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MEMBERSHIP

October 30, 2024

## Consolidated Financial Results for the Six Months Ended September 30, 2024 (Japanese GAAP)

Company name: NIPPON FINE CHEMICAL CO., LTD.  
 Listing: Tokyo  
 Securities Code: 4362  
 URL: <https://www.nipponseika.co.jp/en/>  
 Representative: Hiroshi Yano, Representative Director, President  
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 Scheduled date to file semi-annual securities report: November 12, 2024  
 Scheduled date to commence dividend payments: December 2, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

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

### 1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

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

(Percentages indicate year-on-year changes.)

|                    | Net sales       |        | Operating profit |        | Ordinary profit |        | Profit attributable to owners of parent |        |
|--------------------|-----------------|--------|------------------|--------|-----------------|--------|---|--------|
|                    | Millions of yen | %      | Millions of yen  | %      | Millions of yen | %      | Millions of yen                         | %      |
| Six months ended   |                 |        |                  |        |                 |        |   |        |
| September 30, 2024 | 17,378          | 7.4    | 2,400            | 22.4   | 2,533           | 19.3   | 1,793                                   | 19.6   |
| September 30, 2023 | 16,179          | (13.4) | 1,960            | (28.1) | 2,122           | (26.9) | 1,499                                   | (23.4) |

Note: Comprehensive income For the six months ended September 30, 2024 ¥2,028 million [0.9%]  
 For the six months ended September 30, 2023 ¥2,010 million [2.6%]

|                    | Basic earnings per share | Diluted earnings per share |
|--------------------|--------------------------|----------------------------|
| Six months ended   | Yen                      | Yen                        |
| September 30, 2024 | 79.74                    | —                          |
| September 30, 2023 | 65.72                    | —                          |

#### (2) Consolidated financial position

|                    | Total assets    | Net assets      | Equity-to-asset ratio |
|--------------------|-----------------|-----------------|-----------------------|
| As of              | Millions of yen | Millions of yen | %                     |
| September 30, 2024 | 58,871          | 48,793          | 81.4                  |
| March 31, 2024     | 59,450          | 47,559          | 78.5                  |

Reference: Equity  
 As of September 30, 2024 ¥47,901 million  
 As of March 31, 2024 ¥46,647 million

## 2. Status of dividends

|  | Annual dividends per share |                    |                   |                 |       |
|--|----------------------------|--------------------|-------------------|-----------------|-------|
|  | First quarter-end          | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
|  | Yen                        | Yen                | Yen               | Yen             | Yen   |
| Fiscal year ended<br>March 31, 2024                | –                          | 35.00              | –                 | 35.00           | 70.00 |
| Fiscal year ending<br>March 31, 2025               | –                          | 37.00              |                   |                 |       |
| Fiscal year ending<br>March 31, 2025<br>(Forecast) |                            |                    | –                 | 37.00           | 74.00 |

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

## 3. Consolidated earnings forecasts for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

|           | Net sales       |     | Operating profit |      | Ordinary profit |      | Profit attributable to owners of parent |     | Basic earnings per share |
|-----------|-----------------|-----|------------------|------|-----------------|------|---|-----|--------------------------|
|           | Millions of yen | %   | Millions of yen  | %    | Millions of yen | %    | Millions of yen                         | %   | Yen                      |
| Full year | 36,600          | 9.1 | 4,850            | 15.5 | 5,050           | 13.4 | 3,550                                   | 6.7 | 157.82                   |

Note: Revisions to the earnings forecasts most recently announced: Yes

**\* Notes**

- (1) Significant changes in the scope of consolidation during the period: None  
Newly included: - (company name) Excluded: - (company name)
- (2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards, etc.: None
- (ii) Changes in accounting policies other than (i): None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None
- (4) Number of issued shares (common shares)

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

|                          |                   |
|--------------------------|-------------------|
| As of September 30, 2024 | 25,372,447 shares |
| As of March 31, 2024     | 25,372,447 shares |

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

|                          |                  |
|--------------------------|------------------|
| As of September 30, 2024 | 2,873,202 shares |
| As of March 31, 2024     | 2,881,540 shares |

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

|                                     |                   |
|-------------------------------------|-------------------|
| Six months ended September 30, 2024 | 22,494,320 shares |
| Six months ended September 30, 2023 | 22,819,291 shares |

\* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit corporation.

