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May 12, 2026

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

Company name: FUJI OIL CO., LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 2607
 URL: <https://www.fujioil.co.jp/en/>
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 Scheduled date for ordinary general meeting of shareholders: June 23, 2026
 Scheduled date to commence dividend payments: June 24, 2026
 Scheduled date to file annual securities report: June 22, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the Fiscal Year Ended March 31, 2026 (April 1, 2025 - March 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Business profit		Operating profit		Profit before tax		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	772,288	15.1	36,048	171.8	29,822	159.1	23,430	239.5	11,510	113.6
March 31, 2025	671,207	—	13,261	—	11,508	—	6,900	—	5,387	—

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of profit before tax to total assets	Ratio of business profit to net sales
Fiscal year ended	Millions of yen	%	Millions of yen	%	Yen	Yen	%	%	%
March 31, 2026	11,142	188.4	38,549	—	129.60	—	5.0	3.8	4.7
March 31, 2025	3,863	—	△248	—	44.94	—	1.8	1.3	2.0

(Note) Share of profit of investments accounted for using equity method

For the fiscal year ended March 31, 2026: 239 million yen

For the fiscal year ended March 31, 2025: 1,690 million yen

Business Profit is calculated by adding share of profit (loss) of investments accounted for using equity method to operating profit and excluding gains and losses due to non-recurring factors.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2026	636,933	244,477	240,159	37.7	2,793.12
March 31, 2025	597,076	210,926	206,923	34.7	2,406.81

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of fiscal year
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	54,840	△46,847	△38,590	46,811
March 31, 2025	△48,828	△21,753	113,188	70,840

2. Cash dividends

	Annual dividends per share					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to equity attributable to owners of parent (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	—	26.00	—	26.00	52.00	4,475	115.7	2.1
Fiscal year ended March 31, 2026	—	26.00	—	26.00	52.00	4,483	40.1	2.0
Fiscal year ending March 31, 2027(Forecast)	—	31.00	—	31.00	62.00		27.3	

3. Consolidated forecasts for the fiscal year ending March 31, 2027 (April 1, 2026 - March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Business profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2027	754,000	△2.4	37,500	4.0	19,500	75.0	226.79

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: Yes
New company: 2 companies (PROVENCE HUILES S.A.S, etc.)
Excluded company: 2 companies (The former FUJI OIL CO., LTD. etc.)

- (2) Changes in accounting policies or changes in accounting estimates
(i) Changes in accounting policies required by IFRS: None
(ii) Changes in accounting policies due to other reasons: None
(iii) Changes in accounting estimates: None

(3) Number of issued shares (common shares)

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

As of March 31, 2026	87,569,383 shares
As of March 31, 2025	87,569,383 shares

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

As of March 31, 2026	1,586,896 shares
As of March 31, 2025	1,595,432 shares

- (iii) Average number of shares outstanding during the period

Fiscal Year ended March 31, 2026	85,979,274 shares
Fiscal Year ended March 31, 2025	85,970,724 shares

* Consolidated financial results reports are exempt from review by certified public accountants or an audit firm.

* Explanations and other special notes concerning the appropriate use of business results forecasts

The forward-looking statements included in this document are based on the information available at the time of this announcement. Actual results may differ from the forecasts in this report due to various factors.

For matters related to the above forecast, please see “1. Qualitative Information on Results for the Fiscal Year Ended March 31, 2026, (3) Future Outlook (P.4, Accompanying Materials)”.

The Group has voluntarily adopted International Financial Reporting Standards (IFRS) from the first quarter of the fiscal year ending March 31, 2026, and figures for the previous fiscal year have been reclassified to IFRS basis. Please refer to “3. Consolidated Financial Statements, (5) Notes to Consolidated Financial Statements (First-Time Adoption of IFRS) (Accompanying Materials)” for the differences of the consolidated financial figures between Japanese Generally Accepted Accounting Principles (hereinafter, “Japanese GAAP”) and IFRS.

* How to access supplementary materials on financial results

Supplementary materials on financial results are disclosed in Investor Relations on our company’s website on the same day.

Accompanying Materials - Contents

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1. Qualitative Information on Results for the Fiscal Year Ended March 31, 2026

(1) Details of Operating Results

During the current consolidated fiscal year, business conditions remained challenging due to concerns over U.S. tariff policies, the economic impact associated with rising geopolitical risks and economic trends in China. In Japan, although the effects of rising prices continued, consumer spending remained firm supported by factors such as improvements in employment and income conditions.

The Group has formulated a Mid-Term Management Plan, United for Growth 2027, for the three-year period between fiscal year 2025 and fiscal year 2027. With the aim of sustainable growth in corporate value, the Group has set three basic policies of Enhance Governance, Further Strengthen Growth Fields, and Establish New Business Fields. Under these policies, the Group will focus on implementing an effective governance structure across the business and functional axes, further strengthening its core competencies in growth areas such as vegetable fats for chocolate (CBE) and compound chocolate, and fostering unique and innovative business fields that will serve as new pillars of business.

The fiscal year ended March 31, 2026, the first year of the Mid-Term Management Plan, the Group demonstrated its core competencies in growth areas centered on vegetable fats for chocolate (CBE), leading to improvements in profitability.

Blommer Chocolate Company, LLC (USA, hereinafter “Blommer”) has been promoting a structural reform program announced in March 2024 and remains in the process of recovery after recording a loss in fiscal year 2024, reflecting higher procurement prices for cocoa. However, due to prolonged weak demand and increased fixed costs caused by improving business operation, disparities arose between the initial business plan and actual results. Under these circumstances, we determined that it would take time to realize the earnings initially anticipated for Blommer, we have recorded an impairment loss on goodwill and a deferred tax expense resulting from the reversal of deferred tax assets related to Blommer. To improve Blommer’s profitability, the Group is implementing measures such as reducing risks by strengthening governance systems and expanding sales of compound chocolate by leveraging the Group’s technological strengths.

Operating results for the fiscal year ended were as follows.

	Net sales	Business profit	Profit before tax	Profit attributable to owners of parent
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	772,288	36,048	23,430	11,142
March 31, 2025	671,207	13,261	6,900	3,863
Change	+101,080 +15.1%	+22,787 +171.8%	+16,529 +239.5%	+7,278 +188.4%

Net sales increased due to higher sales prices to reflect rising key raw material prices, driven by an increase in palm oil prices compared to the same period last year, as well as sustained high cocoa bean prices following a surge in 2024. Business profit increased due to steady sales of vegetable fats for chocolate in the Vegetable Oils and Fats segment and stabilization of cocoa beans prices and a decline in cocoa bean-related costs at Blommer Chocolate Company, LLC (USA, hereinafter “Blommer”). Profit attributable to owners of parent increased due to an increase in business profit despite recognition of an impairment loss on goodwill and a deferred tax expense resulting from the reversal of deferred tax assets related to Blommer.

