

Consolidated Financial Results for the Nine Months Ended December 31, 2024
<Under Japanese GAAP>

January 30, 2025

Company Name: SEKISUI CHEMICAL CO., LTD.
Listing: Tokyo Stock Exchange
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Scheduled date to commence dividend payments: -
Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results briefing: Yes

(Figures rounded down to the nearest million yen)

1. Consolidated financial results for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(1) Consolidated operating results (% figures represent changes from the same period of the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
December 31, 2024	955,342	3.4	77,359	17.5	86,097	18.2	68,495	17.2
December 31, 2023	923,931	1.3	65,834	5.4	72,814	-0.8	58,432	10.7
Note: Comprehensive Income	For the nine months ended December 31, 2024:		66,161 million yen		(-16.8%)			
	For the nine months ended December 31, 2023:		79,511 million yen		(30.6%)			

	Profit attributable to owners of parent per share	Profit attributable to owners of parent per share (Diluted)
Nine months ended	yen	yen
December 31, 2024	163.73	—
December 31, 2023	137.22	—

(2) Consolidated financial position

	Total assets	Net assets	Equity to asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2024	1,332,748	845,660	61.2
March 31, 2024	1,323,243	820,925	59.9
Reference: Equity	As of December 31, 2024:	816,176 million yen	As of March 31, 2024:
			792,329 million yen

2. Cash dividends

(Date of Record)	Annual dividends per share				
	At the end of 1st Q	At the end of 2nd Q	At the end of 3rd Q	Fiscal year-end	Total
Fiscal year ended	yen	yen	yen	yen	yen
March 31, 2024	—	35.00	—	39.00	74.00
March 31, 2025	—	37.00	—	—	—
March 31, 2025 (Forecast)	—	—	—	40.00	77.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

3. Consolidated outlook for fiscal 2024 (April 1, 2024 to March 31, 2025)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit attributable to owners of parent per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full Year	1,307,700	4.1	107,000	13.3	106,000	0.1	80,000	2.7	191.60

Note: Revisions to the forecast of consolidated earnings most recently announced: Yes

Notes:

- (1) Significant changes in the scope of consolidation during the period: Yes
 Newly included: 3 companies (Kofu Sekisui Industry Co., Ltd., Tohseki Kako Co., Ltd., and Yonseki Kako Co., Ltd.)
 Excluded: 2 companies (PT. Sekisui Indonesia and Sekisui Chemical India Private Ltd.)
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes
 Note: For further details please refer to "(4) Notes to Consolidated Financial Statements (Accounting treatment specific to the preparation of quarterly consolidated financial statements)" on page 11 of the attached document "2. Consolidated Financial Statement and Notes."
- (3) Changes in accounting policy, changes in accounting estimates, and restatement
- | | |
|---|------|
| a) Changes in accounting policies due to revisions to accounting standards and other regulations: | None |
| b) Changes other than a): | None |
| c) Changes in accounting estimates: | None |
| d) Restatements: | None |

(4) Number of shares issued (common shares)

a) Number of shares issued at the end of the period (including treasury shares):	As of December 31, 2024	444,507,285	As of March 31, 2024	448,507,285
b) Number of treasury shares at the end of the period:	As of December 31, 2024	26,962,881	As of March 31, 2024	27,121,698
c) Average number of outstanding shares during the period (cumulative from the beginning of the fiscal year):	Nine months ended December 31, 2024	418,331,421	Nine months ended December 31, 2023	425,833,534

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

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

- This report contains revisions to the consolidated forecasts for the fiscal year announced on October 31, 2024.
- This report contains revisions to the dividend estimates for the fiscal year announced on April 26, 2024.
- The earnings forecasts and other forward-looking statements presented in this report are based on information available at the time of its issue and on certain assumptions that the Group considers reasonable. Forward-looking statements in no capacity represent a guarantee that the Group will achieve the stated amounts. Various factors can cause actual results to differ materially from the forecasts. For important matters regarding the conditions associated with the assumptions of these forecasts and their appropriate use, please see "I. 3. Revision to the Consolidated Results Forecast and Other Forward-Looking Information" on page 3 of the Quarterly Financial Report (Attached document).