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

The forward-looking statements of the earnings outlook, etc. described in this document are based on the information currently obtained by the Company and certain assumptions that it deems reasonable, and are not intended to promise the achievement of such information. In addition, actual business results may differ significantly due to various factors. Please refer to page 3 of the attached materials “1. Qualitative information on financial results for the period under review (3) Explanation of consolidated earnings forecasts and other forward-looking statements” for the conditions that are the premise of the earnings forecasts and cautions when using the earnings forecasts.

The Company plans to hold a briefing session for institutional investors and analysts on Tuesday, November 12, 2024. The financial results presentation materials to be distributed at this briefing session will be posted on the Company’s website on the same day.

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## 1. Qualitative information on financial results for the period under review

### (1) Explanation of operating results

During the six months ended September 30, 2024, the Japanese economy continued its gradual recovery led by domestic demand, with a moderate recovery in consumer spending against the backdrop of an improved employment and income environment, in addition to a continuing upward trend in corporate capital investment supported by high levels of corporate earnings. At the same time, in overseas economies, although inflationary pressures have eased and the current economic conditions are picking up, the outlook remains uncertain due to such factors as the resurgence of soaring global resource and energy prices caused by the prolonged unrest in Ukraine and the Middle East, a greater-than-expected stagnant Chinese economy due to the ongoing real estate recession, and concerns over the impact of the next administration's policies following the U.S. presidential election.

In this business environment, the Group has been working to further strengthen its management base and promoted selection and concentration on products that can be expected to contribute to the expansion of earnings.

As a result, net sales for the first six months of the fiscal year under review increased to ¥17,378 million (up 7.4% year-on-year). In terms of profit, operating profit was ¥2,400 million (up 22.4% year-on-year), and ordinary profit was ¥2,533 million (up 19.3% year-on-year). Profit attributable to owners of parent was ¥1,793 million (up 19.6% year-on-year).

Operating results for each segment are as follows.

#### (i) Functional products

In this segment, net sales were ¥13,848 million (up 10.0% year-on-year). Segment profit (operating profit) was ¥2,104 million (up 24.3% year-on-year).

Reference:

| (Unit: Millions of yen) | Six months ended<br>September 30, 2023 | Six months ended<br>September 30, 2024 | Year-on-year<br>difference | Year-on-year<br>changes |
|-------------------------|--|--|----------------------------|-------------------------|
| Beauty care             | 4,031                                  | 4,479                                  | 448                        | 11.1%                   |
| Health care             | 2,326                                  | 2,934                                  | 607                        | 26.1%                   |
| Fine chemical           | 2,499                                  | 2,507                                  | 8                          | 0.3%                    |
| Trading                 | 3,732                                  | 3,926                                  | 194                        | 5.2%                    |
| Total net sales         | 12,589                                 | 13,848                                 | 1,258                      | 10.0%                   |
| Beauty care             | 1,174                                  | 1,246                                  | 71                         | 6.1%                    |
| Health care             | (0)                                    | 436                                    | 437                        | —                       |
| Fine chemical           | 353                                    | 217                                    | (135)                      | (38.3%)                 |
| Trading                 | 165                                    | 202                                    | 37                         | 22.7%                   |
| Total operating profit  | 1,693                                  | 2,104                                  | 411                        | 24.3%                   |

#### Beauty care

For functional esters for cosmetics, there was a significant increase in overseas sales as sustainable products, and domestic sales were strong. At the same time, despite a decrease in sales of phospholipids for cosmetics and active ingredients, operating profit increased overall.

#### Health care

Regarding phospholipids for pharmaceuticals, commercial production at the new plant based on the alliance with Gilead Sciences, Inc. is progressing steadily and, except for Gilead Sciences, Inc., overseas sales also increased due to some shipments brought forward from the second half of the fiscal year. At the same time, despite a decrease in orders for pharmacology and safety tests received by subsidiaries, operating profit increased significantly overall.

Fine chemical

Operating profit decreased due to a deterioration of the sales mix of industrial wool grease derivatives as well as the impact of inventory adjustments for some products.

## (ii) Environmental hygiene products

In this segment, efforts to reduce costs and revise selling prices resulted in net sales of ¥3,418 million (down 1.3% year-on-year) and segment profit (operating profit) of ¥256 million (up 20.2% year-on-year).

