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May 15, 2026

## Consolidated Financial Results for the Three Months Ended March 31, 2026 (Under Japanese GAAP)



Company name: SHIKOKU KASEI HOLDINGS CORPORATION

Listing: Tokyo Stock Exchange

Securities code: 4099

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

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

### 1. Consolidated financial results for the three months ended March 31, 2026 (from January 1, 2026 to March 31, 2026)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended March 31, 2026	19,868	18.2	4,240	39.6	4,520	60.8	3,041	58.0
March 31, 2025	16,809	(3.2)	3,037	26.3	2,811	(3.2)	1,925	6.8

Note: Comprehensive income For the three months ended March 31, 2026: ¥ 4,088 million [ 72.4%]  
For the three months ended March 31, 2025: ¥ 2,372 million [ (21.0)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2026	70.33	-
March 31, 2025	43.08	-

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
March 31, 2026	151,264	97,385	63.8
December 31, 2025	144,403	94,599	65.0

Reference: Equity

As of March 31, 2026: ¥ 96,571 million

As of December 31, 2025: ¥ 93,794 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2025	-	25.00	-	30.00	55.00
Fiscal year ending December 31, 2026	-				
Fiscal year ending December 31, 2026 (Forecast)		30.00	-	30.00	60.00

Note: Revisions to the forecast of cash dividends most recently announced: None

## 3. Consolidated financial result forecasts for the fiscal year ending December 31, 2026 (from January 1, 2026 to December 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	88,000	24.5	14,400	32.5	14,500	21.6	10,000	18.2	231.22

Note: Revisions to the financial result forecast most recently announced: Yes

### \* Notes

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

Newly included: 2 companies( PT Timuraya Tunggal, PT Pradipa Persada )

Excluded: - companies( )

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

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

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

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of March 31, 2026	44,869,563 shares
As of December 31, 2025	44,869,563 shares

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

As of March 31, 2026	1,620,343 shares
As of December 31, 2025	1,620,337 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2026	43,249,223 shares
Three months ended March 31, 2025	44,692,785 shares

\* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes(voluntary)

\* Proper use of earnings forecasts, and other special matters

Forward-looking statements such as operating results forecasts and other projections contained in this report are based on information currently available to the Company and certain assumptions deemed reasonable. Actual results may differ significantly from these forecasts due to a wide range of factors. For the assumptions underlying the operating results forecasts and

cautionary notes concerning their use, please refer to “(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” under “1. Qualitative Information on Quarterly Financial Results for the Period under Review” on page 3 of the attached documents to the quarterly financial statements.

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## 1. Qualitative Information on Quarterly Financial Results for the Period under Review

### (1) Explanation of Operating Results

The Japanese economy during the three months ended March 31, 2026 recovered moderately for the most part, driven by a recovery in consumer spending, while uncertainties persisted due to factors such as developments in trade policy and rising energy prices fueled by escalating tensions in the Middle East. In overseas economies, while the pace of employment growth in the U.S. has decelerated, the economy continues its moderate expansion, supported both by increasing AI-related investments and by high-income consumer spending amid rising stock prices. Regarding the outlook for the Japanese economy, the Company recognizes that if tensions in the Middle East continue to escalate, it is necessary to be mindful of the risk of downward pressure on corporate production through the impact on supply chains, among other matters.

Under these circumstances, for the three months ended March 31, 2026 (from January 1, 2026 to March 31, 2026), the Group posted net sales of ¥19,868 million (up 18.2% year-on-year), operating profit of ¥4,240 million (up 39.6% year-on-year), ordinary profit of ¥4,520 million (up 60.8% year-on-year), and profit attributable to owners of parent of ¥3,041 million (up 58.0% year-on-year). Strong sales in fine chemicals for our Chemicals operations resulted in renewed record highs in terms of net sales, operating profit, ordinary profit, and profit attributable to owners of parent, for the three months ended March 31.

Operating results by segment are as follows.

