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Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 <Under Japanese GAAP>

May 9, 2025

<p>Company Name: SEKISUI KASEI CO., LTD.</p> <p>Listing: Tokyo Stock Exchange</p> <p>Securities Code: 4228</p> <p>URL: https://www.sekisui-kasei.com</p> <p>Representative Director: Mr. Masato Kashiwabara, President</p> <p>Inquiries: Mr. Katsumi Sasaki, Senior Managing Executive Officer Head of Corporate Strategic Headquarters +81-3- 3347-9618</p> <p>TEL: +81-3- 3347-9618</p> <p>Scheduled date of annual general meeting of shareholders: June 24, 2025</p> <p>Scheduled date to commence dividend payments: -</p> <p>Scheduled date to file annual securities report: June 25, 2025</p> <p>Preparation of supplementary material on financial results: Yes</p> <p>Holding of financial results briefing: Yes (For securities analysts and institutional investor fund managers)</p>	
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(Figures rounded down to the nearest million yen)

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated Operating Results (% figures represent changes from the previous year.)

	Net sales		Operating income		Ordinary income		Net income Attributable to Owners of Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	137,072	5.2	641	-49.2	102	-96.2	-6,282	-
March 31, 2024	130,265	4.5	1,261	59.0	2,733	288.1	1,083	139.4

Note: Comprehensive Income For the fiscal year ended March 31, 2025: -6,598 million yen (- %)
For the fiscal year ended March 31, 2024: -1,141 million yen (- %)

	Net income Attributable to Owners of Parent per Share	Net income Attributable to Owners of Parent per Share (Diluted)	Return on Equity	Ratio of Ordinary Income to Total Assets	Ratio of Operating Income to Net Sales
	yen	yen	%	%	%
Fiscal year ended March 31, 2025	-138.28	-	-12.0	0.1	0.5
March 31, 2024	23.90	-	1.9	1.9	1.0

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2025: - million yen
For the fiscal year ended March 31, 2024: - million yen

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity to Asset Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	136,238	49,670	35.9	1,075.86
As of March 31, 2024	146,473	56,821	38.3	1,235.52

Reference: Equity As of March 31, 2025: 48,911 million yen As of March 31, 2024: 56,060 million yen

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2025	4,753	-5,694	-618	9,128
March 31, 2024	7,375	-3,779	3,658	10,867

2. Cash Dividends

(Date of Record)	Annual dividends per share					Total cash dividends (Total)	Payout Ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	At the end of 1 st Q	At the end of 2 nd Q	At the end of 3 rd Q	Fiscal year-end	Total			
Fiscal year ended	yen	yen	yen	yen	yen	Millions of yen	%	%
March 31, 2024	-	3.00	-	10.00	13.00	589	54.4	1.0
March 31, 2025	-	3.00	-	0.00	3.00	136	-	0.3
March 31, 2026 (Forecast)	-	0.00	-	10.00	10.0		-	

3. Consolidated Outlook for FY 2025 (April 1, 2025-March 31, 2026)

(% figures represent changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income attributable to owners of parent per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
1st Half	65,000	-5.9	200	153.2	0	-	-1,500	-	-32.99
Full Year	114,000	-16.8	1,800	180.7	1,400	0	0	-	0.00

Note:

(1) Significant changes in the scope of consolidation during the period: None

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

- | | |
|---|------|
| a) Changes in accounting policies due to revisions to accounting standards and other regulations: | Yes |
| b) Changes other than a): | None |
| c) Changes in accounting estimates: | None |
| d) Restatements: | None |

(3) Number of shares issued (common shares)

a) Number of shares issued at the end of the period (including treasury shares):

As of March 31, 2025	46,988,109 shares
As of March 31, 2024	46,988,109 shares

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

As of March 31, 2025	1,525,782 shares
As of March 31, 2024	1,614,299 shares

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

Fiscal year ended March 31, 2025	45,435,108 shares
Fiscal year ended March 31, 2024	45,343,080 shares

[Reference] **Overview of non-consolidated financial results**

1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-Consolidated Operating Results

(% figures represent changes from the previous year.)

