, oral care materials, personal care materials, and agrochemicals
	Mobility Solutions	Elastomers, performance compounds, polypropylene compounds, and comprehensive services regarding to the development of automotive and industrial products (Solution business)
	ICT Solutions	Materials and components for semiconductor and electronic component manufacturing processes, optical materials, nonwoven fabrics, lithium-ion battery materials, next-generation battery materials, and high-performance food packaging materials
	Basic & Green Materials	Ethylene, propylene, polyethylene, polypropylene, catalysts, phenols, PTA, PET, polyurethane materials, and industrial chemical products
Others	Others	Other related businesses, etc.

(2) Methods to Determine Sales Revenue, and Income or Loss by Reportable Business Segment

Reportable segment income is presented in operating income before special items which stands for operating income excluding non-recurring items (e.g., losses resulting from withdrawing from and/or downsizing businesses).
Intersegment transaction pricing and transfer pricing are negotiated and determined based on prevailing market prices.

(3) Information concerning Sales Revenue, Income or Loss, Assets, and Others by Reportable Business Segment

Previous fiscal year (April 1, 2024 – March 31, 2025) (Millions of yen)

	Reportable Segment					Others (Note 1)	Adjustment (Note 2)	Consolidated
	Life & Healthcare Solutions	Mobility Solutions	ICT Solutions	Basic & Green Materials	Total			
Sales revenue								
1) External customers	251,677	555,111	277,597	710,042	1,794,427	14,737	—	1,809,164
2) Intersegment	3,283	3,015	6,527	92,336	105,161	66,301	(171,462)	—
Total	254,960	558,126	284,124	802,378	1,899,588	81,038	(171,462)	1,809,164
Segment income (loss) (Operating income before special items)	34,041	55,116	26,728	(11,364)	104,521	(2,616)	(948)	100,957
Segment assets	395,224	545,009	403,617	609,712	1,953,562	106,008	94,383	2,153,953
Other items								
Depreciation and amortization	16,962	21,645	21,903	29,895	90,405	9,341	22	99,768
Share of profit of investments accounted for using equity method	846	3,072	6,214	1,628	11,760	614	55	12,429
Impairment loss	8,771	696	2,934	6,114	18,515	—	—	18,515
Investments accounted for using equity method	21,386	20,127	30,418	92,498	164,429	3,973	(128)	168,274
Capital expenditures (Note 3)	26,372	42,676	26,092	39,871	135,011	10,170	32	145,213

Notes: 1. “Others” encompasses business segments not included in the reportable segments and includes other related businesses, etc.
2. The negative 948 million yen in adjustments to segment income includes corporate loss of 952 million yen not allocated to reportable segments and 4 million yen elimination of intersegment transactions. Corporate profit (loss) mainly comprise general & administrative expenses and R&D expenses for new business which are usually not attributed to segments, and allocation difference of general & administrative expenses to be borne by segments. The 94,383 million yen in adjustments to segment assets includes corporate assets of 147,762 million yen not allocated to reportable segments and a negative 53,379 million yen elimination of intersegment transactions. Corporate assets are mainly attributed to the Company's surplus management funds (cash and deposits), long-term investment funds (investment securities), deferred tax assets and administrative departments.
3. Capital expenditure includes property, plant and equipment, intangible assets and investment property etc.

Fiscal year under review (April 1, 2025 – March 31, 2026) (Millions of yen)

	Reportable Segment					Others (Note 1)	Adjustment (Note 2)	Consolidated
	Life & Healthcare Solutions	Mobility Solutions	ICT Solutions	Basic & Green Materials	Total			
Sales revenue								
1) External customers	259,076	515,406	279,436	599,922	1,653,840	14,914	—	1,668,754
2) Intersegment	5,182	3,063	6,326	69,701	84,272	66,344	(150,616)	—
Total	264,258	518,469	285,762	669,623	1,738,112	81,258	(150,616)	1,668,754
Segment income (loss) (Operating income before special items)	34,188	50,982	36,896	(18,356)	103,710	(107)	(3,575)	100,028
Segment assets	408,756	559,003	431,943	554,292	1,953,994	98,299	99,359	2,151,652
Other items								
Depreciation and amortization	18,417	22,017	23,343	31,486	95,263	9,457	24	104,744
Share of profit of investments accounted for using equity method	1,243	3,372	5,770	6,185	16,570	643	(6)	17,207
Impairment loss	8,306	1,037	2,186	10,137	21,666	247	—	21,913
Investments accounted for using equity method	15,877	22,969	31,301	81,939	152,086	4,260	(138)	156,208
Capital expenditures (Note 3)	40,030	44,704	25,840	43,020	153,594	8,610	10	162,214

Notes: 1. “Others” encompasses business segments not included in the reportable segments and includes other related businesses, etc.
2. The negative 3,575 million yen in adjustments to segment income includes corporate loss of 3,466 million yen not allocated to reportable segments and negative 109 million yen elimination of intersegment transactions. Corporate profit (loss) mainly comprise general & administrative expenses and R&D expenses for new business which are usually not attributed to segments, and allocation difference of general & administrative expenses to be borne by segments. The 99,359 million yen in adjustments to segment assets includes corporate assets of 162,498 million yen not allocated to reportable segments and a negative 63,139 million yen elimination of intersegment transactions. Corporate assets are mainly attributed to the Company's surplus management funds (cash and deposits), long-term investment funds (investment securities), deferred tax assets and administrative departments.

3. Capital expenditure includes property, plant and equipment, intangible assets and investment property etc.

(4) Adjustments from segment income to income before income taxes

(Millions of yen)

	FY2024	FY2025
Total reportable segment income	100,957	100,028
Gain on negative goodwill	—	2,585
Impairment loss	(18,515)	(21,913)
Loss on disposal of non-current assets	(4,921)	(4,014)
Loss on related business	—	(3,984)
Other	815	1,107
Operating income	78,336	73,809
Financial income	8,013	11,226
Financial expenses	(14,702)	(16,427)
Income before income taxes	71,647	68,608

10. Information by Region

Sales Revenue (Millions of yen)

	FY2024	FY2025
Japan	873,241	804,069
China	223,279	188,776
Asia	273,751	266,959
America	291,119	259,874
Europe	133,906	136,488
Other regions	13,868	12,588
Total	1,809,164	1,668,754

Notes: 1. Sales revenue is classified by country and region based on customer location.
2. Major countries and regions located in areas outside of Japan and China are as follows:
(1) Asia: Taiwan, South Korea, Thailand, Malaysia, Singapore, India
(2) America: The United States, Mexico
(3) Europe: Germany, France
(4) Other regions: Oceania, Africa
3. In America, sales revenue in the United States was ¥191,105 million and ¥199,014 million for the fiscal years ended March 31, 2026 and March 31, 2025, respectively.