#### **1) Chemicals operations**

(Inorganic chemicals)

Sales of insoluble sulfur, a material for radial tires, were higher than those of the previous year due to strong sales mainly in overseas markets. Sales of carbon disulfide for rayon and cellophane were higher than the previous year due to strong export sales. Sales of sodium sulfate for bath agents and detergents were lower than the previous year, due to sluggish sales for detergents.

(Organic chemicals)

Regarding chlorinated isocyanurates for disinfectants, sales exceeded those of the previous year in the domestic market due to solid sales for household sanitary use and other purposes. Sales in the U.S. market exceeded those of the previous year due to a reactive increase from sluggish performance in the previous year.

(Fine chemicals)

Regarding electronic chemicals, sales of the chemical adhesion process GliCAP were strong for use in server boards, particularly overseas. Sales of advanced & specialty chemicals exceeded those of the previous year, owing to the progress in the acquisition of new overseas orders for the epoxy resin curing agent (imidazoles) and an increase in demand for resin modifier (glycoluril derivatives, etc.). Sales of semiconductor process materials were also strong, driven by expanding demand.

As a result, net sales for the Chemicals operations segment were ¥14,611 million (up 26.2% year-on-year) and segment profit was ¥3,756 million (up 39.0% year-on-year), showing an increase in both net sales and profit.

#### **2) Housing Materials operations**

Housing-related demand was sluggish, driven by the continued decline in the number of new housing starts, particularly for owned houses, due to a surge in construction costs and a decrease in population. Under these circumstances, sales were up on the previous year owing to our efforts into expanding products for non-residential purposes, which is one of our strengths, as well as for new business domains. In addition, profit was up on the previous year due to the implementation of measures to improve revenue, including price revisions, despite the impact of the soaring prices of aluminum ingots and other raw materials coupled with the increase in distribution costs.

As a result, net sales for the Housing Materials operations segment were ¥4,997 million (up 1.7% year-on-year) and segment profit was ¥359 million (up 31.0% year-on-year), resulting in an increase in both net sales and profit.

**Reference information**

[Overseas net sales]

	Three months ended March 31, 2025 (from January 1, 2025 to March 31, 2025)		Three months ended March 31, 2026 (from January 1, 2026 to March 31, 2026)	
	Net sales (Million yen)	Overseas net sales to consolidated net sales (%)	Net sales (Million yen)	Overseas net sales to consolidated net sales (%)
Asia	2,464	14.7	4,201	21.1
North America	2,872	17.1	3,364	16.9
Other regions	414	2.5	309	1.6
Total	5,751	34.2	7,875	39.6
Consolidated net sales	16,809		19,868	

**(2) Explanation of Financial Position**

## Status of assets, liabilities and net assets

Total assets increased by ¥6,861 million from the end of the previous fiscal year to ¥151,264 million. Major increases were ¥3,173 million in construction in progress, ¥2,237 million in accounts receivable - trade, and the recording of ¥2,059 million in goodwill arising from the business combination, while major decreases were ¥2,911 million in cash and deposits and ¥3,342 million in investment securities.

Liabilities increased by ¥4,075 million from the end of the previous fiscal year to ¥53,879 million. Major increases were ¥4,464 million in long-term borrowings, ¥2,856 million in notes and accounts payable - trade, and ¥1,687 million in short-term borrowings, while the major decrease was ¥5,439 million in current portion of long-term borrowings.

Net assets increased by ¥2,785 million from the end of the previous fiscal year to ¥97,385 million. The major increase was ¥1,738 million in retained earnings.

As a result, equity ratio fell to 63.8% from 65.0% at the end of the previous fiscal year.

**(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information**

The Company has revised its full-year financial results forecast announced in the Consolidated Financial Results for the Fiscal Year Ended December 31, 2025, disclosed on January 29, 2026, described as follows.

