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Possibility
of
chemistry

Results Presentation, FY2026 2Q

(The First Half of the Fiscal Year Ending March 2027)

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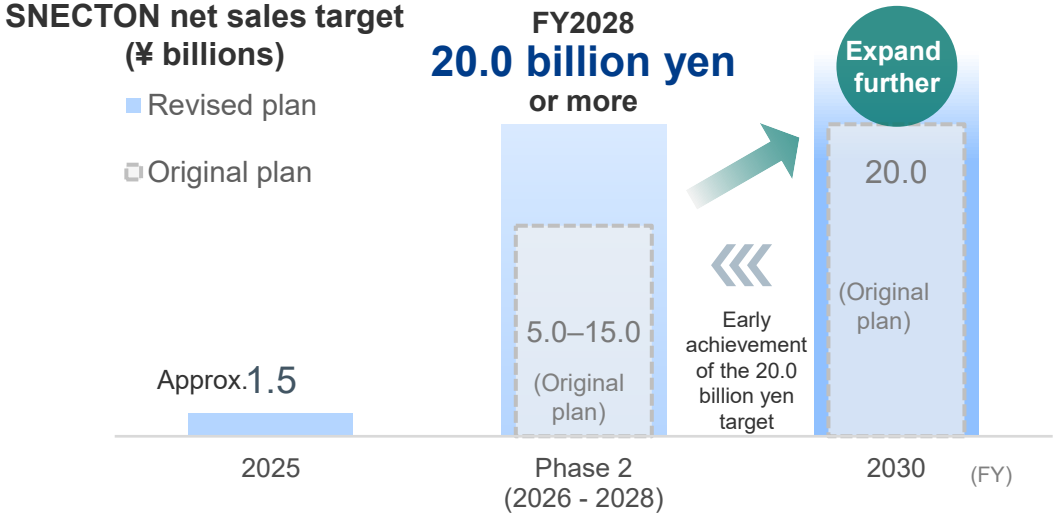
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Denka Co., Ltd

November 9, 2026

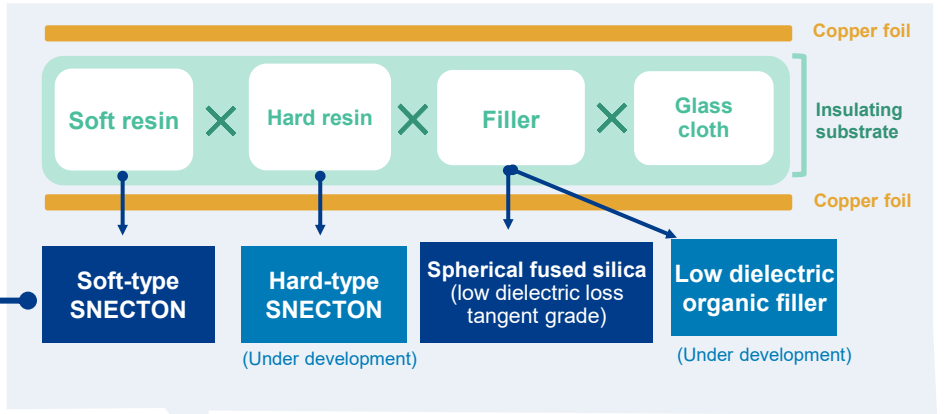
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Soft-type SNECTON: Considering production capacity reinforcement in response to a higher-than-expected increase in demand



*SNECTON:
A low dielectric organic insulation resin. **The only material** that combines an exceptionally low Df (dielectric dissipation factor), which significantly reduces transmission loss, with excellent processability

Constituent materials of rigid copper-clad laminates (rigid CCLs)



Soft-type SNECTON

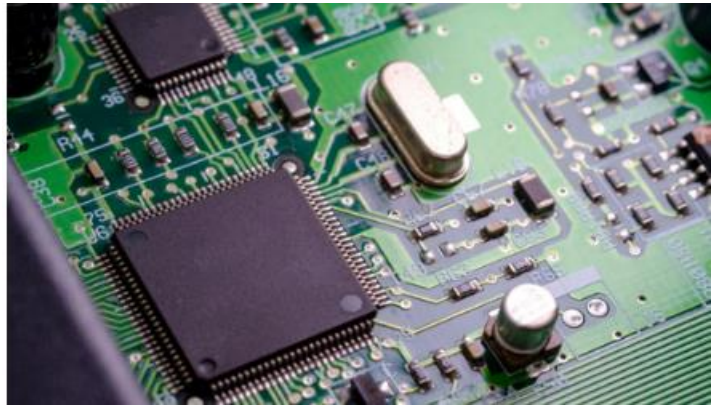
Qualification of the latest grades (equivalent to M8 and M9) has been completed by the respective customers, and sales schedules are being finalized one after another
⇒ Progress toward becoming a de facto standard

Sales schedule for large customers from 2027 2H has also been finalized (M9 equivalent)

Urgently considering production capacity reinforcement in response to a higher-than-expected increase in demand

[Investments (under consideration)]

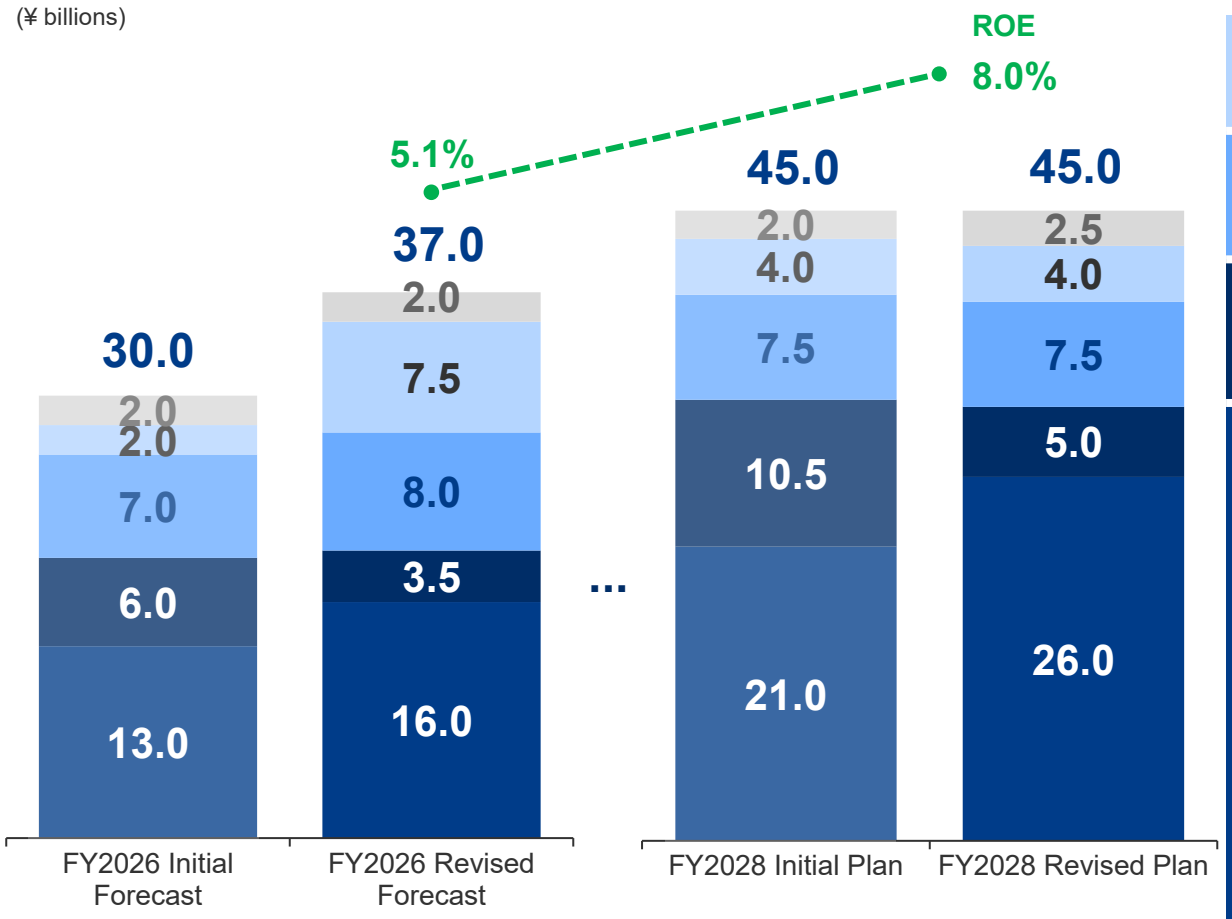
- **Production capacity reinforcement: Double**
- **Investment amount: Approx. 1.0 billion yen**



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Despite the possibility of a downward revision for Life Innovation, the FY2028 plan remains unchanged (operating income: 45.0 billion yen, ROE: 8.0%), supported by a substantial increase in profit in Electronics & Innovative Products driven by strong sales of AI-related products and products for power infrastructure.