	Net sales		Operating income		Ordinary income		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	66,604	4.6	919	125.1	-4,866	-	-8,405	-
March 31, 2024	63,681	-4.7	408	-82.8	-325	-	-1,023	-

	Net income per Share	Net income per Share (Diluted)
Fiscal year ended	yen	yen
March 31, 2025	-185.01	-
March 31, 2024	-22.57	-

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity to asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
As of March 31, 2025	114,048	39,404	34.6	866.75
As of March 31, 2024	120,710	48,779	40.4	1,075.05

Reference: Equity: As of March 31, 2025: 39,404million yen As of March 31, 2024: 48,779million yen

Note: Financial results reports are exempt from audit conducted by certified public accountants or audit corporation.

Note: Proper use of earning forecasts, and other special matters

(Cautionary statement regarding forward-looking statements)

The earnings forecasts and other forward-looking statements contained in this report are based on information available as of the date of this report and on certain assumptions that the Group believes are reasonable.

Forward-looking statements are not guarantees that the Group will achieve the amounts indicated. Various factors can cause actual results to differ materially from those projected.

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1. Summary of Business Results

(1) Consolidated Business Results for FY2024

1) Summary by Business Segment

<Human Life Segment>

Net sales in the Human Life Segment reached ¥54,976 million (up 12.0% year on year), with a segment income of ¥3,060 million (up 68.2% year on year).

Food field	<p>“ESLEN Sheets”</p> <ul style="list-style-type: none"> Well shipments of food container applications for supermarkets. Robust shipments of the PZ series of materials made with reduced resources, which we co-developed with FP Corporation, and containers for natto (a fermented bean product). Demand for instant noodles applications has been on a slight recovery trend, leading to flat shipment volumes year on year.
	<p>“ESLEN Beads”</p> <ul style="list-style-type: none"> Shipments for agricultural applications were sluggish due to the effects of weather. Although shipment volumes were weak due to the continuing impact of declining catches in fishery applications, the demand for aquaculture remained strong. We made progress in the adoption of ReNew⁺ bland, which uses recycled raw materials, by consumer cooperatives in each regions.
Housing/Energy field	<p>Construction-related materials</p> <ul style="list-style-type: none"> Demand for insulation materials is weak due to the decline in housing starts. <p>Civil engineering-related materials</p> <ul style="list-style-type: none"> Delays in the progress of construction projects continued, leading to sales of EPS blocks decreasing year on year. <p>Greening materials</p> <ul style="list-style-type: none"> Super Soilen System products were performing well by capturing urban redevelopment projects.

* PZ series: Foamed polystyrene sheets that help to reduce the use of plastics by seeking to achieve reductions in weight of 50-60% compared to traditional non-foamed molded products

* “ESLEN Sheets”: Foamed polystyrene sheets

* “ESLEN Beads”: Expandable polystyrene beads

* Super Soilen System: A method for creating green spaces by combining various lightweight and highly drainable products.

<Industry Segment>

Net sales in the Industry Segment reached ¥82,096 million (up 1.2% year on year), with a segment income of ¥532 million (down 77.5% year on year).

Mobility field	<p>PIOCELAN for automotive component applications, etc.</p> <ul style="list-style-type: none"> Despite the impact of production cuts by automakers due to certification fraud issues, overall sales were strong, driven by increased demand in North America. <p>PIOCELAN for parts packaging applications, etc.</p> <ul style="list-style-type: none"> Despite the continued decline in volume due to the increase in returnable materials, overall sales remained at the previous year's level, driven by the increased adoption of PIOCELAN RNW and strong performance in Northeast Asia and North America. <p>FRP parts and related materials</p> <ul style="list-style-type: none"> Sales for buses were strong, leading to a year-on-year increase. <p>Proseat Group</p> <ul style="list-style-type: none"> With vehicle production in the European market decreasing year on year, losses continued despite the implementation of price revisions.
Electronics field	<p>PIOCELAN</p> <ul style="list-style-type: none"> Sales for use in LCD panel transportation material applications rose in Asia, recording significant year-on-year growth. <p>TECHPOLYMER</p> <ul style="list-style-type: none"> Overall performance was strong, driven by robust demand for monitor applications and increased adoption in automotive lighting applications.
Medical/Healthcare field	<p>ELASTIL</p> <ul style="list-style-type: none"> Despite strong performance in protective sneakers, running shoes in which ELASTIL was adopted declined due to the end-of-life phase of the adopted model, leading to an overall weak performance. <p>ST-gel</p> <ul style="list-style-type: none"> Despite a delayed recovery in demand for medical and healthcare applications, the expansion in gel roll material sales led to strong overall performance.