Note: The English-language quarterly financial statements have not been reviewed by certified public accountants or an audit firm.

I. Qualitative Information and Financial Review

1. Consolidated Business Results

(1) Group Overview (April 1, 2024 to December 31, 2024)

Net Sales: 955.3 billion yen (+3.4%), Operating Profit: 77.3 billion yen (+17.5%), Ordinary Profit: 86.0 billion yen (+18.2%), Profit Attributable to Owners of Parent: 68.4 billion yen (+17.2%)

In the first three quarters of fiscal 2024, despite sluggish domestic demand for new housing and performance falling below expectations in global automobile production, demand was firm in electronics markets, and in addition to increased sales of high value-added products, there were positive effects from foreign exchange rates, and as a result, net sales reached a record high for the first three quarters.

Due to efforts to increase sales of high value-added products, secure profit, and control fixed costs as well as positive effects from foreign exchange rates, all kinds of profit reached record highs for the first three quarters.

(2) Overview by Business Segment (April 1, 2024 to December 31, 2024)

[Housing Company]

Net Sales: 385.6 billion yen (-1.5%), Operating Profit: 23.2 billion yen (+19.7%)

In the first three quarters of fiscal 2024, although net sales in the renovation and real estate businesses increased, the overall company revenue decreased due to the impact of a decline in the number of orders for new housing in the previous period. Meanwhile, effects from increases in unit prices and measures to strengthen profitability in the Housing business emerged, and profits increased.

Orders received in the Housing business were flat from the same period of the previous fiscal year overall, despite year-on-year increases in orders received in urban areas such as Tokyo, Chubu, Kinki, and other regions. In the Housing Renovation business, orders increased year-on-year as a result of an increase in sales personnel and increased sales of large-scale renovations.

In terms of measures, in the Housing business, we developed products and implemented sales strategies tailored to the needs of each area. We also implemented measures to increase profitability and shifted personnel to growth areas such as Housing Renovation business and other businesses. In addition, we implemented measures to reinforce structures in the Housing Renovation business including acquiring all shares of CREST Inc., which conducts housing renovation business in Hokkaido, in November in order to increase sales.

[Urban Infrastructure and Environmental Products Company]

Net Sales: 174.2 billion yen (+2.8%), Operating Profit: 15.0 billion yen (+7.8%)

In the first three quarters of fiscal 2024, although the domestic housing markets slumped and non-housing markets recovered moderately but still performed somewhat below expectations, we made efforts to secure sales volume through increased sales of prioritized products, improve sales prices, and control fixed costs, operating profit increased, reaching a record high for the first three quarters of the fiscal year.

In the Pipe Systems field, domestic non-housing markets underwent a moderate recovery, but performance was somewhat below expectations. In addition, although market conditions for chlorinated polyvinyl chloride (CPVC) in India were sluggish, due to sales volume secured through increased sales of prioritized products, improved sales prices, and other factors, net sales increased year-on-year.

In the Buildings and Infrastructures Composite Materials field, demand for fire protection and non-combustible

materials was firm, particularly for prioritized products, and orders for synthetic lumber (FFU) increased, primarily in Europe. As a result of these factors, overall net sales increased year-on-year.

In the Infrastructure Renovation field, pipeline renewal struggled due to a decline in orders for domestic public works projects and project delays overseas, but demand for water storage tanks (panel tanks) was firm, and as a result, net sales increased year-on-year.

[High Performance Plastics Company]

Net Sales: 333.1 billion yen (+8.8%), Operating Profit: 45.4 billion yen (+21.0%)

In the first three quarters of fiscal 2024, electronics-related demand including semiconductor-related demand recovered to a certain degree, sales of high-performance products increased, and there were positive effects from foreign exchange rates, and as a result, both net sales and operating profit increased, and profit reached a new record high for the first three quarters.

