

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



Consolidated Financial Results for the Three Months Ended March 31, 2026 (Under IFRS)



April 30, 2026

Company name: Coca-Cola Bottlers Japan Holdings Inc.	Listing: Tokyo Stock Exchange
Securities code: 2579	URL: https://en.ccbj-holdings.com/
Representative: (Title) Representative Director & President	(Name) Calin Dragan
Inquiries: (Title) Head of Finance	(Name) Satoshi Kon Telephone: +81-800-919-0509
Schedule for dividends payment:	—
Preparation of supplementary materials on quarterly financial results:	Yes
Holding of quarterly financial results conference:	Yes

(Fractions of one million yen are rounded to the nearest million)

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

(1) Consolidated financial results (cumulative)

(Percentages indicate changes over the same period in the prior fiscal year)

	Revenue		Business income		Operating income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended March 31, 2026	196,521	3.6	(2,678)	—	(240)	—	(901)	—
March 31, 2025	189,760	1.7	(6,498)	—	(10,069)	—	(6,448)	—

	Net income attributable to owners of the parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	yen	yen
Three months ended March 31, 2026	(922)	—	(413)	—	(5.60)	—
March 31, 2025	(6,454)	—	(6,723)	—	(36.67)	—

* “Business income” is a measure of our recurring business performance. “Business income” deducts the cost of sales and selling, general and administrative expenses from revenue, and includes other income and expenses which we believe are recurring in nature.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to parent owners	Ratio of equity attributable to parent owners
	Millions of yen	Millions of yen	Millions of yen	%
As of March 31, 2026	681,531	368,913	368,621	54.1
December 31, 2025	698,486	380,199	379,892	54.4

2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual
	yen	yen	yen	yen	yen
Fiscal year ended December 31, 2025	—	28.00	—	32.00	60.00
Fiscal year ending December 31, 2026	—				
Fiscal year ending December 31, 2026(forecast)		35.00	—	37.00	72.00

Note Revisions to the cash dividends forecasts most recently announced: None

3. Forecast for the fiscal year ending December 31, 2026 (From January 1, 2026 to December 31, 2026)

(Percentages indicate changes over the same period in the prior fiscal year)

	Revenue		Business income		Operating income		Income before tax		Net income		Net income for the year attributable to owners of the parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	yen
FY 2026	902,700	1.0	35,000	42.7	36,000	—	34,700	—	22,600	—	22,500	—	139.93

Note Revisions to the most recently announced forecasts of consolidated financial results: None

* Notes

(1) Changes in significant subsidiaries during the current period: None

(2) Changes in accounting policies and changes in accounting estimates:

1) Changes in accounting policies as required by IFRS: None

2) Changes other than those in 1) above: None

3) Changes in accounting estimates: Yes

(3) Number of issued shares (common shares)

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

As of March 31, 2026: 171,268,593 shares

As of December 31, 2025: 171,268,593 shares

2) Number of treasury shares at the end of the period:

As of March 31, 2026: 7,147,716 shares

As of December 31, 2025: 5,554,691 shares

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

Three months ended March 31, 2026: 164,805,470 shares

Three months ended March 31, 2025: 175,986,345 shares

Note The Company has introduced an Executive reward BIP Trust and Stock-granting ESOP Trust. The Company shares held by these trusts are included in the number of treasury shares as a deduction in the calculation of the number of treasury shares at the end of the period and the average number of shares during the period.

* The consolidated financial summary is not subject to quarterly review procedures conducted by certified public accountants or an audit firm.

* Explanation regarding appropriate use of the forecast, other special instructions

Figures in the above forecast are based on information available at the time of issuance of this report, and the actual results may materially change due to inherent uncertainties in the forecast. Furthermore, please refer to “1. Qualitative Information on the Financial Summary for this quarter (3) Qualitative Information on the Future Outlook, such as Forecast of Consolidated Financial Results” on page 3 for matters relating to performance forecasts.