	FY2026 Initial forecast vs. Revised plan	FY2028 Initial plan vs. Revised plan
Polymer Solutions	Inventory effect +3.6	As originally planned
Elastomers & Infrastructure Solutions	Inventory effect +1.0	As originally planned
Life Innovation	Rapid antigen test kits: Prolonged adjustment of market inventories for shipments in the previous period	Rapid antigen test kits: Revised to more realistic targets reflecting market conditions
Electronics & Innovative Products	**Demand for AI-related products and products for power infrastructure exceeded the plan** Inventory effect +1.0 Impact of the situation in the Middle East (production reduction) +1.0 [Initial -3.5] Acetylene black -1.5 Others -2.0 [Revised -2.5] Acetylene black -2.5 Others ±0.0	**Demand for AI-related products and products for power infrastructure exceeded the plan** AI-related products (SNECTON, etc.): Profit increased due to increased demand Acetylene black: Even assuming a negative impact of 3.0 billion yen from production reduction due to the situation in the Middle East, profit is expected to increase due to better-than-expected performance at the new facility in Thailand (ESS, etc.)

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- **In April 2027, Denka will establish a new company, Node Chemical Company Limited, to undertake sales operations for the styrene-related businesses of the Polymer Solutions Division. The manufacturing and sales operations are scheduled to be transferred to the new company in April 2028.**
- **Realize swift and agile decision-making, and secure growth strategy options such as capital alliances, joint ventures, alliances, and IPOs**

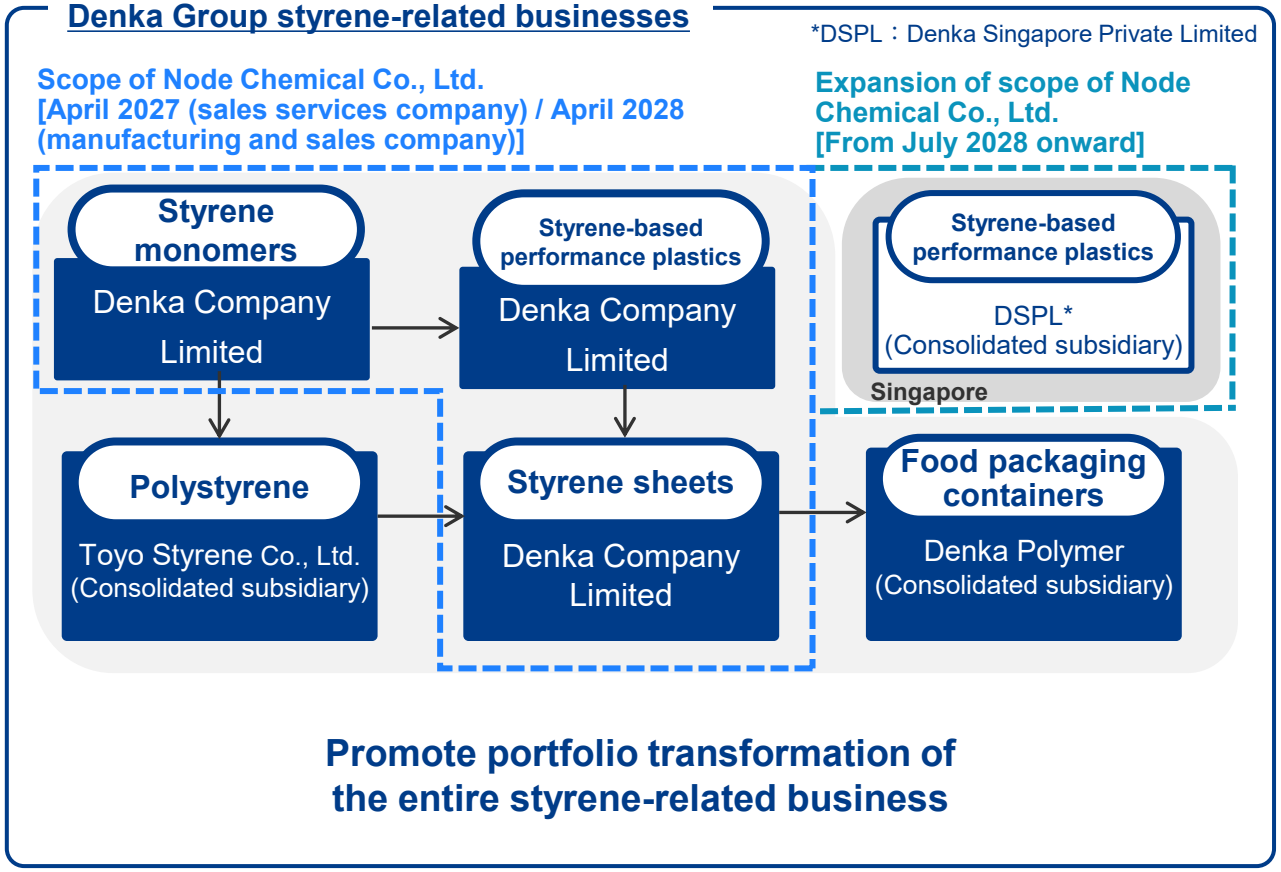
Purpose of establishing Node Chemical Co., Ltd.

- Achieving swift and agile decision-making and autonomous management
  ⇒ **Strengthen business competitiveness and enhance corporate value**
- Securing a variety of growth strategy options, including strategic alliances such as future capital alliances, joint ventures, alliances, and IPOs
  ⇒ **Building a business foundation that can respond flexibly to changes in the business environment**

Main schedule (planned) Target business

Establish a new company, Node Chemical Co., Ltd.	December 2026	
Start operations as a sales services company	April 2027	Acceptance of entrusted sales operations for styrene monomers, performance plastics, and sheet products
Start operations as a manufacturing and sales company	April 2028	Succeed manufacturing and sales divisions for styrene monomers, performance plastics, and sheet products
Start of operations of Node Chemical Co., Ltd.'s new Singapore company	From July 2028 onward	Transfer of DSPL's performance plastics manufacturing and sales business to a new company in Singapore

Styrene-related businesses and scope of Node Chemical Co., Ltd.



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- **Operating income: The impact of fundamental measures was +6.2 billion yen in 1H as planned (vs. FY2025)**
- **Extraordinary gains (losses) : -9.1 billion yen in 1H. A certain amount of extraordinary losses is expected for the full year, but we plan to offset this by recording extraordinary gains, etc.**

Latest Status	Equipment	To safely suspend the manufacturing facilities, DPE has completed the removal and disposal of raw materials and intermediates.
	Employees	DPE is working to optimize its workforce (Number of employees: approx. 250 at the end of March 2025 → approx. 140 at the end of December 2025 → approx. 70 at the end of October 2026 → approx. 40+ from January 2027 (planned))
	Stakeholders	To minimize future costs, DPE is continuing discussions with relevant stakeholders.

(¥ billions)

		1Q	2Q	2H	Full-Year
Operating income	Impact of fundamental measures (vs. FY2025)	+3.0	+3.2	0.0	+6.2
Extraordinary gains (losses)	DPE-related losses	-4.7 (Costs, including labor costs, associated with the removal of raw materials and other materials)	-4.4 (Costs, including labor costs, associated with the removal of raw materials and other materials)	Certain costs are also expected to be recorded as extraordinary losses in 2H	
	Gain on sale of strategically held shares, etc.	0.0	0.0	Consider	Compensate
	Recognition of deferred tax assets	0.0	0.0		

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FY2026 2Q Results (P7-P16)

■ Operating income: 24.7 billion yen (+15.0 billion yen YoY)

Significant profit growth due to expanding demand for AI-related products and products for power infrastructure, the impact of the DPE production suspension +6.2, and the inventory effect +8.1 (Polymer Solutions +5.1 and others)

■ Net income: 6.9 billion yen (+3.0 billion yen YoY)

Extraordinary losses: Loss on liquidation of business, etc. (DPE-related, etc.)
FY2025 1H -8.4 (write-downs of raw materials in equipment, material removal costs, etc.)
FY2026 1H -9.1 (Costs, including labor costs, associated with the removal of raw materials and other materials)

Extraordinary gains: FY2025 1H +8.2 (Gain on sale of land for Ofuna Plant) → FY2026 1H None

FY2026 Forecast (P17-P28)

- **Operating income ：37.0 billion yen (+7.0 billion yen vs. Initial Forecast, +10.8 billion yen YoY)**
- **Net income:16.0 billion yen (±0.0 billion yen vs. Initial Forecast, +0.3 billion yen YoY)**