In the Electronics field, the smartphone market was firm, semiconductor-related demand recovered to a certain degree, and progress was made in capturing new business, resulting in a year-on-year increase in net sales.

In the Mobility field, despite sluggish demand for some aircraft-related products and effects from stagnant automobile production, sales of high-performance interlayer films (used mainly for head-up displays, solar control, and color design) increased at a steady pace, and net sales increased year-on-year.

In the Industrial field, demand for building materials and consumer goods in Europe was below expectations, but progress was made on improving sales prices and increased sales of labor-saving and environmentally-conscious products, such as foam materials and tapes also made a contribution, and as a result, net sales increased year-on-year.

[Medical Business]

Net Sales: 73.0 billion yen (+8.4%), Operating Profit: 9.2 billion yen (+16.1%)

In the first three quarters of fiscal 2024, demand in both the Diagnostics business and the Pharmaceutical Sciences business were firm, and as a result, net sales increased and operating profit reached a new record high for the first three quarters.

In the Diagnostics business, domestic sales steadily captured diagnostic demand, particularly in the biochemistry and immunology segments. Also, in overseas sales, despite effects from lower diagnostic demand in China and delays in expanding sales of combination infection diagnostic kits in the U.S., sales of influenza and COVID-19 diagnostic kits in the U.S. were firm, and net sales in the Diagnostics business increased year-on-year.

In the Pharmaceutical Sciences business, demand for new active pharmaceutical ingredients increased, orders in the drug development solutions business were steady, and orders for expanded newborn screening (NBS) tests and sales of reagents also increased, resulting in a year-on-year increase in net sales.

2. Overview of Financial Position as of the First Three Quarters of Fiscal 2024

Status of assets, liabilities, and net assets

Consolidated total assets as of the end of the first three quarters of fiscal 2024 were 1,332,748 million yen, an increase of 9,504 million yen from the end of the previous fiscal year.

[Assets]

Current assets were 689,383 million yen, an increase of 3,819 million yen from the end of the previous fiscal year. The main factors were an increase of 24,851 million yen in total inventories, a decrease of 16,247 million yen in cash and deposits, and a decrease of 3,671 million yen in total trade receivables.

Fixed assets were 643,364 million yen, increase of 5,685 million yen.

[Liabilities]

Total liabilities were 487,088 million yen, a decrease of 15,230 million yen from the end of the previous fiscal year.

The main factors were increases of 11,189 million yen in advances received and 2,731 million yen in retirement benefits liability and decreases of 8,716 million yen in short-term borrowings, 7,713 million yen in provision for bonuses, 6,675 million yen in income taxes payable, 3,568 million yen in deferred tax liabilities, and 1,870 million yen in total trade payables of notes payable - trade, electronically recorded obligations - operating, accounts payable - trade, and accrued expenses.

[Net Assets]

Net assets were 845,660 million yen as of the end of the first three quarters of fiscal 2024, an increase of 24,734 million yen from the end of the previous fiscal year. The main factors were the recording of 68,495 million yen in profit attributable to owners of parent, 31,964 million yen in dividends paid, 8,921 million yen in purchase of treasury shares, an increase of 6,831 million yen in foreign currency translation adjustments, a decrease of 7,706 million yen in valuation difference on available-for-sale securities, and a decrease of 3,327 million yen in remeasurements of defined benefit plans.

3. Revision to the Consolidated Results Forecast and Other Forward-Looking Information

With regard to the consolidated forecasts for fiscal 2024 as a whole, in light of market conditions, effects from foreign exchange rates, and other factors, we revised the forecast announced on October 31, 2024 as indicated in the table below.