Table of Contents

1. Qualitative Information on the Financial Summary for this Quarter	2
(1) Qualitative Information on Consolidated Financial Results	2
(2) Qualitative Information on Consolidated Financial Position	3
(3) Qualitative Information on the Future Outlook, such as Forecast of Consolidated Financial Results	3
2. Condensed Quarterly Consolidated Financial Statements and Notes	4
(1) Condensed Quarterly Consolidated Statement of Financial Position	4
(2) Condensed Quarterly Consolidated Statements of Income and Comprehensive Income	6
(Condensed Quarterly Consolidated Statements of Income)	6
(Condensed Quarterly Consolidated Statements of Comprehensive Income)	7
(3) Condensed Quarterly Consolidated Statements of Changes in Equity	8
(4) Condensed Quarterly Consolidated Statements of Cash Flows	9
(5) Notes to Condensed Consolidated Financial Statements	11
(Notes Relating to Going Concern Assumption)	11
(Changes in Accounting Estimates)	11
(Segment Information)	11
(Subsequent events)	13

1. Qualitative Information on the Financial Summary for this Quarter

(1) Qualitative Information on Consolidated Financial Results

Please refer to our earnings presentation materials available on the Company IR website (<https://en.ccbj-holdings.com/ir/library/presentation.php>) for our earnings presentation on Thursday April 30, 2026, at 5:30 PM (JST). The earnings presentation audio webcast will be available live and on demand through our company website.

A summary of the three months results of the fiscal year ending December 31, 2026 (January 1, 2026 to March 31, 2026, hereafter "the first quarter"), is presented below.

Summary of Business Performance

Three months ended March 2026 (January 1 to March 31)

	(Millions of yen except sales volume)		
	2025	2026	Change (%)
Revenue	189,760	196,521	3.6
Sales volume (million cases)	104	108	4.0
Gross profit	83,095	87,400	5.2
Selling, General & Administrative Expenses	89,368	90,125	0.8
Other income (Recurring)	150	300	100.0
Other expenses (Recurring)	422	244	(42.2)
Investment income (loss) on equity method	47	(9)	—
Business loss	(6,498)	(2,678)	—
Other income (Non-recurring)	465	4,811	935.7
Other expenses (Non-recurring)	4,035	2,374	(41.2)
Operating loss	(10,069)	(240)	—
Net loss attributable to owners of parent	(6,454)	(922)	—

Note "Business loss" is a measure of our recurring business performance. "Business loss" deduct cost of sales and selling, general and administrative expenses from revenue, and includes other income and expenses which we believe are recurring in nature.

Sales volume for the first quarter exceeded targets and grew by 4.0% compared to the same period of the prior fiscal year. At the same time, wholesale revenue per case improved through price revisions. Within each business unit, efforts to strengthen core categories, expand shelf space, and implement marketing campaigns appealing to drinking occasions contributed to enhanced competitiveness and volume growth.

Consolidated revenue was 196,521 million yen (an increase of 6,760 million yen or 3.6% compared to the same period in the prior fiscal year). In addition to the increase in sales volume, the improvement in wholesale revenue per case through the price revisions led to revenue that exceeded the same period of the prior fiscal year.

Consolidated business loss improved by 3,820 million yen (loss reduced) and was a loss of 2,678 million yen (loss in the same period of the prior fiscal year was 6,498 million yen). In addition to the profit contribution from increased revenue, cost savings achieved through transformation and a decrease in promotional expenses resulting from cost-effective marketing activities contributed to the improvement in profitability. While executing our planned investments for sustainable growth, we achieved more than one-third of our annual profit growth target in the first quarter. Furthermore, as the first fiscal year of the strategic business plan Vision 2030, we revised the useful lives of manufacturing machinery and equipment in line with our policy of pursuing selective capital investments aimed at improving capital efficiency and achieving long-term, effective utilization of capital. As a result, depreciation expenses for manufacturing machinery and equipment decreased.

Consolidated operating loss improved by 9,828 million yen (loss reduced) and was a loss of 240 million yen (loss in the same period of the prior fiscal year was 10,069 million yen). This was due to an improvement in business income (decrease in loss) compared to the same period of the prior fiscal year, as well as an increase in other income (non-recurring) resulting from the recognition of gains on the sale of property, plant, and equipment of 4,808 million yen, during the process of optimizing the balance sheet.

Net loss attributable to owners of the parent increased by 5,532 million yen (loss reduced) with improving operating loss (loss reduced) from the same period in the prior fiscal year. The loss for the current period was 922 million yen (6,454 million yen loss in the same period in the prior fiscal year).

Financial results by segment are as follows.

