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## Summary of Consolidated Financial Results for the Year Ended March 31, 2024 [Japanese GAAP]

May 14, 2024

Company name: ADEKA CORPORATION

Stock exchange listing: Tokyo

Code number: 4401

URL: <https://www.adeka.co.jp>

Representative: HIDETAKA SHIROZUME      PRESIDENT & CHIEF EXECUTIVE OFFICER,  
REPRESENTATIVE DIRECTOR

Contact: FUMITAKE KOYAE      OPERATING OFFICER & GENERAL MANAGER,  
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Scheduled date of Annual General Meeting of Shareholders: June 21, 2024

Scheduled date of commencing dividend payments: June 24, 2024

Scheduled date of filing annual securities report: June 21, 2024

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

#### (1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

|                                  | Net sales       |       | Operating profit |       | Ordinary profit |       | Profit attributable to owners of parent |        |
|----------------------------------|-----------------|-------|------------------|-------|-----------------|-------|---|--------|
|                                  | Millions of yen | %     | Millions of yen  | %     | Millions of yen | %     | Millions of yen                         | %      |
| Fiscal year ended March 31, 2024 | 399,770         | (0.9) | 35,428           | 9.4   | 35,763          | 9.8   | 22,977                                  | 37.0   |
| March 31, 2023                   | 403,343         | 11.7  | 32,369           | (4.9) | 32,579          | (8.6) | 16,778                                  | (29.2) |

(Note) Comprehensive income: Fiscal year ended March 31, 2024:      ¥      39,160 million [ 52.1%]  
Fiscal year ended March 31, 2023:      ¥      25,751 million [ (21.3)%]

|                                  | Basic earnings per share | Diluted earnings per share | Rate of return on equity | Ordinary profit to total assets ratio | Operating profit to net sales ratio |
|----------------------------------|--------------------------|----------------------------|--------------------------|---------------------------------------|-------------------------------------|
|                                  | Yen                      | Yen                        | %                        | %                                     | %                                   |
| Fiscal year ended March 31, 2024 | 224.87                   | -                          | 8.4                      | 6.9                                   | 8.9                                 |
| March 31, 2023                   | 163.30                   | -                          | 6.6                      | 6.7                                   | 8.0                                 |

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2024:      ¥      537 million  
Fiscal year ended March 31, 2023:      ¥      512 million

#### (2) Consolidated Financial Position

|                      | Total assets    | Net assets      | Capital adequacy ratio | Net assets per share |
|----------------------|-----------------|-----------------|------------------------|----------------------|
|                      | Millions of yen | Millions of yen | %                      | Yen                  |
| As of March 31, 2024 | 543,057         | 339,682         | 52.5                   | 2,791.92             |
| March 31, 2023       | 500,068         | 311,709         | 52.2                   | 2,544.28             |

(Reference) Equity: As of March 31, 2024:      ¥      285,143 million  
As of March 31, 2023:      ¥      260,950 million

#### (3) Consolidated Cash Flows

|                                  | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at the end of period |
|----------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
|                                  | Millions of yen                      | Millions of yen                      | Millions of yen                      | Millions of yen                                |
| Fiscal year ended March 31, 2024 | 41,954                               | (23,069)                             | (4,559)                              | 96,901   |
| March 31, 2023                   | 17,253                               | (19,520)                             | (2,618)                              | 79,537   |

## 2. Dividends

|                              | Annual dividends |                 |                 |          |       | Total dividends | Payout ratio<br>(consolidated) | Dividends to net assets<br>(consolidated) |
|------------------------------|------------------|-----------------|-----------------|----------|-------|-----------------|--------------------------------|---|
|                              | 1st quarter-end  | 2nd quarter-end | 3rd quarter-end | Year-end | Total |                 |                                |   |
| Fiscal year ended            | Yen              | Yen             | Yen             | Yen      | Yen   | Millions of yen | %                              | %   |
| March 31, 2023               | -                | 35.00           | -               | 35.00    | 70.00 | 7,209           | 42.9                           | 2.8                                       |
| March 31, 2024               | -                | 40.00           | -               | 50.00    | 90.00 | 9,230           | 40.0                           | 3.4                                       |
| Fiscal year ending           |                  |                 |                 |          |       |                 |                                |   |
| March 31, 2025<br>(Forecast) | -                | 45.00           | -               | 45.00    | 90.00 |                 | 40.0                           |   |

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

|                                      | 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                      |
| Six months ending September 30, 2024 | 196,000         | 4.4 | 15,100           | 2.0 | 14,700          | (5.4) | 9,800                                   | (7.1) | 95.95                    |
| Full year                            | 425,000         | 6.3 | 37,300           | 5.3 | 36,400          | 1.8   | 23,000                                  | 0.1   | 225.20                   |

### \* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

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

March 31, 2024: 103,768,142 shares

March 31, 2023: 103,768,142 shares

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

March 31, 2024: 1,636,449 shares

March 31, 2023: 1,204,849 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2024: 102,182,836 shares

Fiscal Year ended March 31, 2023: 102,744,280 shares

(Note) For details, please refer to “3. Consolidated Financial Statements and Principal Notes, (5) Notes to Consolidated Financial Statements (Per share information)” on page 21 of the Attachments.

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

| Fiscal year ended | Net sales       |     | Operating profit |        | Ordinary profit |        | Net income      |        |
|-------------------|-----------------|-----|------------------|--------|-----------------|--------|-----------------|--------|
|                   | Millions of yen | %   | Millions of yen  | %      | Millions of yen | %      | Millions of yen | %      |
| March 31, 2024    | 153,631         | 0.2 | 13,066           | 35.8   | 23,484          | 27.4   | 18,856          | 48.0   |
| March 31, 2023    | 153,280         | 7.3 | 9,618            | (34.1) | 18,440          | (13.5) | 12,737          | (23.4) |

| Fiscal year ended | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
|                   | Yen                      | Yen                        |
| March 31, 2024    | 183.77                   | -                          |
| March 31, 2023    | 123.46                   | -                          |

(2) Non-consolidated Financial Position

| As of          | Total assets    | Net assets      | Capital adequacy ratio | Net assets per share |
|----------------|-----------------|-----------------|------------------------|----------------------|
|                | Millions of yen | Millions of yen | %                      | Yen                  |
| March 31, 2024 | 286,282         | 198,694         | 69.4                   | 1,937.36             |
| March 31, 2023 | 266,203         | 185,423         | 69.7                   | 1,800.37             |

(Reference) Equity: As of March 31, 2024: ¥ 198,694 million  
As of March 31, 2023: ¥ 185,423 million

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## 1. Overview of Operating Results, etc.

