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Consolidated Financial Results for the Six Months Ended September 30, 2024 <Under Japanese GAAP>

October 31, 2024

<p>Company Name: SEKISUI KASEI CO., LTD. Listings: Tokyo Stock Exchange Securities Code: 4228 URL: https://www.sekisuikasei.com Representative Director: Mr. Masato Kashiwabara, President Inquiries: Mr. Katsumi Sasaki, Senior Managing Executive Officer Head of Corporate Strategic Headquarters +81-3- 3347-9618</p> <p>TEL: Scheduled date to file semi-annual securities report: November 14, 2024 Scheduled date to commence dividend payments: December 5, 2024 Preparation of supplementary material on semi-annual financial results: Yes Holding of semi-annual financial results briefing: Yes (For securities analysts, institutional investor fund managers)</p>	
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(Figures rounded down to the nearest million yen)

1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(1) Consolidated Operating Results (% figures represent changes from the same period of 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	%
Six months ended September 30, 2024	69,061	6.3	78	-76.7	-378	-	-371	-
September 30, 2023	64,996	6.7	338	-	1,168	-	459	-

Note: Comprehensive Income: For the six months ended September 30, 2024: -187 million yen [- %]

For the six months ended September 30, 2023: -1,530 million yen [- %]

	Net Income Attributable to Owners of Parent per Share		Net Income Attributable to Owners of Parent per Share (Diluted)	
	yen		yen	
Six months ended September 30, 2024	-8.19		-	
September 30, 2023	10.15		-	

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity to Asset Ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	144,974	56,217	38.3
As of March 31, 2024	146,473	56,821	38.3

Reference: Equity As of September 30, 2024: 55,456 million yen As of March 31, 2024: 56,060 million yen

2. Cash Dividend

(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	-	3.00	-	10.00	13.00
March 31, 2025	-	3.00			
March 31, 2025 (Forecast)			-	10.00	13.00

Note: Revisions to the forecast of cash dividends most recently announced: No

3. Consolidated Outlook for FY2024 (April 1, 2024 to March 31, 2025)

(% 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
Full Year	134,000	2.9	1,000	-20.7	700	-74.4	400	-63.1	8.80

Note: Revisions to the forecast of consolidated earnings most recently announced: No

Note:

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None
- (3) Changes in the accounting policy, changes in the 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
- Note: Please see “2. (4) Notes to Semi-annual Consolidated Financial Statements (Changes in Accounting Policies)” on page 10 for details.
- (4) Number of shares issued (common shares)
- a) Number of shares issued at the end of the period (including treasury shares):

As of September 30, 2024	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 September 30, 2024	1,525,694 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):

Six months ended June 30, 2024	45,411,756 shares
Six months ended June 30, 2023	45,316,666 shares

Note: Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

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

(Cautionary statement regarding forward-looking statements)

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 forecast. For important matters regarding the conditions associated with the assumptions of these forecasts and their appropriate use, please see “1. (4) Consolidated Financial Results Forecasts and Other Forward-looking Information” on page 4 of the Quarterly Financial Report (Attached document).

Table of Contents of the Appendix

1. Qualitative Information and Financial Review.....	2
(1) Consolidated Business Results.....	2
(2) Overview of Semi-annual Financial Position.....	4
(3) Interim Dividend.....	4
(4) Consolidated Financial Results Forecasts and Other Forward-looking Information.....	4
2. Semi-annual Consolidated Financial Statements and Notes	5
(1) Semi-annual Consolidated Balance Sheets	5
(2) Semi-annual Consolidated Statements of Income and Statements of Comprehensive Income.....	7
Semi-annual Consolidated Statements of Income	7
Semi-annual Consolidated Statements of Comprehensive Income.....	8
(3) Semi-annual Consolidated Statements of Cash Flows.....	9
(4) Notes to Semi-annual Consolidated Financial Statements	10
(Changes in Accounting Policies).....	10
(The Premise of a Going Concern).....	10
(Significant Changes in Shareholder Equity)	10
(Segment Information)	11

1. Qualitative Information and Financial Review

(1) Consolidated Business Results

During the six months ended September 30, 2024, factors such as the prolongation of the situation between Ukraine and Russia and the situation in the Middle East led to continued uncertainty for the global economy. In the automotive industry, there were variances in automotive production by region and manufacturer. In the area of electronics, demand for television and monitor applications was strong. Although such factors as improvements in income and the employment environment have driven a moderate recovery in personal consumption, persistently high prices for resources and instability in the foreign exchange and stock markets have led to continued uncertainty for the Japanese economy. In addition, responses to environmental issues, such as reductions in greenhouse gas emissions and the problem of climate change, are becoming increasingly important.