The reportable segment classification has been changed from the second quarter in the prior fiscal year. Accordingly, the comparison and analysis of the first quarter with the same period in the prior fiscal year are presented based on the new classification.

a. Vending Business

Revenue amounted to 88,674 million yen (a decrease of 694 million yen or 0.8%, compared to the same period in the prior year). Segment income was 1,611 million yen, increased 4,566 million yen from the same period of the prior year which amounted to a loss of 2,955 million yen.

b. OTC Business

Revenue amounted to 90,224 million yen (an increase of 5,487 million yen or 6.5%, compared to the same period in the prior year). Segment income was 8,274 million yen (an increase of 1,686 million yen or 25.6% from the same period in the prior year).

c. Food Service Business

Revenue amounted to 10,756 million yen (an increase of 1,381 million yen or 14.7%, compared to the same period in the prior year). Segment income was 942 million yen (a decrease of 122 million yen or 11.5% from the same period in the prior year).

(2) Qualitative Information on Consolidated Financial Position

Assets at the end of the quarter were 681,531 million yen, a decrease of 16,956 million yen from the end of the prior fiscal year. This was mainly due to a decrease in “cash and cash equivalents,” and “trade and other receivables.”

Liabilities at the end of the quarter were 312,618 million yen, a decrease of 5,670 million yen from the end of the prior fiscal year. This was mainly driven by a decrease in “trade and other payables,” and “income taxes payables.”

Equity at the end of the quarter was 368,913 million yen, a decrease of 11,286 million yen. This mainly reflects a decrease in “retained earnings” due to dividend payments and repurchase of treasury shares.

The cash flow conditions for the first quarter are as follows:

Net cash generated from operating activities was 8,757 million yen (340 million yen was generated from operating activities in the same period of the prior fiscal year). This was mainly due to “depreciation and amortization” and “decrease in trade and other receivables”, while “loss before income tax” of 382 million yen and “gain on sale of property, plant and equipment and intangible assets” were recorded.

Net cash used in investing activities was 961 million yen (9,476 million yen was used in investing activities in the same period of the prior fiscal year). This was mainly due to “payments for acquisitions of property, plant and equipment and intangible assets” while “proceeds from sales of property, plant and equipment and intangible assets” was recorded.

Net cash used in financing activities was 13,411 million yen (15,038 million yen was used in financing activities in the same period of the prior fiscal year). This was mainly due to “payments for purchases of treasury shares” and “dividends paid.”

As a result, cash and cash equivalents as of March 31, 2026 totaled 70,716 million yen, a decrease of 5,614 million yen from the end of the prior fiscal year.

(3) Qualitative Information on the Future Outlook, such as Forecast of Consolidated Financial Results

The full-year 2026 earnings forecast (January 1 to December 31, 2026) is unchanged from that announced on February 13th, 2026.

2. Condensed Quarterly Consolidated Financial Statements and Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

	(Millions of yen)	
	As of December 31, 2025	As of March 31, 2026
Assets		
Current assets:		
Cash and cash equivalents	76,330	70,716
Trade and other receivables	114,385	103,291
Inventories	71,622	73,950
Other financial assets	1,172	1,895
Other current assets	8,584	10,104
Subtotal	272,092	259,955
Assets held for sale	2,634	543
Total current assets	274,726	260,498
Non-current assets:		
Property, plant and equipment	299,336	297,601
Right-of-use assets	19,761	20,144
Intangible assets	48,951	48,702
Investments accounted for using the equity method	451	436
Other financial assets	9,682	9,754
Deferred tax assets	41,288	40,370
Other non-current assets	4,291	4,025
Total non-current assets	423,760	421,032
Total assets	698,486	681,531

		(Millions of yen)
	As of December 31, 2025	As of March 31, 2026
Liabilities and equity		
Liabilities		
Current liabilities:		
Trade and other payables	123,236	122,123
Bonds and debts	63,978	63,486
Lease liabilities	6,364	6,536
Other financial liabilities	478	158
Income taxes payables	1,527	141
Other current liabilities	24,531	20,969
Total current liabilities	220,115	213,413
Non-current liabilities:		
Bonds and debts	49,924	49,929
Lease liabilities	13,595	13,671
Net defined benefit liabilities	19,670	20,219
Provisions	1,541	1,496
Deferred tax liabilities	10,904	11,389
Other non-current liabilities	2,538	2,500
Total non-current liabilities	98,172	99,205
Total liabilities	318,287	312,618
Equity:		
Capital stock	15,232	15,232
Capital surplus	347,743	348,395
Retained earnings	30,156	23,940
Treasury shares	(14,810)	(20,920)
Accumulated other comprehensive income	1,571	1,974
Equity attributable to owners of parent	379,892	368,621
Non-controlling interests	307	292
Total equity	380,199	368,913
Total liabilities and equity	698,486	681,531