* PIOCELAN: Polystyrene/polyolefin hybrid resin foam

* TECHPOLYMER: Polymer particles

* ELASTIL: Thermoplastic elastomer foam

* ST-gel: Functional high-polymer gel

* FRP parts: Fiber-reinforced plastic

2. Basic Approach to the Selection of Accounting Standards

Considering comparability between reporting periods and between companies in its consolidated financial statements, for the time being the Group's policy is to prepare its consolidated financial statements based on Japanese GAAP. With regards to the application of international financial reporting standards (IFRS), the Group will respond appropriately, taking into account various conditions both domestically and overseas.

3. Consolidated Financial Statements and Notes to Consolidated Financial Statement

(1) Consolidated Balance Sheets

	(Millions of Yen)	
	FY2023	FY2024
	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	10,904	9,587
Notes receivable	2,274	1,325
Accounts receivable	25,853	23,834
Contract assets	1,248	1,015
Electronically recorded monetary claims-operating	9,141	8,539
Merchandise and finished goods	8,604	8,700
Work in process	2,420	1,496
Raw materials and supplies	5,220	5,153
Other	3,496	3,966
Allowance for doubtful accounts	(56)	(26)
Total current assets	69,110	63,592
Non-current assets		
Property, plant and equipment		
Buildings and structures	49,665	49,680
Accumulated depreciation	(35,315)	(35,953)
Buildings and structures, net	14,350	13,727
Machinery, equipment and vehicles	93,041	95,540
Accumulated depreciation	(80,277)	(84,202)
Machinery, equipment and vehicles, net	12,763	11,337
Land	21,510	21,113
Construction in progress	1,914	1,639
Other	20,332	21,108
Accumulated depreciation	(17,158)	(19,559)
Other, net	3,174	1,549
Total property, plant and equipment	53,712	49,367
Intangible assets		
Software	1,302	1,370
Other	633	477
Total intangible assets	1,935	1,847
Investments and other assets		
Investments in securities	13,045	12,579
Deferred income taxes	854	886
Assets for retirement benefits	6,711	7,154
Other	1,159	888
Allowance for doubtful accounts	(55)	(77)
Total investments and other assets	21,715	21,431
Total non-current assets	77,363	72,646
Total assets	146,473	136,238

	(Millions of yen)	
	FY2023	FY2024
	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable	18,437	16,026
Electronically recorded obligations-operating	8,611	7,848
Short-term loans	14,466	22,429
Accrued expenses	3,217	3,230
Accrued income and enterprise taxes	742	1,188
Contract liabilities	842	402
Accrued consumption taxes	586	289
Provision for bonuses to employees	1,080	1,116
Provision for bonuses to directors and audit and supervisory board members	33	6
Notes payable-facilities	44	102
Electronically recorded obligations -non-operating	950	607
Provision for loss on business liquidation	118	1,061
Other	3,839	2,530
Total current liabilities	52,971	56,839
Long-term liabilities		
Bonds payable	7,000	7,000
Long-term loans	16,413	9,649
Deferred income taxes	4,218	4,180
Deferred income taxes for land revaluation	1,596	1,653
Provision for product warranty	57	57
Liabilities for retirement benefits	3,916	4,174
Other	3,478	3,012
Total long-term liabilities	36,681	29,728
Total liabilities	89,652	86,567
Net assets		
Shareholders' equity		
Common stock	16,533	16,533
Capital surplus	16,408	16,377
Retained earnings	17,142	10,270
Treasury stock	(1,301)	(1,230)
Total shareholders' equity	48,783	41,950
Accumulated other comprehensive income		
Net unrealized gains on securities	6,880	6,520
Surplus arising from land revaluation	1,479	1,421
Translation adjustments	(778)	(926)
Retirement benefits liability adjustments	(304)	(54)
Total accumulated other comprehensive income	7,277	6,960
Non-controlling interests	760	759
Total net assets	56,821	49,670
Total liabilities and net assets	146,473	136,238