Operating income: (vs Initial Forecast) **Upward revision for Electronics & Innovative Products due to increased demand for AI-related products and products for power infrastructure. Downward revision for rapid antigen test kits in Life Innovation. The remaining positive inventory effect of +6.0 (Polymer Solutions +3.6 and others) is also reflected**

Net income: We expect to post extraordinary losses as we build on the fundamental measures in the chloroprene rubber business; however, we expect extraordinary gains (gain on sale of strategically held shares, etc.) to compensate

Shareholder Returns (P29)

- Dividend forecast: No change from 100 yen/share (Total return ratio 54%)
- Future dividend policy: Aim to maintain or increase dividend per share based on a total return ratio of 50% (cumulative total for the eight years of the management plan)

Management Presentation

- Management Presentation to be held on December 15
  Topics: Details of growth strategies, latest status, and future roadmaps for Electronics & Innovative Products

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FY2026 2Q Results
(The First Half of the Fiscal Year Ending March 2027)

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■ Operating income: Significant profit growth (YonY, vs. August forecast)

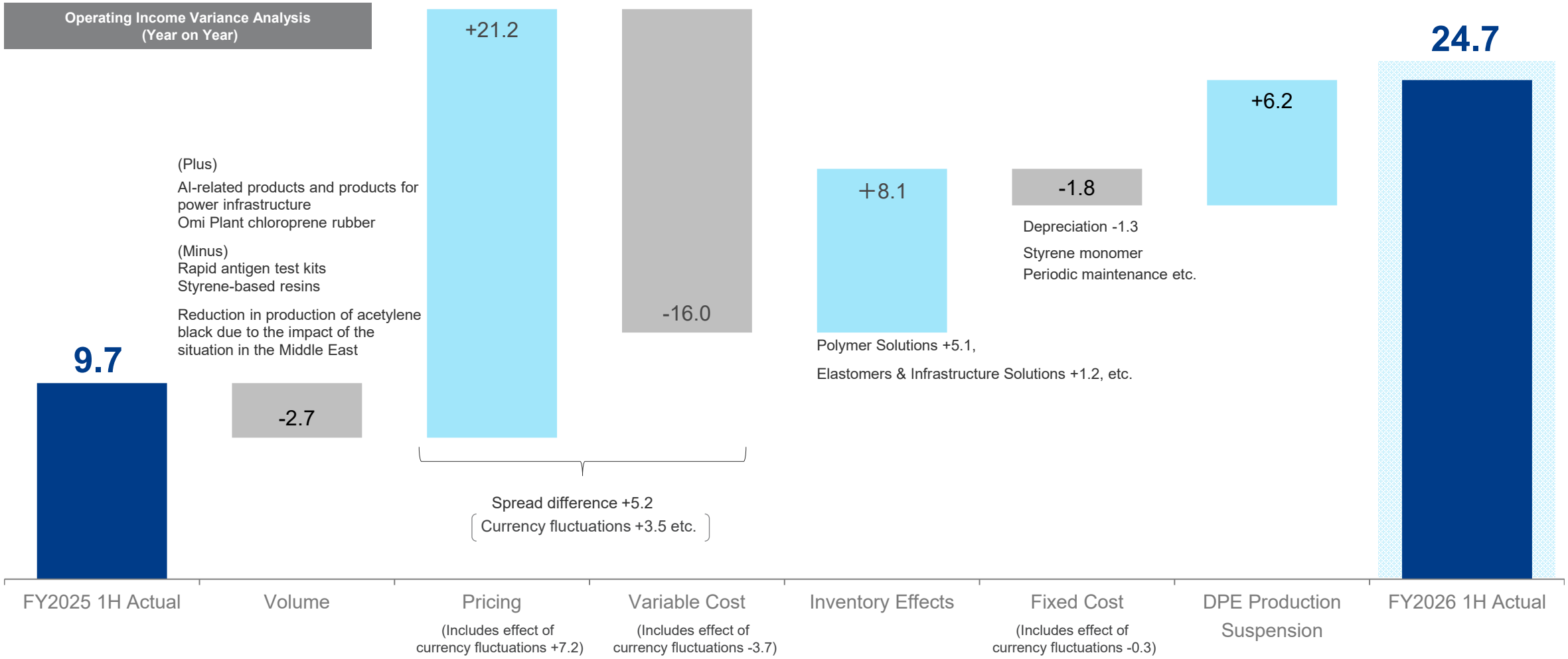
(billion yen)	FY2025 1H Actual	FY2026 1H Actual	(YonY)	FY2026 August Forecast	(vs. August Forecast)
Sales	196.7	**208.7**	+12.0	205.0	+3.7
Operating income	9.7	**24.7**	+15.0	17.0	+7.7
Operating Margin	5.0%	**11.8%**	+6.9%	8.3%	+3.5%
Ordinary Income	6.8	**21.2**	+14.4	11.0	+10.2
Extraordinary gains: Gain on sale of land for Ofuna Plant	8.2	**0.0**			
Extraordinary losses: Loss on liquidation of business, etc. (DPE-related)	-8.4	**-9.1**			
Extraordinary losses: Loss on liquidation of business, etc. (Others)	-1.0	**-1.4**			
Extraordinary gains(losses): Others	0.5	**0.0**			
Net income	3.9	**6.9**	+3.0	0.0	+6.9
Forex (yen/USD)	146.2	**160.5**		160.4	
Japan Naphtha (yen/Kl)	65,000	**107,600**		99,300	

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Despite decreased sales of rapid antigen test kits and styrene-based resins, profit increased significantly due to expanding demand for AI-related products and products for power infrastructure, the impact of the DPE production suspension, and the inventory effect

(¥ billions)



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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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Profit increased in Electronics & Innovative Products and Life Innovation

(¥ billions)

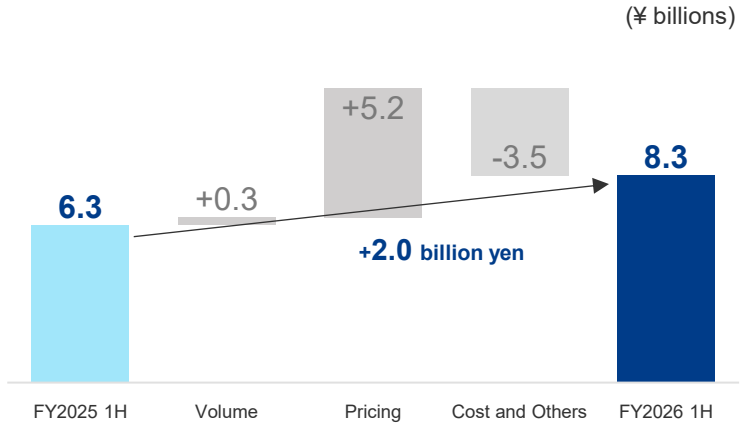
Sales	FY2024				FY2025				FY2026		vs. 1Q
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	**2Q**	(Incr. Decr.)
Electronics & Innovative Products	21.9	23.2	22.5	24.7	23.6	26.5	25.8	28.5	26.4	**29.7**	+3.4
Life Innovation	7.8	14.6	12.7	8.2	6.6	14.8	13.5	5.6	7.0	**12.8**	+5.8
Elastomers & Infrastructure Solutions	29.2	27.2	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				FY2025				FY2026		vs. 1Q
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	**2Q**	(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

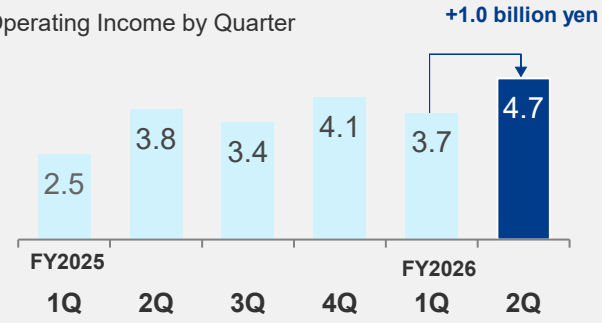
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■ Increased demand for AI-related and power infrastructure applications led to favorable volume variances and sales price composition

Operating Income Variance Analysis (Year on Year)



Operating Income by Quarter



2Q Non-Consolidated (vs. 1Q)

- Sales of spherical fused silica, spherical alumina, and other products increased overall, leading to higher profits despite the growing impact of reduced acetylene black production