Revision to Consolidated Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

	Net Sales	Operating Profit	Ordinary Profit	Profit Attributable to Owners of Parent	Profit Attributable to Owners of Parent Per Share
Previous forecast (A) (Announced on October 31,2024)	Millions of yen 1,308,700	Millions of yen 105,000	Millions of yen 102,500	Millions of yen 78,000	Yen 186.81
Revised forecast (B)	1,307,700	107,000	106,000	80,000	191.60
Change (B-A)	-1,000	2,000	3,500	2,000	—
Change (%)	-0.1%	1.9%	3.4%	2.6%	—
(Reference) Results for the previous fiscal year (FY2023)	1,256,538	94,399	105,921	77,930	183.48

4. Revision of Dividend Forecast

The Company has positioned increasing corporate value while actively providing returns to shareholders as a priority management issue. We explained our policy on shareholder returns and clarified and reinforced our commitment in the medium-term management plan “Drive 2.0”.

- Dividend payout ratio: 40% or higher
- DOE: 3% or higher
- Total payout ratio: If the D/E ratio is no higher than 0.5, 50% or higher
- Cancellation of treasury shares: Cancel newly acquired shares to the extent that total treasury shares do not exceed 5% of outstanding shares.

Regarding the dividend for the fiscal year ending March 2025, based on the policy described above and in light of the upward revision of the forecast figure for profit attributable to owners of the parent per share, we revised the forecast for the year-end dividend to 40 yen, an increase of 2 yen from the forecast announced on April 26, 2024. As a result, we plan to pay an annual dividend for the fiscal year ending March 2025 of 77 yen, an increase of 3 yen from the previous fiscal year.

	Annual Dividend (yen)		
	End of First Half	Fiscal Year-End	Total
Previous forecast (announced on April 26, 2024)	37.00	38.00	75.00
Current revised forecast	—	40.00	77.00
Result in the current fiscal year	37.00	—	—
Result in the previous fiscal year (fiscal year ended March 2024)	35.00	39.00	74.00

2. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	138,572	122,324
Notes receivable - trade	43,109	44,064
Accounts receivable - trade	168,864	164,237
Contract assets	1,486	1,188
Merchandise and finished goods	112,748	110,822
Land for sale in lots	67,693	68,954
Work in process	61,087	79,230
Raw materials and supplies	56,704	64,077
Advance payments to suppliers	4,122	5,628
Prepaid expenses	5,793	6,869
Short-term loans receivable	1,115	694
Other	25,044	22,306
Allowance for doubtful accounts	(776)	(1,014)
Total current assets	685,564	689,383
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	123,499	123,435
Machinery, equipment and vehicles, net	114,194	116,093
Land	85,931	86,247
Leased assets, net	21,750	20,734
Construction in progress	33,599	40,312
Other, net	13,510	14,558
Total property, plant and equipment	392,485	401,382
Intangible assets		
Goodwill	8,636	7,706
Software	17,410	17,255
Leased assets	107	69
Other	32,944	36,552
Total intangible assets	59,097	61,583
Investments and other assets		
Investment securities	127,421	116,251
Long-term loans receivable	1,097	1,084
Long-term prepaid expenses	2,130	1,925
Retirement benefit asset	35,368	35,504
Deferred tax assets	4,223	9,129
Other	17,136	17,255
Allowance for doubtful accounts	(1,280)	(752)
Total investments and other assets	186,096	180,398
Total non-current assets	637,679	643,364
Total assets	1,323,243	1,332,748

(Millions of yen)