(2) Consolidated Statement of Income and Statement of Comprehensive Income

Consolidated Statement of Income

	(Millions of yen)	
	FY2023	FY2024
	(From April 1, 2023 to March 31, 2024)	(From April 1, 2024 to March 31, 2025)
Net sales	130,265	137,072
Cost of sales	103,816	109,739
Gross profit	26,448	27,333
Selling, general and administrative expenses	25,187	26,691
Operating income	1,261	641
Non-operating income		
Interest income	51	32
Dividends income	305	340
Foreign exchange gain	1,323	-
Insurance income	634	28
Compensation income	157	86
Other	408	285
Total non-operating income	2,879	773
Non-operating expenses		
Interest expenses	928	888
Foreign exchange losses	-	117
Loss on sales and retirement of non-current assets	45	98
Additional retirement benefit	183	-
Other	249	208
Total non-operating expenses	1,407	1,312
Ordinary income	2,733	102
Extraordinary income		
Gain on sales of non-current assets	-	329
Gain on sales of investments in securities	208	589
Total extraordinary income	208	919
Extraordinary loss		
Loss on sales of non-current assets	-	64
Loss on devaluation of investments in Securities	2	-
Impairment loss	199	4,072
Loss on business liquidation	117	1,110
Commission expenses	-	324
Total extraordinary losses	318	5,571
Net income before income taxes	2,623	(4,549)
Income taxes - current	1,573	1,446
Income taxes for prior periods	-	406
Income taxes - deferred	(56)	(121)
Total income taxes	1,517	1,732
Net income	1,105	(6,281)
Net income attributable to non-controlling interests	22	0
Net income attributable to owners of the parent	1,083	(6,282)

Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	End of FY2023 (From April 1, 2023 to March 31, 2024)	End of FY2024 (From April 1, 2024 to March 31, 2025)
Net income	1,105	(6,281)
Other comprehensive income		
Net unrealized gains on securities	(559)	(360)
Revaluation Reserve for Land	-	(57)
Translation adjustments	(1,341)	(148)
Retirement benefits liability adjustments	(345)	249
Total other comprehensive income	(2,246)	(316)
Comprehensive income	(1,141)	(6,598)
(Breakdown)		
Comprehensive income attributable to owners of the parent	(1,163)	(6,599)
Comprehensive income attributable to non-controlling interests	22	0

(3) Consolidated Statement of Changes in Net Assets

FY2023 (from April 1, 2023, to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance on April 1, 2023	16,533	16,445	16,602	(1,382)	48,199
Changes of items during period					
Dividend of surplus			(543)		(543)
Net income attributable to owners of the parent			1,083		1,083
Acquisition of treasury stock				(0)	(0)
Disposal of treasury stock		(37)		80	43
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(37)	539	80	583
Balance on March 31, 2024	16,533	16,408	17,142	(1,301)	48,783

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Net unrealized gains on securities	Surplus arising from land revaluation	Translation adjustments	Retirement benefits liability adjustments	Total accumulated other comprehensive income		
Balance on April 1, 2023	7,440	1,479	562	41	9,524	740	58,464
Changes of items during period							
Dividend of surplus							(543)
Net income attributable to owners of the parent							1,083
Acquisition of treasury stock							(0)
Disposal of treasury stock							43
Net changes of items other than shareholders' equity	(559)	-	(1,341)	(345)	(2,246)	20	(2,226)
Total changes of items during period	(559)	-	(1,341)	(345)	(2,246)	20	(1,642)
Balance on March 31, 2024	6,880	1,479	(778)	(304)	7,277	760	56,821