## (iii) Other

Net sales of other businesses were ¥111 million (down 13.0% year-on-year) and segment profit (operating profit) was ¥39 million (down 27.2% year-on-year).

**(2) Explanation of financial position**

Total assets at the end of the semi-annual period of the fiscal year under review decreased by ¥579 million from the end of the previous fiscal year (hereinafter referred to as “the previous fiscal year-end”) to ¥58,871 million. This was mainly due to a decrease in current assets by ¥1,656 million mainly due to a decrease in cash and deposits, and a ¥1,076 million increase in non-current assets mainly due to an increase in construction in progress.

Liabilities at the end of the semi-annual period of the fiscal year under review decreased by ¥1,813 million from the previous fiscal year-end to ¥10,078 million. This was mainly due to an increase in non-current liabilities by ¥392 million mainly due to an increase in deferred tax liabilities, while current liabilities decreased by ¥2,206 million mainly due to a decrease in income taxes payable.

The net assets at the end of the semi-annual period of the fiscal year under review increased by ¥1,234 million from the previous fiscal year-end to ¥48,793 million. This was mainly due to an increase in shareholders' equity by ¥1,030 million, mainly due to recording ¥1,793 million in profit attributable to owners of parent, and an increase of ¥223 million in accumulated other comprehensive income, mainly from an increase in valuation difference on available-for-sale securities, despite a decrease due to ¥787 million in dividends paid.

**(3) Explanation of consolidated earnings forecasts and other forward-looking statements**

We have revised our full-year consolidated earnings forecasts from the forecasts announced on April 30, 2024, in consideration of the operating results for the six months ended September 30, 2024 in the beauty care, health care, and fine chemical areas of the Functional products segment. The main exchange rates used in the earnings forecasts are ¥145 per US\$ and ¥160 per EUR.

Earnings forecasts are created based on information available at the time, and actual performance may vary from forecasted values due to a variety of future factors.

## 2. Semi-annual consolidated financial statements and main notes

### (1) Semi-annual consolidated balance sheet

(Thousands of yen)

|  | Previous fiscal year<br>(As of March 31, 2024) | Current semi-annual period<br>(As of September 30, 2024) |
|--|--|--|
| <b>Assets</b>                          |  |  |
| Current assets                         |  |  |
| Cash and deposits                      | 12,856,349                                     | 11,687,064   |
| Notes and accounts receivable - trade  | 9,172,984                                      | 8,598,142  |
| Merchandise and finished goods         | 4,394,633                                      | 3,985,014  |
| Work in process                        | 2,207,743                                      | 2,511,124  |
| Raw materials and supplies             | 3,204,200                                      | 3,111,705  |
| Other                                  | 195,993  | 482,743  |
| Allowance for doubtful accounts        | (611)  | (527)  |
| Total current assets                   | 32,031,293                                     | 30,375,266   |
| Non-current assets                     |  |  |
| Property, plant and equipment          |  |  |
| Buildings and structures, net          | 6,488,511                                      | 6,376,500  |
| Machinery, equipment and vehicles, net | 2,708,030                                      | 2,832,797  |
| Land                                   | 3,719,989                                      | 3,719,989  |
| Construction in progress               | 754,016  | 1,284,263  |
| Other, net                             | 730,589  | 755,386  |
| Total property, plant and equipment    | 14,401,138                                     | 14,968,937   |
| Intangible assets                      | 778,227  | 713,499  |
| Investments and other assets           |  |  |
| Investment securities                  | 11,861,254                                     | 12,377,231   |
| Retirement benefit asset               | 117,430  | 120,657  |
| Other                                  | 261,404  | 315,916  |
| Total investments and other assets     | 12,240,090                                     | 12,813,805   |
| Total non-current assets               | 27,419,456                                     | 28,496,242   |
| Total assets                           | 59,450,750                                     | 58,871,509   |