## 1. Revision of the consolidated financial results forecast for the fiscal year ending December 31, 2026 (from January 1, 2026 to December 31, 2026)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previously announced forecast (A)	80,000	14,400	14,500	10,000	231.22
Revised forecast (B)	88,000	14,400	14,500	10,000	231.22
Change (B - A)	8,000	-	-	-	
Change (%)	10.0	-	-	-	

## 2. Reason for the revision

We have revised the full-year financial results forecast by reflecting the financial results for the first quarter under review, as well as factors including the consolidation of PT Timuraya Tunggal and its subsidiary, PT Pradipa Persada. Consequently, net sales are expected to exceed the previous forecast. Accordingly, we have revised the full-year consolidated financial results forecast for the fiscal year ending December 31, 2026.

Meanwhile, potential impacts on the Group from tensions in the Middle East, including higher raw material prices, procurement difficulties, and logistics disruptions, are not factored into the financial results forecast because they cannot be reasonably estimated at this time.

We will disclose any material impact on the financial results should it become apparent.

Assumptions for the exchange rates of major currencies are ¥150 to U.S. dollar and ¥175 to Euro.

(Note) The above financial results forecasts are based on information currently available to the Company as of the date of this report. Actual results may differ significantly from these forecasts due to a wide range of factors.

Quarterly Consolidated Financial Statements and Primary Notes  
Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2025	As of March 31, 2026
<b>Assets</b>		
Current assets		
Cash and deposits	35,534	32,623
Notes receivable - trade	60	41
Electronically recorded monetary claims - operating	3,369	3,635
Accounts receivable - trade	15,143	17,381
Securities	11,895	11,198
Merchandise and finished goods	9,835	11,302
Work in process	109	264
Raw materials and supplies	4,645	6,158
Other	1,494	2,367
Allowance for doubtful accounts	(1)	(10)
<b>Total current assets</b>	<b>82,087</b>	<b>84,963</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,975	7,409
Machinery, equipment and vehicles, net	9,772	10,885
Land	9,105	9,105
Construction in progress	3,047	6,220
Other, net	880	1,003
<b>Total property, plant and equipment</b>	<b>29,781</b>	<b>34,624</b>
Intangible assets		
Goodwill	66	2,123
Other	589	557
<b>Total intangible assets</b>	<b>656</b>	<b>2,680</b>
Investments and other assets		
Investment securities	27,465	24,123
Deferred tax assets	1,880	2,113
Retirement benefit asset	1,446	1,435
Other	1,087	1,326
Allowance for doubtful accounts	(2)	(2)
<b>Total investments and other assets</b>	<b>31,878</b>	<b>28,996</b>
<b>Total non-current assets</b>	<b>62,315</b>	<b>66,301</b>
<b>Total assets</b>	<b>144,403</b>	<b>151,264</b>

(Millions of yen)

	As of December 31, 2025	As of March 31, 2026
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	8,981	11,837
Electronically recorded obligations - operating	552	421
Short-term borrowings	3,000	4,687
Current portion of long-term borrowings	7,520	2,080
Accrued expenses	1,801	2,348
Income taxes payable	2,497	1,222
Accrued consumption taxes	203	244
Electronically recorded obligations-facilities	65	520
Other	3,562	3,707
Total current liabilities	28,184	27,072
Non-current liabilities		
Long-term borrowings	13,832	18,297
Deferred tax liabilities	5,312	5,746
Deferred tax liabilities for land revaluation	1,029	1,029
Provision for retirement benefits for directors (and other officers)	111	109
Retirement benefit liability	527	775
Asset retirement obligations	371	372
Provision for share awards	108	117
Other	325	358
Total non-current liabilities	21,619	26,806
Total liabilities	49,803	53,879
Net assets		
Shareholders' equity		
Share capital	6,867	6,867
Capital surplus	5,711	5,711
Retained earnings	69,085	70,824
Treasury shares	(2,996)	(2,997)
Total shareholders' equity	78,668	80,406
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,670	12,624
Revaluation reserve for land	2,249	2,249
Foreign currency translation adjustment	472	576
Remeasurements of defined benefit plans	733	714
Total accumulated other comprehensive income	15,126	16,164
Non-controlling interests	804	814
Total net assets	94,599	97,385
Total liabilities and net assets	144,403	151,264