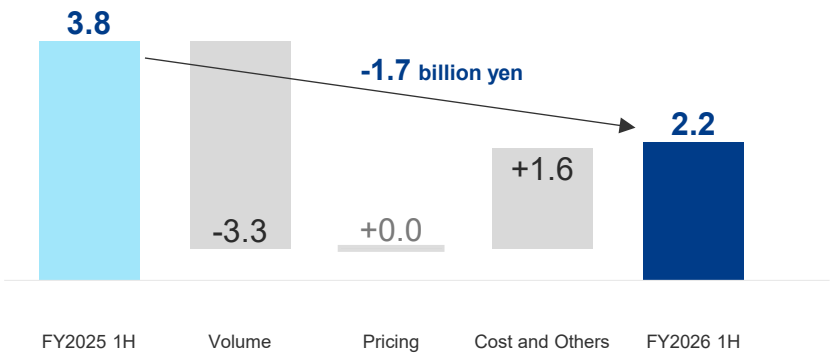
Reason for Variance (Year on Year)	Volume	By Application: AI-related applications and power infrastructure	By Application: Semiconductor and electronic components (non-AI)	By Application: Others	Pricing	Cost and Others
SNECTON	→	**For resin substrates** Sales for AI-related products to be in full swing from 2H	-	-	→ Level year on year	
Spherical fused silica	↗	**For resin substrates** Ongoing strong sales for AI applications **For optical ferrule** Expansion continued	**For Semiconductor sealants** Gradual demand recovery continued	-	↗ Price increase due to rising raw material and fuel prices; Composition difference (AI-related increase)	
Spherical alumina	→	**For thermal conductive molding compound** Ongoing strong sales for AI applications	**For TIM** Gradual demand recovery continued	**For xEV** Sluggish sales in Europe		
High-performance film	↗	-	Gradual recovery	-	↗ Price increase due to rising raw material and fuel prices	↘ Rising raw material and fuel prices; Increase in depreciation -0.3
Acetylene black	↘	**For power infrastructure** Demand for high-voltage cables remained firm, but production was reduced due to the situation in the Middle East, while sales for ESS applications surged	-	**For xEV** Sluggish sales in Europe	↗ Price increase due to rising raw material and fuel prices; Composition difference (power infrastructure increase)	
ALSINK	→	**For power infrastructure** Continued strong performance	-	**For electric railway** Steady demand	↗ Composition difference (power infrastructure increase)	
Silicon nitride (powder)	↘	-	-	**For heat dissipation substrates and bearing balls** Sluggish EV market	→ Level year on year	
Ceramic substrates (silicon nitride substrates, aluminum nitride substrates)	↘	-	-	**For xEV** Sluggish sales in Europe **For electric railway** Continued steady performance	↗ Progress in increasing prices as planned	

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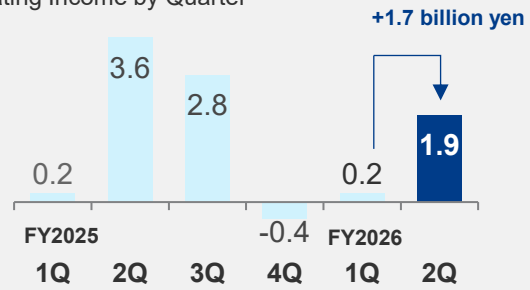
■ Rapid antigen test kits: Shipment volume decreased significantly due to prolonged adjustment of market inventories for shipments in the previous period

Operating Income Variance Analysis (Year on Year)

(¥ billions)



Operating Income by Quarter



2Q Non-Consolidated (vs. 1Q)
・Launch of vaccine shipments and increased sales of rapid antigen test kits due to the spread of infectious diseases

Reason for Variance (Year on Year)

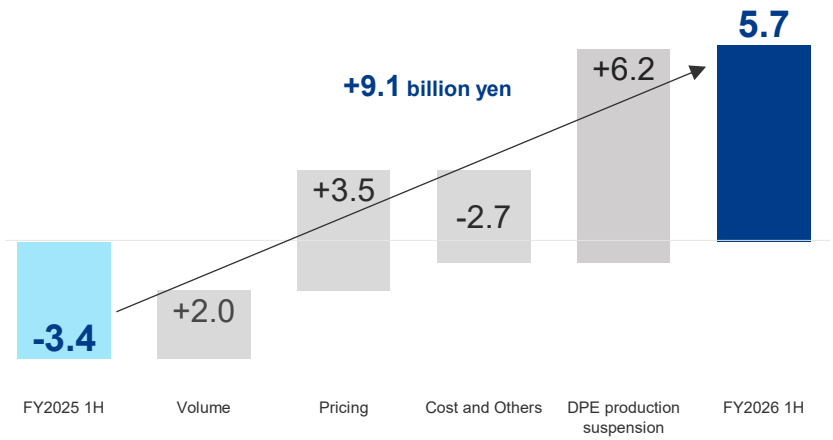
	Volume		Pricing		Cost and Others
Influenza vaccines	↘	Some delays in shipment schedules	→	Level year on year	↗
Rapid antigen test kits	↓	Shipment volume decreased significantly due to prolonged adjustment of market inventories for shipments in the previous period	→	Same as above	Decrease in R&D expenses +0.6 Inventory effect etc.
IVD reagents (inflammation markers, etc.)	↗	Moderate growth including an increase from the consolidation of Kainos	→	Same as above	

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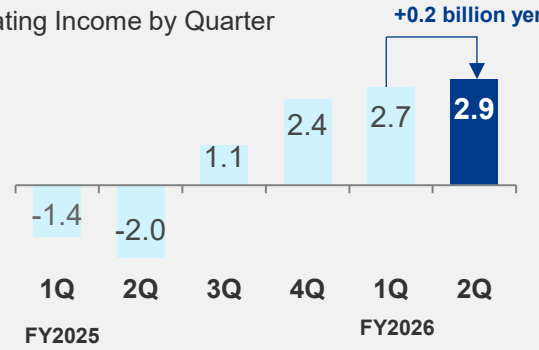
■ Significant increase in profit driven by higher sales of Omi chloroprene rubber and the impact of DPE production suspension

Operating Income Variance Analysis (Year on Year)

(¥ billions)



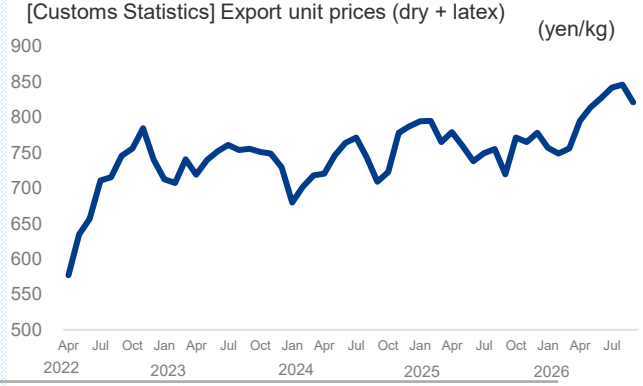
Operating Income by Quarter



2Q Non-Consolidated (vs. 1Q)
・Level with 1Q

Reason for Variance (Year on Year)

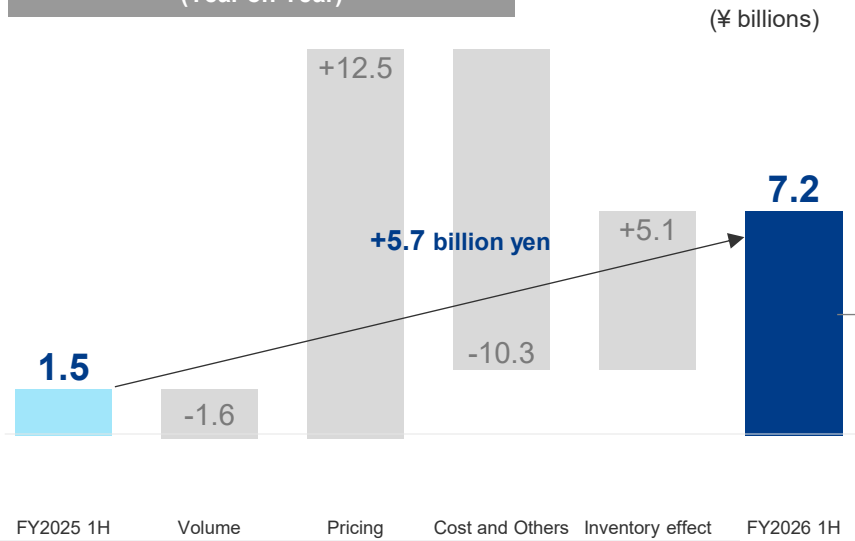
	Volume	Pricing	Cost and Others
Chloroprene rubber	Demand was level year on year, while shipments from the Omi Plant increased for products used as a substitute for DPE products	・Foreign exchange: Plus ・Impact excluding currency fluctuation: Plus [Customs Statistics] Export unit prices (dry + latex) (yen/kg)	[Negative] Rising raw material and fuel prices [Positive] Inventory effect +1.2
Special cement additives	Level year on year	Level year on year	



