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July 29, 2025

Consolidated Financial Results for the Three Months Ended June 30, 2025 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Security code: 4461
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 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

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

1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025, to June 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2025	19,046	8.6	1,723	62.8	1,689	41.4	984	61.7
June 30, 2024	17,531	26.3	1,058	–	1,194	–	608	–

Note: Comprehensive income For the three months ended June 30, 2025 ¥641 million [(56.7) %]
 For the three months ended June 30, 2024 ¥1,480 million [–%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	102.81	–
June 30, 2024	63.63	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2025	94,188	43,893	41.3	4,067.17
March 31, 2025	97,113	44,504	39.9	4,044.52

Reference: Equity
 As of June 30, 2025 ¥38,946 million
 As of March 31, 2025 ¥38,729 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	45.00	—	55.00	100.00
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026 (Forecast)		60.00	—	60.00	120.00

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

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025, to March 31, 2026)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Half year	39,000	10.1	3,600	45.5	3,600	39.6	2,000	59.2	208.86
Full year	80,000	9.2	6,800	27.1	6,800	18.5	3,700	43.1	386.39

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

For details regarding the revision of the consolidated performance forecast, please refer to the “Notice Revision of Consolidated Financial Forecast for the Six Months Ending September 30, 2025 and the Fiscal Year Ending March 31, 2026” announced today (July 29, 2025).

* Notes

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

Newly included: — companies

Excluded: — companies

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to reasons other than (i): None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (ordinary shares)

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

As of June 30, 2025	10,684,321 shares
As of March 31, 2025	10,684,321 shares

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

As of June 30, 2025	1,108,512 shares
As of March 31, 2025	1,108,487 shares

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

Three months ended June 30, 2025	9,575,826 shares
Three months ended June 30, 2024	9,569,935 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None.

* Proper use of earnings forecasts, and other special matters

(Notice concerning forward-looking statements)

Forward-looking statements, including the consolidated forecasts stated in these materials, are based on information currently available to the Company and certain assumptions deemed reasonable. Consequently, no statements herein constitute assurances regarding actual results by the Company. Results may differ materially from the consolidated forecasts due to various factors.

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1. Overview of Operating Results

(1) Overview of Quarterly Operating Results

During the three months ended June 30, 2025, the Japanese economy experienced a gradual recovery in personal consumption, albeit at a slow pace, due to continued high prices and a decline in real wages. On the other hand, inbound demand from foreign visitors remained strong, supporting domestic demand, particularly in the service industry. Globally, trade friction between the U.S. and China and instability in the Middle East continued, increasing uncertainty in financial markets. In particular, the impact of U.S. tariffs on Japan's export industry is noteworthy, and risks surrounding external demand remain a concern.

In this environment, our group achieved a strong start to the fiscal year, with robust sales of low-dielectric resins and significant growth in shipments of composite binders for battery materials, which were launched in the first quarter, resulting in record performance. We will accelerate research and development and strive to achieve early results in order to further advance the mid-term management plan “SMART 2030” launched in April.

Concerning the results for the three months ended June 30, 2025, net sales for the first quarter of the consolidated fiscal year under review amounted to ¥19,046 million (up 8.6% year on year), due to significant growth in low-dielectric resins for electronic materials in the “Electronics & IT” segment and water-based composite adhesives for negative electrodes for battery materials in the “Environment & Energy” segment.

As for profit and loss, operating income totaled ¥1,723 million (up 62.8% year on year), ordinary income was ¥1,689 million (up 41.4% year on year), and net income attributable to owners of the parent amounted to ¥984 million yen (up 61.7% year on year), due to sales growth primarily in the “Electronics & IT” segment.

Results by segment are as follows.

Effective from the first quarter of the current fiscal year, the Group’s reporting segments have been reorganized from six product-based categories—“Surfactants,” “Amenity Materials,” “Polyurethane Materials,” “Functional Materials,” “Electronic Device Materials,” and “Life Sciences”—into four business field-based segments: “Electronics & IT,” “Environment & Energy,” “Life & Wellness,” and “Core Materials.” Additionally, year-on-year comparisons are based on figures for the same period of the previous fiscal year, recalculated using the new classification method.

Electronics & IT

Net sales in the Electronics & IT segment generally increased significantly.

In Japan, sales of flame retardants used in display material frames and special surfactants used in monitors were sluggish while sales of low-dielectric resins for electronic materials grew significantly.

Overseas, sales of flame retardants used in display material frames fell significantly while sales of low-dielectric resins for electronic materials grew significantly.

As a result, net sales in this segment were ¥6,937 million (up 11.2% year on year).

Operating income was ¥1,447 million (up 34.6% year on year) due to increased net sales.

Environment & Energy

Net sales in the Environment & Energy segment generally increased significantly.

In Japan, sales of environmentally friendly synthetic lubricants related to CFC regulations were sluggish.

Sales of potting agents for PCBs and adhesives used in electronic components for mobility grew significantly.