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

For the Three-Month Period

(Millions of yen)

	For the three months ended March 31, 2025	For the three months ended March 31, 2026
Net sales	16,809	19,868
Cost of sales	9,262	10,565
Gross profit	7,547	9,302
Selling, general and administrative expenses		
Transportation and storage costs	1,650	1,761
Advertising expenses	212	249
Salaries	698	770
Retirement benefit expenses	24	19
Provision for retirement benefits for directors (and other officers)	2	6
Research and development expenses	452	555
Other	1,468	1,699
Total selling, general and administrative expenses	4,509	5,061
Operating profit	3,037	4,240
Non-operating income		
Interest income	98	172
Dividend income	65	51
Foreign exchange gains	-	194
Miscellaneous income	2	28
Total non-operating income	166	446
Non-operating expenses		
Interest expenses	33	154
Foreign exchange losses	353	-
Donations	5	-
Miscellaneous losses	0	11
Total non-operating expenses	392	166
Ordinary profit	2,811	4,520
Extraordinary income		
Gain on sale of non-current assets	4	-
Gain on sale of investment securities	146	286
Subsidy income	-	5
Total extraordinary income	151	291
Extraordinary losses		
Loss on sale of non-current assets	5	-
Loss on retirement of non-current assets	37	54
Loss on sale of investment securities	-	191
Total extraordinary losses	43	245
Profit before income taxes	2,919	4,566
Income taxes	956	1,515
Profit	1,963	3,050
Profit attributable to non-controlling interests	37	9
Profit attributable to owners of parent	1,925	3,041

Quarterly Consolidated Statement of Comprehensive Income  
For the Three-Month Period

(Millions of yen)

	For the three months ended March 31, 2025	For the three months ended March 31, 2026
Profit	1,963	3,050
Other comprehensive income		
Valuation difference on available-for-sale securities	555	953
Foreign currency translation adjustment	(141)	103
Remeasurements of defined benefit plans, net of tax	(4)	(19)
Total other comprehensive income	409	1,038
Comprehensive income	2,372	4,088
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,334	4,079
Comprehensive income attributable to non-controlling interests	37	9

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Notes on significant changes in the scope of consolidation)

Following the acquisition of all the shares of PT Timuraya Tunggal during the first quarter under review, the company and its subsidiary, PT Pradipa Persada, have been included in the scope of consolidation.

(Notes in the case of significant changes in shareholders' equity)

There is no relevant information.

(Accounting policies adopted specially for the preparation of quarterly consolidated financial statements)

(Calculation of tax expenses)

The Company makes a reasonable estimate of the effective tax rate after the application of tax effect accounting to profit before income taxes for the current fiscal year, including the first quarter under review, and multiplies profit before income taxes for the quarter by the estimated effective tax rate.

Income taxes - deferred are included in income taxes.

(Segment information, etc.)

I. For the three months ended March 31, 2025 (from January 1, 2025 to March 31, 2025)

1. Information on net sales and profit (loss) by reportable segment and disaggregation of revenue

(Million yen)

	Reportable segment			Other (Note) 1	Total	Adjustment (Note) 2	Amount recorded in quarterly consolidated statements of income (Note) 3
	Chemicals operations	Housing Materials operations	Total				
Net sales							
Inorganic chemicals	3,850	-	3,850	-	3,850	-	3,850
Organic chemicals	3,745	-	3,745	-	3,745	-	3,745
Fine chemicals	3,986	-	3,986	-	3,986	-	3,986
Interior, exterior finishes and paving materials	-	312	312	-	312	-	312
Exterior products	-	4,603	4,603	-	4,603	-	4,603
Other	-	-	-	306	306	-	306
Revenue from contracts with customers	11,582	4,915	16,497	306	16,803	-	16,803
Other revenue	-	-	-	5	5	-	5
Net sales to outside customers	11,582	4,915	16,497	311	16,809	-	16,809
Inter-segment net sales or transfers	7	0	7	67	75	(75)	-
Total	11,589	4,915	16,505	379	16,884	(75)	16,809
Segment profit	2,701	274	2,976	33	3,009	27	3,037

(Notes) 1. The "Other" category represents business segments not included in the reportable segments and includes the IT systems operations and food operations.