As of March 31, 2024 As of December 31, 2024

Liabilities		
Current liabilities		
Notes payable - trade	578	482
Electronically recorded obligations - operating	15,567	16,011
Accounts payable - trade	107,713	108,462
Short-term borrowings	11,569	2,853
Current portion of bonds payable	30	—
Lease liabilities	5,433	5,077
Accrued expenses	43,107	40,140
Income taxes payable	25,086	18,411
Provision for bonuses	19,628	11,914
Provision for bonuses for directors (and other officers)	474	354
Provision for warranties for completed construction	2,445	1,908
Provision for share awards	112	80
Advances received	57,436	68,625
Other	55,414	56,055
Total current liabilities	344,597	330,379
Non-current liabilities		
Bonds payable	40,000	40,000
Long-term borrowings	46,270	46,412
Lease liabilities	17,421	16,802
Deferred tax liabilities	4,757	1,189
Retirement benefit liability	41,344	44,076
Provision for share awards	1,083	1,096
Other	6,843	7,131
Total non-current liabilities	157,720	156,708
Total liabilities	502,318	487,088
Net assets		
Shareholders' equity		
Share capital	100,002	100,002
Capital surplus	108,621	108,650
Retained earnings	501,945	531,369
Treasury shares	(48,679)	(50,082)
Total shareholders' equity	661,889	689,939
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	51,197	43,490
Deferred gains or losses on hedges	(15)	(15)
Revaluation reserve for land	320	319
Foreign currency translation adjustment	67,826	74,658
Remeasurements of defined benefit plans	11,111	7,784
Total accumulated other comprehensive income	130,440	126,236
Non-controlling interests	28,595	29,483
Total net assets	820,925	845,660
Total liabilities and net assets	1,323,243	1,332,748

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

(Consolidated Statements of Income)

Nine months ended December 31, 2024

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	923,931	955,342
Cost of sales	635,919	644,936
Gross profit	288,012	310,405
Selling, general and administrative expenses	222,178	233,046
Operating profit	65,834	77,359
Non-operating income		
Interest income	1,378	1,572
Dividend income	3,359	3,218
Foreign exchange gains	2,859	3,947
Share of profit of entities accounted for using equity method	—	528
Miscellaneous income	2,199	2,788
Total non-operating income	9,797	12,055
Non-operating expenses		
Interest expenses	860	749
Loss on tax purpose reduction entry of non-current assets	—	941
Share of loss of entities accounted for using equity method	4	—
Miscellaneous expenses	1,951	1,626
Total non-operating expenses	2,816	3,317
Ordinary profit	72,814	86,097
Extraordinary income		
Gain on sale of investment securities	13,701	14,499
Gain on sale of shares of subsidiaries and associates	540	—
Total extraordinary income	14,242	14,499
Extraordinary losses		
Loss on valuation of investment securities	—	245
Impairment losses	—	187
Loss on sale and retirement of non-current assets	1,190	1,429
Total extraordinary losses	1,190	1,862
Profit before income taxes	85,867	98,734
Income taxes	26,337	28,619
Profit	59,529	70,115
Profit attributable to non-controlling interests	1,096	1,620
Profit attributable to owners of parent	58,432	68,495

Third Quarter, Fiscal 2024

(Millions of yen)

	Third Quarter Fiscal 2023 (from October 1, 2023 to December 31, 2023)	Third Quarter Fiscal 2024 (from October 1, 2024 to December 31, 2024)
Net sales	312,636	326,287
Cost of sales	212,775	218,684
Gross profit	99,861	107,603
Selling, general and administrative expenses	75,182	78,966
Operating profit	24,678	28,636
Non-operating income		
Interest income	483	550
Dividend income	543	536
Foreign exchange gains	—	8,058
Share of profit of entities accounted for using equity method	—	443
Miscellaneous income	346	1,341
Total non-operating income	1,373	10,929
Non-operating expenses		
Interest expenses	243	218
Loss on tax purpose reduction entry of non-current assets	—	941
Foreign exchange losses	3,633	—
Share of loss of entities accounted for using equity method	387	—
Miscellaneous expenses	508	450
Total non-operating expenses	4,773	1,610
Ordinary profit	21,278	37,955
Extraordinary income		
Gain on sale of investment securities	—	25
Total extraordinary income	—	25
Extraordinary losses		
Loss on valuation of investment securities	—	3
Impairment losses	—	187
Loss on sale and retirement of non-current assets	352	545
Total extraordinary losses	352	736
Profit before income taxes	20,926	37,243
Income taxes	6,458	11,087
Profit	14,468	26,155
Profit attributable to non-controlling interests	485	586
Profit attributable to owners of parent	13,982	25,569