### (1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year ended March 31, 2024, the global economy and especially the developed economies continued to grow at a low rate. Its outlook remained uncertain due to concerns over global monetary tightening and the impact of the situation in Ukraine and the Middle East, as well as the slowdown in Chinese economy.

In the automobile-related sector, which is the ADEKA Group's main target market, production continued to recover steadily, though modestly. In the ICT (information and communications technology) and consumer electronics sectors, weak consumer spending and longer replacement cycles led to continued sluggish sales of smartphones and personal computers. In the food products sector, although a rapid increase in inbound tourism prompted an ongoing recovery in demand for souvenirs and eating out, the situation was challenging for confectionery and other indulgent products against the backdrop of saving-oriented consumers and seeking lower prices. In the agricultural sector, demand for agrochemicals generally remained weak both in Japan and overseas due to unfavorable weather conditions and the impact of circulating inventory from the previous year.

In the above environment, the Group implemented measures for each business during the fiscal year under review, the final year of the Medium-Term Management Plan, *ADX 2023*, with a view to the next stage of growth. Among the Polymer Additives Business, a new light stabilizer package for recycled resins was introduced to the market in the *ADK CYCLOAID* series products, which contributes to realizing a recycling-oriented society. In the Electronics and IT Materials Business, the Group aggressively implemented investments in materials for semiconductors in Japan, South Korea, and Taiwan. Specifically, the Group has decided to construct a new production building for materials for advanced semiconductors within the Jeonju 3rd Plant in South Korea and also a new research building within Kuki R&D Center in Japan to strengthen the R&D ability for the Electronics and IT Materials Business. For the Food Products Business, the Group reviewed the domestic sales system and reorganized consolidated subsidiaries with the aim of further strengthening the revenue base. Meanwhile, as a campaign to offer a first-hand experience in the good taste of the *Deli-PLANTS series* of plant-based foods, the Group opened the *ADE-Café ~Delicious & Sustainable~* in Harajuku for a limited time period, which offered original menu items that use the products. In the Life Science Business, Nichino Europe Co., Ltd. acquired all outstanding shares of Interagro (UK) Ltd., a UK-based manufacturer and distributor of adjuvants and other additives as well as biostimulants. Furthermore, in India, the Group completed construction of a multi-purpose plant capable of manufacturing the new rice insecticide Benzpyrimoxan and other multiple agrochemical ingredients. In the area of creating group synergies, the Group has discovered a compound group that can be expected to become antiparasitic agents in its joint study's efforts combining the technologies of the Company and Nihon Nohyaku, and in July 2023, four patent applications were released internationally by the World Intellectual Property Organization (WIPO). In sustainability initiatives, the Group began to introduce an internal carbon pricing system and renewable-energy-derived electricity in order to achieve the targets of reducing GHG emissions by 46% (compared with fiscal 2013) by 2030 and achieving carbon neutrality by 2050.

Financial results for the fiscal year under review were net sales of 399,770 million yen (down 0.9% year on year), operating profit of 35,428 million yen (up 9.4% year on year), ordinary profit of 35,763 million yen (up 9.8% year on year), and profit attributable to owners of parent of 22,977 million yen (up 37.0% year on year), and operating profit and ordinary profit reached new record highs.

An overview by reportable segment is as follows.

#### (Chemicals Products Business)

The Chemicals Products Business posted net sales of 204,130 million yen (down 3.6% year on year) and operating profit of 23,699 million yen (down 9.8% year on year).

### 1) Polymer Additives

In products for automobile applications, sales of light stabilizers remained strong thanks to the continued recovery in automobile production, and those for nucleating agents and high-performance plasticizers were also steady.

In products for construction materials, sales of PVC stabilizers remained weak as demand for flooring and other home interior materials stagnated due to soaring costs and longer construction periods worldwide.

In products for food packaging, sales of clarifying agents were weak due to the continued inventory adjustment in the supply chain over the first half and the continued influx of inexpensive foreign products.

Sales of one-pack granule additives used in polyolefin resin and antioxidants were weak due to a stagnant resin production volume in the Middle East and Europe caused by economic slowdown and intensified market competition.

Sales of flame retardants for engineering plastics used in home appliance enclosures, which had been weak since the year before last, turned to a recovery trend from the end of 2023. In addition, sales of flame retardants for polyolefin resins expanded for electric vehicle applications.

Overall, the Polymer Additives Business posted year-on-year decreases in sales and profit due to lower sales volume and an increase in fixed costs.

### 2) Electronics and IT Materials

Among products for semiconductors, sales of photoacid generators used in advanced photo resists expanded and sales of high-k materials used in advanced DRAM also remained strong. On the other hand, sales of high dielectric constant materials for older generation products remained sluggish, affected by generation changes and the production reduction by customers.

Among electronics-related products such as displays, backed by a recovery of the panel market, sales of photo initiators for color filters were favorable, and sales of black matrix resin and etching solutions also remained robust. On the other hand, sales of photo (light) curing resin for optical film were weak following the further shift of the panel production to China, and sales of etching solutions for electronic components used in printed circuit boards were also weak.

Overall, the Electronics and IT Materials Business posted a year-on-year increase in sales as a result of a strong sales of products for advanced semiconductors and recovery in sales of display-related materials. Meanwhile, profit fell year on year due to soaring prices of raw materials and a drop in sales prices of some products, on top of an increase in fixed costs resulting from the capital investment.

### 3) Functional Chemicals

Among functional chemicals used in automobile applications, sales of lubricant additives for engine oils remained strong against the backdrop of expanded customer adoption in the United States and the recovery of automobile production on the global scale. In addition, sales of epoxy resins for structural adhesives of automobiles and epoxy resin adhesives for automotive electronic components held firm.

Among products for architectural coatings, sales of reactive emulsifiers remained strong against the backdrop of a market share increase in China and India. Sales of special surfactants for cosmetics were weak due to a continued slump in demand mainly in Europe.

Sales of propylene glycol products for industrial use were weak due to a deteriorated supply-demand balance caused by weaker overseas market conditions. Sales of peroxides were steady thanks to a recovery of market conditions from the second half.

Overall, the Functional Chemicals Business posted a year-on-year increase in sales but only a slight year-on-year decrease in profit as a drop in sales of industrial chemicals and other products was more than offset by an increase in sales of materials for automobile components and reactive emulsifiers.

#### (Food Products Business)

The Food Products Business reported net sales of 84,012 million yen (up 1.8% year on year) and operating profit of 4,111 million yen (compared with operating loss of 2,403 million yen in the same period a year earlier).

