

Translation

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Summary of Consolidated Financial Results for the Six Months Ended March 31, 2025 (Based on Japanese GAAP)

May 9, 2025

Company name: T. HASEGAWA CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 4958 URL <https://www.t-hasegawa.co.jp/>
 Representative: President & COO Kenji Hasegawa
 Inquiries: Senior Vice President Jun Takizawa TEL 03-3241-1151
 Scheduled date to file Semi-annual Securities Report: May 14, 2025
 Scheduled date to commence dividend payments: May 30, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended March 31, 2025 (from October 1, 2024 to March 31, 2025)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended March 31, 2025	35,823	7.1	4,518	5.2	4,924	8.1	3,359	5.0
Six months ended March 31, 2024	33,453	6.8	4,295	19.8	4,555	22.2	3,198	13.2

Note: Comprehensive income Six months ended March 31, 2025 ¥4,384 million [17.2%]
 Six months ended March 31, 2024 ¥3,741 million [- %]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended March 31, 2025	82.06	81.65
Six months ended March 31, 2024	77.74	77.43

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2025	143,777	121,502	84.2
As of September 30, 2024	144,504	119,681	82.6

Reference: Equity As of March 31, 2025 ¥121,124 million
 As of September 30, 2024 ¥119,319 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended September 30, 2024	—	31.00	—	39.00	70.00
Year ending September 30, 2025	—	37.00			
Year ending September 30, 2025 (Forecast)			—	37.00	74.00

Note: Revision of cash dividend forecast most recently announced: No

3. Forecast of consolidated financial results for the year ending September 30, 2025 (from October 1, 2024 to September 30, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
Full year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	74,300	3.7	9,970	6.4	10,450	7.5	7,580	5.2	185.15

Note: Revision of consolidated financial results forecast most recently announced: No

4. Notes

(1) Significant changes in the scope of consolidation during the six months ended March 31, 2025 Yes

Newly included: 1 company [Company name] T. HASEGAWA FLAVOURS (PINGHU) CO., LTD.

(2) Application of special accounting methods for preparing semi-annual consolidated financial statements: Yes

Note: For details, please refer to “Application of special accounting methods for preparing semi-annual consolidated financial statements” under “2. Semi-annual consolidated financial statements and significant notes thereto, (3) Notes to semi-annual consolidated financial statements” on page 8 of the Attached Material.

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of March 31, 2025	42,708,154 shares	As of September 30, 2024	42,708,154 shares
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Number of treasury shares at the end of the period

As of March 31, 2025	1,858,768 shares	As of September 30, 2024	1,563,008 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended March 31, 2025	40,939,680 shares	Six months ended March 31, 2024	41,145,292 shares
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* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of the forecast of financial results, and other special matters

(Caution regarding forward-looking statements and others)

The forward-looking statements, including the earnings forecast, shown in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to realize such statements. Actual results may differ substantially due to various factors. For the suppositions that form the assumptions for financial results forecast and cautions concerning the use thereof, please refer to “1. Qualitative information on financial results for the period, (3) Explanation of consolidated financial results forecast and other forward-looking statements” on page 3 of the Attached Material.

(How to obtain supplementary material on financial results)

The Company plans to hold a financial results meeting for institutional investors and analysts through live streaming on Thursday, May 22, 2025.

Materials for the financial results meeting will be disclosed on TDnet and posted on the Company’s website.

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1. Qualitative information on financial results for the period

(1) Explanation of operating results

The Japanese economy in the six months ended March 31, 2025 continued its gradual recovery, under the improving employment and income environment. On the other hand, the outlook for the economy remained uncertain amid continuing concerns over the impacts on domestic and overseas economic activities of the direction of the new administration in the USA and other developments in the international situation, persistently high raw material and resource prices, rising commodity prices, strong fluctuations in foreign exchange rates, etc.

The flavor and fragrance industry remained in a severe situation due largely to maturation of the domestic market, fiercer competition among peers, and growing demand for quality assurance.

In this environment, giving primary consideration to quality control of products and securing of safety, the Group worked to further improve research and technology development capabilities and focused on development of the Company's unique high quality and high value-added products.