FY2024 (from April 1, 2024, to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance on April 1, 2024	16,533	16,408	17,142	(1,301)	48,783
Changes of items during period					
Dividend of surplus			(590)		(590)
Net income(loss) attributable to owners of the parent			(6,282)		(6,282)
Acquisition of treasury stock				(0)	(0)
Disposal of treasury stock		(31)		71	40
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(31)	(6,872)	71	(6,832)
Balance on March 31, 2025	16,533	16,377	10,270	(1,230)	41,950

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Net unrealized gains on securities	Surplus arising from land revaluation	Translation adjustments	Retirement benefits liability adjustments	Total accumulated other comprehensive income		
Balance on April 1, 2024	6,880	1,479	(778)	(304)	7,277	760	56,821
Changes of items during period							
Dividend of surplus							(590)
Net income(loss) attributable to owners of the parent							(6,282)
Acquisition of treasury stock							(0)
Disposal of treasury stock							40
Net changes of items other than shareholders' equity	(360)	(57)	(148)	249	(316)	(1)	(317)
Total changes of items during period	(360)	(57)	(148)	249	(316)	(1)	(7,150)
Balance on March 31, 2025	6,520	1,421	(926)	(54)	6,960	759	49,670

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	FY2023 (From April 1, 2023 to March 31, 2024)	FY2024 (From April 1, 2024 to March 31, 2025)
Cash flows from operating activities		
Net income before income taxes	2,623	(4,549)
Depreciation and amortization	5,716	6,077
Impairment loss	199	4,072
Increase (decrease) in allowance for doubtful accounts	19	(6)
Interest and dividend income	(356)	(373)
Interest expenses	928	888
Increase (decrease) in provision for bonuses to employees	68	35
Increase (decrease) in provision for product warranty	(24)	(0)
Increase (decrease) in net liabilities for retirement benefits	(95)	155
Loss (gain) on sales of investments in securities	(208)	(589)
Loss (gain) on devaluation of investments in securities	2	-
Loss (gain) on sales and retirement of property, plant and equipment	41	(179)
Loss on business liquidation	117	937
Decrease (increase) in notes and accounts receivable	(1,780)	3,590
Decrease (increase) in inventories	628	1,011
Increase (decrease) in notes and accounts payable	968	(3,113)
Other, net	211	(1,186)
Subtotal	9,060	6,769
Interest and dividends received	356	373
Interest paid	(964)	(928)
Proceeds from casualty insurance claims	1,021	28
Income taxes (paid) refunded	(2,097)	(1,488)
Net cash provided by (used in) operating activities	7,375	4,753
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	(28)	(440)
Purchases of property, plant and equipment	(3,822)	(6,146)
Proceeds from sales of property, plant and equipment	120	590
Purchases of investments in securities	(4)	(4)
Proceeds from sales of investments in securities	404	667
Increase in short-term and long-term loans receivable	(18)	(4)
Collection of short-term and long-term loans receivable	24	12
Other, net	(453)	(368)
Net cash provided by (used in) investing activities	(3,779)	(5,694)
Cash flows from financing activities		
Net increase (decrease) in short-term loans	(428)	5,036
Proceeds from long-term loans	3,500	2,200
Repayment of long-term loans	(5,196)	(6,240)
Dividends paid	(544)	(590)
Dividends paid to non-controlling shareholders	(1)	(1)
Other, net	(986)	(1,021)
Net cash provided by (used in) financing activities	(3,658)	(618)
Effect of exchange rate change on cash and cash equivalents	(143)	(180)
Net increase (decrease) in cash and cash equivalents	(205)	(1,738)
Cash and cash equivalents at the beginning of the year	11,072	10,867
Cash and cash equivalents at the end of the quarter	10,867	9,128

(5) Notes to Consolidated Financial Statements

(Changes in Accounting Policies)

(Application of “Accounting Standard for Current Income Taxes,” etc.)