Domestic sales volumes of margarines and shortening for breads and confectionery, especially general-purpose products, fell partly due to a decrease in consumption expenditure resulting from rising food prices and downsizing in end products. On the other hand, sales of margarines and fillings for souvenir confectioneries remained brisk due to the recovery in inbound tourism demand. As for the *Marvelous series* of functional margarines, which contributes to food loss reduction, a new product enjoyed strong sales that help sustain good taste of bread and others with a small amount of formula. Sales of the *Deli-PLANTS series* of plant-based foods, which are mindful of dietary diversity and environment, grew in Japan and overseas due to the pursuit of even better taste and usability and the strengthened proposals for popularization and penetration.

Overseas, recovery of both sales and profits proceeded as sales were strong in Southeast Asia and China, and price revisions made progress.

Overall, the Food Products Business achieved increases in sales and profit year on year, thanks to the initiatives to improve profitability through integration of product portfolio, efficiency improvement and cost reduction in production, as well as to revise sales price. In addition, decreased depreciation due to the recording of an impairment loss in fiscal 2022 also had a positive impact.

#### (Life Science Business)

The Life Science Business posted net sales of 103,021 million yen (up 0.9% year on year) and operating profit of 5,907 million yen (down 24.2% year on year).

Among agrochemicals overseas, sales were weak in Brazil, the world's largest agrochemical market, due in part to an impact of the fall in prices of certain generic products associated with the intensifying competitive environment. On the other hand, sales of insecticides in North America generally remained solid thanks to an increased demand to prepare for early spring season in the second half, which more than offset a sluggish sales in the first half. In Europe, sales remained steady mainly due to increased demand for acaricides caused by high mite infestations in southern Europe. In Asia, despite the impact of unfavorable weather conditions in India, sales remained steady by successfully promoting and expanding sales of self-developed products such as insecticides for gardening in the cotton and vegetable fields.

In Japan, sales were steady as the effects of price revisions implemented in the previous year made a full-year contribution and the Group strove to promote and expand sales of Benzpyrimoxan (trade name: *Orchestra*) and other mainstream self-developed products, although adversely impacted by unfavorable weather conditions and circulating inventory from the previous year.

Among pharmaceuticals, sales of the topical antifungal agent *Luliconazole* remained weak due to an impact of the discontinuation of its sale in China.

Overall, the Life Science Business posted an increase in sales but a decrease in profit year on year due to a significant impact of the deteriorated profitability in Brazil, which was though partially offset by an increase in sales of agrochemicals backed by the impact of foreign exchange.

#### [Outlook for the fiscal year ending March 31, 2025]

The global economy is expected to grow only at a low rate in the fiscal year ending March 31, 2025. The tense situation in the Middle East, prolonged high interest rate policy, and global trade slowdown, among others, are concerns as risks that restrain global production and economic activities and put downward pressure on the economy.

Nevertheless, the Group expects stable growth to continue in the automotive, semiconductor, food, agriculture, and other sectors, which are the primary targets of the Group, supported by an improving labor market and resilient consumer spending.

Under these circumstances, the Group launched its Medium-Term Management Plan, *ADX 2026* in April 2024 with the aim of achieving its vision for 2030, or *ADEKA VISION 2030: An Innovative Company Contributing to a Sustainable Future and Affluent Lifestyles*. The plan defines its three-year period as a period for accelerating

further transformation to promote sustainability as a growth strategy and strengthen our earning power through the creation of social value.

The following table shows the forecast for the next fiscal year and outlook by reportable segment.

The assumed exchange rates for the forecast are 140 yen against the U.S. dollar and 152 yen against the Euro.

Consolidated financial results forecast for the fiscal year ending March 31, 2025 (Million yen)

|                                   | Net sales | Operating profit | Ordinary profit | Profit attributable to owners of parent |
|-----------------------------------|-----------|------------------|-----------------|---|
| Fiscal year ending March 31, 2025 | 425,000   | 37,300           | 36,400          | 23,000                                  |
| Fiscal year ended March 31, 2024  | 399,770   | 35,428           | 35,763          | 22,977                                  |
| Change (%)                        | 6.3%      | 5.3%             | 1.8%            | 0.1%                                    |

Outlook by reportable segment (by comparison with the fiscal year ended March 31, 2024)

| Business                     | YoY change in net sales / operating profit | Contributing factors  |
|------------------------------|--|---|
| Chemical Products            |  |   |
| Polymer Additives            | Up / Up                                    | Sales for products for automobile applications to be steady. Sales of flame retardants and general-purpose antioxidants to recover as demand for household electrical appliances and resin production will recover. |
| Electronics and IT Materials | Up / Up                                    | Sales of materials for advanced semiconductors to expand. Development of the Chinese market for display-related materials to progress. Fixed costs in conjunction with capital investment to increase.              |
| Functional Chemicals         | Up / Up                                    | Sales for products for automobile applications to be steady. Sales of reactive emulsifiers for architectural coatings to expand. Propylene glycol and other industrial chemicals to contribute to earnings.         |
| Food Products                | Flat / Down                                | Sales of margarines and fillings for souvenir confectioneries to be steady. Application of plant-based foods to expand. Cost of raw materials, etc. to increase.  |
| Life Science                 | Up / Up                                    | Global demand for agrochemicals to increase. Sales of <i>Orchestra</i> , an insecticide for paddy rice, and other core products to expand.  |

\* The statements on forecasts in this document, including earnings forecasts and other forward-looking statements, contain projections based on assumptions, outlooks, and plans related to the future as of the date of this document's release. Please note that actual results may differ from these figures due to risks and uncertainties associated with economic conditions surrounding the Group's business, market trends, exchange rate fluctuations, and other factors.

(2) Overview of Financial Position for the Fiscal Year under Review

1) Assets, Liabilities and Net Assets

Total assets increased 42,988 million yen (up 8.6%) from the end of the previous fiscal year to 543,057 million yen.

The main factors were increases in notes and accounts receivable - trade, and contract assets; and cash and deposits.

Liabilities increased 15,015 million yen (up 8.0%) from the end of the previous fiscal year to 203,374 million yen.

The main factors were increases in long-term borrowings and short-term borrowings.

Net assets increased 27,973 million yen (up 9.0%) from the end of the previous fiscal year to 339,682 million yen.

The main factor was an increase in retained earnings.



## 2) Cash flows

Cash and cash equivalents (hereinafter “net cash”) at the end of the period under review increased 17,363 million yen (up 21.8% year on year) to 96,901 million yen.

The status of each cash flow and their factors are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities increased 24,701 million yen (up 143.2% year on year) to 41,954 million yen.

The main factor was a decrease in inventories.

(Cash flows from investing activities)

Net cash used in investing activities increased 3,549 million yen (up 18.2% year on year) to 23,069 million yen.