In Japan's foam plastics industry, food container-related demand was affected by high prices and other factors, but with a recovery in personal consumption becoming visible, demand related to home meals and home-meal replacements was robust. In addition, while there was strength in various parts in the Industry Segment, transport materials and packaging materials were weak.

In this business environment, the Group has been working as one on the three Key Issues of the three-year medium-term management plan, "Spiral-up 2024," which was launched in FY2022. In terms of "Strengthen the earnings structure," by selecting and concentrating management resources we are working to restructure the business portfolio, implement innovations in production, and generate profits rapidly from newly developed products. In terms of the creation of new businesses, we developed a new product called Fluxflow, which makes use of proprietary solution polymerization technology. As a dispersant that does not use fluorochemical surfactants and is able to conform to PFAS regulations*, we are currently working on potential markets and accelerating our shift towards high value-added businesses. Moreover, in terms of "Shift to businesses that solve environmental and social issues," we have also positioned "expanding Sustainable Star Product (our environmentally friendly product brand) through recycling-based business" and "striving to achieve carbon neutrality" as key issues, while striving to strengthen SKG-5R activities in order to further mitigate environmental impacts through our business activities. In March 2024, we became the third company to acquire certification in the Kansai region for voluntary recovery and resource circulation project plans based on the Act on Promotion of Resource Circulation for Plastics. We have also received additional certification for the Kanto region, and are promoting a voluntary recovery and resource circulation project for expanded polystyrene involving local residents and SEKISUI KASEI Group employees. We are working to enhance plastic resource circulation through the use of our proprietary ESLEN Beads RNW products. In terms of "Reinforce our management foundations," we have identified materiality (key management issues) and set KPIs for each, thus strengthening ESG management for sustainable growth.

In terms of sales, in the Human Life Segment we made efforts to expand sales of Sustainable Star Product, but fishery-related demand was weak, resulting in a year-on-year decline. In the Industry Segment we also pushed to expand the customer base in all regions, but sluggish demand made for a difficult situation in Europe and Southeast Asia in particular.

In terms of profits, we strived to improve profitability by reducing costs and cutting fixed expenses, as well as passing higher inputs on to selling prices, but were affected by soaring material prices and higher labor costs globally, as well as by fluctuations in foreign exchange.

As a result, for the six months ended September 30, 2024, the Group posted net sales of ¥69,061 million (up 6.3% year on year), operating income of ¥78 million (down 76.7% year on year), and an ordinary loss of ¥378 million (compared to ordinary income of ¥1,168 million in the same period of the previous fiscal year). This led to a net loss attributable to owners of the parent of ¥371 million (compared to a net income of ¥459 million for the same period of the previous fiscal year).

* PFAS regulations: PFAS is a general term for organofluorine compounds, which have been used in a wide range of applications in a variety of fields. At the same time, they have become increasingly regulated, primarily in Europe, with manufacturing and use of some substances being forbidden due to indications of harmfulness to the human body.

* The "SKG" in "SKG-5R" represents SEKISUI KASEI Group, and the "5R" stands for Reduce, Reuse, Recycle, Replace and Re-create.

The results for each segment are as follows.

<Human Life Segment>

Net sales in the Human Life Segment reached ¥25,836 million (up 5.3% year on year), with a segment income of ¥643 million (down 31.1% year on year).

Food field	<p>“ESLEN Sheets”</p> <ul style="list-style-type: none"> • Strong 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) • Shipments of products for instant noodle applications were weak, due to falling demand
	<p>“ESLEN Beads”</p> <ul style="list-style-type: none"> • Shipments for agricultural applications were sluggish due to the effects of weather • Fishery shipments were weak due to the continuing impact of declining catches and the suspension of shipments to China • Shipments for life goods application were weak due to continued sluggishness in cushion demand • Construction material applications performed well, due to rising demand for insulation materials and lightweight aggregates
Housing/Energy field	<ul style="list-style-type: none"> • In civil engineering related applications, delays in the progress of construction projects continued, leading to weak sales of EPS blocks • Although we saw some movement in AQUAROAD rainwater storage tanks in the first quarter, the second quarter was weak

* 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

<Industry Segment>

Net sales in the Industry Segment reached ¥43,224 million (up 6.8% year on year), with a segment income of ¥862 million (down 17.8% year on year).