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	59,529	70,115
Other comprehensive income		
Valuation difference on available-for-sale securities	3,527	(7,622)
Deferred gains or losses on hedges	0	(0)
Foreign currency translation adjustment	17,425	7,292
Remeasurements of defined benefit plans, net of tax	31	(3,544)
Share of other comprehensive income of entities accounted for using equity method	(1,003)	(79)
Total other comprehensive income	19,982	(3,953)
Comprehensive income	79,511	66,161
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	77,569	64,291
Comprehensive income attributable to non-controlling interests	1,942	1,869

(3) Consolidated Statement of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Cash flows from operating activities		
Profit before income taxes	85,867	98,734
Depreciation	37,801	38,831
Amortization of goodwill	1,107	1,046
Impairment losses	—	187
Loss on retirement of non-current assets	1,122	1,417
Loss (gain) on sale of non-current assets	68	12
Increase or decrease in retirement benefit asset and liability	236	(2,221)
Loss (gain) on sale of investment securities	(13,701)	(14,499)
Loss (gain) on sale of shares of subsidiaries and associates	(540)	—
Loss (gain) on valuation of investment securities	—	245
Increase (decrease) in provision for bonuses	(8,759)	(7,794)
Interest and dividend income	(4,737)	(4,790)
Interest expenses	860	749
Share of loss (profit) of entities accounted for using equity method	4	(528)
Decrease (increase) in accounts receivable - trade, and contract assets	(1,771)	7,102
Decrease (increase) in inventories	(8,845)	(22,064)
Increase (decrease) in trade payables	(20,045)	(2,444)
Increase (decrease) in advances received	8,004	11,137
Other, net	2,782	(3,958)
Subtotal	79,453	101,162
Interest and dividends received	5,149	5,000
Interest paid	(967)	(811)
Income taxes refund	7,980	2,364
Income taxes paid	(26,862)	(38,976)
Net cash provided by (used in) operating activities	64,753	68,738
Cash flows from investing activities		
Purchase of property, plant and equipment	(34,129)	(39,753)
Proceeds from sale of property, plant and equipment	571	935
Payments into time deposits	(11,636)	(15,342)
Proceeds from withdrawal of time deposits	17,061	13,074
Purchase of investment securities	(791)	(1,112)
Purchase of shares of subsidiaries	—	(105)
Proceeds from sale and redemption of investment securities	22,012	15,913
Proceeds from sale of shares of subsidiaries and associates	16,739	—
Purchase of intangible assets	(11,095)	(9,902)
Decrease (increase) in short-term loans receivable	(912)	330
Other, net	(418)	1,150
Net cash provided by (used in) investing activities	(2,597)	(34,810)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	425	578
Repayments of lease liabilities	(4,319)	(4,186)
Proceeds from long-term borrowings	5	398
Repayments of long-term borrowings	(1,904)	(9,673)
Redemption of bonds	—	(30)
Dividends paid	(27,846)	(31,952)
Dividends paid to non-controlling interests	(1,211)	(967)
Purchase of treasury shares	(16,171)	(8,921)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(3)	(41)
Other, net	80	139
Net cash provided by (used in) financing activities	(50,946)	(54,657)
Effect of exchange rate change on cash and cash equivalents	3,651	1,655
Net increase (decrease) in cash and cash equivalents	14,861	(19,073)
Cash and cash equivalents at beginning of period	85,207	126,367
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	8	60
Cash and cash equivalents at end of period	100,077	107,354

(4) Notes to Consolidated Financial Statements

(The premise of a going concern)

Not applicable.

(Significant Change in Shareholder Equity)

Not applicable.

(Accounting treatment specific to the preparation of quarterly consolidated financial statements)

(Calculation of tax expense)

Tax expenses are calculated by reasonably estimating the effective tax rate after applying tax effect accounting to profit before income taxes for the fiscal year, including the third quarter of the current fiscal year, and multiplying profit before income taxes (quarterly) by the estimated effective tax rate. However, if the calculation of tax expenses using such estimated effective tax rate would significantly lack rationality, tax expenses are calculated using the statutory tax rate. Income taxes - deferred are included in income taxes.