The main factor was an increase in purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash used in financing activities increased 1,940 million yen (up 74.1% year on year) to 4,559 million yen.

The main factor was an increase in redemption of bonds.

(Reference) Changes in cash flow-related indicators

|  | Fiscal Year ended<br>March 31, 2020 | Fiscal Year ended<br>March 31, 2021 | Fiscal Year ended<br>March 31, 2022 | Fiscal Year ended<br>March 31, 2023 | Fiscal Year ended<br>March 31, 2024 |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Equity ratio (%)                                 | 51.4                                | 52.1                                | 52.6                                | 52.2                                | 52.5                                |
| Equity ratio based on market value (%)           | 34.1                                | 51.3                                | 58.6                                | 46.3                                | 60.6                                |
| Cash flow to interest-bearing debt ratio (years) | 2.2                                 | 1.6                                 | 2.8                                 | 4.0                                 | 1.9                                 |
| Interest coverage ratio                          | 27.2                                | 40.4                                | 26.4                                | 8.3                                 | 13.0                                |

(Notes)

Equity ratio: Equity/ Total assets

Equity ratio based on market value: Market capitalization/ Total assets

Cash flow to interest-bearing debt ratio: Interest-bearing debt/Operating cash flow

Interest coverage ratio: Operating cash flows/Interest payments

1. All indicators are calculated based on consolidated financial figures.
2. Market capitalization is calculated by multiplying the closing stock price at the end of the fiscal year by the total number of shares issued and outstanding at the end of the fiscal year.  
Operating cash flow is the cash flow from operating activities shown in the consolidated statements of cash flows. Interest-bearing debt covers all liabilities on the consolidated balance sheets for which interest is paid. Interest payments are based on the amount of interest paid in the consolidated statements of cash flows.
3. Effective from the fiscal year ending March 31, 2023, income and expenses of certain overseas subsidiaries are translated into yen at the spot exchange rate prevailing at the balance sheet date of the overseas subsidiaries. As a result, cash flow-related indicators for the fiscal year ended March 31, 2022 have been retroactively adjusted.

## (3) Basic Policy on Profit Distribution and Dividends for the Fiscal Year under Review and Next Fiscal Year

We recognize that the return of profits to shareholders is one of management's most important tasks.

In our Medium-Term Management Plan, **ADX 2026**, which starts in fiscal 2024, we have set a goal of achieving a dividend payout ratio of 40% or more, based on our comprehensive consideration of appropriate shareholder returns, maintaining stable dividends as our policy. Retained earnings will be used to invest in growth areas including, among others, Electronics and IT Materials Business, and to make investments that contribute to the environment toward achieving carbon neutrality.

Taking into consideration the consolidated business performance and financial position for the fiscal year under review, we plan to pay a year-end dividend of 50 yen per share for the fiscal year under review by increasing 10 yen per share from the initial forecast (announced on May 12, 2023) of 40 yen per share. Combined

with the interim dividend of 40 yen per share already paid, the annual dividend will be 90 yen per share (70 yen per share for the previous fiscal year).

For the next fiscal year, we plan to pay an annual dividend of 90 yen per share (including the interim dividend of 45 yen per share).

## 2. Basic Policy on Selection of Accounting Standards

For the time being, the Group has decided to adopt Japanese GAAP. The Group will consider the application of IFRS (International Financial Reporting Standards), taking into account various circumstances.

### 3. Consolidated Financial Statements and Principal Notes

#### (1) Consolidated Balance Sheets

(Millions of yen)

|  | As of March 31, 2023 | As of March 31, 2024 |
|--|----------------------|----------------------|
| <b>Assets</b>  |                      |                      |
| Current assets   |                      |                      |
| Cash and deposits  | 81,119               | 98,429               |
| Notes and accounts receivable - trade, and contract assets | 99,623               | 116,937              |
| Securities   | 5,499                | 5,498                |
| Merchandise and finished goods                             | 67,367               | 64,236               |
| Work in process  | 8,524                | 8,464                |
| Raw materials and supplies                                 | 40,822               | 41,919               |
| Other  | 13,619               | 12,490               |
| Allowance for doubtful accounts                            | (1,174)              | (1,378)              |
| <b>Total current assets</b>                                | <b>315,401</b>       | <b>346,598</b>       |
| Non-current assets   |                      |                      |
| Property, plant and equipment                              |                      |                      |
| Buildings and structures                                   | 96,178               | 102,724              |
| Accumulated depreciation                                   | (59,688)             | (62,590)             |
| Buildings and structures, net                              | 36,490               | 40,134               |
| Machinery, equipment and vehicles                          | 187,906              | 198,596              |
| Accumulated depreciation                                   | (153,391)            | (162,912)            |
| Machinery, equipment and vehicles, net                     | 34,514               | 35,684               |
| Land   | 30,515               | 31,467               |
| Leased assets  | 1,840                | 1,683                |
| Accumulated depreciation                                   | (1,174)              | (1,147)              |
| Leased assets, net   | 665                  | 536                  |
| Construction in progress                                   | 9,911                | 10,595               |
| Other  | 41,333               | 44,114               |
| Accumulated depreciation                                   | (33,942)             | (35,693)             |
| Other, net   | 7,390                | 8,421                |
| <b>Total property, plant and equipment</b>                 | <b>119,488</b>       | <b>126,840</b>       |
| Intangible assets  |                      |                      |
| Technical assets   | 5,471                | 4,476                |
| Customer-related assets                                    | 2,489                | 2,328                |
| Software   | 2,005                | 6,147                |
| Leased assets  | 34                   | 13                   |
| Other  | 8,043                | 3,532                |
| <b>Total intangible assets</b>                             | <b>18,044</b>        | <b>16,497</b>        |
| Investments and other assets                               |                      |                      |
| Investment securities                                      | 33,609               | 42,013               |
| Long-term loans receivable                                 | 771                  | 1,023                |
| Retirement benefit asset                                   | 3,193                | 3,452                |
| Deferred tax assets  | 4,448                | 2,760                |
| Other  | 5,308                | 4,281                |
| Allowance for doubtful accounts                            | (197)                | (411)                |
| <b>Total investments and other assets</b>                  | <b>47,133</b>        | <b>53,119</b>        |
| <b>Total non-current assets</b>                            | <b>184,666</b>       | <b>196,458</b>       |
| <b>Total assets</b>  | <b>500,068</b>       | <b>543,057</b>       |