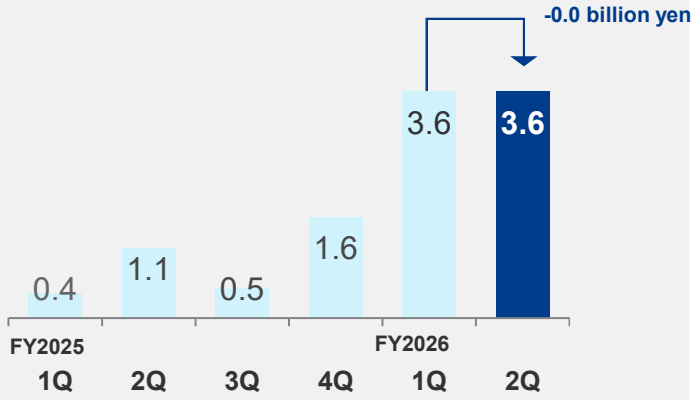
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Despite lower sales of styrene-based resins, profit increased significantly as the positive inventory effect of +5.1 billion yen continued to contribute

Operating Income Variance Analysis (Year on Year)



Operating Income by Quarter



2Q Non-Consolidated (vs. 1Q)
Level with 1Q

Reason for Variance (Year on Year)

	Volume	Pricing	Cost and Others
MS resins	**LGP applications for PC monitors** Sales decrease due to competition with Chinese products	Level year on year	[Negative] Rising raw material and fuel prices [Positive] Inventory effect +5.1
AS, ABS, transparent resins, etc.	Sales decrease due to weak demand		
Food wrapping sheets, containers	Level year on year	Price revision in conjunction with rising raw material and fuel prices	
Toyokalon	Volume decrease due to production consolidation		Cost reductions through production consolidation

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■ 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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FY2026 Earnings Forecast
(Fiscal Year Ending March 2027)

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■ 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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- **Demand for AI-related and power infrastructure applications grew more than initially anticipated**
- **Prolonged adjustment of market inventories of rapid antigen test kits shipped in the previous period**

Weather Symbols

(Good)  (Bad)

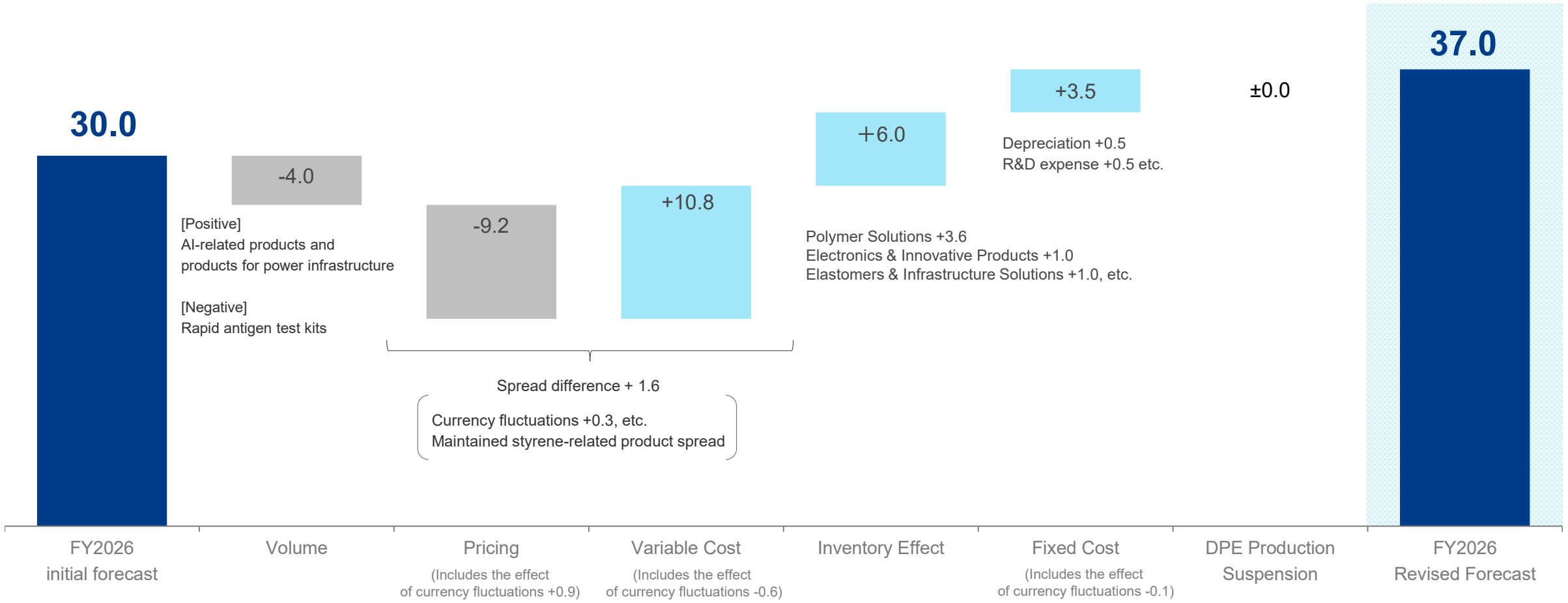
	(Market Trends)	FY2026 Initial Forecast	FY2026 Revised Forecast
Electronics & Innovative Products	**Semiconductor and Electronic Components**	AI-Related: Ongoing steady growth Other than AI: Continued slow recovery	AI-Related: Growth at a pace greater than the initial forecast Other than AI-Related: (No change)
	Power infrastructure (High-voltage cables, ESS, etc.)	High-voltage cables: Ongoing steady growth ESS: Increasing demand	High-voltage cables: (No change) ESS: Demand surging at a faster pace than initially anticipated
	xEV	Level year on year	(No change)
Life Innovation	**Infectious Disease Testing (COVID-19, Influenza, etc.)**	Assuming levels of outbreaks similar to FY2025	Prolonged adjustment of market inventories shipped in the previous period
Elastomers & Infrastructure Solutions	**Chloroprene rubber**	Demand remains sluggish; global demand of 230,000 tons	(No change)
Polymer Solutions	**Resin**	PCs, Home Appliances General Merch. Food Containers Low demand	PCs, Home Appliances General Merch. Food Containers (No change)

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■ **Despite a significant decline in sales of rapid antigen test kits, the forecast was revised upward due to increased sales for AI-related and power infrastructure applications, as well as positive inventory effect**

(¥ billions)

Operating Income Variance Analysis (vs Initial Forecast)



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

(¥ billions)

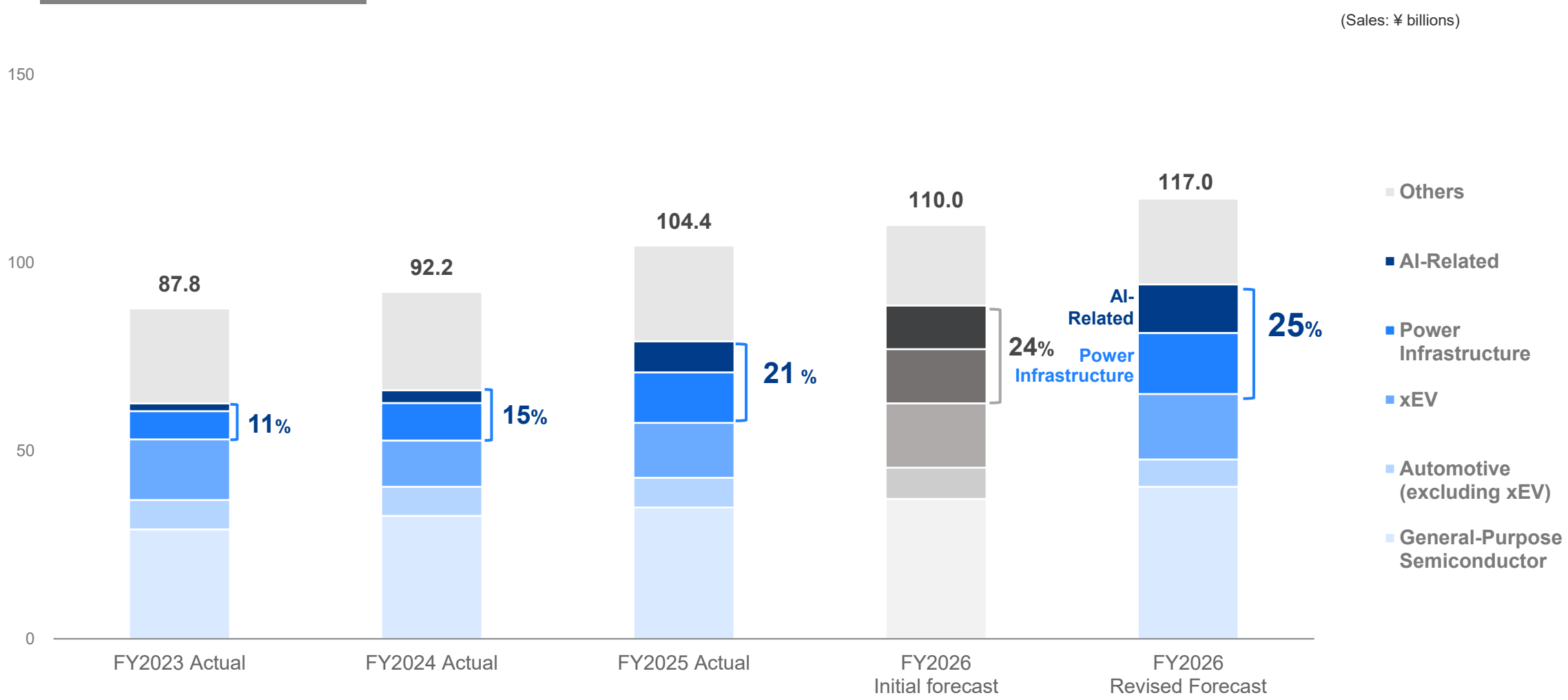
Sales	FY2026 Initial Forecast	FY2026 Revised Forecast	Incr. Decr.	Volume	Pricing	DPE Production Suspension
Electronics & Innovative Products	110.0	**117.0**	+7.0	+5.8	+1.2	
Life Innovation	45.0	**40.0**	-5.0	-5.3	+0.3	
Elastomers & Infrastructure Solutions	105.0	**100.0**	-5.0	-5.4	+0.4	±0.0
Polymer 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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■ Growth in demand for AI-related and power infrastructure applications exceeded initial forecasts