The Group applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as “the revised 2022 accounting standard”) at the beginning of the fiscal year ended March 31, 2025. Revisions to the category in which income tax, etc. is recorded (in cases where other comprehensive income is subject to tax) are subject to the transitional treatment stipulated in the provisos to paragraph 20-3 of the revised 2022 accounting standard, and paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter “the revised 2022 implementation guidance”). This change in accounting policy had no impact on consolidated financial statements for the fiscal year ended March 31, 2025.

In addition, for revisions related to the review of the treatment in the consolidated financial statements when a gain or loss on sale arising from the sale of shares of subsidiaries, etc. between consolidated companies is deferred for tax purposes, the Company has applied the revised 2022 implementation guidance from the beginning of the fiscal year ended March 31, 2025. This change in accounting policy has been applied retrospectively, and is reflected in the consolidated financial statements for the fiscal year ended March 31, 2024. Furthermore, this change in accounting policy had no impact on the consolidated financial statements for the fiscal year ended March 31, 2024.

(Note Regarding the Premise of Going Concern)
Not applicable.

(Significant Matters That Serve as the Basis of Preparation of Consolidated Financial Statements)
(Matters related to scope of consolidation)

Consolidated subsidiaries 37

Major subsidiaries:

Sekisui Kasei Hokkaido Co., Ltd., Sekisui Kasei Kansai Co., Ltd., Sekisui Kasei Toubu Co., Ltd., Sekisui Kasei Seibu Co., Ltd., Sekisui Kasei Chubu Co., Ltd., Sekisui Kasei Yamakyu Co., Ltd., Sekisui Kasei Europe B.V., Proseat Europe GmbH, Sekisui Kasei U.S.A., Inc., Sekisui Kasei Mexico S.A. de C.V., Sekisui Kasei Korea Co., Ltd., Sekisui Kasei Taiwan Co., Ltd., Sekisui Kasei (Shanghai) International Trading Co., Ltd., Sekisui Kasei (Thailand) Co., Ltd., PT. Sekisui Kasei Indonesia

(Notes on Segment Information)

<Segment Information>

1. Outline of reported segments

The reportable segments of the Company are components for which discrete financial information is available, and whose operating results are regularly reviewed by the Board of Directors to make decisions about resource allocation and to assess performance.

The Company's business revolves mainly around plastics. The Company has established business divisions based on product markets and applications for global development in the two segments of Human Life and Industry. Each division works closely with subsidiaries to plan overall strategies and operate its business.

Accordingly, the Group consists of segments by product market and application on the basis of the divisions and has two reportable segments "Human Life" and "Industry."

The Human Life Segment primarily manufactures and sells boxes and trays for agricultural and fishery products, food containers, and housing and civil engineering materials, etc. The main products for the Industry Segment include automobile components, digital consumer electronics components, packaging materials and other related products.

2. Methods used for calculating sales, income (or loss), assets and other items of each reportable segment

The accounting policies of the segments are the same as those stated in "Significant matters that serve as the basis of preparation of consolidated financial statements."

Segment income is based on ordinary income. Inter-segment sales and transfers are based on prevailing market prices.

3. Information on sales, income (or loss), assets and other items of each reportable segment

FY2023 (from April 1, 2023, to March 31, 2024)

(Millions of yen)

	Reportable Segments			Adjustments and eliminations (*1)	Total (*2)
	Human Life Segment	Industry Segment	Total		
Net sales:					
Japan	49,073	25,634	74,708	-	74,708
Germany	-	13,109	13,109	-	13,109
Other Europe	-	25,718	25,718	-	25,718
Asia	29	12,148	12,177	-	12,177
Other	-	4,550	4,550	-	4,550
Earnings from contracts with customers	49,103	81,161	130,265	-	130,265
Other earnings	-	-	-	-	-
Sales to third parties	49,103	81,161	130,265	-	130,265
Intersegment sales and transfers	595	127	723	(723)	-
Total	49,699	81,289	130,988	(723)	130,265
Segment income (loss)	1,787	2,363	4,151	(1,417)	2,733
Segment assets	65,798	65,385	131,184	15,289	146,473
Other items					
Depreciation and amortization	1,923	3,027	4,951	765	5,716
Increase in property, plant and equipment and intangible assets	2,178	2,289	4,468	593	5,062