2. The adjustment for segment profit of ¥27 million includes profit (loss) and others not allocated to business segments.

3. Segment profit is adjusted with operating profit on the quarterly consolidated statements of income.

2. Information related to assets by reportable segment

(Significant increase in assets due to acquisition of subsidiaries)

There is no relevant information.

3. Information on impairment losses on non-current assets or goodwill, etc. by reportable segment

(Significant changes in the amount of goodwill)

There is no relevant information.

II. For the three months ended March 31, 2026 (from January 1, 2026 to March 31, 2026)

1. Information on net sales and profit (loss) by reportable segment and disaggregation of revenue

(Million yen)

	Reportable segment			Other (Note) 1	Total	Adjustment (Note) 2	Amount recorded in quarterly consolidated statements of income (Note) 3
	Chemicals operations	Housing Materials operations	Total				
Net sales							
Inorganic chemicals	3,918	-	3,918	-	3,918	-	3,918
Organic chemicals	4,454	-	4,454	-	4,454	-	4,454
Fine chemicals	6,238	-	6,238	-	6,238	-	6,238
Interior, exterior finishes and paving materials	-	581	581	-	581	-	581
Exterior products	-	4,416	4,416	-	4,416	-	4,416
Other	-	-	-	253	253	-	253
Revenue from contracts with customers	14,611	4,997	19,609	253	19,862	-	19,862
Other revenue	-	-	-	5	5	-	5
Net sales to outside customers	14,611	4,997	19,609	259	19,868	-	19,868
Inter-segment net sales or transfers	1	1	3	68	72	(72)	-
Total	14,612	4,999	19,612	327	19,940	(72)	19,868
Segment profit	3,756	359	4,115	10	4,126	114	4,240

(Notes) 1. The “Other” category represents business segments not included in the reportable segments and includes the IT systems operations and food operations.

2. The adjustment for segment profit of ¥114 million includes profit (loss) and others not allocated to business segments.

3. Segment profit is adjusted with operating profit on the quarterly consolidated statements of income.

2. Information related to assets by reportable segment

(Significant increase in assets due to acquisition of subsidiaries)

Following the acquisition of the shares of PT Timuraya Tunggal and the inclusion of the company and its subsidiary, PT Pradipa Persada, in the scope of consolidation during the first quarter under review, assets in the Chemicals operations segment increased by ¥7,461 million.

The amount of assets is provisional since the allocation of acquisition cost has not been finalized at the end of the first quarter under review.

3. Information on impairment losses on non-current assets or goodwill, etc. by reportable segment

(Significant changes in the amount of goodwill)

Following the acquisition of the shares of PT Timuraya Tunggal and the inclusion of the company and its subsidiary, PT Pradipa Persada, in the scope of consolidation during the first quarter under review, goodwill of ¥2,059 million was recognized in the Chemicals operations segment.

The amount of goodwill is provisional since the allocation of acquisition cost has not been finalized at the end of the first quarter under review.

(Notes to statements of cash flows)

No quarterly consolidated statements of cash flows were prepared for the three months ended March 31, 2026. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the three months ended March 31 are as follows.

	(Million yen)	
	Three months ended March 31, 2025	Three months ended March 31, 2026
Depreciation	726	946
Amortization of goodwill	-	3

(Business combination, etc.)