In the six months ended March 31, 2025, net sales increased by ¥2,370 million (7.1%) year on year, amounting to ¥35,823 million. The Company's non-consolidated net sales increased by 3.9% year on year. As for net sales of major overseas consolidated subsidiaries, net sales of a subsidiary in the USA increased by 9.4% year on year (up 6.4% on a local currency basis), those of subsidiaries in China increased by 14.5% year on year (up 11.7% on a local currency basis), and those of a subsidiary in Malaysia increased by 16.6% year on year (up 6.3% on a local currency basis).

By division, net sales of the Flavor Division increased by 7.4% year on year, amounting to ¥31,711 million, due mainly to increased net sales of subsidiaries in China, a subsidiary in the USA, and the Company on a non-consolidated basis.

Net sales of the Fragrance Division increased by 4.7% year on year, amounting to ¥4,112 million due mainly to increases in non-consolidated sales of the Company, and net sales of subsidiaries in China and a subsidiary in Indonesia.

As for profit, although selling, general and administrative expenses increased in line with increases in personnel expenses and amortization of goodwill, operating profit increased by ¥223 million (5.2%) year on year to ¥4,518 million due largely to an increase in gross profit resulting from higher sales and improved cost-of-sales ratio. Ordinary profit increased by ¥369 million (8.1%) year on year to ¥4,924 million due largely to increases in operating profit and foreign exchange gains. Profit attributable to owners of parent increased by ¥160 million (5.0%) year on year to ¥3,359 million, due mainly to an increase in ordinary profit, despite an increase in extraordinary losses due to the recording of a loss on valuation of investment securities.

Furthermore, the yen exchange rates for major currencies (average rate for the period) applied for translation in the statements of income for the six months ended March 31, 2025 are as follows.

1 USD=152.52 JPY (148.25 JPY in the previous fiscal year, 2.9% yen depreciation YoY)

1 RMB=21.05 JPY (20.54 JPY in the previous fiscal year, 2.5% yen depreciation YoY)

1 RM=34.52 JPY (31.48 JPY in the previous fiscal year, 9.7% yen depreciation YoY)

Operating results by segment are as follows. Furthermore, operating results by segment include inter-segment sales, etc.

(Japan)

Net sales were ¥20,586 million (up 3.9% year on year), and segment profit was ¥2,345 million (down 3.2% year on year).

(Asia)

Net sales were ¥8,920 million (up 13.8% year on year), and segment profit was ¥2,408 million (up 36.8% year on year).

(USA)

Net sales were ¥7,945 million (up 8.4% year on year), and segment loss was ¥293 million (segment profit of ¥69 million in the same period of the previous fiscal year).

(2) Explanation of financial position

(Current assets)

Current assets increased by ¥8 million compared to the end of the fiscal year ended September 30, 2024 to ¥72,250 million due largely to an increase in cash and deposits of ¥5,204 million and a decrease in securities of ¥4,998 million, compared to the end of the fiscal year ended September 30, 2024.

(Non-current assets)

While construction in progress included in other under property, plant and equipment increased by ¥642 million compared to the end of the fiscal year ended September 30, 2024, non-current assets decreased by ¥736 million compared to the end of the fiscal year ended September 30, 2024 to ¥71,526 million due largely to decreases in goodwill of ¥202 million and investment securities of ¥1,053 million.

(Current liabilities)

Current liabilities decreased by ¥2,285 million compared to the end of the fiscal year ended September 30, 2024 to ¥12,485 million due largely to a decrease of ¥852 million in provision for bonuses, compared to the end of the fiscal year ended September 30, 2024.

(Non-current liabilities)

Non-current liabilities decreased by ¥262 million to ¥9,788 million compared to the end of the fiscal year ended September 30, 2024 due largely to a decrease in deferred tax liabilities of ¥185 million.

(Net assets)

While retained earnings and foreign currency translation adjustment increased by ¥1,754 million and ¥1,688 million, respectively, compared to the end of the fiscal year ended September 30, 2024, total net assets increased by ¥1,820 million compared to the end of the fiscal year ended September 30, 2024 to ¥121,502 million due largely to an increase in treasury shares by ¥979 million (net assets decreased), and a decrease in valuation difference on available-for-sale securities of ¥677 million.

Furthermore, the yen exchange rates for major currencies (at the end of the period) applied for translation in the balance sheets at the end of the six months ended March 31, 2025 are as follows.