(Notes)

- Adjustments and eliminations in the preceding table were as follows:
 - Segment income in the amount of (1,417) million yen includes elimination of inter-segment transactions in the amount of (1) million yen and unallocated corporate expenses of (1,415) million yen.
 - Segment assets in the amount of 15,289 million yen consisted primarily of investments in securities and assets related to administrative departments and the Central R&D Laboratory owned by the Company.
 - Depreciation and amortization in the amount of 765 million yen include amortization of long-term pre-paid expenses, and consisted primarily of depreciation of assets related to administrative departments and the Central R&D Laboratory owned by the Company.
 - Increase in property, plant and equipment and intangible assets in the amount of 593 million yen consisted primarily of assets related to the Central R&D Laboratory owned by the Company.
- Segment income was adjusted for ordinary income in the consolidated statement of income.
- Names of major products belonging to each segment
 - Human Life Segment: ESLEN Beads, ESLEN Sheets, ESLEN Wood, INTERFOAM, CELPET, other foamed / molded products using these materials, ES Dan Mat, ESLEN Block, etc.
 - Industry Segment: PIOCELAN, LIGHTLON, NEOMICROLEN, TECHPOLYMER, ST-gel, TECHEATER, ELASTIL, FOAMAC, ST-LAYER, ST-Eleveat, other foamed/molded products using these materials, etc.

FY2024 (from April 1, 2024, to March 31, 2025)

(Millions of yen)

	Reportable Segments			Adjustments and eliminations (*1)	Total (*2)
	Human Life Segment	Industry Segment	Total		
Net sales:					
Japan	54,928	22,883	77,811	-	77,811
Germany	-	11,343	11,343	-	11,343
Other Europe	-	28,746	28,746	-	28,746
Asia	47	14,118	14,166	-	14,166
Other	-	5,003	5,003	-	5,003
Earnings from contracts with customers	54,976	82,096	137,072	-	137,072
Other earnings	-	-	-	-	-
Sales to third parties	54,976	82,096	137,072	-	137,072
Intersegment sales and transfers	295	180	475	(475)	-
Total	55,271	82,276	137,547	(475)	137,072
Segment income (loss)	3,006	532	3,538	(3,435)	102
Segment assets	66,447	55,641	122,089	14,149	136,238
Other items					
Depreciation and amortization	2,081	3,165	5,247	829	6,077
Increase in property, plant and equipment and intangible assets	2,665	2,709	5,375	1,054	6,429

(Notes)

- Adjustments and eliminations in the preceding table were as follows:
 - Segment income in the amount of (3,435) million yen includes elimination of inter-segment transactions in the amount of 1 million yen and unallocated corporate expenses of (3,436) million yen.
 - Segment assets in the amount of 14,149 million yen consisted primarily of investments in securities and assets related to administrative departments and the Central R&D Laboratory owned by the Company.
 - Depreciation and amortization in the amount of 829 million yen include amortization of long-term pre-paid expenses, and consisted primarily of depreciation of assets related to administrative departments and the Central R&D Laboratory owned by the Company.
 - Increase in property, plant and equipment and intangible assets in the amount of 1,054 million yen consisted primarily of assets related to the Central R&D Laboratory owned by the Company.
- Segment income was adjusted for ordinary income in the consolidated statement of income.
- Names of major products belonging to each segment
 - Human Life Segment: ESLEN Beads, ESLEN Sheets, ESLEN Wood, INTERFOAM, CELPET, other foamed / molded products using these materials, ES Dan Mat, ESLEN Block, etc.
 - Industry Segment: PIOCELAN, LIGHTLON, NEOMICROLEN, TECHPOLYMER, ST-gel, TECHEATER, ELASTIL, FOAMAC, ST-LAYER, ST-Eleveat, other foamed/molded products using these materials, etc.
- Change of display method