Sales Composition by Application

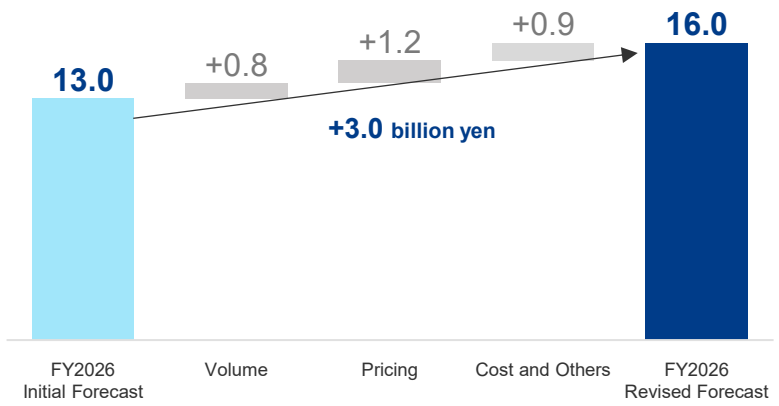


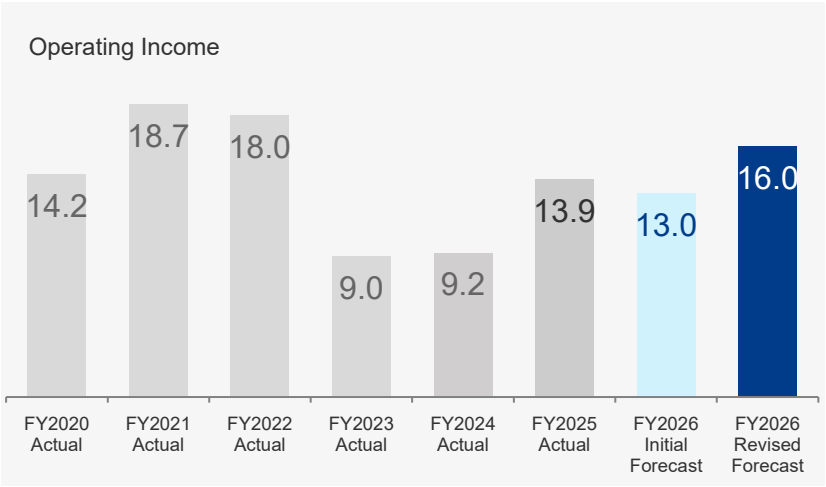
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■ Increased demand for AI-related and power infrastructure applications led to favorable volume variances and sales price composition

Operating Income Variance Analysis (vs Initial Forecast)

(¥ billions)



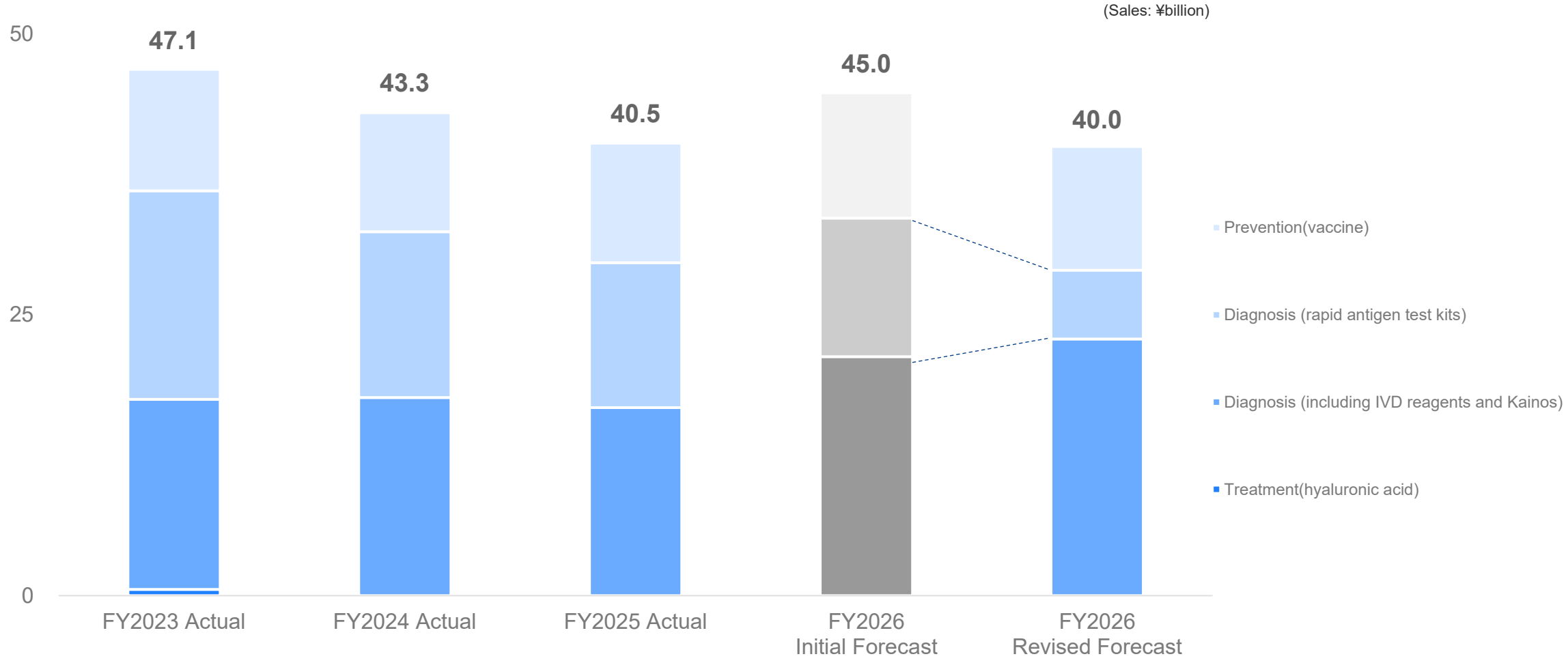


Reason for Variance (vs Initial Forecast)	Volume	By Application: AI-related applications and power infrastructure	By Application: Semiconductor and electronic components (non-AI)	By Application: Others	Pricing	Cost and Others
SNECTON	→	**For resin substrates** Sales for AI-related products to be in full swing from 2H, In line with the initial forecast	-	-	→ In line with the initial forecast	
Spherical fused silica	↗	**For resin substrates** Exceed the initial forecast **For optical ferrule** Exceed the initial forecast	**For molding compound** In line with the initial forecast	-	↗ Composition difference (AI-related increase)	
Spherical alumina	→	**For thermal conductive molding compound** Exceedi the initial forecast	**For TIM** Downside	**For xEV** In line with the initial forecast	↗ Composition difference (AI-related increase)	↗ Decrease in depreciation +0.3 Inventory effect +1.0, etc.
High-performance film	↗	-	Minor impact of the situation in the Middle East	-	→ In line with the initial forecast	
Acetylene black	↘	**For power infrastructure** Sales for ESS applications significantly exceeded the initial forecast, while production reduction for high-voltage cable applications due to the situation in the Middle East persisted longer than expected	-	**For xEV** In line with the initial forecast	→ In line with the initial forecast	
ALSINK	→	**For power infrastructure** In line with the initial forecast		**For electric railway** In line with the initial forecast	→ In line with the initial forecast	
Silicon nitride (powder)	→	-	-	**For heat dissipation substrates and bearing balls** In line with the initial forecast	→ In line with the initial forecast	
Ceramic substrates (silicon nitride substrates, aluminum nitride substrates)	→	-	-	**For xEV** In line with the initial forecast **For electric railway** In line with the initial forecast	→ In line with the initial forecast	