1 USD=149.52 JPY (142.73 JPY at the end of the previous fiscal year, 4.8% yen depreciation YoY)

1 RMB=20.59 JPY (20.46 JPY at the end of the previous fiscal year, 0.6% yen depreciation YoY)

1 RM=33.72 JPY (34.79 JPY at the end of the previous fiscal year, 3.1% yen appreciation YoY)

(3) Explanation of consolidated financial results forecast and other forward-looking statements

No revisions have been made to the consolidated financial results forecast announced on November 8, 2024.

2. Semi-annual consolidated financial statements and significant notes thereto

(1) Consolidated balance sheets

(Millions of yen)

	As of September 30, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	27,396	32,600
Notes and accounts receivable - trade	20,473	18,736
Securities	6,997	1,999
Merchandise and finished goods	8,053	9,047
Work in process	161	213
Raw materials and supplies	8,200	8,354
Other	989	1,322
Allowance for doubtful accounts	(30)	(25)
Total current assets	72,241	72,250
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	21,463	21,281
Other, net	14,903	15,168
Total property, plant and equipment	36,367	36,449
Intangible assets		
Goodwill	9,855	9,652
Other	12,868	13,458
Total intangible assets	22,723	23,110
Investments and other assets		
Investment securities	11,997	10,944
Retirement benefit asset	18	18
Other	1,223	1,072
Allowance for doubtful accounts	(67)	(69)
Total investments and other assets	13,171	11,965
Total non-current assets	72,262	71,526
Total assets	144,504	143,777
Liabilities		
Current liabilities		
Accounts payable - trade	6,324	6,227
Income taxes payable	1,498	1,236
Provision for bonuses	2,004	1,151
Provision for bonuses for directors (and other officers)	85	—
Provision for removal cost	204	204
Other	4,654	3,665
Total current liabilities	14,771	12,485
Non-current liabilities		
Deferred tax liabilities	840	655
Retirement benefit liability	7,480	7,446
Asset retirement obligations	69	68
Long-term accounts payable - other	178	171
Other	1,481	1,446
Total non-current liabilities	10,051	9,788
Total liabilities	24,822	22,274

(Millions of yen)

	As of September 30, 2024	As of March 31, 2025
Net assets		
Shareholders' equity		
Share capital	5,364	5,364
Capital surplus	7,513	7,518
Retained earnings	90,670	92,424
Treasury shares	(2,556)	(3,536)
Total shareholders' equity	100,991	101,772
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,304	5,626
Foreign currency translation adjustment	12,171	13,859
Remeasurements of defined benefit plans	(148)	(134)
Total accumulated other comprehensive income	18,327	19,352
Share acquisition rights	362	377
Total net assets	119,681	121,502
Total liabilities and net assets	144,504	143,777

(2) Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Six months ended March 31, 2024	Six months ended March 31, 2025
Net sales	33,453	35,823
Cost of sales	19,617	20,681
Gross profit	13,835	15,142
Selling, general and administrative expenses	9,540	10,623
Operating profit	4,295	4,518
Non-operating income		
Interest income	121	160
Dividend income	104	107
Foreign exchange gains	10	96
Other	53	106
Total non-operating income	290	470
Non-operating expenses		
Interest expenses	12	11
Other	18	53
Total non-operating expenses	31	64
Ordinary profit	4,555	4,924
Extraordinary losses		
Loss on abandonment of non-current assets	23	16
Loss on valuation of investment securities	—	100
Total extraordinary losses	23	116
Profit before income taxes	4,532	4,807
Income taxes	1,333	1,448
Profit	3,198	3,359
Profit attributable to owners of parent	3,198	3,359

Consolidated statements of comprehensive income

(Millions of yen)

	Six months ended March 31, 2024	Six months ended March 31, 2025
Profit	3,198	3,359
Other comprehensive income		
Valuation difference on available-for-sale securities	(249)	(677)
Foreign currency translation adjustment	762	1,688
Remeasurements of defined benefit plans, net of tax	30	13
Total other comprehensive income	542	1,024
Comprehensive income	3,741	4,384
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,741	4,384
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes to semi-annual consolidated financial statements

(Notes on changes in accounting policies)

(Application of the Accounting Standard for Current Income Taxes)

The Company has applied the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the “Revised Accounting Standard of 2022”), etc. from the beginning of the six months ended March 31, 2025. Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; the “Revised Guidance of 2022”). This change in accounting policies has no impact on the semi-annual consolidated financial statements.