(Thousands of yen)

|  | Previous fiscal year<br>(As of March 31, 2024) | Current semi-annual period<br>(As of September 30, 2024) |
|--|--|--|
| <b>Liabilities</b>                                       |  |  |
| Current liabilities                                      |  |  |
| Notes and accounts payable - trade                       | 3,954,884                                      | 3,108,222  |
| Accounts payable - other                                 | 812,146  | 934,692  |
| Income taxes payable                                     | 1,351,647                                      | 483,844  |
| Provision for bonuses                                    | 718,076  | 693,788  |
| Provision for bonuses for directors (and other officers) | 41,554   | 25,969   |
| Provision for environmental measures                     | 426,000  | –  |
| Accounts payable - facilities                            | 983,910  | 1,247,352  |
| Asset retirement obligations                             | 82,698   | 86,701   |
| Other  | 1,067,016                                      | 651,149  |
| Total current liabilities                                | 9,437,935                                      | 7,231,719  |
| Non-current liabilities                                  |  |  |
| Deferred tax liabilities                                 | 2,186,638                                      | 2,604,465  |
| Retirement benefit liability                             | 127,775  | 121,431  |
| Long-term accounts payable - other                       | 19,659   | 4,059  |
| Long-term guarantee deposits                             | 92,200   | 88,403   |
| Asset retirement obligations                             | 5,730  | 5,730  |
| Other  | 21,528   | 22,395   |
| Total non-current liabilities                            | 2,453,533                                      | 2,846,485  |
| Total liabilities  | 11,891,469                                     | 10,078,205   |
| Net assets   |  |  |
| Shareholders' equity                                     |  |  |
| Share capital  | 5,933,221                                      | 5,933,221  |
| Capital surplus  | 6,870,796                                      | 6,882,189  |
| Retained earnings  | 30,368,637                                     | 31,375,192   |
| Treasury shares  | (4,117,485)                                    | (4,105,179)  |
| Total shareholders' equity                               | 39,055,170                                     | 40,085,425   |
| Accumulated other comprehensive income                   |  |  |
| Valuation difference on available-for-sale securities    | 6,613,546                                      | 6,974,481  |
| Deferred gains or losses on hedges                       | 4,400  | (19,639)   |
| Foreign currency translation adjustment                  | 947,951  | 836,578  |
| Remeasurements of defined benefit plans                  | 26,718   | 24,381   |
| Total accumulated other comprehensive income             | 7,592,616                                      | 7,815,801  |
| Non-controlling interests                                | 911,493  | 892,077  |
| Total net assets   | 47,559,280                                     | 48,793,304   |
| Total liabilities and net assets                         | 59,450,750                                     | 58,871,509   |



**(2) Semi-annual consolidated statement of income and comprehensive income**

(Thousands of yen)

|  | Previous semi-annual period<br>(From April 1, 2023 to<br>September 30, 2023) | Current semi-annual period<br>(From April 1, 2024 to<br>September 30, 2024) |
|--|--|---|
| Net sales  | 16,179,996   | 17,378,116  |
| Cost of sales  | 11,394,999   | 12,111,146  |
| Gross profit   | 4,784,996  | 5,266,969   |
| Selling, general and administrative expenses                   | 2,824,373  | 2,866,671   |
| Operating profit   | 1,960,623  | 2,400,297   |
| Non-operating income   |  |   |
| Interest income  | 5,798  | 6,708   |
| Dividend income  | 156,372  | 161,020   |
| Miscellaneous income   | 20,962   | 25,338  |
| Total non-operating income                                     | 183,133  | 193,067   |
| Non-operating expenses   |  |   |
| Interest expenses  | 644  | 500   |
| Foreign exchange losses  | 3,210  | 6,897   |
| Depreciation   | 15,830   | 42,956  |
| Miscellaneous losses   | 1,234  | 10,010  |
| Total non-operating expenses                                   | 20,920   | 60,363  |
| Ordinary profit  | 2,122,836  | 2,533,001   |
| Extraordinary income   |  |   |
| Gain on sale of non-current assets                             | 259  | 9   |
| Gain on sale of investment securities                          | 484,271  | 35,651  |
| Total extraordinary income                                     | 484,531  | 35,660  |
| Extraordinary losses   |  |   |
| Loss on sale of non-current assets                             | –  | 45  |
| Loss on retirement of non-current assets                       | 5,941  | 28,133  |
| Loss on valuation of investment securities                     | 49,021   | –   |
| Provision for environmental measures                           | 426,000  | –   |
| Total extraordinary losses                                     | 480,963  | 28,178  |
| Profit before income taxes                                     | 2,126,405  | 2,540,483   |
| Income taxes - current   | 1,106,954  | 431,920   |
| Income taxes - deferred  | (524,687)  | 265,809   |
| Total income taxes   | 582,266  | 697,729   |
| Profit   | 1,544,138  | 1,842,753   |
| Profit attributable to   |  |   |
| Profit attributable to owners of parent                        | 1,499,815  | 1,793,735   |
| Profit attributable to non-controlling interests               | 44,323   | 49,017  |
| Other comprehensive income                                     |  |   |
| Valuation difference on available-for-sale securities          | 228,866  | 360,935   |
| Deferred gains or losses on hedges                             | 1,989  | (26,710)  |
| Foreign currency translation adjustment                        | 235,570  | (146,194)   |
| Remeasurements of defined benefit plans, net of tax            | 101  | (2,337)   |
| Total other comprehensive income                               | 466,526  | 185,691   |
| Comprehensive income   | 2,010,665  | 2,028,445   |
| Comprehensive income attributable to                           |  |   |
| Comprehensive income attributable to owners of parent          | 1,910,003  | 2,016,921   |
| Comprehensive income attributable to non-controlling interests | 100,662  | 11,523  |