From the current fiscal year, the Company has allocated corporate expenses which were not allocated to each reported segment and were included in “Adjustment”. Therefore, the segment information for the previous fiscal year has been analyzed comparatively by allocating corporate expenses to each reported segment.

The operating results by reported segment are shown below.

	Net sales			Business profit		
		Year-on-year change			Year-on-year change	
	Millions of yen	Millions of yen	%	Millions of yen	Millions of yen	%
Vegetable Oils and Fats	271,076	+63,747	+30.7%	33,394	+6,612	+24.7%
Industrial Chocolate	370,904	+36,219	+10.8%	2,391	+16,560	—
Emulsified and Fermented Ingredients	97,432	+3,180	+3.4%	1,144	△556	△32.7%
Soy-based Ingredients	32,874	△2,066	△5.9%	△874	△57	—
Adjustment	—	—	—	△8	+226	—
Total	772,288	+101,080	+15.1%	36,048	+22,787	+171.8%

(Vegetable Oils and Fats)

Net sales increased due to higher sales prices to reflect rising raw material prices and expansion of demand, in addition to new consolidation during the current first quarter consolidated cumulative period. Business profit increased mainly due to steady sales of vegetable fats for chocolate.

(Industrial Chocolate)

Net sales increased due to higher sales prices to reflect rising raw material prices. Business profit increased due to a decline in cocoa bean-related costs at Blommer despite a decrease in sales volume at Blommer.

(Emulsified and Fermented Ingredients)

Net sales increased due to higher sales prices to reflect rising raw material prices. Business profit decreased due to a decline in profitability resulting from higher procurement prices and a decrease in sales volume in Asia.

(Soy-based Ingredients)

Net sales and business profit decreased mainly due to a decrease in sales volume of functional ingredients.

(2) Details of Financial Position

(i) Details of Consolidated Financial Position

The consolidated financial position at the end of the consolidated fiscal year is as follows.

(Millions of yen)

		As of March 31, 2025	As of March 31, 2026	Change
Assets	Current assets	363,997	359,051	△4,946
	Non-current assets	233,079	277,881	+44,802
		597,076	636,933	+39,856
Liabilities	Interest-bearing debt	283,721	268,381	△15,340
	Other	102,428	124,074	+21,645
		386,150	392,455	+6,305
Equity		210,926	244,477	+33,550

(Assets)

Current assets decreased due to a decrease in cash and cash equivalents despite an increase in inventories and trade receivables attributable to rising raw material prices and a newly consolidated company. Non-current assets increased due to an increase in goodwill resulting from the acquisition of shares of a newly consolidated company and purchase of property, plant and equipment. As a result, assets increased by 39,856 million yen from the end of the previous consolidated fiscal year to 636,933 million yen.

(Liabilities)

Liabilities increased due to an increase in trade payables which are included in other despite a decrease in interest-bearing debt from a decrease in working capital. As a result, liabilities increased by 6,305 million yen from the end of the previous consolidated fiscal year to 392,455 million yen.

(Equity)

Equity increased by 33,550 million yen from the end of the previous year to 244,477 million yen mainly due to an increase in other components of equity resulting from growth in retained earnings and the yen depreciation against US dollar, euro, and Brazilian real.

(ii) Details of Consolidated Cash Flows

The cash flows for the fiscal year ended are as follows.

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Change
Cash flows from operating activities	△48,828	54,840	+103,669
Cash flows from investing activities	△21,753	△46,847	△25,094
Free Cash flows	△70,581	7,993	+78,575
Cash flows from financing activities	113,188	△38,590	△151,778
Cash and cash equivalents at end of period	70,840	46,811	△24,029

(Cash flows from operating activities)

Cash flows from operating activities for the current consolidated fiscal year resulted in income of 54,840 million yen. Income increased by 103,669 million yen compared to the previous consolidated fiscal year mainly due to an improvement in working capital requirements.

(Cash flows from investing activities)

Cash flows from investing activities for the current consolidated fiscal year resulted in expenditures of 46,847 million yen. Expenditures increased by 25,094 million yen compared to the previous consolidated fiscal year mainly due to the acquisition of shares of a newly consolidated company and purchase of property, plant and equipment.

(Cash flows from financing activities)

Cash flows from financing activities for the current consolidated fiscal year resulted in expenditures of 38,590 million yen. Expenditures increased by 151,778 million yen compared to the previous consolidated fiscal year due to the rebound of the previous year and the repayment of borrowings using of funds in hand.

(3) Future Outlook

For the fiscal year ending March 31, 2027, the Company forecasts consolidated net sales of 754,000 million yen, business profit of 37,500 million yen, and profit attributable to owners of parent of 19,500 million yen.

The Fuji Oil Group has formulated the Mid-Term Management Plan “United for Growth 2027,” covering the three-year period from fiscal year 2025 to fiscal year 2027. In the Vegetable Oils and Fats segment, we expect market uncertainty to continue due to factors such as climate change and geopolitical viewpoint. Under these circumstances, we aim to build a profit structure that does not affected by price competition by further enhancing the value of raw materials through sustainable procurement from the raw material stage and advancing the sophistication of functional products. In the Industrial Chocolate segment, we will

work to restore Blommer's fundamental earnings capacity while advancing the establishment of a supply system for compound chocolate. Across the entire business, we will leverage our strengths in compound chocolate manufacturing technologies and application proposal capabilities to expand sales. In the Emulsified and Fermented Ingredients segment, we will accelerate expansion into regions with strong growth potential, such as Southeast Asia and China, while optimizing product lineups in accordance with the market characteristics of each region. In the Soy-based Ingredients Business, amid a challenging business environment marked by intensifying competition with Chinese products, we will strengthen cost competitiveness including further improvements in productivity and promote initiatives to improve profitability.

In addition, by strengthening Group-wide management control framework and risk management, and by advancing the centralized oversight and optimal allocation of resources, we will ensure the realization of the growth trajectory outlined in this Mid-Term Management Plan, even amid a challenging business environment, and continue to enhance corporate value.

(4) Basic Policy on the Payment of Dividends and Dividends for the Fiscal Year under Review and Next Fiscal Year

The Company regards stable payment, aiming for a dividend payout ratio of 30% to 40% after taking into consideration the internal reserves necessary for investment in future growth and business development, as an important policy of return to shareholders.

Based on the policy, we plan to pay a year-end dividend of 26 yen per share for the current fiscal year, bringing the total annual dividend to 52 yen per share, in order to respond to the support of our shareholders.

For the next fiscal year, we plan to pay an annual dividend of 62 yen per share.