Mobility field	<ul style="list-style-type: none"> • Despite the impact of reduced production by automakers following the Noto Peninsula earthquake and problems with improper certification, sales of PIOCELAN and other parts for automotive applications rose in the Americas and were flat year on year overall • Despite increased adoption of PIOCELAN RNW, sales of PIOCELAN and other materials for parts packaging applications were weak overall, due to such factors as the increased usage of returnable materials leading to a fall in volume • Sales of FRP parts and related materials for trucks and buses rose slightly year on year • With automotive production in the European market recording a year-on-year decline, losses continued at Proseat Group despite improvements in performance driven by price revisions
Electronics field	<ul style="list-style-type: none"> • Sales of PIOCELAN for use in LCD panel transportation material applications rose in Asia, recording significant year-on-year growth • TECHPOLYMER sales grew significantly year on year, due in part to robust demand for use in monitors and the adoption of TECHPOLYMER for use in new lighting applications
Medical/Healthcare field	<ul style="list-style-type: none"> • ELASTIL sales grew significantly year on year due to rising sales for protective sneakers and other factors • Despite weak demand in medical and healthcare applications, TECHNOGEL sales were strong due to a recovery in gel rolls

* 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) Overview of Semi-annual Financial Position

At the end of the six months under review, assets totaled ¥144,974 million (a decrease of ¥1,499 million from the end of the previous fiscal year). In assets, decreases in items such as cash and deposits resulted in current assets falling by ¥1,914 million. Non-current assets rose by ¥414 million due to an increase in machinery, equipment and vehicles.

In liabilities, current liabilities rose by ¥564 million as a result of increases in short-term loans and other items. Conversely, long-term liabilities decreased by ¥1,460 million, mainly as a result of a decrease in long-term loans. Net assets decreased by ¥603 million to ¥56,217 million, due mainly to a decline in retained earnings. Equity, which is net assets after deducting non-controlling interests, came to ¥55,456 million, and the equity ratio was 38.3%.

As for cash flows for the six months ended September 30, 2024, cash flows from operating activities saw proceeds increase by ¥291 million year on year, resulting in ¥1,542 million in net cash provided by operating activities, due mainly to a rise in decrease (increase) in notes and accounts receivable. Due partly to the increase in purchases of property, plant and equipment, net cash used in investing activities increased by ¥863 million over the same period of the previous fiscal year to ¥2,405 million. Cash flows associated with financing activities decreased by ¥99 million year on year, resulting in ¥1,198 million in net cash used in financing activities, due mainly to increases in proceeds from long-term loans. As a result, the balance of cash and cash equivalents as of September 30, 2024 decreased by ¥2,128 million from the end of the previous fiscal year to ¥8,739 million.

(3) Interim Dividend

We have traditionally considered the return of profits to shareholders an important management issue. The situation is challenging, but with the emphasis on a stable dividend, we will pay a dividend of 3 yen per share in line with our initial announcement.

(4) Consolidated Financial Results Forecasts and Other Forward-looking Information

Consolidated earnings forecasts for the fiscal year ending March 31, 2025 are unchanged from the figures announced on October 29, 2024.

2. Semi-annual Consolidated Financial Statements and Notes

(1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	10,904	8,846
Notes and accounts receivable - trade, and contract assets	29,377	30,173
Electronically recorded monetary claims – operating	9,141	7,456
Merchandise and finished goods	8,604	8,906
Work in process goods	2,420	2,294
Raw materials and supplies	5,220	5,177
Other	3,496	4,370
Allowance for doubtful accounts	(56)	(28)
Total current assets	69,110	67,195
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,350	14,092
Machinery, equipment and vehicles, net	12,763	13,450
Land	21,510	21,452
Other, net	5,088	5,250
Total property, plant and equipment	53,712	54,245
Intangible assets		
Other intangible assets	1,935	2,039
Total intangible assets	1,935	2,039
Investments and other assets		
Investments in securities	13,045	12,744
Assets for retirement benefits	6,711	6,787
Other	2,014	2,038
Allowance for doubtful accounts	(55)	(77)
Total investments and other assets	21,715	21,493
Total non-current assets	77,363	77,778
Total assets	146,473	144,974

