

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 Nine Months Ended September 30, 2026 (Under IFRS)



October 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
Scheduled date of dividend payments:	—
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 nine months ended September 30, 2026 (from January 1, 2026 to September 30, 2026)

(1) Consolidated financial results (cumulative)

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

	Revenue		Business income		Operating income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended September 30, 2026	673,935	(1.4)	32,323	32.2	33,775	—	19,699	—
September 30, 2025	683,523	1.0	24,459	66.5	(70,060)	—	(48,659)	—

	Net income attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	yen	yen
Nine months ended September 30, 2026	19,623	—	20,358	—	120.25	118.87
September 30, 2025	(48,734)	—	(47,846)	—	(282.35)	—

* “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 owners of parent	Ratio of equity attributable to owners of parent
	Millions of yen	Millions of yen	Millions of yen	%
As of September 30, 2026	664,428	367,655	367,308	55.3
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	—	35.00	—		
Fiscal year ending December 31, 2026 (forecast)				37.00	72.00

Note Revisions to the most recently announced dividend forecasts: 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 previous fiscal year)

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

Note 1. Revisions to the most recently announced forecasts of consolidated financial results: None

2. As disclosed in the “Announcement Regarding the Repurchase of Treasury Shares” dated July 30, 2026, the Company has resolved to repurchase its treasury shares. The basic earnings per share forecast takes into account the impact of the repurchase of treasury shares.

* 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 September 30, 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 September 30, 2026: 10,691,925 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):

Nine months ended September 30, 2026: 163,194,144 shares

Nine months ended September 30, 2025: 172,599,946 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 today, Friday, October 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 results for the nine months ended September 30, 2026 (January 1, 2026 to September 30, 2026, hereafter "the cumulative third quarter"), is provided below.

Summary of Business Performance

Nine months ended September 2026 (January 1 to September 30)

	(Millions of yen except sales volume)		
	2025	2026	Change (%)
Revenue	683,523	673,935	(1.4)
Sales volume (million cases)	381	376	(1.4)
Gross profit	305,957	303,647	(0.8)
Selling, general and administrative expenses	281,215	271,621	(3.4)
Other income (recurring)	481	706	46.7
Other expenses (recurring)	863	443	(48.7)
Investment income on equity method	99	34	(65.3)
Business income	24,459	32,323	32.2
Other income (non-recurring)	1,274	7,060	454.3
Other expenses (non-recurring)	95,793	5,608	(94.1)
Operating income (loss)	(70,060)	33,775	—
Net income (loss) attributable to owners of parent	(48,734)	19,623	—

Note "Business income" is a measure of our recurring business performance. "Business income" 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.

Sales volume for the cumulative third quarter saw a drop of 1.4% compared to the same period of the prior year. During the third quarter (July 1, 2026 - September 30, 2026), record-level severe weather had a significant impact on the entire beverage industry. While we also experienced a decline in demand, particularly in the immediate consumption channels, our sales volume outperformed the market by leveraging the solid foundation for growth we have built over the years. At the business unit level, efforts to strengthen core categories, expand sales space, and implement marketing campaigns highlighting drinking occasions contributed to improved competitiveness.

Consolidated revenue was 673,935 million yen (a decrease of 9,588 million yen or 1.4%, compared to the same period of the prior year). Revenue declined year over year as exceptionally adverse summer weather reduced sales volume and led to a less favorable channel mix. However, wholesale revenue per case improved across nearly all channels, reflecting the benefits of price revisions.

Consolidated business income was 32,323 million yen (an increase of 7,864 million yen or 32.2%, compared to the same period of the prior year). Despite declined profits due to a decrease in sales volume and a less favorable channel mix, and cost increases related to the situation in the Middle East, our focus on profitability resulted in an increase in business income, supported by a series of price revisions, transformation benefits, and company-wide agile cost-saving measures. In the first year of our Strategic Business Plan, Vision 2030, we reviewed the useful lives of our manufacturing equipment. This review reflects our policy of making carefully selected capital investments to improve capital efficiency and using capital efficiently over the long term. The resulting changes reduced depreciation expenses for these assets.

Consolidated operating income was 33,775 million yen, an increase of 103,836 million yen compared to the same period of the prior year (consolidated operating income for the same period of the prior year was a loss of 70,060 million yen). This was due to an increase in business income, as well as a decrease in other expenses (non-recurring) resulting from the cycling of an impairment loss recognized in the vending business during the second quarter of the prior year (April 1, 2025–June 30, 2025).

Net income attributable to owners of the parent was 19,623 million yen, an increase of 68,357 million yen compared to the same period of the prior year (net income attributable to owners of the parent for the same period of the prior year was a loss of 48,734 million yen).