(2) Condensed Quarterly Consolidated Statements of Income and Comprehensive Income
(Condensed Quarterly Consolidated Statements of Income)

	Three months ended March 31, 2025	(Millions of yen) Three months ended March 31, 2026
Revenue	189,760	196,521
Cost of sales	106,665	109,120
Gross profit	83,095	87,400
Selling and general administrative expenses	89,368	90,125
Other income	615	5,111
Other expenses	4,457	2,618
Investment income (loss) on equity method	47	(9)
Operating loss	(10,069)	(240)
Financial income	110	86
Financial expenses	161	227
Loss before income taxes	(10,121)	(382)
Income tax expense (benefit)	(3,672)	519
Net loss	(6,448)	(901)
Net loss attributable to		
Owners of parent	(6,454)	(922)
Non-controlling interests	6	21
Basic loss per share (yen)	(36.67)	(5.60)

(Condensed Quarterly Consolidated Statements of Comprehensive Income)

	(Millions of yen)	
	Three months ended March 31, 2025	Three months ended March 31, 2026
Net loss	(6,448)	(901)
Other comprehensive income		
Items that will not be reclassified subsequently to income or loss:		
Net changes in financial assets measured at fair value through other comprehensive income	28	(122)
Subtotal	28	(122)
Items that may be reclassified subsequently to income:		
Exchange differences on translation of foreign operations	—	1
Cash flow hedges	(302)	609
Subtotal	(302)	610
Total other comprehensive income	(275)	488
Total comprehensive income	(6,723)	(413)
Comprehensive income attributable to:		
Owners of parent	(6,729)	(435)
Non-controlling interests	6	21

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

Three months ended March 31, 2025

	Equity attributable to owners of the parent						(Millions of yen)	
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Accumulated other comprehensive income	Total	Non-controlling interests	Total
Balance as of January 1, 2025	15,232	378,459	87,317	(16,297)	1,492	466,203	240	466,443
Comprehensive income								
Net income(loss)	—	—	(6,454)	—	—	(6,454)	6	(6,448)
Other comprehensive income	—	—	—	—	(275)	(275)	—	(275)
Total comprehensive income	—	—	(6,454)	—	(275)	(6,729)	6	(6,723)
Transactions with owners								
Dividends of surplus	—	—	(4,975)	—	—	(4,975)	(29)	(5,004)
Purchase of treasury shares	—	(1)	—	(7,991)	—	(7,992)	—	(7,992)
Disposal of treasury shares	—	(4)	—	10	—	6	—	6
Transactions of share-based payment	—	87	—	—	—	87	—	87
Reclassification from accumulated other comprehensive income to retained earnings	—	—	8	—	(8)	—	—	—
Reclassification from accumulated other comprehensive income to non-financial assets	—	—	—	—	(70)	(70)	—	(70)
Other	—	(15)	—	—	—	(15)	—	(15)
Total transactions with owners	—	67	(4,967)	(7,980)	(78)	(12,959)	(29)	(12,987)
Balance as of March 31, 2025	15,232	378,526	75,895	(24,277)	1,139	446,515	217	446,732