(Millions of yen)

|  | As of March 31, 2023 | As of March 31, 2024 |
|--|----------------------|----------------------|
| <b>Liabilities</b>   |                      |                      |
| Current liabilities  |                      |                      |
| Notes and accounts payable - trade                                   | 62,235               | 64,903               |
| Short-term borrowings  | 22,295               | 26,780               |
| Current portion of long-term borrowings                              | 7,560                | 11,885               |
| Lease liabilities  | 297                  | 245                  |
| Income taxes payable   | 3,246                | 4,827                |
| Provision for bonuses  | 3,206                | 3,587                |
| Provision for bonuses for directors (and other officers)             | 157                  | 126                  |
| Provision for environmental measures                                 | 18                   | -                    |
| Other  | 30,470               | 22,071               |
| Total current liabilities  | 129,488              | 134,427              |
| Non-current liabilities  |                      |                      |
| Bonds payable  | 5,315                | 14,381               |
| Long-term borrowings   | 20,777               | 22,283               |
| Lease liabilities  | 609                  | 461                  |
| Deferred tax liabilities   | 3,097                | 3,157                |
| Deferred tax liabilities for land revaluation                        | 3,013                | 3,013                |
| Provision for retirement benefits for directors (and other officers) | 264                  | 71                   |
| Retirement benefit liability   | 20,408               | 20,526               |
| Other  | 5,383                | 5,051                |
| Total non-current liabilities  | 58,870               | 68,947               |
| Total liabilities  | 188,358              | 203,374              |
| Net assets   |                      |                      |
| Shareholders' equity   |                      |                      |
| Share capital  | 23,048               | 23,048               |
| Capital surplus  | 20,126               | 20,181               |
| Retained earnings  | 197,843              | 213,125              |
| Treasury shares  | (2,304)              | (3,375)              |
| Total shareholders' equity   | 238,713              | 252,979              |
| Accumulated other comprehensive income                               |                      |                      |
| Valuation difference on available-for-sale securities                | 7,800                | 11,665               |
| Revaluation reserve for land   | 3,330                | 3,330                |
| Foreign currency translation adjustment                              | 11,362               | 17,147               |
| Remeasurements of defined benefit plans                              | (257)                | 20                   |
| Total accumulated other comprehensive income                         | 22,236               | 32,163               |
| Non-controlling interests  | 50,759               | 54,539               |
| Total net assets   | 311,709              | 339,682              |
| Total liabilities and net assets                                     | 500,068              | 543,057              |

## (2) Consolidated Statements of Income and Comprehensive Income

## Consolidated Statements of Income

(Millions of yen)

|   | For the fiscal year<br>ended March 31, 2023 | For the fiscal year<br>ended March 31, 2024 |
|---|---|---|
| Net sales   | 403,343                                     | 399,770                                     |
| Cost of sales   | 305,124                                     | 295,079                                     |
| Gross profit  | 98,218                                      | 104,691                                     |
| Selling, general and administrative expenses                  | 65,848                                      | 69,262                                      |
| Operating profit  | 32,369                                      | 35,428                                      |
| Non-operating income  |   |   |
| Interest income   | 1,554                                       | 2,201                                       |
| Dividend income   | 925   | 975   |
| Share of profit of entities accounted for using equity method | 512   | 537   |
| Foreign exchange gains  | 644   | 2,000                                       |
| Other   | 896   | 807   |
| Total non-operating income                                    | 4,532                                       | 6,522                                       |
| Non-operating expenses  |   |   |
| Interest expenses   | 2,470                                       | 3,723                                       |
| Loss on valuation of derivatives                              | 1,286                                       | 1,318                                       |
| Other   | 566   | 1,144                                       |
| Total non-operating expenses                                  | 4,323                                       | 6,187                                       |
| Ordinary profit   | 32,579                                      | 35,763                                      |
| Extraordinary income  |   |   |
| Gain on sale of non-current assets                            | 51  | 56  |
| Gain on sale of investment securities                         | 1,009                                       | 610   |
| Total extraordinary income                                    | 1,061                                       | 666   |
| Extraordinary losses  |   |   |
| Impairment losses   | 3,750                                       | -   |
| Loss on disaster  | 133   | -   |
| Loss on abandonment of non-current assets                     | 555   | 665   |
| Loss on sale of investment securities                         | 2   | -   |
| Loss on valuation of investment securities                    | 6   | 66  |
| Loss on valuation of shares of subsidiaries and associates    | -   | 15  |
| Total extraordinary losses                                    | 4,448                                       | 748   |
| Profit before income taxes                                    | 29,192                                      | 35,682                                      |
| Income taxes - current  | 9,798                                       | 8,934                                       |
| Income taxes - deferred                                       | (1,566)                                     | 437   |
| Total income taxes  | 8,231                                       | 9,371                                       |
| Profit  | 20,960                                      | 26,310                                      |
| Profit attributable to non-controlling interests              | 4,182                                       | 3,333                                       |
| Profit attributable to owners of parent                       | 16,778                                      | 22,977                                      |

Consolidated Statements of Comprehensive Income

(Millions of yen)

|  | For the fiscal year<br>ended March 31, 2023 | For the fiscal year<br>ended March 31, 2024 |
|--|---|---|
| Profit   | 20,960                                      | 26,310                                      |
| Other comprehensive income   |   |   |
| Valuation difference on available-for-sale securities                                | 158   | 3,676                                       |
| Foreign currency translation adjustment  | 3,301                                       | 8,239                                       |
| Remeasurements of defined benefit plans, net of tax                                  | 1,538                                       | 230   |
| Share of other comprehensive income of entities<br>accounted for using equity method | (207)                                       | 703   |
| Total other comprehensive income   | 4,791                                       | 12,850                                      |
| Comprehensive income   | 25,751                                      | 39,160                                      |
| Comprehensive income attributable to   |   |   |
| Comprehensive income attributable to owners of<br>parent                             | 19,981                                      | 32,905                                      |
| Comprehensive income attributable to non-controlling<br>interests                    | 5,770                                       | 6,255                                       |