2. Basic Concept concerning the Selection of Accounting Standards

The Group has voluntarily adopted International Financial Reporting Standards (“IFRS”) for its consolidated financial statements from the first three months of the fiscal year ending March 31, 2026.

3. Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

(Millions of yen)

	Transition Date (As of April 1, 2024)	As of March 31, 2025	As of March 31, 2026
Assets			
Current assets			
Cash and cash equivalents	28,499	70,840	46,811
Trade receivables	92,399	112,298	115,202
Inventories	109,349	160,718	182,031
Other financial assets	2,888	1,304	2,736
Other current assets	13,427	10,197	12,270
Assets held for sale	—	8,637	—
Total current assets	246,565	363,997	359,051
Non-current assets			
Property, plant and equipment	141,344	138,081	165,950
Right-of-use assets	10,048	9,257	13,200
Intangible assets	33,605	32,572	41,317
Goodwill	21,907	20,763	26,632
Investments accounted for using equity method	11,134	13,426	16,102
Retirement benefit asset	39	39	—
Deferred tax assets	2,496	10,218	5,398
Other financial assets	9,426	8,400	8,790
Other non-current assets	624	319	488
Total non-current assets	230,628	233,079	277,881
Total assets	477,193	597,076	636,933

(Millions of yen)

	Transition Date (As of April 1, 2024)	As of March 31, 2025	As of March 31, 2026
Liabilities			
Current liabilities			
Trade payables	41,013	46,538	68,082
Borrowings	64,373	195,284	158,541
Current portion of bonds payable	34,989	—	—
Lease liabilities	2,410	2,062	2,615
Income taxes payable	4,316	7,566	4,712
Other financial liabilities	6,148	10,093	8,140
Other current liabilities	15,589	14,063	15,231
Liabilities directly associated with assets held for sale	—	259	—
Total current liabilities	168,842	275,867	257,324
Non-current liabilities			
Bonds payable	5,978	30,811	30,859
Long-term borrowings	43,496	57,625	78,980
Lease liabilities	7,168	6,668	10,101
Deferred tax liabilities	14,627	10,777	10,870
Retirement benefit liability	1,985	1,784	1,678
Other non-current liabilities	2,526	2,613	2,640
Total non-current liabilities	75,781	110,282	135,131
Total liabilities	244,624	386,150	392,455
Equity			
Share capital	13,208	13,208	13,208
Capital surplus	15,323	8,443	8,715
Retained earnings	151,046	150,944	157,829
Treasury shares	△1,947	△1,919	△2,154
Other components of equity	42,846	36,245	62,560
Equity attributable to owners of parent	220,477	206,923	240,159
Non-controlling interests	12,091	4,003	4,318
Total equity	232,569	210,926	244,477
Total liabilities and equity	477,193	597,076	636,933

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	671,207	772,288
Cost of sales	589,572	661,343
Gross profit	81,635	110,944
Selling, general and administrative expenses	71,473	77,611
Other income	2,008	1,957
Other expenses	662	5,468
Operating profit	11,508	29,822
Finance income	1,280	1,550
Finance costs	7,579	8,182
Share of profit (loss) of investments accounted for using equity method	1,690	239
Profit (loss) before tax	6,900	23,430
Income tax expense	1,512	11,919
Profit (loss)	5,387	11,510
Profit (loss) attributable to		
Owners of parent	3,863	11,142
Non-controlling interests	1,523	367
Earnings (loss) per share		
Basic earnings (loss) per share (yen)	44.94	129.60
Diluted earnings (loss) per share (yen)	—	—

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit (Loss)	5,387	11,510
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments measured through other comprehensive income	145	667
Remeasurements of defined benefit plans	118	49
Share of other comprehensive income of investments accounted for using equity method	△0	△1
Total of items that will not be reclassified to profit or loss	263	716
Items that may be reclassified to profit or loss		
Cash flow hedges	6	1,646
Exchange differences on translation of foreign operations	△6,372	23,720
Share of other comprehensive income of investments accounted for using equity method	465	955
Total of items that may be reclassified to profit or loss	△5,899	26,323
Total other comprehensive income	△5,636	27,039
Comprehensive income	△248	38,549
Comprehensive income attributable to		
Owners of parent	△1,543	38,010
Non-controlling interests	1,294	539

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2025

(Millions of yen)

	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at beginning of period	13,208	15,323	151,046	△1,947	42,846	220,477	12,091	232,569
Profit (loss)	—	—	3,863	—	—	3,863	1,523	5,387
Other comprehensive income	—	—	—	—	△5,407	△5,407	△229	△5,636
Comprehensive income	—	—	3,863	—	△5,407	△1,543	1,294	△248
Dividends of surplus	—	—	△4,475	—	—	△4,475	△2,699	△7,174
Purchase of treasury shares	—	—	—	△0	—	△0	—	△0
Disposal of treasury shares	—	—	—	28	—	28	—	28
Changes in ownership interest in subsidiaries	—	△6,858	—	—	606	△6,252	△6,683	△12,936
Transfer from other components of equity to retained earnings	—	—	509	—	△509	—	—	—
Share-based payment transactions	—	△20	—	—	—	△20	—	△20
Other	—	—	—	—	△1,290	△1,290	—	△1,290
Total transactions with owners	—	△6,879	△3,965	27	△1,193	△12,011	△9,382	△21,394
Balance at end of period	13,208	8,443	150,944	△1,919	36,245	206,923	4,003	210,926

For the fiscal year ended March 31, 2026

(Millions of yen)

	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at beginning of period	13,208	8,443	150,944	△1,919	36,245	206,923	4,003	210,926
Profit (loss)	—	—	11,142	—	—	11,142	367	11,510
Other comprehensive income	—	—	—	—	26,867	26,867	171	27,039
Comprehensive income	—	—	11,142	—	26,867	38,010	539	38,549
Dividends of surplus	—	—	△4,479	—	—	△4,479	△329	△4,808
Purchase of treasury shares	—	—	—	△421	—	△421	—	△421
Disposal of treasury shares	—	259	—	186	—	446	—	446
Changes in ownership interest in subsidiaries	—	—	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	221	—	△221	—	—	—
Share-based payment transactions	—	11	—	—	—	11	—	11
Other	—	—	—	—	△331	△331	104	△226
Total transactions with owners	—	271	△4,257	△235	△553	△4,774	△224	△4,999
Balance at end of period	13,208	8,715	157,829	△2,154	62,560	240,159	4,318	244,477