In the fiscal year ended March 31, 2025, "Germany," which had previously been included in "Europe," was broken out as a separate item due to its importance having increased in terms of net sales recorded in the consolidated statement of income during the previous fiscal year. In addition, the previous name of the region of "Europe" was changed to "Other Europe." In order to reflect these changes in presentation, figures for the fiscal year ended March 31, 2024, have been restated using the categories from after the change.

<Related information>

FY2023 (from April 1, 2023, to March 31, 2024)

1. Information by product and service

Omitted as information is categorized the same as for the reportable segments.

2. Information by region

(1) Net sales

(Millions of yen)

Japan	Germany	Other Europe	Asia	Other	Total
74,708	13,109	25,718	12,177	4,550	130,265

(Note) Net sales are categorized by region based on customer location.

(2) Property, plant and equipment

(Millions of yen)

Japan	Europe	Asia	Other	Total
42,442	4,691	4,314	2,264	53,712

3. Information by major customer

(Millions of yen)

Customer or individual name	Net sales	Related segment
FP Corporation	17,190	Human Life Segment

FY2024 (from April 1, 2024, to March 31, 2025)

1. Information by product and service

Omitted as information is categorized the same as for the reportable segments.

2. Information by region

(1) Net sales

(Millions of yen)

Japan	Germany	Other Europe	Asia	Other	Total
77,811	11,343	28,746	14,166	5,003	137,072

(Note) Net sales are categorized by region based on customer location.

(2) Property, plant and equipment

(Millions of yen)

Japan	Germany	Asia	Other	Total
42,339	843	3,872	2,311	49,367

3. Information by major customer

(Millions of yen)

Customer or individual name	Net sales	Related segment
FP Corporation	17,435	Human Life Segment

<Information concerning impairment loss on non-current assets in each reportable segment>

FY2023 (from April 1, 2023, to March 31, 2024)

(Millions of yen)

	Human Life Segment	Industry Segment	Corporate/ Eliminations	Total
Impairment loss	39	159	-	199

FY2024 (from April 1, 2024, to March 31, 2025)

(Millions of yen)

	Human Life Segment	Industry Segment	Corporate/ Eliminations	Total
Impairment loss	38	4,034	-	4,072

(Per Share Information)

	FY2023 (From April 1, 2023 to March 31, 2024)	FY2024 (From April 1, 2024 to March 31, 2025)
Net assets per share	1,235.52 yen	1,075.86 yen
Net income (loss) per share	23.90 yen	(138.28) yen

(Notes) 1. Diluted net income per share has not been presented as there are no potentially dilutive shares.

(Notes) 2. Basis for computation of net assets per share is as follows.

	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Total net assets (million yen)	56,821	49,670
Amounts deducted from total net assets (million yen)	760	759
(of which, equity of non-controlling interests (million yen))	(760)	(759)
Net assets related to common stock at the fiscal year-end (million yen)	56,060	48,911
Number of shares of common stock outstanding (thousands)	46,988	46,988
Number of shares of treasury stock (thousands)	1,614	1,525
Number of shares of common stock at fiscal year-end used in computing net assets per share (thousands)	45,373	45,462

(Notes) 3. Basis for computation of net income per share is as follows.

	FY2023 (From April 1, 2023 to March 31, 2024)	FY2024 (From April 1, 2024 to March 31, 2025)
Net income per share		
Net income (loss) attributable to owners of the parent (million yen)	1,083	(6,282)
Amount not attributable to common shareholders (million yen)	—	—
Net income (loss) related to common stock attributable to owners of the parent (million yen)	1,083	(6,282)
Average number of shares during the period (thousands)	45,343	45,435

(Subsequent Events)

Not applicable.