### (3) Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2023

(Millions of yen)

|   | Shareholders' equity |                 |                   |                 |                            |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
|   | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period  | 23,048               | 20,146          | 188,091           | (1,273)         | 230,012                    |
| Changes during period   |                      |                 |                   |                 |                            |
| Dividends of surplus  |                      |                 | (7,949)           |                 | (7,949)                    |
| Profit attributable to owners of parent   |                      |                 | 16,778            |                 | 16,778                     |
| Purchase of treasury shares   |                      |                 |                   | (1,178)         | (1,178)                    |
| Disposal of treasury shares   |                      | (23)            |                   | 145             | 122                        |
| Increase by merger  |                      |                 |                   |                 | -                          |
| Increase by share exchanges   |                      |                 |                   |                 | -                          |
| Reversal of revaluation reserve for land  |                      |                 | 923               |                 | 923                        |
| Change in treasury shares arising from change in equity in entities accounted for using equity method |                      |                 |                   | 2               | 2                          |
| Change in ownership interest of parent due to transactions with non-controlling interests             |                      | 3               |                   |                 | 3                          |
| Net changes in items other than shareholders' equity  |                      |                 |                   |                 | -                          |
| Total changes during period   | -                    | (19)            | 9,752             | (1,031)         | 8,701                      |
| Balance at end of period  | 23,048               | 20,126          | 197,843           | (2,304)         | 238,713                    |

|   | Accumulated other comprehensive income                |                              |   |   |  | Non-controlling interests | Total net assets |
|---|---|------------------------------|---|---|--|---------------------------|------------------|
|   | Valuation difference on available-for-sale securities | Revaluation reserve for land | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                           |                  |
| Balance at beginning of period  | 8,062   | 4,253                        | 8,924                                   | (1,284)                                 | 19,956                                       | 46,902                    | 296,871          |
| Changes during period   |   |                              |   |   |  |                           |                  |
| Dividends of surplus  |   |                              |   |   | -  |                           | (7,949)          |
| Profit attributable to owners of parent   |   |                              |   |   | -  |                           | 16,778           |
| Purchase of treasury shares   |   |                              |   |   | -  |                           | (1,178)          |
| Disposal of treasury shares   |   |                              |   |   | -  |                           | 122              |
| Increase by merger  |   |                              |   |   | -  |                           | -                |
| Increase by share exchanges   |   |                              |   |   | -  |                           | -                |
| Reversal of revaluation reserve for land  |   |                              |   |   | -  |                           | 923              |
| Change in treasury shares arising from change in equity in entities accounted for using equity method |   |                              |   |   | -  |                           | 2                |
| Change in ownership interest of parent due to transactions with non-controlling interests             |   |                              |   |   | -  |                           | 3                |
| Net changes in items other than shareholders' equity  | (262)   | (923)                        | 2,438                                   | 1,026                                   | 2,280  | 3,856                     | 6,136            |
| Total changes during period   | (262)   | (923)                        | 2,438                                   | 1,026                                   | 2,280  | 3,856                     | 14,838           |
| Balance at end of period  | 7,800   | 3,330                        | 11,362                                  | (257)                                   | 22,236                                       | 50,759                    | 311,709          |



For the fiscal year ended March 31, 2024

(Millions of yen)

|   | Shareholders' equity |                 |                   |                 |                            |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
|   | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period  | 23,048               | 20,126          | 197,843           | (2,304)         | 238,713                    |
| Changes during period   |                      |                 |                   |                 |                            |
| Dividends of surplus  |                      |                 | (7,707)           |                 | (7,707)                    |
| Profit attributable to owners of parent   |                      |                 | 22,977            |                 | 22,977                     |
| Purchase of treasury shares   |                      |                 |                   | (1,238)         | (1,238)                    |
| Disposal of treasury shares   |                      | 6               |                   | 138             | 144                        |
| Increase by merger  |                      |                 | 11                |                 | 11                         |
| Increase by share exchanges   |                      | 9               |                   | 28              | 37                         |
| Reversal of revaluation reserve for land  |                      |                 |                   |                 | -                          |
| Change in treasury shares arising from change in equity in entities accounted for using equity method |                      |                 |                   | 2               | 2                          |
| Change in ownership interest of parent due to transactions with non-controlling interests             |                      | 39              |                   |                 | 39                         |
| Net changes in items other than shareholders' equity  |                      |                 |                   |                 | -                          |
| Total changes during period   | -                    | 54              | 15,282            | (1,070)         | 14,265                     |
| Balance at end of period  | 23,048               | 20,181          | 213,125           | (3,375)         | 252,979                    |

|   | Accumulated other comprehensive income                |                              |   |   |  | Non-controlling interests | Total net assets |
|---|---|------------------------------|---|---|--|---------------------------|------------------|
|   | Valuation difference on available-for-sale securities | Revaluation reserve for land | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                           |                  |
| Balance at beginning of period  | 7,800   | 3,330                        | 11,362                                  | (257)                                   | 22,236                                       | 50,759                    | 311,709          |
| Changes during period   |   |                              |   |   |  |                           |                  |
| Dividends of surplus  |   |                              |   |   | -  |                           | (7,707)          |
| Profit attributable to owners of parent   |   |                              |   |   | -  |                           | 22,977           |
| Purchase of treasury shares   |   |                              |   |   | -  |                           | (1,238)          |
| Disposal of treasury shares   |   |                              |   |   | -  |                           | 144              |
| Increase by merger  |   |                              |   |   | -  |                           | 11               |
| Increase by share exchanges   |   |                              |   |   | -  |                           | 37               |
| Reversal of revaluation reserve for land  |   |                              |   |   | -  |                           | -                |
| Change in treasury shares arising from change in equity in entities accounted for using equity method |   |                              |   |   | -  |                           | 2                |
| Change in ownership interest of parent due to transactions with non-controlling interests             |   |                              |   |   | -  |                           | 39               |
| Net changes in items other than shareholders' equity  | 3,865   | -                            | 5,784                                   | 277                                     | 9,927  | 3,779                     | 13,707           |
| Total changes during period   | 3,865   | -                            | 5,784                                   | 277                                     | 9,927  | 3,779                     | 27,973           |
| Balance at end of period  | 11,665  | 3,330                        | 17,147                                  | 20                                      | 32,163                                       | 54,539                    | 339,682          |

## (4) Consolidated Statements of Cash Flows

(Millions of yen)