In addition, for changes related to the revised treatment in consolidated financial statements when a gain or loss on sale arising from the sale of shares of subsidiaries, etc. among consolidated companies is deferred for tax purposes, the Revised Guidance of 2022 has been applied from the beginning of the six months ended March 31, 2025. This change in accounting policies has been applied retrospectively, and is reflected in the semi-annual consolidated financial statements for the same period of the previous fiscal year and the consolidated financial statements for the previous fiscal year. This change in accounting policies has no impact on the semi-annual consolidated financial statements for the same period of the previous fiscal year and the consolidated financial statements for the previous fiscal year.

(Uncertainties of entity’s ability to continue as going concern)

Not applicable.

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

(Purchase of treasury shares)

In accordance with the resolution at a Board of Directors meeting held on November 8, 2024, the Company purchased 306,400 treasury shares. Accordingly, treasury shares increased by ¥999 million in the six months ended March 31, 2025, resulting in treasury shares of ¥3,536 million as of March 31, 2025.

(Application of special accounting methods for preparing semi-annual consolidated financial statements)

(Calculation of income tax expense)

Tax expense is calculated by multiplying the profit before income taxes by the reasonably estimated effective tax rates after the application of tax effect accounting to the profit before income taxes for the fiscal year including the six months ended March 31, 2025.

(Notes to segment information, etc.)

[Segment information]

I. Six months ended March 31, 2024 (from October 1, 2023 to March 31, 2024)

1. Information on net sales and profit or loss for each reportable segment and information on disaggregation of revenue

(Millions of yen)

	Reportable segment				Adjustment (Note 1)	Consolidated (Note 2)
	Japan	Asia	USA	Total		
Net sales						
Flavor and fragrance business (Note 3)	18,496	7,760	7,196	33,453	—	33,453
Revenue from contracts with customers	18,496	7,760	7,196	33,453	—	33,453
Sales to external customers	18,496	7,760	7,196	33,453	—	33,453
Inter-segment sales or transfers	1,322	79	132	1,534	(1,534)	—
Total	19,819	7,839	7,328	34,987	(1,534)	33,453
Segment profit	2,421	1,760	69	4,252	43	4,295

- Notes: 1. The adjustments on segment profit of ¥43 million include ¥57 million of adjustments for intra-group transactions related to inter-segment transactions, negative ¥12 million of adjustments for inventories, and negative ¥1 million for others.
2. Segment profit is adjusted to operating profit in the consolidated statements of income.
3. The Flavor and fragrance business is composed mainly of the manufacturing and sales of flavors and fragrances, and the net sales of the Flavor and fragrance business are composed mainly of revenue from goods transferred to customers at a specific point in time.

II. Six months ended March 31, 2025 (from October 1, 2024 to March 31, 2025)

1. Information on net sales and profit or loss for each reportable segment and information on disaggregation of revenue

(Millions of yen)

	Reportable segment				Adjustment (Note 1)	Consolidated (Note 2)
	Japan	Asia	USA	Total		
Net sales						
Flavor and fragrance business (Note 3)	19,097	8,847	7,878	35,823	—	35,823
Revenue from contracts with customers	19,097	8,847	7,878	35,823	—	35,823
Sales to external customers	19,097	8,847	7,878	35,823	—	35,823
Inter-segment sales or transfers	1,488	73	66	1,628	(1,628)	—
Total	20,586	8,920	7,945	37,452	(1,628)	35,823
Segment profit or loss	2,345	2,408	(293)	4,460	58	4,518

- Notes: 1. The adjustments on segment profit or loss of ¥58 million include ¥62 million of adjustments for intra-group transactions related to inter-segment transactions, negative ¥1 million of adjustments for inventories, and negative ¥2 million for others.
2. Segment profit is adjusted to operating profit in the consolidated statements of income.
3. The Flavor and fragrance business is composed mainly of the manufacturing and sales of flavors and fragrances, and the net sales of the Flavor and fragrance business are composed mainly of revenue from goods transferred to customers at a specific point in time.