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable – trade	18,437	18,384
Electronically recorded obligations – operating	8,611	7,561
Short-term loans	14,466	15,604
Accrued income and enterprise taxes	742	679
Provision for bonuses to employees	1,080	1,041
Provision for bonuses to directors and audit and supervisory board members	33	35
Other	9,599	10,228
Total current liabilities	52,971	53,535
Long-term liabilities		
Bonds payable	7,000	7,000
Long-term loans	16,413	15,043
Liabilities for retirement benefits	3,916	4,028
Provision for product warranty	57	57
Other	9,293	9,092
Total long-term liabilities	36,681	35,221
Total liabilities	89,652	88,756
Net assets		
Shareholders' equity		
Common stock	16,533	16,533
Capital surplus	16,408	16,377
Retained earnings	17,142	16,317
Treasury stock	(1,301)	(1,230)
Total shareholders' equity	48,783	47,997
Accumulated other comprehensive income		
Net unrealized holding gains on securities	6,880	6,722
Surplus arising from land revaluation	1,479	1,479
Translation adjustments	(778)	(425)
Retirement benefits liability adjustments	(304)	(317)
Total accumulated other comprehensive income	7,277	7,458
Non-controlling interests	760	761
Total net assets	56,821	56,217
Total liabilities and net assets	146,473	144,974

(2) Semi-annual Consolidated Statements of Income and Statements of Comprehensive Income

Semi-annual Consolidated Statements of Income

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	64,996	69,061
Cost of sales	51,906	55,844
Gross profit	13,090	13,216
Selling, general and administrative expenses	12,751	13,137
Operating income (loss)	338	78
Non-operating income		
Interest income	31	15
Dividend income	174	211
Foreign exchange gains, net	665	-
Other	461	183
Total non-operating income	1,332	410
Non-operating expenses		
Interest expense	369	490
Loss on sales or disposal of equipment	32	33
Foreign exchanges loss, net	-	255
Other	99	88
Total non-operating expenses	501	868
Ordinary income (loss)	1,168	(378)
Extraordinary income		
Gain on sales of investments in securities	-	588
Total extraordinary income	-	588
Extraordinary loss	-	-
Impairment loss	-	57
Total extraordinary loss	-	57
Net income before income taxes	1,168	151
Income taxes	704	521
Net income (loss)	464	(369)
Net income attributable to non-controlling interests	4	2
Net income (loss) attributable to owners of the parent	459	(371)

Semi-annual Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net income (loss)	464	(369)
Other comprehensive (loss) income		
Net unrealized holding gains on securities	(1,276)	(158)
Translation adjustments	(699)	353
Retirement benefits liability adjustments	(18)	(13)
Total other comprehensive (loss) income	(1,994)	181
Comprehensive income	(1,530)	(187)
Comprehensive income attributable to:		
Owners of parent	(1,534)	(190)
Non-controlling interests	4	2