**(3) Semi-annual consolidated statement of cash flows**

(Thousands of yen)

|   | Previous semi-annual period<br>(From April 1, 2023 to<br>September 30, 2023) | Current semi-annual period<br>(From April 1, 2024 to<br>September 30, 2024) |
|---|--|---|
| <b>Cash flows from operating activities</b>                 |  |   |
| Profit before income taxes                                  | 2,126,405  | 2,540,483   |
| Depreciation  | 605,644  | 680,602   |
| Increase (decrease) in allowance for doubtful accounts      | (32)   | (83)  |
| Increase (decrease) in retirement benefit liability         | (16,843)   | (6,343)   |
| Decrease (increase) in retirement benefit asset             | (7,663)  | (3,226)   |
| Increase (decrease) in provision for environmental measures | 426,000  | (426,000)   |
| Interest and dividend income                                | (162,171)  | (167,728)   |
| Interest expenses   | 644  | 500   |
| Foreign exchange losses (gains)                             | (21,689)   | 4,827   |
| Loss (gain) on sale of investment securities                | (484,271)  | (35,651)  |
| Loss (gain) on valuation of investment securities           | 49,021   | –   |
| Loss (gain) on sale and retirement of non-current assets    | 5,681  | 27,958  |
| Decrease (increase) in trade receivables                    | 347,919  | 559,099   |
| Decrease (increase) in inventories                          | (208,076)  | 174,245   |
| Increase (decrease) in guarantee deposits received          | (12,373)   | (3,797)   |
| Increase (decrease) in trade payables                       | (415,335)  | (788,679)   |
| Decrease (increase) in consumption taxes refund receivable  | 525,983  | (119,220)   |
| Increase (decrease) in accrued consumption taxes            | 59,965   | (310,730)   |
| Other, net  | (137,156)  | (206,134)   |
| Subtotal  | 2,681,651  | 1,920,120   |
| Interest and dividends received                             | 162,171  | 167,728   |
| Interest paid   | (644)  | (500)   |
| Income taxes paid   | (639,867)  | (1,271,967)   |
| Net cash provided by (used in) operating activities         | 2,203,310  | 815,381   |
| <b>Cash flows from investing activities</b>                 |  |   |
| Payments into time deposits                                 | (206,600)  | –   |
| Purchase of property, plant and equipment                   | (530,392)  | (977,751)   |
| Proceeds from sale of property, plant and equipment         | 260  | 19  |
| Payments for retirement of property, plant and equipment    | –  | (52,270)  |
| Payments for asset retirement obligations                   | –  | (47,149)  |
| Purchase of intangible assets                               | (231,260)  | (27,903)  |
| Purchase of investment securities                           | (818)  | (953)   |
| Proceeds from sale of investment securities                 | 519,875  | 40,859  |
| Net cash provided by (used in) investing activities         | (448,934)  | (1,065,149)   |
| <b>Cash flows from financing activities</b>                 |  |   |
| Repayments of lease liabilities                             | (4,277)  | (3,326)   |
| Dividends paid  | (661,463)  | (787,181)   |
| Dividends paid to non-controlling interests                 | (32,801)   | (30,939)  |
| Purchase of treasury shares                                 | (618)  | (410)   |
| Net cash provided by (used in) financing activities         | (699,160)  | (821,858)   |
| Effect of exchange rate change on cash and cash equivalents | 58,139   | (22,235)  |
| Net increase (decrease) in cash and cash equivalents        | 1,113,354  | (1,093,861)   |
| Cash and cash equivalents at beginning of period            | 7,766,215  | 10,937,491  |
| Cash and cash equivalents at end of period                  | 8,879,570  | 9,843,630   |

**(4) Notes to semi-annual consolidated financial statements****(Notes on premise of going concern)**

Not applicable.