Sales of high-performance conductive pastes for solar cell applications grew significantly.

Overseas, sales of water-based composite adhesives for negative electrodes for battery materials grew significantly due to their launch at the end of the previous fiscal year.

Sales of high-performance conductive pastes for solar cell applications were sluggish.

As a result, net sales in this segment were ¥4,627 million (up 16.4% year on year).

Operating loss was ¥73 million (operating loss of ¥124 million in the same period of the previous fiscal year) due to an increase in operating expenses driven by the promotion of research and development activities, despite the growth in net sales.

Life & Wellness

Net sales in the Life & Wellness segment were generally firm.

In Japan, sales of soap and detergent applications were sluggish.

Sales of sucrose fatty acid esters in food applications were firm.

Overseas, sales of sucrose fatty acid esters in food applications and personal care (cosmetics) applications were firm.

As a result, net sales in this segment were ¥3,512million (up 3.7% year on year).

Operating income was ¥226 million (up 134.6% year on year) due to improved profitability, particularly in overseas sucrose fatty acid esters.

Core Materials

Net sales in the Core Materials segment were generally firm.

Sales of anti-collapse agents for tunnels used in civil engineering and construction applications were firm.

Sales of flame retardants used in rubber and plastic applications were firm.

As a result, net sales in this segment were ¥3,969 million (up 1.1% year on year).

Operating income was ¥122 million (operating income of ¥11 million in the same period of the previous fiscal year) due to increased sales of high value-added products.

(2) Overview of Financial Position**(Assets)**

Current assets as of June 30, 2025 were ¥54,776 million, down ¥2,471 million from the end of the previous fiscal year. This was primarily due to a decrease of ¥1,315 million in cash and a decrease of ¥1,239 million in notes and accounts receivable - trade. Non-current assets totaled ¥39,412 million, down ¥452 million from the end of the previous fiscal year. This was primarily due to an increase of ¥162 million in investment securities, despite a decrease of ¥574 million in total property, plant and equipment.

As a result, total assets amounted to ¥94,188 million, down ¥2,924 million from the end of the previous fiscal year.

(Liabilities)

Current liabilities as of June 30, 2025 were ¥25,693 million, down ¥839 million from the end of the previous fiscal year. This was primarily due to an increase of ¥204 million in short-term borrowings and an increase of ¥838 million in other (current liabilities) such as accounts payable-other, despite a decrease of ¥960 million in notes and accounts payable - trade and a decrease of ¥744 million in provision for bonuses. Non-current liabilities totaled ¥24,602 million, down ¥1,473 million from the end of the previous fiscal year. This was primarily due to a decrease of ¥1,498 million in long-term borrowings.

As a result, total liabilities at the end of the period under review were ¥50,295 million, down ¥2,312 million from the end of the previous fiscal year.

(Net assets)

Total net assets as of June 30, 2025 were ¥43,893 million, down ¥611 million from the end of the previous fiscal year. This was primarily due to a profit attributable to owners of parent of ¥984 million and dividends of surplus of ¥526 million resulting in an increase retained earnings of ¥457 million, combined with increases of ¥246 million in valuation difference on available-for-sale securities, despite a decrease of ¥828 million in non-controlling interests and a decrease of ¥474 million in foreign currency translation adjustment.

As a result, the equity ratio came to 41.3% (39.9% as of the end of the previous fiscal year).

(3) Explanation of Consolidated Earnings Forecast and Other Forward-Looking Information

The consolidated performance forecast for the fiscal year ending March 2026 has been revised in light of recent performance trends. For details, please refer to the “Notice Revision of Consolidated Financial Forecast for the Six Months Ending September 30, 2025 and the Fiscal Year Ending March 31, 2026” disclosed today (July 29, 2025).

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	16,751	15,436
Notes and accounts receivable - trade	19,842	18,603
Electronically recorded monetary claims - operating	2,316	2,767
Merchandise and finished goods	11,987	11,113
Work in process	18	20
Raw materials and supplies	3,894	4,661
Prepaid expenses	420	495
Other	2,029	1,690
Allowance for doubtful accounts	(13)	(11)
Total current assets	57,247	54,776
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,449	12,205
Machinery, equipment and vehicles, net	5,524	5,371
Tools, furniture and fixtures, net	1,199	1,218
Land	10,027	9,813
Leased assets, net	1,756	1,692
Construction in progress	440	523
Total property, plant and equipment	31,398	30,824
Intangible assets	250	273
Investments and other assets		
Investment securities	5,694	5,857
Long-term loans receivable	9	9
Long-term prepaid expenses	387	330
Deferred tax assets	124	113
Retirement benefit asset	1,631	1,629
Other	369	375
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	8,215	8,315
Total non-current assets	39,865	39,412
Total assets	97,113	94,188