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Rapid antigen test kits: Shipment volume decreased significantly due to prolonged adjustment of market inventories for shipments in the previous period

Sales Composition by Application



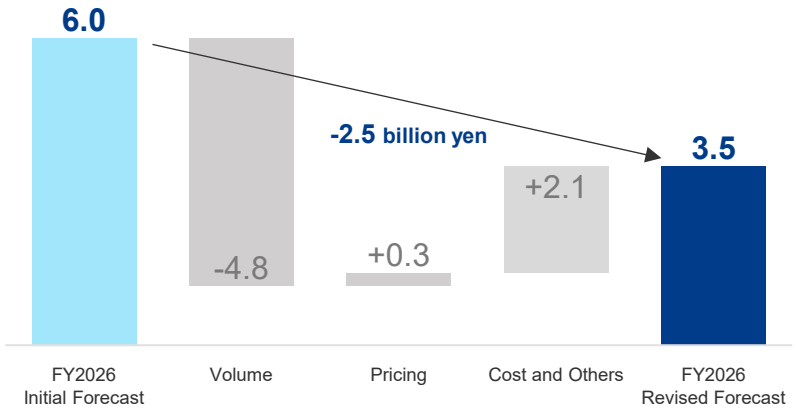
* The manufacturing contract for macromolecular sodium hyaluronate terminated in January 2023.

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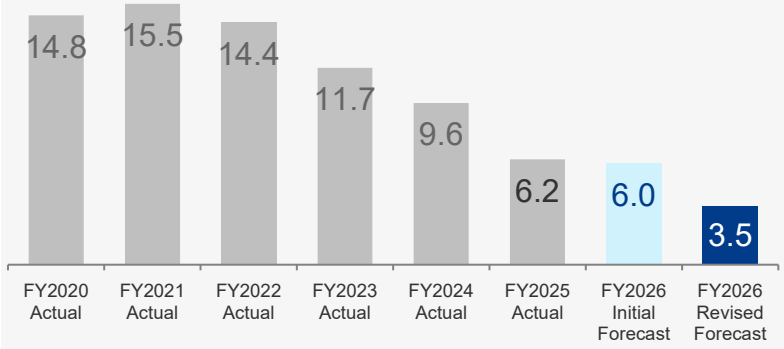
■ Rapid antigen test kits: Shipment volume decreased significantly due to prolonged adjustment of market inventories for shipments in the previous period

Operating Income Variance Analysis (vs Initial Forecast)

(¥ billions)



Operating Income



Reason for Variance (vs Initial Forecast)

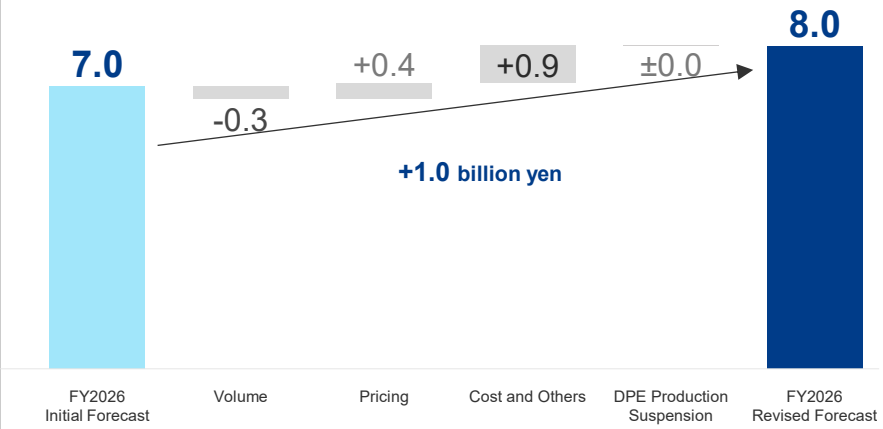
	Volume		Pricing		Cost and Others
Influenza vaccines	→	In line with the initial forecast	→	In line with the initial forecast	↗ Decrease in R&D expenses +0.5 Inventory effect, etc.
Rapid antigen test kits	↓	Shipment volumes are expected to be significantly below the initial forecast due to prolonged adjustments to market inventories of products shipped in the previous period	→	In line with the initial forecast	
IVD reagents (inflammation markers, etc., including Kainos)	↗	Exceed the initial forecast	→	In line with the initial forecast	

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Upward revision due to inventory effect

Operating Income Variance Analysis (vs Initial Forecast)

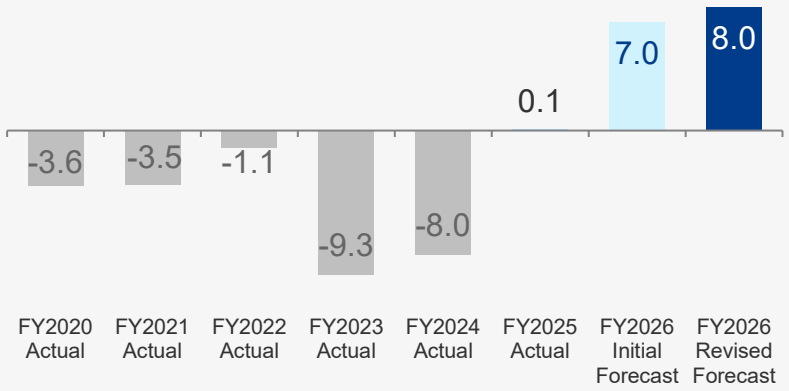
(¥ billions)



Reason for Variance (vs Initial Forecast)

	Volume	Pricing	Cost and Others
Chloroprene rubber	In line with the initial forecast	In line with the initial forecast	Inventory effect +1.0 Decrease in depreciation +0.2, etc.
Special cement additives	Below initial forecast due to construction delays	In line with the initial forecast	

Operating Income

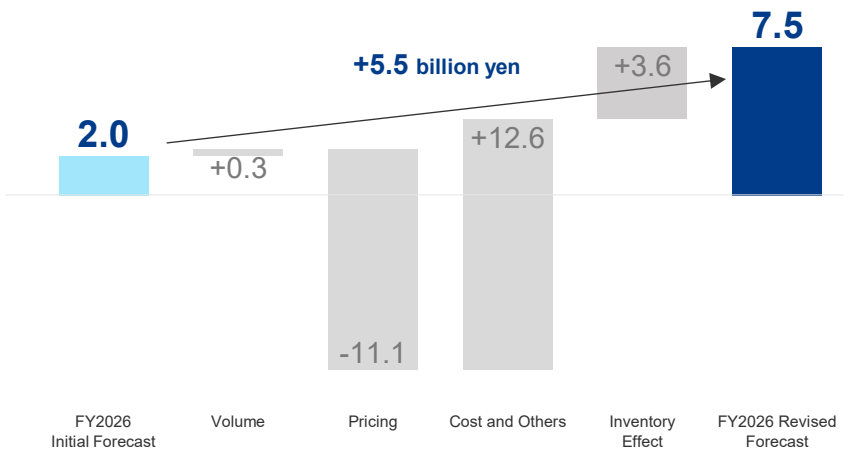


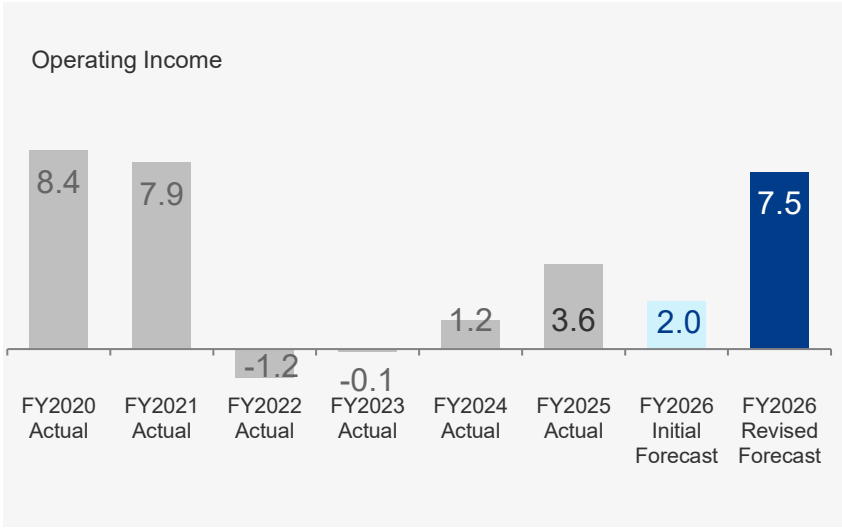
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Upward revision due to inventory effect