The financial results by segment are as follows.

a. Vending Business

Revenue amounted to 293,796 million yen (a decrease of 11,900 million yen or 3.9%, compared to the same period of the prior year). Segment income was 14,830 million yen (an increase of 6,520 million yen or 78.5%, compared to the same period of the prior year).

b. OTC Business

Revenue amounted to 320,700 million yen (a decrease of 560 million yen or 0.2%, compared to the same period of the prior year). Segment income was 44,300 million yen (an increase of 3,821 million yen or 9.4% from the same period of the prior year).

c. Food Service Business

Revenue amounted to 36,413 million yen (an increase of 3,112 million yen or 9.3%, compared to the same period of the prior year). Segment income was 6,113 million yen (a decrease of 231 million yen or 3.6% from the same period of the prior year).

(2) Qualitative Information on Consolidated Financial Position

Assets at the end of the third quarter were 664,428 million yen, a decrease of 34,058 million yen from the end of the prior year. This was mainly due to a decrease in “cash and cash equivalents,” despite an increase in “inventories.”

Liabilities at the end of the third quarter were 296,773 million yen, a decrease of 21,514 million yen from the end of the prior year. This was mainly due to a decrease in “bonds and debts.”

Equity at the end of the third quarter was 367,655 million yen, a decrease of 12,544 million yen from the end of the prior year. This was mainly due to the repurchase of treasury shares, despite an increase in “retained earnings” as a result of quarterly net income.

The cash flow conditions for the end of the cumulative third quarter are as follows:

Net cash generated from operating activities was 25,952 million yen (34,306 million yen generated from operating activities in the same period of the prior year). This was mainly due to the recognition of “income before income taxes” of 33,064 million yen and “depreciation and amortization,” while “increase in trade and other receivables” and “increase in inventories” were also recorded.

Net cash used for investing activities was 9,965 million yen (21,663 million yen used for investing activities in the same period of the prior 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” were recorded.

Net cash used for financing activities was 61,039 million yen (39,160 million yen used for financing activities in the same period of the prior year). This was mainly due to “payments for bond redemption.”

As a result of these activities, cash and cash equivalents as of the end of the cumulative third quarter were 31,285 million yen, a decrease of 45,045 million yen from the end of the prior 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 13, 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 September 30, 2026
Assets		
Current assets:		
Cash and cash equivalents	76,330	31,285
Trade and other receivables	114,385	121,834
Inventories	71,622	81,350
Other financial assets	1,172	1,047
Other current assets	8,584	10,803
Subtotal	272,092	246,318
Assets held for sale	2,634	729
Total current assets	274,726	247,048
Non-current assets:		
Property, plant and equipment	299,336	295,747
Right-of-use assets	19,761	22,037
Intangible assets	48,951	50,289
Investments accounted for using the equity method	451	480
Other financial assets	9,682	9,140
Deferred tax assets	41,288	35,098
Other non-current assets	4,291	4,589
Total non-current assets	423,760	417,380
Total assets	698,486	664,428

		(Millions of yen)
	As of December 31, 2025	As of September 30, 2026
Liabilities and equity		
Liabilities		
Current liabilities:		
Trade and other payables	123,236	119,341
Bonds and debts	63,978	—
Lease liabilities	6,364	6,260
Other financial liabilities	478	82
Income taxes payable	1,527	5,480
Provisions	—	11
Other current liabilities	24,531	23,995
Total current liabilities	220,115	155,169
Non-current liabilities:		
Bonds and debts	49,924	89,864
Lease liabilities	13,595	15,767
Other financial liabilities	—	16
Net defined benefit liabilities	19,670	21,087
Provisions	1,541	1,414
Deferred tax liabilities	10,904	11,181
Other non-current liabilities	2,538	2,275
Total non-current liabilities	98,172	141,605
Total liabilities	318,287	296,773
Equity:		
Capital stock	15,232	15,232
Capital surplus	347,743	346,518
Retained earnings	30,156	38,955
Treasury shares	(14,810)	(34,667)
Accumulated other comprehensive income	1,571	1,271
Equity attributable to owners of parent	379,892	367,308
Non-controlling interests	307	346
Total equity	380,199	367,655
Total liabilities and equity	698,486	664,428