(Segment Information)

I Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

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

(Millions of yen)

	Reportable Segments					Other (Notes 1,2)	Total
	Housing (Note 1)	UIEP	HPP	Medical	Total		
Net Sales							
Japan	390,415	131,518	84,658	33,883	640,475	1,415	641,891
North America	—	2,134	72,983	15,257	90,375	—	90,375
Europe	—	3,963	55,265	6,261	65,489	—	65,489
China	—	3,909	51,123	9,962	64,995	1,017	66,013
Asia	949	16,604	33,559	1,348	52,461	48	52,509
Others	—	2,143	4,869	639	7,651	—	7,651
Net sales to external customers	391,365	160,272	302,459	67,352	921,449	2,481	923,931
Intersegment sales or transfers	182	9,184	3,816	—	13,183	2,037	15,221
Total	391,547	169,457	306,276	67,352	934,633	4,519	939,152
Segment profit (loss)	19,440	13,934	37,557	8,006	78,939	(7,987)	70,951

(Note 1) Net sales in “Housing” include 32,600 million yen that does not correspond to revenue from contracts with customers under “Japan.”

Net sales in “Other” include 616 million yen that does not correspond to revenue from contracts with customers under “Japan.”

(Note 2) “Other” represents segments other than the reportable segments and includes provision of services and manufacturing and sales of film-type lithium-ion batteries and products not included in the reportable segments.

2. Difference between the total amount of profit or loss of the reportable segments and the amount recorded in the quarterly consolidated statement of income, and descriptions on such difference (matters on difference adjustment)

(Millions of yen)

Profit	Amount
Reportable segment total	78,939
Profit (loss) in “Other”	(7,987)
Intersegment eliminations	296
Corporate expenses (Note)	(5,413)
Operating profit in the quarterly consolidated statement of income	65,834

(Note) Corporate expenses are mainly general and administrative expenses not attributable to each reportable segment.

II Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

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

(Millions of yen)

	Reportable Segments					Other (Notes 1,2)	Total
	Housing (Note 1)	UIEP	HPP	Medical	Total		
Net Sales							
Japan	384,564	135,360	85,683	35,236	640,845	1,744	642,589
North America	—	2,243	83,180	17,358	102,782	—	102,782
Europe	—	5,110	62,101	8,293	75,505	—	75,505
China	—	2,853	55,412	10,098	68,364	1,369	69,733
Asia	1,014	16,770	37,953	1,643	57,382	32	57,414
Others	—	1,934	5,011	370	7,316	—	7,316
Net sales to external customers	385,579	164,273	329,341	73,001	952,196	3,146	955,342
Intersegment sales or transfers	74	10,002	3,770	—	13,847	1,922	15,770
Total	385,653	174,275	333,112	73,001	966,044	5,068	971,112
Segment profit (loss)	23,274	15,024	45,461	9,296	93,056	(8,849)	84,206

(Note 1) Net sales in “Housing” include 33,409 million yen that does not correspond to revenue from contracts with customers under “Japan.”

Net sales in “Other” include 792 million yen that does not correspond to revenue from contracts with customers under “Japan.”

(Note 2) “Other” represents segments other than the reportable segments and includes provision of services and manufacturing and sales of film-type lithium-ion batteries and products not included in the reportable segments.

2. Difference between the total amount of profit or loss of the reportable segments and the amount recorded in the quarterly consolidated statement of income, and descriptions on such difference (matters on difference adjustment)

(Millions of yen)

Profit	Amount
Reportable segment total	93,056
Profit (loss) in “Other”	(8,849)
Intersegment eliminations	(142)
Corporate expenses (Note)	(6,704)
Operating profit in the quarterly consolidated statement of income	77,359

(Note) Corporate expenses are mainly general and administrative expenses not attributable to each reportable segment.