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,484	12,523
Electronically recorded obligations - operating	500	481
Short-term borrowings	6,300	6,504
Lease liabilities	523	537
Accrued expenses	320	283
Income taxes payable	927	824
Accrued business office taxes	42	10
Provision for bonuses	1,461	716
Other	2,971	3,809
Total current liabilities	26,532	25,693
Non-current liabilities		
Corporate bonds	6,000	6,000
Long-term borrowings	17,114	15,616
Lease liabilities	1,412	1,323
Deferred tax liabilities	1,118	1,257
Retirement benefit liability	77	67
Asset retirement obligations	74	74
Other	278	263
Total non-current liabilities	26,075	24,602
Total liabilities	52,608	50,295
Net assets		
Shareholders' equity		
Capital stock	8,895	8,895
Capital surplus	7,275	7,275
Retained earnings	21,575	22,033
Treasury shares	(2,449)	(2,449)
Total shareholders' equity	35,296	35,754
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,606	1,853
Foreign currency translation adjustment	1,412	937
Remeasurements of defined benefit plans	413	400
Total accumulated other comprehensive income	3,432	3,191
Non-controlling interests	5,775	4,946
Total net assets	44,504	43,893
Total liabilities and net assets	97,113	94,188

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

Quarterly consolidated statement of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	17,531	19,046
Cost of sales	13,450	13,960
Gross profit	4,081	5,085
Selling, general and administrative expenses	3,022	3,362
Operating income	1,058	1,723
Non-operating income		
Interest income	7	2
Dividend income	5	6
Share of profit of entities accounted for using equity method	9	12
Rental income	8	8
Foreign exchange gains	184	3
Other	20	30
Total non-operating income	235	65
Non-operating expenses		
Interest expenses	61	62
Corporate bond interest	9	9
Other	34	27
Total non-operating expenses	99	99
Ordinary income	1,194	1,689
Extraordinary losses		
Loss on disposal of non-current assets	10	53
Total extraordinary losses	10	53
Profit before income taxes	1,184	1,635
Income taxes - current	199	376
Income taxes - deferred	118	38
Total income taxes	318	414
Profit	865	1,220
Profit attributable to non-controlling interests	256	236
Profit attributable to owners of parent	608	984

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit	865	1,220
Other comprehensive income		
Valuation difference on available-for-sale securities	310	246
Foreign currency translation adjustment	306	(751)
Remeasurements of defined benefit plans net of tax	(10)	(12)
Share of other comprehensive income of entities accounted for using equity method	9	(61)
Total other comprehensive income	614	(579)
Comprehensive income	1,480	641
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,111	743
Comprehensive income attributable to non- controlling interests	368	(101)

(3) Notes to Quarterly Consolidated Financial Statements**(Notes on premise of going concern)**

Not applicable.

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

Not applicable.

(Notes on quarterly consolidated statement of cash flow)

The consolidated statement of cash flow for the first quarter of the current fiscal year has not been prepared. Depreciation expenses (including amortization expenses related to intangible fixed assets) for the first quarter of the current fiscal year are as follows.

	(Millions of yen)	
	Three months ended June 30, 2024	Three months ended June 30, 2025
Depreciation	798	797

(Segment information, etc.)

Segment information

I First three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

Disclosure of sales and profit (loss) for each reportable segment

(Millions of yen)

	Electronics & IT	Environment & Energy	Life & Wellness	Core Materials	Total
Net sales					
Revenues from external customers	6,239	3,976	3,387	3,927	17,531
Transactions with other segments	—	—	—	—	—
Total	6,239	3,976	3,387	3,927	17,531
Segment profit (loss) operating income (loss)	1,075	(124)	96	11	1,058

Note: Total amount of profit or loss in reportable segments and operating income in the quarterly consolidated statement of income coincide.

II First three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

1. Disclosure of sales and profit (loss) for each reportable segment

(Millions of yen)

	Electronics & IT	Environment & Energy	Life & Wellness	Core Materials	Total
Net sales					
Revenues from external customers	6,937	4,627	3,512	3,969	19,046
Transactions with other segments	—	—	—	—	—
Total	6,937	4,627	3,512	3,969	19,046
Segment profit (loss) operating income (loss)	1,447	(73)	226	122	1,723

Note: Total amount of profit or loss in reportable segments and operating income in the quarterly consolidated statement of income coincide.

2. Matters Related to Changes in Reportable Segments

Effective from the first quarter of the current consolidated accounting period, our group has revised its reportable segment classifications. Previously, the segments were categorized as “Surfactants,” “Amenity Materials,” “Polyurethane Materials,” “Functional Materials,” “Electronic Device Materials,” and “Life Sciences”. To promote corporate growth by facilitating the formulation of strategies tailored to the characteristics of each field, helping stakeholders better understand the nature of each business, and expediting efficient management and analysis, we have reclassified our segments into four categories: Electronics & IT, Environment & Energy, Life & Wellness, and Core Materials. Please note that segment information for the first quarter of the previous fiscal year has been restated using the new segment names and classification methods.