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

	(Millions of yen)	
	Nine months ended September 30, 2025	Nine months ended September 30, 2026
Revenue	683,523	673,935
Cost of sales	377,567	370,288
Gross profit	305,957	303,647
Selling and general administrative expenses	281,215	271,621
Other income	1,755	7,766
Other expenses	96,656	6,051
Investment income on equity method	99	34
Operating income (loss)	(70,060)	33,775
Financial income	349	281
Financial expenses	489	991
Income (loss) before income taxes	(70,200)	33,064
Income tax expense (benefit)	(21,542)	13,366
Net income (loss)	(48,659)	19,699
Net income (loss) attributable to		
Owners of parent	(48,734)	19,623
Non-controlling interests	75	75
Basic earnings (loss) per share (yen)	(282.35)	120.25
Diluted earnings per share (yen)	—	118.87

(Condensed Quarterly Consolidated Statements of Comprehensive Income)

	(Millions of yen)	
	Nine months ended September 30, 2025	Nine months ended September 30, 2026
Net income (loss)	(48,659)	19,699
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	1,438	(212)
Subtotal	1,438	(212)
Items that may be reclassified subsequently to income or loss:		
Exchange differences on translation of foreign operations	—	6
Cash flow hedges	(626)	865
Subtotal	(626)	871
Total other comprehensive income	812	659
Total comprehensive income	(47,846)	20,358
Comprehensive income attributable to:		
Owners of parent	(47,921)	20,283
Non-controlling interests	75	75

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

Nine months ended September 30, 2025

(Millions of yen)

	Equity attributable to owners of the parent						Non-controlling interests	Total
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Accumulated other comprehensive income	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)	—	—	(48,734)	—	—	(48,734)	75	(48,659)
Other comprehensive income	—	—	—	—	812	812	—	812
Total comprehensive income	—	—	(48,734)	—	812	(47,921)	75	(47,846)
Transactions with owners								
Dividends of surplus	—	—	(9,763)	—	—	(9,763)	(29)	(9,791)
Purchase of treasury shares	—	(2)	—	(23,598)	—	(23,600)	—	(23,600)
Disposal of treasury shares	—	(209)	—	455	—	246	—	246
Share-based payment transactions	—	90	—	—	—	90	—	90
Reclassification from accumulated other comprehensive income to retained earnings	—	—	9	—	(9)	—	—	—
Reclassification from accumulated other comprehensive income to non-financial assets	—	—	—	—	325	325	—	325
Other	—	(15)	—	—	(14)	(30)	—	(30)
Total transactions with owners	—	(136)	(9,753)	(23,143)	301	(32,732)	(29)	(32,760)
Balance as of September 30, 2025	15,232	378,322	28,830	(39,441)	2,606	385,550	287	385,836

Nine months ended September 30, 2026

(Millions of yen)

	Equity attributable to owners of the parent						Non-controlling interests	Total
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Accumulated other comprehensive income	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	—	—	19,623	—	—	19,623	75	19,699
Other comprehensive income	—	—	—	—	659	659	—	659
Total comprehensive income	—	—	19,623	—	659	20,283	75	20,358
Transactions with owners								
Dividends of surplus	—	—	(10,989)	—	—	(10,989)	(36)	(11,025)
Purchase of treasury shares	—	(2)	—	(22,476)	—	(22,479)	—	(22,479)
Disposal of treasury shares	—	(2,494)	—	2,619	—	125	—	125
Share-based payment transactions	—	1,271	—	—	—	1,271	—	1,271
Reclassification from accumulated other comprehensive income to retained earnings	—	—	165	—	(165)	—	—	—
Reclassification from accumulated other comprehensive income to non-financial assets	—	—	—	—	(794)	(794)	—	(794)
Total transactions with owners	—	(1,226)	(10,824)	(19,857)	(959)	(32,866)	(36)	(32,902)
Balance as of September 30, 2026	15,232	346,518	38,955	(34,667)	1,271	367,308	346	367,655

(4) Condensed Quarterly Consolidated Statements of Cash Flows

	(Millions of yen)	
	Nine months ended September 30, 2025	Nine months ended September 30, 2026
Cash flows from operating activities		
Income (loss) before income taxes	(70,200)	33,064
Adjustments for:		
Depreciation and amortization	31,127	23,272
Impairment loss	89,319	830
Increase (decrease) in allowance for doubtful accounts	41	(93)
Interest and dividend income	(63)	(74)
Interest expenses	479	825
Share of income of entities accounted for using equity method	(99)	(34)
Gain on sale of property, plant and equipment	(1,250)	(7,042)
Loss on disposal and sale of property, plant and equipment, and intangible assets	782	378
Increase in trade and other receivables	(10,186)	(7,342)
Increase in inventories	(4,801)	(9,728)
Increase in other assets	(2,160)	(2,091)
Increase (decrease) in trade and other payables	8,167	(305)
Increase in net defined benefit liabilities	625	1,417
Decrease in other liabilities	(3,250)	(2,174)
Others	(95)	(1,096)
Subtotal	38,437	29,806
Interest received	24	47
Dividends received	38	27
Interest paid	(503)	(588)
Income taxes paid	(4,551)	(3,377)
Income taxes refund	861	37
Net cash generated from operating activities	34,306	25,952
Cash flows from investing activities		
Payments for acquisition of property, plant and equipment and intangible assets	(21,443)	(22,492)
Proceeds from sales of property, plant and equipment and intangible assets	2,569	11,843
Payments for purchases of other financial assets	(3)	(3)
Proceeds from sale of other financial assets	53	678
Payments for sale of shares of subsidiaries due to change in scope of consolidation	(2,757)	—
Others	(83)	9
Net cash used for investing activities	(21,663)	(9,965)