(4) Consolidated Statements of Cash flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit (loss) before tax	6,900	23,430
Depreciation and amortization	19,337	21,356
Decrease (increase) in retirement benefit asset	0	39
Increase (decrease) in retirement benefit liability	18	△166
Interest and dividend income	△1,060	△1,098
Interest expenses	6,712	7,884
Impairment losses	113	5,516
Loss on disaster	—	46
Share of loss (profit) of investments accounted for using equity method	△1,690	△239
Loss (gain) on disposal of non-current assets	239	407
Loss (gain) on sale of shares of subsidiaries and associates	△291	—
Decrease (increase) in trade receivables	△22,866	8,426
Decrease (increase) in inventories	△53,458	△4,563
Increase (decrease) in trade payables	7,372	13,367
Decrease (increase) in advance payments to suppliers	4,240	△268
Other	△446	1,051
Subtotal	△34,878	75,189
Interest and dividends received	1,478	1,103
Interest paid	△6,285	△8,188
Income taxes refund (paid)	△9,142	△13,229
Proceeds from insurance income	—	8
Payments for loss on disaster	—	△43
Net cash provided by (used in) operating activities	△48,828	54,840
Cash flows from investing activities		
Purchase of property, plant and equipment	△21,189	△26,408
Proceeds from sale of property, plant and equipment	529	188
Purchase of intangible assets	△3,165	△3,094
Payments for acquisition of subsidiaries	—	△16,726
Proceeds from sale of shares of subsidiaries	1,819	—
Purchase of shares of associates	△583	△1,482
Payments for investments in capital	△82	△34
Other	919	710
Net cash provided by (used in) investing activities	△21,753	△46,847

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	125,537	△88,581
Net increase (decrease) in commercial papers	10,000	—
Proceeds from long-term borrowings	17,629	64,921
Repayments of long-term borrowings	△6,635	△7,080
Proceeds from issuance of bonds	25,000	—
Redemption of bonds	△35,000	—
Dividends paid	△4,475	△4,479
Dividends paid to non-controlling interests	△2,699	△329
Payments for acquisition of interests in subsidiaries from non-controlling interests	△12,936	—
Purchase of treasury shares	△0	△0
Other	△3,231	△3,040
Net cash provided by (used in) financing activities	113,188	△38,590
Effect of exchange rate changes on cash and cash equivalents	△265	6,567
Net increase (decrease) in cash and cash equivalents	42,341	△24,029
Cash and cash equivalents at beginning of period	28,499	70,840
Cash and cash equivalents at end of period	70,840	46,811

(5) Notes to Consolidated Financial Statements

(Notes Relating to Assumptions for the Going Concern)

Not applicable.

(Segment Information)

(1) Reported segment

The Company's reportable segments are the constituent units of the Company for which separate financial information is available and which are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate performance.

The Group is mainly engaged in the manufacture and sale of vegetable oils and fats products, industrial chocolate products, emulsified and fermented ingredients products and soy-based ingredients products, and is engaged in business activities in Japan and overseas for each product group handled.

Therefore, the Group is composed of business segments based on product groups, and the four reportable segments are "vegetable oils and fats business", "industrial chocolate business", "emulsified and fermented ingredients business" and "soy-based ingredients business."

The business activities of each reported segment are as follows.

Reported segments	Business activities
Vegetable Oils and Fats	Manufacturing and sales of edible processed oils and fats, edible oils, and fats for chocolate products, using vegetable oils such as palm oil and palm kernel oil
Industrial Chocolate	Manufacturing and sales of chocolate products, compound chocolate, and cocoa products
Emulsified and Fermented Ingredients	Manufacturing and sales of cream, margarine, fillings, and other related products
Soy-based Ingredients	Manufacturing and sales of soy protein ingredients, soy protein foods, and water-soluble soy polysaccharides

From the current fiscal year, the Company has allocated corporate expenses that were previously not allocated to each reported segment and were included in "Adjustment". The segment information for the previous fiscal year has been presented in accordance with the changed allocation method.

(2) Reported segment information

Profits of reportable segments are based on business profit. Intersegment sales are based on prevailing market prices.

Transition date (as of April 1, 2024)

(Millions of yen)

	Reported segments				Total	Adjustment	Consolidated total
	Vegetable Oils and Fats	Industrial Chocolate	Emulsified and Fermented Ingredients	Soy-based Ingredients			
Segment asset	127,192	222,420	60,398	45,096	455,107	22,086	477,193

Previous consolidated fiscal year (April 1, 2024 - March 31, 2025)

(Millions of yen)

	Reported segments				Total	Adjustment (Note 1)	Consolidated total
	Vegetable Oils and Fats	Industrial Chocolate	Emulsified and Fermented Ingredients	Soy-based Ingredients			
Net sales							
Sales to external customers	207,329	334,684	94,252	34,941	671,207	—	671,207
Intersegment sales	27,509	3,877	5,594	199	37,181	△37,181	—
Total	234,839	338,561	99,846	35,141	708,389	△37,181	671,207
Business profit (loss) (Note 2)	26,781	△14,168	1,700	△817	13,496	△235	13,261
Others							
Depreciation and amortization	5,086	7,465	3,862	2,923	19,337	—	19,337
Impairment losses	—	—	—	113	113	—	113
Investments accounted for using equity method	12,965	460	—	—	13,426	—	13,426
Capital expenditure (Note 3)	5,477	17,173	3,121	4,528	30,301	579	30,881
Segment asset	151,895	312,341	61,320	41,305	566,862	30,214	597,076

(Note) 1. Adjustment of business profit (loss) △235 million yen includes the elimination of intersegment transactions.

2. Business profit (loss) is calculated by adding share of profit (loss) of investments accounted for using equity method to operating profit and excluding gains and losses arising from non-recurring factors.

3. Capital expenditure includes amounts attributable to right-of-use assets.

Consolidated fiscal year under review (April 1, 2025 - March 31, 2026)

(Millions of yen)

	Reported segments				Total	Adjustment (Note 1)	Consolidated total
	Vegetable Oils and Fats	Industrial Chocolate	Emulsified and Fermented Ingredients	Soy-based Ingredients			
Net Sales							
Sales to external customers	271,076	370,904	97,432	32,874	772,288	—	772,288
Intersegment sales	33,273	4,305	7,111	70	44,760	△44,760	—
Total	304,350	375,209	104,543	32,945	817,048	△44,760	772,288
Business profit (loss) (Note 2)	33,394	2,391	1,144	△874	36,056	△8	36,048
Others							
Depreciation and amortization	6,327	8,313	3,865	2,850	21,356	—	21,356
Impairment losses	204	4,260	226	825	5,516	—	5,516
Investments accounted for using equity method	15,434	667	—	—	16,102	—	16,102
Capital expenditure (Note 3)	8,126	14,948	4,834	3,722	31,632	780	32,412
Segment asset	203,671	300,789	62,453	40,751	607,665	29,267	636,933

(Note) 1. Adjustment of business profit (loss) △8 million yen includes the elimination of intersegment transactions.