|  | For the fiscal year<br>ended March 31, 2023 | For the fiscal year<br>ended March 31, 2024 |
|--|---|---|
| <b>Cash flows from operating activities</b>                          |   |   |
| Profit before income taxes   | 29,192                                      | 35,682                                      |
| Depreciation   | 16,003                                      | 17,065                                      |
| Impairment losses  | 3,750                                       | -   |
| Share of loss (profit) of entities accounted for using equity method | (512)                                       | (537)                                       |
| Increase (decrease) in retirement benefit liability                  | (48)  | 107   |
| Interest and dividend income   | (2,479)                                     | (3,177)                                     |
| Interest expenses  | 2,470                                       | 3,723                                       |
| Foreign exchange losses (gains)                                      | (1,086)                                     | (1,346)                                     |
| Loss (gain) on sale of non-current assets                            | (51)  | (56)  |
| Loss on abandonment of non-current assets                            | 555   | 665   |
| Decrease (increase) in trade receivables                             | 5,513                                       | (12,063)                                    |
| Decrease (increase) in inventories                                   | (17,650)                                    | 7,790                                       |
| Increase (decrease) in trade payables                                | (4,137)                                     | (934)                                       |
| Other, net   | (2,109)                                     | 2,108                                       |
| Subtotal   | 29,408                                      | 49,028                                      |
| Interest and dividends received                                      | 2,565                                       | 3,682                                       |
| Interest paid  | (2,079)                                     | (3,236)                                     |
| Income taxes paid  | (12,640)                                    | (7,519)                                     |
| Net cash provided by (used in) operating activities                  | 17,253                                      | 41,954                                      |
| <b>Cash flows from investing activities</b>                          |   |   |
| Purchase of securities   | (17,998)                                    | (17,996)                                    |
| Proceeds from sale and redemption of securities                      | 14,998                                      | 17,997                                      |
| Purchase of property, plant and equipment                            | (14,488)                                    | (19,471)                                    |
| Proceeds from sale of property, plant and equipment                  | 487   | 90  |
| Purchase of intangible assets  | (3,368)                                     | (2,280)                                     |
| Purchase of investment securities                                    | (133)                                       | (389)                                       |
| Proceeds from sale of investment securities                          | 1,166                                       | 1,233                                       |
| Purchase of shares of subsidiaries and associates                    | (8)   | (2,637)                                     |
| Long-term loan advances  | -   | (302)                                       |
| Other, net   | (174)                                       | 688   |
| Net cash provided by (used in) investing activities                  | (19,520)                                    | (23,069)                                    |
| <b>Cash flows from financing activities</b>                          |   |   |
| Net increase (decrease) in short-term borrowings                     | (2,619)                                     | 2,339                                       |
| Proceeds from long-term borrowings                                   | 9,705                                       | 13,175                                      |
| Repayments of long-term borrowings                                   | (1,641)                                     | (7,613)                                     |
| Proceeds from issuance of bonds                                      | 4,036                                       | 10,000                                      |
| Redemption of bonds  | (223)                                       | (10,100)                                    |
| Dividends paid   | (7,947)                                     | (7,700)                                     |
| Dividends paid to non-controlling interests                          | (2,043)                                     | (2,517)                                     |
| Other, net   | (1,886)                                     | (2,143)                                     |
| Net cash provided by (used in) financing activities                  | (2,618)                                     | (4,559)                                     |
| Effect of exchange rate change on cash and cash equivalents          | 1,624                                       | 2,993                                       |
| Net increase (decrease) in cash and cash equivalents                 | (3,261)                                     | 17,319                                      |
| Cash and cash equivalents at beginning of period                     | 82,799                                      | 79,537                                      |
| Increase in cash and cash equivalents resulting from merger          | -   | 44  |
| Cash and cash equivalents at end of period                           | 79,537                                      | 96,901                                      |

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Additional Information)

(Occurrence of a disputed incident)

A claim for damages was filed on October 10, 2023 against Sipcam Nichino Brasil S.A. (“SNB”), a consolidated subsidiary of the Company, which was served with the complaint on October 20, 2023. Details of the litigation are presented below.

1. Summary of the litigation

On July 26, 2023, a heavily armed robbery took place at SNB, a consolidated subsidiary of the Company, during which products that SNB had been packaging in fulfillment of a contract with FMC QUÍMICA DO BRASIL LTDA. (“FMC”) were stolen. In response, FMC filed a claim for damages against SNB on October 10, 2023.

2. Details of the plaintiff

(1) Name: FMC QUÍMICA DO BRASIL LTDA.

(2) Address: Avenida Doutor José Bonifácio Coutinho Nogueira, No. 150, Commercial Complexes 103, 105, 107, 108 and 109, Jardim Madalena District, in the municipality of Campinas, State of São Paulo, CEP 13091-611

3. Amount of damages claimed (excluding delay damages)

45 million reais

4. Future outlook

The Group has obtained an opinion from an external legal expert that the incident falls within the definition of force majeure. As there are significant differences in opinions regarding matters, including the interpretation of the scope of liabilities, we will carefully examine the contents of the complaint and take appropriate action. We will defend ourselves based on the opinion of the external legal expert mentioned above, among other things. It cannot be ruled out that the litigation may have an impact on our financial position and operating results depending on the progression of the litigation. Therefore, at this moment, it is difficult to reasonably estimate whether we will have to pay the damages and the amount of the impact they would have.

(Segment information, etc.)

a. Segment information

1. Summary of reportable segments

(1) Method of determining reportable segments

The Group's reportable segments are the segments for which discrete financial information is available and which are subject to periodic review by the Company's Board of Directors to determine the allocation of management resources and evaluate their performance.

The Group formulates comprehensive domestic and overseas strategies and conducts business activities in the "Chemicals Products Business," "Food Products Business," and "Life Science Business" segments, which are classified by products and services.

Accordingly, the Group has three reportable segments: "Chemicals Products Business," "Food Products Business," and "Life Science Business."

(2) Type of products and services belonging to each reportable segment

The major products in each reportable segment are as follows.

| Segment name                | Major products and services  |
|-----------------------------|--|
| Chemicals Products Business | additives for polyolefins, stabilizers and plasticizers for PVC, flame retardants, high purity semiconductor materials, photoacid generators, electronic circuit board etching equipment and agents, photo curing resins, photo initiators, imaging materials, epoxy resins, polyurethanes, water-borne resins, surfactants, lubricant additives, kitchen detergent, raw materials for cosmetics, propylene glycols, hydrogen peroxide and derivatives, water-swelling sealing materials, etc. |
| Food Products Business      | margarines, shortenings, fats and oils for chocolate, frying and cooking fats and oils, plant-based foods, whipping cream, kneading cream, fillings, mayonnaise dressing, functional foods, etc.   |
| Life Science Business       | agrochemicals, pharmaceuticals, quasi-drugs, veterinary drugs, wood chemicals, medical materials, etc.   |

2. Calculation of net sales, profit or loss, assets, and other items by reportable segment

The accounting methods used for the reported business segments are generally the same as those used in the preparation of the consolidated financial statements.

Profits of reportable segments are based on operating income.

Intersegment revenues and transfers are based on prevailing market prices.