**(Notes when there are significant changes in amounts of shareholders' equity)**

Not applicable.

**(Notes on segment information)**

[Segment information]

## I. Previous semi-annual period (From April 1, 2023 to September 30, 2023)

Information on net sales and profits or losses for each reporting segment, and information on the decomposition of profits

(Thousands of yen)

|  | Reporting segment      |   |            | Other<br>Note: 1 | Total      | Adjustment<br>amount | Semi-<br>annual<br>consoli-<br>dated<br>statement of<br>income and<br>comprehen-<br>sive income<br>amounts<br>Note: 2 |
|--|------------------------|---|------------|------------------|------------|----------------------|---|
|  | Functional<br>products | Environ-<br>mental<br>hygiene<br>products | Total      |                  |            |                      |   |
| Net sales                                |                        |   |            |                  |            |                      |   |
| Revenue from contracts<br>with customers | 12,589,611             | 3,462,195                                 | 16,051,806 | –                | 16,051,806 | –                    | 16,051,806  |
| Other revenue                            | –                      | –   | –          | 128,189          | 128,189    | –                    | 128,189   |
| Revenues from external<br>customers      | 12,589,611             | 3,462,195                                 | 16,051,806 | 128,189          | 16,179,996 | –                    | 16,179,996  |
| Intersegment sales or<br>transfers       | 90,631                 | 15,643                                    | 106,275    | 70,981           | 177,256    | (177,256)            | –   |
| Total                                    | 12,680,242             | 3,477,839                                 | 16,158,082 | 199,171          | 16,357,253 | (177,256)            | 16,179,996  |
| Segment profit                           | 1,693,060              | 213,523                                   | 1,906,584  | 54,038           | 1,960,623  | –                    | 1,960,623   |

Notes: 1. The "Other" segment is a business segment that is not included in the reporting segment, and includes leasing of real estate.

2. Segment profit is consistent with the operating profit in the semi-annual consolidated statement of income and comprehensive income.

## II. Current semi-annual period (From April 1, 2024 to September 30, 2024)

Information on net sales and profits or losses for each reporting segment, and information on the decomposition of profits

(Thousands of yen)

|  | Reporting segment      |   |            | Other<br>Note: 1 | Total      | Adjustment<br>amount | Semi-<br>annual<br>consoli-<br>dated<br>statement of<br>income and<br>comprehen-<br>sive income<br>amounts<br>Note: 2 |
|--|------------------------|---|------------|------------------|------------|----------------------|---|
|  | Functional<br>products | Environ-<br>mental<br>hygiene<br>products | Total      |                  |            |                      |   |
| Net sales                                |                        |   |            |                  |            |                      |   |
| Revenue from contracts<br>with customers | 13,848,265             | 3,418,370                                 | 17,266,636 | –                | 17,266,636 | –                    | 17,266,636  |
| Other revenue                            | –                      | –   | –          | 111,479          | 111,479    | –                    | 111,479   |
| Revenues from external<br>customers      | 13,848,265             | 3,418,370                                 | 17,266,636 | 111,479          | 17,378,116 | –                    | 17,378,116  |
| Intersegment sales or<br>transfers       | 78,327                 | 13,632                                    | 91,959     | 65,272           | 157,232    | (157,232)            | –   |
| Total                                    | 13,926,592             | 3,432,002                                 | 17,358,595 | 176,752          | 17,535,348 | (157,232)            | 17,378,116  |
| Segment profit                           | 2,104,377              | 256,591                                   | 2,360,968  | 39,329           | 2,400,297  | –                    | 2,400,297   |

Notes: 1. The “Other” segment is a business segment that is not included in the reporting segment, and includes leasing of real estate.

2. Segment profit is consistent with the operating profit in the semi-annual consolidated statement of income and comprehensive income.