2. Business profit (loss) is calculated by adding share of profit (loss) of investments accounted for using equity method to operating profit and excluding gains and losses arising from non-recurring factors.
3. Capital expenditure includes amounts attributable to right-of-use assets.

The adjustments from business profit to profit (loss) before tax are as follows:

(Millions of yen)

	Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2026
Business profit	13,261	36,048
Gain on sale of fixed assets	64	64
Loss on disposal of fixed assets	△303	△471
Gain on sale of shares of associates	291	—
Impairment losses	△113	△5,516
Share of loss (profit) of investments accounted for using the equity method	△1,690	△239
Other	0	△62
Operating profit	11,508	29,822
Finance income	1,280	1,550
Finance costs	△7,579	△8,182
Share of profit (loss) of investments accounted for using equity method	1,690	239
Profit (loss) before tax	6,900	23,430

(Per Share Information)

Basic earnings per share and the basis for its calculation are as follows.

Since no dilutive potential ordinary shares exist, diluted earnings per share is omitted.

	Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2026
Basic earnings per share (yen)	44.94	129.60
(Basis for Calculation)		
Profit attributable to owners of parent (millions of yen)	3,863	11,142
Weighted average number of common shares (thousand shares)	85,970	85,979

(Notes) The Company is applying stock remuneration system for its directors (excluding outside directors and directors serving as audit and supervisory committee member) and executive officers. The weighted average number of shares during the consolidated fiscal year under review, which is the basis for calculating "Basic earnings per share," includes the Company shares held by the Trust in treasury stock, which are deducted in the calculation. The weighted average number of such treasury shares during the period deducted for the calculation of basic earnings per share is 183,308 shares for the consolidated fiscal year under review (103,709 shares for the previous consolidated fiscal year).

(First-Time Adoption of IFRS)

The Group prepared its consolidated financial statements in compliance with IFRS from the current fiscal year. The most recent consolidated financial statements prepared in accordance with Japanese GAAP are those for the fiscal year ended March 31, 2025, and the transition date to IFRS is April 1, 2024.

(1) Exemptions and mandatory exceptions under IFRS 1

In principle, IFRS requires that companies adopting IFRS for the first time (hereinafter, “First-time Adopter”) apply the standards required under IFRS retrospectively. However, for some of the standards required under IFRS, IFRS 1 First-Time Adoption of International Financial Reporting Standards (hereinafter, “IFRS 1”) specifies standards for which the exemption is applied mandatorily and those for which the exemption is applied voluntarily. The impact based on the application of these exemptions is adjusted in retained earnings and other components of equity at the transition date. The exemptions that the Group applies in connection with the transition from Japanese GAAP to IFRS are as follows:

- Business combinations

IFRS 1 permits a First-time Adopter to elect not to apply IFRS 3 Business Combinations (hereinafter, “IFRS 3”) retrospectively to business combinations that occurred before the transition date to IFRS. If any business combination is restated upon retrospective application, all later business combinations shall be restated to comply with IFRS 3. The Group has elected not to apply IFRS 3 retrospectively to business combinations that occurred before the transition date. Accordingly, goodwill and equivalent to goodwill in equity method affiliates arising from business combinations that occurred before the transition date were recorded at the carrying amount under Japanese GAAP at the transition date. However, goodwill was tested for impairment as of the transition date irrespective of whether there was any indication of impairment.

- Use of deemed cost

Under IFRS 1, the fair value of property, plant and equipment at the transition date can be used as deemed cost. The Group uses the fair value at the transition date as the deemed cost for certain items of property, plant and equipment.

- Designation of financial instruments recognized before the transition date

IFRS 1 permits First-time Adopter to designate financial assets in accordance with IFRS 9 Financial Instruments (hereinafter, “IFRS 9”) on the basis of the facts and circumstances that exist as at the transition date. The Group has designated equity instruments that were held as at the transition date as financial instruments measured at fair value through other comprehensive income (equity instruments) on the basis of the circumstances that existed as at the transition date.

- Leases (as lessee)

IFRS 1 permits First-time Adopter to determine whether or not an arrangement contains a lease on the basis of facts and circumstances existing at the transition date. When First-time Adopter that is a lessee recognizes lease liabilities and right-of-use assets, it may measure lease liabilities and right-of-use assets for all of its leases at the transition date. The Group measured lease liabilities at the transition date at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate at the transition date. The Group measured right-of-use assets at the transition date at an amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to the leases recognized in the statement of financial position immediately before the transition date.

- Share-based payments

IFRS 1 permits First-time Adopter to elect not to apply IFRS 2 Share-based Payment (hereinafter, “IFRS 2”) to share-based payments vested before the transition date. The Group elected not to apply IFRS 2 to share-based payments vested before the transition date.

(2) Mandatory exceptions to retrospective application under IFRS 1

IFRS 1 prohibits the retrospective application of IFRS for certain items including “estimates,” “derecognition of financial assets and financial liabilities,” “hedge accounting,” “non-controlling interests,” and “classification and measurement of financial assets.” The Group has applied IFRS to these items prospectively from the transition date.

(3) Reconciliations

The reconciliations required to be disclosed under IFRS 1 are as follows. “Change in FYE” includes reconciliations that reflect the alignment of subsidiaries’ fiscal year ending with the Group’s as part of the transition to IFRS.

“Reclassification” includes reconciliations that do not affect retained earnings and comprehensive income. “Difference in recognition and measurement” includes reconciliations that affect retained earnings and comprehensive income.

Reconciliation of equity as of April 1, 2024 (The transition date)

(Millions of yen)