	(Millions of yen)	
	Nine months ended September 30, 2025	Nine months ended September 30, 2026
Cash flows from financing activities		
Repayments of long-term loans payable	(1,000)	(4,000)
Proceeds from long-term borrowings	—	39,919
Payments for bond redemption	—	(60,000)
Repayments of lease liabilities	(5,014)	(5,127)
Proceeds from disposal of treasury shares	246	1,651
Payments for purchases of treasury shares	(23,600)	(22,479)
Dividends paid	(9,763)	(10,989)
Dividends paid to non-controlling interests	(29)	(36)
Others	—	21
Net cash used for financing activities	(39,160)	(61,039)
Effect of exchange rate changes on cash and cash equivalents	(14)	6
Decrease in cash and cash equivalents	(26,531)	(45,045)
Cash and cash equivalents at the beginning of the year	88,473	76,330
Cash and cash equivalents at the end of the period	61,942	31,285

(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. Following a review of how existing assets are used, the Group decided to extend the period over which its manufacturing machinery and equipment would remain in use. Accordingly, from the first quarter of the current fiscal year, the Group revised the principal useful lives of this 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 income and income before income taxes for the nine months ended September 30, 2026 each increased by 1,976 million yen 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 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.

Nine months ended September 30, 2025

(Millions of yen)					
	Reportable segment			Others (Note 1)	Total
	Vending	OTC	Food Service		
Revenue from external customers	305,696	321,260	33,301	23,267	683,523
Intersegment sales or transfers	—	—	—	—	—
Total revenue	305,696	321,260	33,301	23,267	683,523
Segment income (loss) (Note 2)	8,310	40,478	6,343	(30,673)	24,459

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 1,955 million yen of income that is not attributable to any reportable segment and 32,628 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 is based on business income. “Business income” 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.

Nine months ended September 30, 2026

(Millions of yen)					
	Reportable segment			Others (Note 1)	Total
	Vending	OTC	Food Service		
Revenue from external customers	293,796	320,700	36,413	23,026	673,935
Intersegment sales or transfers	—	—	—	—	—
Total revenue	293,796	320,700	36,413	23,026	673,935
Segment income (loss) (Note 2)	14,830	44,300	6,113	(32,919)	32,323

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 1,822 million yen of income that is not attributable to any reportable segment and 34,741 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 is based on business income. “Business income” 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 nine months ended September 30, 2025 and September 30, 2026 are as follows.

(Millions of yen)

	Nine months ended September 30, 2025	Nine months ended September 30, 2026
Total segment income	24,459	32,323
Gains on sales of property, plant, and equipment	1,250	7,041
Losses on sales and disposals of property, plant, and equipment	(265)	(333)
Gain on sale of shares of subsidiaries	23	—
Transformation-related expenses	(2,683)	(1,669)
Impairment loss	(89,319)	(830)
Special retirement allowance	(3,268)	(141)
Lump-sum payment related to the amendment of the compensation system for Directors	—	(1,799)
Other	(257)	(817)
Operating income (loss)	(70,060)	33,775
Financial income	349	281
Financial expenses	(489)	(991)
Income (loss) before income taxes	(70,200)	33,064

(Subsequent Events)

(Cancellation of treasury shares)

The Company resolved at a meeting of the Board of Directors held on October 30, 2026, to cancel the Company's treasury shares pursuant to Article 178 of the Companies Act.

1. Reason for cancellation of treasury shares

The Company considers returning profits to shareholders and improving capital efficiency to be important management priorities. It will cancel treasury shares as part of its comprehensive shareholder return program to enhance shareholder value.

2. Details of matters related to the cancellation

- (1) Class of shares to be canceled : Common shares
- (2) Total number of shares to be canceled : 7,000,000 shares
(4.1% of the total shares issued before cancellation)
- (3) Scheduled cancellation date : November 10, 2026
- (4) Total number of shares issued after cancellation : 164,268,593 shares