Three months ended March 31, 2026

	Equity attributable to owners of the parent						(Millions of yen)	
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Accumulated other comprehensive income	Total	Non-controlling interests	Total
Balance as of January 1, 2026	15,232	347,743	30,156	(14,810)	1,571	379,892	307	380,199
Comprehensive income								
Net income(loss)	—	—	(922)	—	—	(922)	21	(901)
Other comprehensive income	—	—	—	—	488	488	—	488
Total comprehensive income	—	—	(922)	—	488	(435)	21	(413)
Transactions with owners								
Dividends of surplus	—	—	(5,303)	—	—	(5,303)	(36)	(5,339)
Purchase of treasury shares	—	(1)	—	(6,986)	—	(6,987)	—	(6,987)
Disposal of treasury shares	—	215	—	876	—	1,091	—	1,091
Transactions of share-based payment	—	438	—	—	—	438	—	438
Reclassification from accumulated other comprehensive income to retained earnings	—	—	9	—	(9)	—	—	—
Reclassification from accumulated other comprehensive income to non-financial assets	—	—	—	—	(76)	(76)	—	(76)
Total transactions with owners	—	652	(5,294)	(6,110)	(85)	(10,837)	(36)	(10,873)
Balance as of March 31, 2026	15,232	348,395	23,940	(20,920)	1,974	368,621	292	368,913

(4) Condensed Quarterly Consolidated Statements of Cash Flows

	(Millions of yen)	
	Three months ended March 31, 2025	Three months ended March 31, 2026
Cash flows from operating activities		
Loss before income tax	(10,121)	(382)
Adjustments for:		
Depreciation and amortization	11,315	8,093
Impairment loss	49	151
Increase (decrease) in allowance for doubtful accounts	(14)	16
Interest and dividends income	(12)	(24)
Interest expenses	158	177
Share of loss (income) of entities accounted for using equity method	(47)	9
Gain on sale of property, plant and equipment	(442)	(4,808)
Loss on disposal and sale of property, plant and equipment, and intangible assets	371	134
Decrease in trade and other receivables	9,764	11,159
Increase in inventories	(2,155)	(2,328)
Increase in other assets	(1,289)	(460)
Increase in trade and other payables	1,212	2,726
Increase in net defined benefit liabilities	592	549
Decrease in other liabilities	(6,415)	(4,293)
Others	(51)	(241)
Subtotal	2,916	10,478
Interest received	12	23
Dividends received	1	1
Interest paid	(210)	(228)
Income taxes paid	(2,378)	(1,517)
Income taxes refund	0	0
Net cash generated from operating activities	340	8,757
Cash flows from investing activities		
Payments for acquisitions of property, plant and equipment and intangible assets	(8,513)	(10,196)
Proceeds from sales of property, plant and equipment and intangible assets	1,410	9,200
Payments for purchases of other financial assets	(1)	(1)
Proceeds from sale of other financial assets	46	33
Payment for sale of shares of subsidiary due to change in scope of consolidation	(2,278)	—
Others	(139)	3
Net cash used in investing activities	(9,476)	(961)

	Three months ended March 31, 2025	(Millions of yen) Three months ended March 31, 2026
Cash flows from financing activities		
Repayments of long-term loans payable	(500)	(500)
Repayments of lease liabilities	(1,549)	(1,698)
Proceeds from disposal of treasury shares	6	1,091
Payments for purchases of treasury shares	(7,992)	(6,987)
Dividends paid	(4,975)	(5,303)
Dividends paid to non-controlling interests	(29)	(36)
Others	—	21
Net cash used in financing activities	(15,038)	(13,411)
Effect of exchange rate change on cash and cash equivalents	—	1
Decrease in cash and cash equivalents	(24,173)	(5,614)
Cash and cash equivalents at the beginning of the year	88,473	76,330
Cash and cash equivalents at the end of the period	64,300	70,716

(5) Notes to Condensed Consolidated Financial Statements

(Notes Relating to Going Concern Assumption)

Not applicable.

(Changes in Accounting Estimates)

(The Change in useful life of Property, Plant and Equipment)

The Group has historically depreciated machinery and equipment primarily over useful lives of 7 to 20 years using the straight-line method. As fiscal year 2026 marks the first year of the strategic business plan Vision 2030, the Group has adopted a policy of implementing carefully selected capital investments aimed at improving capital efficiency. In addition, based on a review that took into account the actual usage status of existing assets, the Group decided to extend the effective utilization period of manufacturing machinery and equipment. Accordingly, from the first quarter of the current fiscal year, the Group revised the principal useful lives of machinery and equipment used for manufacturing purposes to 15 to 20 years. This change has been applied prospectively.

As a result of this revision, operating loss and loss before income taxes for the first quarter each decreased by 465 million compared with amounts calculated using the prior useful lives.