Accounts under Japanese GAAP	Japanese GAAP	Change in FYE	Reclassification	Difference in recognition and measurement	IFRS	Key Notes	Accounts under IFRS
Assets							Assets
Current assets							Current assets
Cash and deposits	27,490	829	△10	189	28,499		Cash and cash equivalents
Notes and accounts receivable - trade	90,024	2,614	△238	△1	92,399		Trade receivables
Merchandise and finished goods	51,724	509	57,277	△161	109,349	a	Inventories
Raw materials and supplies	57,277	—	△57,277	—	—		
Other	10,579	—	△10,579	—	—		
Allowance for doubtful accounts	△238	—	238	—	—		
	—	1,092	1,621	173	2,888	b	Other financial assets
	—	4,260	9,006	160	13,427	c	Other current assets
Total current assets	236,858	9,307	38	360	246,565		Total current assets
Non-current assets							Non-current assets
Property, plant and equipment	—	—	143,868	△2,524	141,344	e, E	Property, plant and equipment
Buildings and structures, net	47,780	28	△47,809	—	—		
Machinery, equipment and vehicles, net	62,851	93	△62,945	—	—		
Land	20,057	124	△20,182	—	—		
Right-of-use assets, net	7,655	△63	82	2,374	10,048	F	Right-of-use assets
Construction in progress	9,273	571	△9,844	—	—		
Other, net	3,131	34	△3,165	—	—		
Intangible assets	—	—	33,605	—	33,605	f	Intangible assets
Goodwill	21,840	67	—	—	21,907	B	Goodwill
Customer-related assets	19,035	174	△19,209	—	—		
Other	14,345	53	△14,398	—	—		
Investments and other assets	—	—	11,224	△89	11,134	g	Investments accounted for using equity method
Investment securities	16,002	—	△16,002	—	—		
Retirement benefit asset	7,064	—	—	△7,024	39	D	Retirement benefit asset
Deferred tax assets	669	—	—	1,827	2,496	C	Deferred tax assets
Other	3,683	—	△3,683	—	—		
Allowance for doubtful accounts	△60	—	60	—	—		
	—	18	7,873	1,533	9,426	h, A	Other financial assets
	—	—	527	96	624	i	Other non-current assets
Total non-current assets	233,332	1,103	—	△3,806	230,628		Total non-current assets
Deferred assets							
Bond issuance costs	30	—	—	△30	—		
Total deferred assets	30	—	—	△30	—		
Total assets	470,221	10,410	38	△3,476	477,193		Total assets

(Millions of yen)

Accounts under Japanese GAAP	Japanese GAAP	Change in FYE	Reclassification	Difference in recognition and measurement	IFRS	Key Notes	Accounts under IFRS
Liabilities							Liabilities
Current liabilities							Current liabilities
Notes and accounts payable - trade	42,321	△1,441	—	134	41,013		Trade payables
Short-term borrowings	33,151	21,222	10,000	—	64,373	k	Borrowings
Current portion of bonds payable	35,000	—	—	△10	34,989		Current portion of bonds payable
Commercial papers	10,000	—	△10,000	—	—		
	—	△5	1,721	693	2,410	j, F	Lease liabilities
Income taxes payable	4,310	—	—	6	4,316		Income taxes payable
Provision for bonuses	3,354	58	△3,412	—	—		
Provision for bonuses for directors (and other officers)	40	—	△40	—	—		
Other	18,758	—	△18,758	—	—		
	—	237	5,904	7	6,148	l	Other financial liabilities
	—	△659	14,573	1,675	15,589	m, G, H	Other current liabilities
Total current liabilities	146,936	19,412	△12	2,506	168,842		Total current liabilities
Non-current liabilities							Non-current liabilities
Bonds payable	6,000	—	—	△21	5,978		Bonds payable
Long-term borrowings	46,135	△2,639	—	—	43,496		Long-term borrowings
Lease liabilities	5,110	△57	—	2,115	7,168	F	Lease liabilities
Deferred tax liabilities	17,223	△1,327	—	△1,268	14,627	C	Deferred tax liabilities
Retirement benefit liability	2,022	—	—	△37	1,985		Retirement benefit liability
Other	2,500	—	△2,500	—	—		
	—	25	2,500	—	2,526	n	Other non-current liabilities
Total non-current liabilities	78,993	△3,998	—	787	75,781		Total non-current liabilities
Total liabilities	225,929	15,413	△12	3,294	244,624		Total liabilities
Net assets							
Shareholders' equity							Equity
Share capital	13,208	—	—	—	13,208		Share capital
Capital surplus	14,757	—	51	514	15,323		Capital surplus
Retained earnings	163,810	△6,359	—	△6,403	151,046	L	Retained earnings
Treasury shares	△1,947	—	—	—	△1,947		Treasury shares
Accumulated other comprehensive income	—	—	43,714	△867	42,846	o, A	Other components of equity
Valuation difference on available-for-sale securities	1,868	—	△1,868	—	—		
Deferred gains or losses on hedges	726	—	△726	—	—		
Foreign currency translation adjustment	39,122	1,356	△40,479	—	—		
Remeasurements of defined benefit plans	639	—	△639	—	—		
	—	—	—	—	220,477		Equity attributable to owners of parent
Non-controlling interests	12,105	—	—	△14	12,091		Non-controlling interests
Total net assets	244,291	△5,002	51	△6,770	232,569		Total equity
Total liabilities and net assets	470,221	10,410	38	△3,476	477,193		Total liabilities and equity

Reconciliations of equity as of March 31, 2025 (The previous consolidated fiscal year)

(Millions of yen)

Accounts under Japanese GAAP	Japanese GAAP	Reclassification	Difference in recognition and measurement	IFRS	Key Notes	Accounts under IFRS
Assets						Assets
Current assets						Current assets
Cash and deposits	70,616	△10	234	70,840		Cash and cash equivalents
Notes and accounts receivable - trade	112,520	△222	0	112,298		Trade receivables
Merchandise and finished goods	72,946	88,081	△309	160,718	a	Inventories
Raw materials and supplies	88,081	△88,081	—	—		
Other	10,871	△10,871	—	—		
Allowance for doubtful accounts	△206	206	—	—		
	—	1,169	134	1,304	b	Other financial assets
	—	9,924	273	10,197	c	Other current assets
	—	8,637	—	8,637	d	Assets held for sale
Total current assets	354,830	8,833	333	363,997		Total current assets
Non-current assets						Non-current assets
Property, plant and equipment	—	140,606	△2,525	138,081	e, E	Property, plant and equipment
Buildings and structures, net	45,349	△45,349	—	—		
Machinery, equipment and vehicles, net	59,628	△59,628	—	—		
Land	19,705	△19,705	—	—		
Right-of-use assets, net	7,287	33	1,936	9,257	F	Right-of-use assets
Construction in progress	21,334	△21,334	—	—		
Other, net	3,200	△3,200	—	—		
Intangible assets	—	32,572	—	32,572	f	Intangible assets
Goodwill	18,602	—	2,161	20,763	B	Goodwill
Customer-related assets	17,287	△17,287	—	—		
Other	15,295	△15,295	—	—		
Investments and other assets						
	—	13,112	313	13,426	g	Investments accounted for using equity method
Investment securities	16,631	△16,631	—	—		
Retirement benefit asset	6,638	—	△6,598	39	D	Retirement benefit asset
Deferred tax assets	7,336	—	2,881	10,218	C	Deferred tax assets
Other	3,299	△3,299	—	—		
Allowance for doubtful accounts	△47	47	—	—		
	—	6,547	1,853	8,400	h, A	Other financial assets
	—	224	95	319	i	Other non-current assets
Total non-current assets	241,550	△8,588	117	233,079		Total non-current assets
Deferred assets						
Bond issuance costs	183	—	△183	—		
Total deferred assets	183	—	△183	—		
Total assets	596,564	245	267	597,076		Total assets