Operating Income Variance Analysis (vs Initial Forecast)

(¥ billions)





Reason for Variance (vs Initial Forecast)

	Volume	Pricing	Cost and Others
MS resins	**LGP applications for PC monitors** Although the impact of the situation in the Middle East was smaller than initially anticipated, sales declined due to competition with Chinese products, resulting in lower performance than the initial forecast	Styrene-based resins: Raw material and fuel prices are lower than the initial forecast (spread maintained)	Variable costs: Raw material and fuel prices are lower than the initial forecast Inventory effect +3.6
AS, ABS, transparent resins, etc.	Shipments increased as the impact of the situation in the Middle East was less severe than initially anticipated		
Food wrapping sheets, containers	In line with the initial forecast	Raw material and fuel prices lower than initial forecast (spread improved)	
Toyokalon	Shipments increased as the impact of the situation in the Middle East was less severe than initially anticipated	In line with the initial forecast	

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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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■ 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	100.0	100.0
							Mid-term 50.0 End 50.0	Mid-term 50.0 End 50.0	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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(¥ billions)

Sales	FY2025 Actual	FY2026 Forecast (Revised)	Incr. Decr.	Volume	Pricing	DPE Production Suspension
Electronics & Innovative Products	104.4	**117.0**	+12.6	+1.9	+10.7	
Life Innovation	40.5	**40.0**	-0.5	-0.4	-0.1	
Elastomers & Infrastructure Solutions	97.6	**100.0**	+2.4	+2.1	+6.5	-6.2
Polymer Solutions	124.2	**150.0**	+25.8	+0.7	+25.2	
Others	17.6	**18.0**	+0.4	+0.4	-	
Total	384.2	**425.0**	+40.8	+4.7	+42.3	-6.2

Operating income	FY2025 Actual	FY2026 Forecast (Revised)	Incr. Decr.	Volume	Pricing	Cost and Others	DPE Production Suspension
Electronics & Innovative Products	13.9	**16.0**	+2.1	+0.6	+10.7	-9.2	
Life Innovation	6.2	**3.5**	-2.7	-3.5	-0.1	+0.8	
Elastomers & Infrastructure Solutions	0.1	**8.0**	+7.9	+2.1	+6.5	-6.9	+6.2
Polymer Solutions	3.6	**7.5**	+3.9	-1.4	+25.2	-19.8	
Others	2.4	**2.0**	-0.4	-0.4	-	-0.0	
Total	26.2	**37.0**	10.8	-2.6	+42.3	-35.1	+6.2

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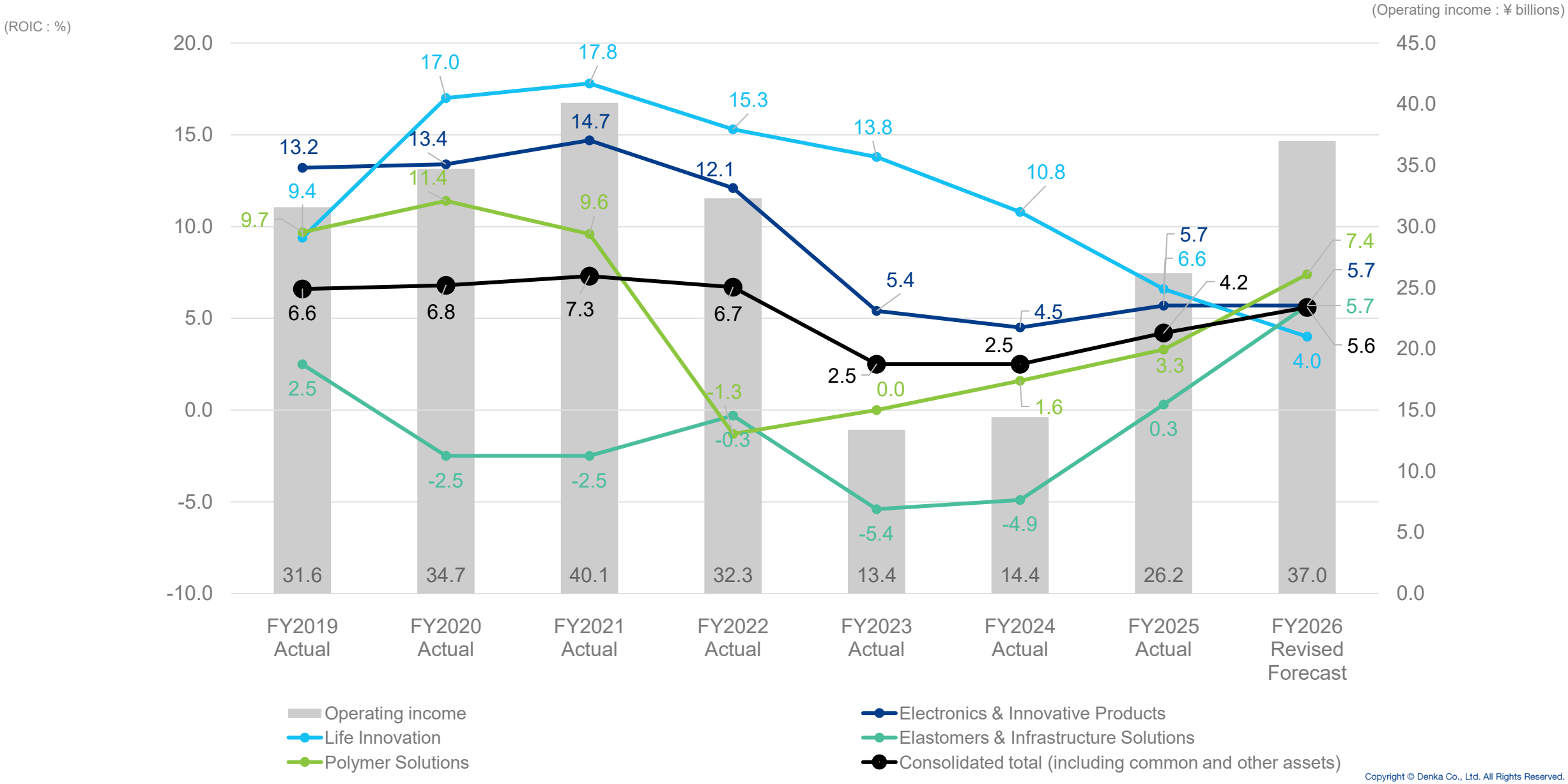
(¥ billions)

Sales	FY2024				FY2025				FY2026		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q Actual	2Q Actual	2H Forecast
Electronics & Innovative Products	21.9	23.2	22.5	24.7	23.6	26.5	25.8	28.5	26.4	29.7	60.9
Life Innovation	7.8	14.6	12.7	8.2	6.6	14.8	13.5	5.6	7.0	12.8	20.2
Elastomers & Infrastructure Solutions	29.2	27.2	28.0	27.2	25.8	24.1	22.9	24.8	23.7	24.5	51.9
Polymer Solutions	32.6	34.9	34.9	33.0	33.8	31.6	27.8	30.9	36.1	40.7	73.3
Others	3.8	4.0	4.4	5.6	4.3	5.6	4.0	3.7	3.9	4.1	10.1
Total	95.2	103.8	102.5	98.7	94.1	102.6	94.1	93.5	97.0	111.7	216.3

Operating income	FY2024				FY2025				FY2026		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q Actual	2Q Actual	2H Forecast
Electronics & Innovative Products	2.3	2.7	2.0	2.2	2.5	3.8	3.4	4.1	3.7	4.7	7.7
Life Innovation	1.7	4.0	1.9	2.0	0.2	3.6	2.8	-0.4	0.2	1.9	1.3
Elastomers & Infrastructure Solutions	-0.2	-2.9	-2.6	-2.3	-1.4	-2.0	1.1	2.4	2.7	2.9	2.3
Polymer Solutions	0.3	0.4	0.4	0.1	0.4	1.1	0.5	1.6	3.6	3.6	0.3
Others	0.7	0.5	0.7	0.5	0.6	0.9	0.6	0.3	0.7	0.6	0.7
Total	4.7	4.7	2.4	2.6	2.3	7.4	8.5	8.0	11.0	13.7	12.3

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Possibility of chemistry

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