(Business combination by acquisition)

The Company and SHIKOKU CHEMICALS CORPORATION, a consolidated subsidiary of the Company engaged in the Chemicals operations business, resolved at their respective meetings of the Board of Directors held on November 26, 2025, to conclude a share transfer agreement concerning the acquisition of all the shares of PT Timuraya Tunggal (“Timuraya”), headquartered in the Republic of Indonesia, and conversion into the Company’s wholly-owned subsidiary (the “Acquisition”). The share transfer agreement was entered into on November 28, 2025. On February 26, 2026, the share acquisition was completed following the satisfaction of the closing conditions for the Acquisition.

#### 1. Outline of the business combination

##### (1) Name of the acquired company and its business

Name of the acquired company: PT Timuraya Tunggal

As a result of this business combination, PT Pradipa Persada, a subsidiary of the company, has also been included in the scope of consolidation.

Description of its business: Manufacture and sale of basic chemicals and agricultural chemicals, sale of industrial chemicals, fertilizers, and other products

##### (2) Main reasons for the business combination

The Group has set forth its desiring status, “toward ‘one-step-ahead, proposal’ company with creativity,” in its long-term vision, “Challenge 1000,” aiming to grow into a world-leading corporate group that solves social issues with creative ideas. In order to achieve this objective, the Company has implemented a strategy of establishing a global footing and accelerating worldwide expansion, examining and implementing the optimization of production, development, and sales bases both domestically and internationally.

The target company, Timuraya, is a chemical manufacturer founded in 1979. Starting with sulfur as its material, Timuraya manufactures and sells a wide range of products, including sulfuric acid. Timuraya also manufactures and sells materials for the Chemicals operations business of the Company. The Acquisition will ensure the stable procurement of essential materials for the Company’s products. Furthermore, by leveraging Timuraya’s sales network in Southeast Asia and other regions and setting Timuraya as one of the Group’s global bases, the Company will accelerate the global expansion of its Chemicals operations.

##### (3) Date of business combination

Share acquisition date: February 26, 2026

Deemed acquisition date: March 31, 2026

##### (4) Legal form of the business combination

Share acquisition

##### (5) Name of the entity after combination

No change.

##### (6) Percentage of voting rights acquired

100.0% (Investment ratio: the Company 10.0%, SHIKOKU CHEMICALS CORPORATION 90.0%)

##### (7) Main grounds for determining the acquiring company

The Company’s acquisition of shares in exchange for cash consideration

2. Period for which the acquired company's operating results are included in the quarterly consolidated statement of income

The acquired company's operating results are not included in the quarterly consolidated statement of income for the three months ended March 31, 2026.

3. Acquisition cost of the acquired company and breakdown by type of consideration

Consideration for acquisition	Cash	¥4,684 million
Acquisition cost		¥4,684 million

(Note) The acquisition cost has not yet been determined at this time since price adjustments based on the share transfer agreement have not been finalized.

4. Details and amounts of major acquisition-related expenses

Advisory fees, etc. ¥640 million

The acquisition-related expenses were recognized as incurred.

5. Amount of goodwill recognized, the reason for recognition, and the method and period of amortization

(1) Amount of goodwill recognized

¥2,059 million

The amount is provisional since the allocation of acquisition cost has not been finalized at the end of the first quarter under review.

(2) Reason for recognition

Primarily the excess earning power expected from future business expansion.

(3) Method and period of amortization

Goodwill is scheduled to be amortized in equal amounts over its effective period.

The period of amortization is scheduled to be determined following a detailed examination of the allocation of acquisition cost.

6. Amounts of assets received and liabilities assumed on the date of the business combination, and the major components thereof

Current assets	¥5,698 million
Non-current assets	¥3,918 million
Total assets	¥9,617 million
Current liabilities	¥5,619 million
Non-current liabilities	¥1,322 million
Total liabilities	¥6,942 million

(Note) The amounts are provisional since the allocation of acquisition cost has not been finalized at the end of the first quarter under review.