(Millions of yen)

Accounts under Japanese GAAP	Japanese GAAP	Reclassification	Difference in recognition and measurement	IFRS	Key Notes	Accounts under IFRS
Liabilities						Liabilities
Current liabilities						Current liabilities
Notes and accounts payable - trade	46,075	△74	537	46,538	k	Trade payables
Short-term borrowings	175,284	20,000	—	195,284		Borrowings
Commercial papers	20,000	△20,000	—	—		
	—	1,376	685	2,062		Lease liabilities
Income taxes payable	7,571	—	△5	7,566	j, F	Income taxes payable
Provision for bonuses	3,941	△3,941	—	—		
Provision for bonuses for directors (and other officers)	47	△47	—	—		
Other	20,284	△20,284	—	—		
	—	10,213	△120	10,093	l	Other financial liabilities
	—	12,718	1,345	14,063	m, G, H	Other current liabilities
	—	259	—	259	d	Liabilities directly associated with assets held for sale
Total current liabilities	273,204	220	2,443	275,867		Total current liabilities
Non-current liabilities						Non-current liabilities
Bonds payable	31,000	—	△188	30,811		Bonds payable
Long-term borrowings	57,691	—	△65	57,625		Long-term borrowings
Lease liabilities	4,805	△5	1,868	6,668	F	Lease liabilities
Deferred tax liabilities	10,873	—	△96	10,777	C	Deferred tax liabilities
Retirement benefit liability	1,851	—	△66	1,784		Retirement benefit liability
Other	2,613	△2,613	—	—		
	—	2,613	—	2,613	n	Other non-current liabilities
Total non-current liabilities	108,835	△5	1,452	110,282		Total non-current liabilities
Total liabilities	382,040	214	3,895	386,150		Total liabilities
Net assets						
Shareholders' equity						Equity
Share capital	13,208	—	—	13,208		Share capital
Capital surplus	8,503	30	△91	8,443		Capital surplus
Retained earnings	155,205	—	△4,260	150,944	L	Retained earnings
Treasury shares	△1,919	—	—	△1,919		Treasury shares
Accumulated other comprehensive income	—	35,499	746	36,245	o, A	Other components of equity
Valuation difference on available-for-sale securities	1,305	△1,305	—	—		
Deferred gains or losses on hedges	△560	560	—	—		
Foreign currency translation adjustment	34,898	△34,898	—	—		
Remeasurements of defined benefit plans	△143	143	—	—		
	—	—	—	206,923		Equity attributable to owners of parent
Non-controlling interests	4,025	—	△22	4,003		Non-controlling interests
Total net assets	214,524	30	△3,628	210,926		Total equity
Total liabilities and net assets	596,564	245	267	597,076		Total liabilities and equity

Reconciliation of profit or loss and comprehensive income for the previous fiscal year (April 1, 2024 - March 31, 2025)

(Millions of yen)

Accounts under Japanese GAAP	Japanese GAAP	Reclassification	Difference in recognition and measurement	IFRS	Key Notes	Accounts under IFRS
Net sales	671,211	—	△3	671,207		Net sales
Cost of sales	591,984	446	△2,858	589,572	p, I	Cost of sales
Gross profit	79,227	△446	2,855	81,635		Gross profit
Selling, general and administrative expenses	69,332	171	1,969	71,473	B, I	Selling, general and administrative expenses
	—	1,398	609	2,008	p	Other income
	—	523	138	662	p	Other expenses
Operating profit	9,895	256	1,356	11,508		Operating profit
Non-operating income	3,267	△3,267	—	—		
Non-operating expenses	7,858	△7,858	—	—		
Extraordinary income	990	△990	—	—		
Extraordinary losses	443	△443	—	—		
	—	1,914	△633	1,280	p	Finance income
	—	7,530	48	7,579	p	Finance costs
	—	1,315	375	1,690	p, B	Share of profit (loss) of investments accounted for using equity method
Profit before income taxes	5,850	—	1,049	6,900		Profit before tax
Income taxes - current	12,654	△10,586	△554	1,512	q	Income tax expense
Income taxes - deferred	△10,586	10,586	—	—		
Profit	3,783	—	1,604	5,387		Profit
Other comprehensive income						Other comprehensive income
						Items that will not be reclassified to profit or loss
Valuation difference on available-for-sale securities	△563	—	709	145	A	Net change in fair value of equity instruments measured through other comprehensive income
Remeasurements of defined benefit plans, net of tax	△783	—	901	118	D	Remeasurements of defined benefit plans
	—	—	△0	△0		Share of other comprehensive income of investments accounted for using equity method
						Items that may be reclassified to profit or loss
Deferred gains or losses on hedges	△1,283	—	1,290	6	J	Cash flow hedges
Foreign currency translation adjustment	△6,254	—	△117	△6,372		Exchange differences on translation of foreign operations
Share of other comprehensive income of entities accounted for using equity method	420	—	45	465		Share of other comprehensive income of investments accounted for using equity method
Total other comprehensive income	△8,464	—	2,828	△5,636		Total other comprehensive income
Comprehensive income	△4,681	—	4,432	△248		Comprehensive income

Notes on reconciliations

1. Reclassification

a. Inventories

Merchandise, finished goods, raw materials, and supplies, which were separately presented under Japanese GAAP are reclassified to “Inventories” under IFRS.

b. Other financial assets (current assets)

Foreign exchange forward contracts, etc., included in other (current assets) under Japanese GAAP are reclassified to “Other financial assets” (current assets) under IFRS.

c. Other current assets

Advance payment, suspense paid income tax and income taxes receivable, etc., which were included in other (current assets) under Japanese GAAP are reclassified to “Other current assets” under IFRS.

d. Assets held for sale, Liabilities directly associated with assets held for sale

Assets or asset group held for sale are reclassified to “Assets held for sale” and “Liabilities directly associated with assets held for sale” under IFRS.

e. Property, plant and equipment

Buildings and structures, machinery equipment and vehicles, and land, etc., which were separately presented under Japanese GAAP are reclassified to “Property, plant and equipment” under IFRS.

f. Intangible assets

Customer-related intangible assets which were separately presented under Japanese GAAP and right of trademark and software, etc., included in other (intangible assets) under Japanese GAAP are reclassified to “Intangible assets” under IFRS.

g. Investments accounted for using equity method

Investments accounted for using equity method included in investment securities under Japanese GAAP, are reclassified to “Investments accounted for using equity method” under IFRS.

h. Other financial assets (non-current assets)

Listed shares and unlisted shares included in investment securities under Japanese GAAP, and guarantee deposits and investment in capital, etc., included in other (investments and other assets) under Japanese GAAP, are reclassified to “Other financial assets” (non-current assets) under IFRS.