3. Information on Sales, Profit or Loss, Assets, and Other Items by Reporting Segment  
For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Million yen)

|   | Reportable segment                |                              |                          |         | Others<br>(Note 1) | Total   | Adjustment<br>(Note 2) | Amount<br>recorded in<br>consolidated<br>financial<br>statements<br>(Note 3) |
|---|-----------------------------------|------------------------------|--------------------------|---------|--------------------|---------|------------------------|--|
|   | Chemicals<br>Products<br>Business | Food<br>Products<br>Business | Life Science<br>Business | Total   |                    |         |                        |  |
| Net sales   |                                   |                              |                          |         |                    |         |                        |  |
| (1) Net sales to outside<br>customers   | 211,720                           | 82,525                       | 102,082                  | 396,327 | 7,015              | 403,343 | –                      | 403,343  |
| (2) Inter-segment net<br>sales or transfers                                       | 142                               | 91                           | 8                        | 241     | 18,735             | 18,977  | (18,977)               | –  |
| Total   | 211,862                           | 82,616                       | 102,090                  | 396,569 | 25,751             | 422,320 | (18,977)               | 403,343  |
| Segment profit (loss)   | 26,260                            | (2,403)                      | 7,793                    | 31,650  | 759                | 32,409  | (39)                   | 32,369   |
| Segment assets  | 243,985                           | 65,910                       | 138,897                  | 448,793 | 20,124             | 468,917 | 31,150                 | 500,068  |
| Other items   |                                   |                              |                          |         |                    |         |                        |  |
| Depreciation (Note 4)   | 10,194                            | 3,165                        | 2,840                    | 16,200  | 72                 | 16,273  | (269)                  | 16,003   |
| Investments in equity-<br>method affiliates                                       | 6,022                             | –                            | 3,453                    | 9,475   | –                  | 9,475   | –                      | 9,475  |
| Increase in property,<br>plant and equipment<br>and intangible assets<br>(Note 5) | 16,145                            | 1,975                        | 1,845                    | 19,967  | 131                | 20,098  | 335                    | 20,434   |

- (Notes) 1. “Others” refers to business segments not included in the reportable segments and includes construction and construction management, logistics, and real estate businesses.
2. The details of the adjustments are as follows  
The segment profit (loss) adjustment of (39) million yen includes the elimination of inter-segment transactions.  
Adjustment of segment assets of 31,150 million yen mainly includes surplus funds under management (cash deposits and marketable securities) as well as long-term investment funds (investment securities) possessed by the Company.
3. Segment profit (loss) is adjusted with operating profit in the consolidated statements of income.
4. Depreciation includes amortization of long-term prepaid expenses.
5. Increases in property, plant and equipment and intangible assets include an increase in long-term prepaid expenses.

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Million yen)

|   | Reportable segment                |                              |                          |         | Others<br>(Note 1) | Total   | Adjustment<br>(Note 2) | Amount<br>recorded in<br>consolidated<br>financial<br>statements<br>(Note 3) |
|---|-----------------------------------|------------------------------|--------------------------|---------|--------------------|---------|------------------------|--|
|   | Chemicals<br>Products<br>Business | Food<br>Products<br>Business | Life Science<br>Business | Total   |                    |         |                        |  |
| Net sales   |                                   |                              |                          |         |                    |         |                        |  |
| (1) Net sales to outside<br>customers   | 204,130                           | 84,012                       | 103,021                  | 391,164 | 8,606              | 399,770 | –                      | 399,770  |
| (2) Inter-segment net<br>sales or transfers                                       | 150                               | 323                          | 11                       | 486     | 21,568             | 22,054  | (22,054)               | –  |
| Total   | 204,281                           | 84,336                       | 103,033                  | 391,650 | 30,174             | 421,825 | (22,054)               | 399,770  |
| Segment profit  | 23,699                            | 4,111                        | 5,907                    | 33,717  | 1,768              | 35,486  | (58)                   | 35,428   |
| Segment assets  | 249,070                           | 67,776                       | 157,873                  | 474,720 | 19,037             | 493,758 | 49,299                 | 543,057  |
| Other items   |                                   |                              |                          |         |                    |         |                        |  |
| Depreciation (Note 4)   | 11,438                            | 2,923                        | 2,882                    | 17,244  | 104                | 17,348  | (283)                  | 17,065   |
| Investments in equity-<br>method affiliates                                       | 6,637                             | –                            | 6,468                    | 13,106  | –                  | 13,106  | –                      | 13,106   |
| Increase in property,<br>plant and equipment<br>and intangible assets<br>(Note 5) | 16,605                            | 1,735                        | 2,110                    | 20,451  | 485                | 20,937  | (272)                  | 20,664   |

- (Notes) 1. “Others” refers to business segments not included in the reportable segments and includes construction and construction management, logistics, and real estate businesses.
2. The details of the adjustments are as follows  
The segment profit adjustment of (58) million yen includes the elimination of inter-segment transactions.  
Adjustment of segment assets of 49,299 million yen mainly includes surplus funds under management (cash deposits and marketable securities) as well as long-term investment funds (investment securities) possessed by the Company.
3. Segment profit is adjusted with operating profit in the consolidated statements of income.
4. Depreciation includes amortization of long-term prepaid expenses.
5. Increases in property, plant and equipment and intangible assets include an increase in long-term prepaid expenses.

b. Information on impairment losses on fixed assets by reportable segment

For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Million yen)

|                 | Chemicals<br>Products<br>Business | Food Products<br>Business | Life Science<br>Business | Others | Company-wide/<br>Elimination | Total |
|-----------------|-----------------------------------|---------------------------|--------------------------|--------|------------------------------|-------|
| Impairment loss | –                                 | 3,750                     | –                        | –      | –                            | 3,750 |

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

Not applicable.

(Per share information)

|                                | Fiscal year ended March 31, 2023<br>(from April 1, 2022<br>to March 31, 2023) | Fiscal year ended March 31, 2024<br>(from April 1, 2023<br>to March 31, 2024) |
|--------------------------------|---|---|
| Net assets per share (yen)     | 2,544.28  | 2,791.92  |
| Basic earnings per share (yen) | 163.30  | 224.87  |
| Diluted earnings per share     | Not shown because there were no<br>potential shares.                          | Not shown because there were no<br>potential shares.                          |

(Notes) The basis for calculating basic earnings per share is as follows.

|   | Fiscal year ended March 31, 2023<br>(from April 1, 2022<br>to March 31, 2023) | Fiscal year ended March 31, 2024<br>(from April 1, 2023<br>to March 31, 2024) |
|---|---|---|
| Basic earnings per share  |   |   |
| Profit attributable to owners of<br>parent (million yen)  | 16,778  | 22,977  |
| Amount not attributable to<br>common stockholders (million<br>yen)                                | —   | —   |
| Profit attributable to owners of<br>the parent for common stock<br>(million yen)                  | 16,778  | 22,977  |
| Average number of shares of<br>common stock outstanding<br>during the period (thousand<br>shares) | 102,744   | 102,182   |

(Significant subsequent events)

Not applicable.