(Segment Information)

(1) Overview of reportable segments

Operating segments are defined as the components of the Group for which separate financial information is available that is evaluated regularly by the chief operating decision maker in making resource allocation decisions and in assessing performance. The Group is organized and managed based on its major products, services, or business activities, and has established three business and reportable segments: "Vending Business," "OTC (Over the Counter) Business," and "Food Service Business." There are no business segments that are not included in the reportable segments, nor are there any aggregated business segments.

Reportable Segments	Major products, services or business activities
Vending Business	Procurement, manufacturing and sales, bottling, packaging, distribution, marketing as well as other operations related to vending machines of beverages in Japan's vending channel
OTC Business	Procurement, manufacturing and sales, bottling, packaging, distribution, and marketing of beverages in Japan's Over the Counter (OTC) channels such as supermarkets, drugstores, discount stores, convenience stores and online channels
Food Service Business	Procurement, manufacturing and sales, bottling, packaging, distribution, and marketing of beverages in Japan's restaurants and food service channels

(2) Information about reportable segments

Information by reportable segments of the Group is as follows. The reportable segments have been changed, effective from the second quarter (April 1, 2025 to June 30, 2025) in the prior fiscal year, to the “Vending Business,” “OTC Business,” and “Food Service Business.” Accordingly, the segment information for the three months ended March 31, 2025 has been prepared based on the revised reportable segment classification.

Three months ended March 31, 2025

(Millions of yen)					
	Reportable segment			Others (Note 1)	Total
	Vending	OTC	Food Service		
Revenue from external customers	89,368	84,737	9,375	6,280	189,760
Intersegment sales or transfer	—	—	—	—	—
Total revenue	89,368	84,737	9,375	6,280	189,760
Segment income (loss) (Note 2)	(2,955)	6,588	1,064	(11,195)	(6,498)

Notes 1. The “Others” category is defined as follows.

(1) “Others” of revenue from external customers represents revenues generated from business activities that are not attributable to any reportable segment, which include sales to other Coca-Cola bottlers in Japan.

(2) “Others” of segment income (loss) includes 453 million yen of income that is not attributable to any reportable segment and 11,648 million yen of corporate overhead expenses. Corporate overhead expenses mainly consist of general and administrative expenses not allocated to any reportable segments.

2. Segment income (loss) is based on business income (loss). “Business income (loss)” deducts cost of sales and selling, general and administrative expenses from revenue, and includes other income and expenses which we believe are recurring in nature.

Three months ended March 31, 2026

(Millions of yen)					
	Reportable segment			Others (Note 1)	Total
	Vending	OTC	Food Service		
Revenue from external customers	88,674	90,224	10,756	6,866	196,521
Intersegment sales or transfer	—	—	—	—	—
Total revenue	88,674	90,224	10,756	6,866	196,521
Segment income (loss) (Note 2)	1,611	8,274	942	(13,504)	(2,678)

Notes 1. The “Others” category is defined as follows.

(1) “Others” of revenue from external customers represents revenues generated from business activities that are not attributable to any reportable segment, which include sales to other Coca-Cola bottlers in Japan.

(2) “Others” of segment income (loss) includes 422 million yen of income that is not attributable to any reportable segment and 13,926 million yen of corporate overhead expenses. Corporate overhead expenses mainly consist of general and administrative expenses not attributable to any reportable segments.

2. Segment income (loss) is based on business income (loss). “Business income (loss)” deducts cost of sales and selling, general and administrative expenses from revenue, and includes other income and expenses which we believe are recurring in nature.

Adjustments from the total of segment income to income before income taxes of the three months ended March 31, 2025 and March 31, 2026 are as follows.

(Millions of yen)

	Three months ended March 31, 2025	Three months ended March 31, 2026
Total segment loss	(6,498)	(2,678)
Gains on sales of property, plant, and equipment	442	4,808
Losses on sales and disposals of property, plant, and equipment	—	(71)
Gain on sale of shares of subsidiaries	23	—
Transformation-related expenses	(919)	(589)
Impairment loss	(49)	(151)
Special retirement allowance	(2,822)	(20)
Lump sum payment related to the amendment of the compensation system for Directors	—	(1,543)
Other	(246)	2
Operating loss	(10,069)	(240)
Financial income	110	86
Financial expenses	(161)	(227)
Loss before income taxes	(10,121)	(382)

(Subsequent events)

Not applicable.