i. Other non-current assets

Long-term prepaid expenses, etc., included in other (investments and other assets) under Japanese GAAP, are reclassified to “Other non-current assets” under IFRS.

j. Lease liabilities

Lease liabilities included in other (current liabilities) under Japanese GAAP are reclassified to “Lease liabilities (current liabilities)” under IFRS.

k. Borrowings

Commercial papers separately presented under Japanese GAAP are reclassified to “Borrowings” under IFRS.

l. Other financial liabilities (current liabilities)

Construction accounts payable and accounts payable, etc., included in other (current liabilities) under Japanese GAAP are reclassified to “Other financial liabilities” (current liabilities) under IFRS.

m. Other current liabilities

Provision for bonuses which were separately presented under Japanese GAAP and accrued expenses, etc., included in other (current liabilities) under Japanese GAAP are reclassified to “Other current liabilities” under IFRS.

n. Other non-current liabilities

Deposits received - long term, etc., included in other (non-current liabilities) under Japanese GAAP are reclassified to “Other non-current liabilities” under IFRS.

o. Other components of equity

Foreign currency translation adjustment, remeasurements of defined benefit plans, valuation difference on available-for-sale securities, and deferred gains or losses on hedges, which were separately presented under Japanese GAAP are reclassified to “Other components of equity” under IFRS.

p. Non-operating income (expenses), Extraordinary income (losses)

Income and expenses, which were presented as non-operating income, non-operating expenses, extraordinary income, and extraordinary losses under Japanese GAAP, are included in “Finance income” and “Finance costs” for finance-related items, “Cost of sales” for impairment losses, etc., and “Other income”, “Other expenses” and “Share of profit (loss) of investments accounted for using equity method” for the other items under IFRS.

q. Income tax expense

Income taxes - current and income taxes - deferred, which were separately presented under Japanese GAAP are reclassified in total as “Income tax expense” under IFRS.

2. Differences in recognition and measurement

A. Non-marketable equity instruments

Under Japanese GAAP, non-marketable equity instruments were carried at cost. Under IFRS, they are designated as equity instruments measured at fair value through other comprehensive income in accordance with IFRS 9, and accordingly, equity instruments are measured at fair value, regardless of whether they are marketable or not, with the changes in fair value recognized through other comprehensive income.

B. Goodwill

Under Japanese GAAP, goodwill was amortized on a straight-line basis over a reasonably estimated period during which its effect is expected to continue. Under IFRS, goodwill arising from business combinations is not amortized but tested for impairment each fiscal year.

C. Deferred tax assets and liabilities

Under Japanese GAAP, deferred tax assets on unrealized profits from intercompany inventories transactions were measured using the seller’s effective tax rate. Under IFRS, they are measured using the buyer’s effective tax rate. As a result of the transition to IFRS, adjustments were made to deferred tax assets and liabilities due to temporary differences and the reassessment of the recoverability of deferred tax assets.

D. Employee benefits

Under Japanese GAAP, service cost, interest expense, and expected return on plan assets for retirement benefits under defined benefit plans were recognized in profit or loss. In addition, the portion of actuarial gains and losses and past service cost arising from the plan that were not recognized as an expense were recognized in accumulated other comprehensive income and subsequently recognized in profit or loss over a certain future period.

Under IFRS, on the other hand, current service cost and past service cost for retirement benefits under defined benefit plans are recognized in profit or loss, and interest expense is recognized in profit or loss at an amount calculated by multiplying the net defined benefit liability (asset) by the discount rate. Remeasurement of the net defined benefit liability (asset) is recognized in other comprehensive income, and directly reclassified to retained earnings from other components of equity when incurred without being recognized through profit or loss. Remeasurement consists of actuarial gains and losses on defined benefit obligations and return on plan assets (excluding interest income on plan assets).

In addition, if defined benefit assets exceed obligation, the asset ceiling is determined as the present value of the future economic benefits available in the form of refunds from the plan or reductions in future contributions.

E. Deemed cost

In applying IFRS, the Group elected to use the deemed cost exemption under IFRS 1 and measured certain items of property, plant and equipment at fair value as of the transition date.

The fair value of the applicable property, plant and equipment as of the transition date was 2,901 million yen, which was 2,532 million yen lower than the carrying amount under Japanese GAAP.

F. Lease liabilities and right-of-use assets

Under Japanese GAAP, leases as a lessee were classified as either finance leases or operating leases, and operating leases were accounted for in a similar manner to ordinary rental transactions. Under IFRS, leases as a lessee are not classified as finance leases or operating leases, and right-of-use assets and lease liabilities are recognized for lease transactions.

G. Provision for paid absence

Unused paid absences, which were not required to be recognized under Japanese GAAP, are recognized as a provision under IFRS.

H. Levies

Under Japanese GAAP, levies such as fixed asset taxes were expensed over the fiscal year in which the payment obligation arose. Under IFRS, the full amount is expensed when the obligating event occurs.

I. Inventories

Under Japanese GAAP, some subsidiaries included transportation costs to deliver products to customers in the cost of inventories. Under IFRS, all costs except for those incurred in bringing the inventories to their present location or condition are recognized as “Selling, general and administrative expenses” when they are incurred.

J. Financial instruments (Foreign exchange forward contracts)

Under Japanese GAAP, some subsidiaries designated allocation method for foreign exchange forward contracts. Under IFRS, these transactions are subject to cash flow hedge accounting.

K. Change in Scope of Consolidation

Under Japanese GAAP, subsidiaries and affiliates of insignificant materiality were accounted for using the cost method. Under IFRS, such entities are included in the scope of consolidation as subsidiaries or equity-method associates.

L. Reconciliation of retained earnings

The impact of the reconciliations on retained earnings is as follows (figures in parentheses represent loss).

(Millions of yen)

	As of April 1, 2024 (Transition Date)	As of March 31, 2025
Non-marketable equity instruments (see Note A)	193	115
Goodwill (see Note B)	—	2,285
Deferred tax assets and liabilities (see Note C)	368	608
Employee benefits (see Note D)	△4,207	△4,621
Deemed cost (see Note E)	△1,908	△1,908
Lease liabilities and right-of-use assets (see Note F)	△60	△46
Provision for paid absence (see Note G)	△789	△862
Levies (see Note H)	△388	△381
Inventories (see Note I)	△253	△309
Financial instrument (Foreign exchange forward contracts) (see Note J)	—	13
Change in Scope of Consolidation (see Note K)	37	239
Other	604	606
Reconciliation of retained earnings	△6,403	△4,260

Reconciliation of cash flows for the previous fiscal year ended March 31, 2025 (April 1, 2024 - March 31, 2025)

There are no significant differences between the consolidated cash flows statements based on Japanese GAAP and the consolidated cash flows statements based on IFRS.