(3) Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Net income before income taxes	1,168	151
Depreciation and amortization	2,826	2,991
Impairment loss	-	57
Increase (decrease) in allowance for doubtful accounts	(2)	(4)
Interest and dividend income	(205)	(226)
Interest expense	369	490
Increase (decrease) in provision for bonuses to employees	4	(38)
Increase (decrease) in provision for product warranty	(14)	(0)
Increase (decrease) in net liabilities for retirement benefits	22	(1)
Loss (gain) on sales of investments in securities	-	(588)
Loss (gain) on sales and retirement of property, plant, equipment	29	27
Decrease (increase) in notes and accounts receivable	(3,334)	1,154
Decrease (increase) in inventories	1	126
Increase (decrease) in notes and accounts payable	699	(1,208)
Other, net	181	(533)
Subtotal	1,746	2,397
Interest and dividends received	206	226
Interest paid	(335)	(434)
Proceeds from casualty insurance claims	856	4
Income taxes (paid) refunded	(1,223)	(652)
Net cash provided by (used in) operating activities	1,251	1,542
Cash flows from investing activities		
Purchases of property, plant and equipment	(1,409)	(2,834)
Proceeds from sales of property, plant and equipment	12	17
Purchases of investments in securities	(2)	(2)
Proceeds from sales of investments in securities	-	663
Increase in short-term and long-term loans receivable	(6)	(3)
Collection of short-term and long-term loans receivable	10	9
Other, net	(146)	(256)
Net cash provided by (used in) investing activities	(1,541)	(2,405)
Cash flows from financing activities		
Net increase (decrease) in short-term loans	1,954	1,271
Proceeds from long-term loans	1,500	2,200
Repayment of long-term loans	(3,860)	(3,714)
Dividends paid	(407)	(453)
Dividends paid to non-controlling shareholders	(1)	(1)
Other, net	(482)	(499)
Net cash provided by (used in) by financing activities	(1,298)	(1,198)
Effect of exchange rate changes on cash and cash equivalents	131	(66)
Net increase (decrease) in cash and cash equivalents	(1,457)	(2,128)
Cash and cash equivalents at the beginning of the period	11,072	10,867
Cash and cash equivalents at the end of the period	9,615	8,739

(4) Notes to Semi-annual 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 six months ended September 30, 2024. 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 six months ended September 30, 2024.

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 six months ended September 30, 2024. This change in accounting policy has been applied retrospectively, and is reflected in the consolidated financial statements for the six months ended September 30, 2023 and for the fiscal year ended March 31, 2024. Furthermore, this change in accounting policy had no impact on the consolidated financial statements for the six months ended September 30, 2023 or for the fiscal year ended March 31, 2024.

(The Premise of a Going Concern)

Not applicable.

(Significant Changes in Shareholder Equity)

Not applicable.

(Segment Information)

I. Six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

1. Information on net sales and income (loss) by reportable segment, and information on disaggregation of revenue

(Millions of yen)

	Reportable segments			Adjustments (Note 1)	Amounts recorded in Semi-annual Consolidated Statements of Income (Note 2)
	Human Life	Industry	Total		
Net sales					
Japan	24,515	12,520	37,036	-	37,036
Germany	-	6,155	6,155	-	6,155
Other Europe	-	13,623	13,623	-	13,623
Asia	22	5,931	5,954	-	5,954
Other	0	2,227	2,227	-	2,227
Revenue from contracts with customers	24,538	40,457	64,996	-	64,996
Other revenue	-	-	-	-	-
Net sales to external customers	24,538	40,457	64,996	-	64,996
Inter-segment net sales or transfers	306	57	364	(364)	-
Total	24,845	40,514	65,360	(364)	64,996
Segment income (loss)	933	1,049	1,982	(813)	1,168

(Note 1) Adjustments were as follows:

Adjustments for segment income (loss) of ¥(813) million consisted of inter-segment eliminations of ¥(0) million and corporate expenses not allocated to reportable segments of ¥(814) million.

(Note 2) Segment income (loss) was adjusted for ordinary income in Semi-annual Consolidated Statements of Income.

(Note 3) Major products in each segment

- Human Life Segment:

ESLEN Beads, ESLEN Sheet, ESLEN Wood, INTERFOAM, CELPET, other foamed/molded products, 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, etc.

II. Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

1. Information on net sales and income (loss) by reportable segment, and information on disaggregation of revenue

	Reportable segments			Adjustments (Note 1)	(Millions of yen)
	Human Life	Industry	Total		Amounts recorded in Semi-annual Consolidated Statements of Income (Note 2)
Net sales					
Japan	25,822	11,752	37,575	-	37,575
Germany	-	6,170	6,170	-	6,170
Other Europe	-	15,737	15,737	-	15,737
Asia	14	7,121	7,136	-	7,136
Other	-	2,440	2,440	-	2,440
Revenue from contracts with customers	25,836	43,224	69,061	-	69,061
Other revenue	-	-	-	-	-
Net sales to third parties	25,836	43,224	69,061	-	69,061
Inter segment net sales or transfers	194	104	229	(229)	-
Total	26,031	43,328	69,360	(299)	69,061
Segment income (loss)	643	862	1,505	(1,884)	(378)

(Note 1) Adjustments were as follows:

Adjustments for segment income (loss) of ¥ (1,884) million consisted of inter-segment eliminations of ¥ 5 million and company-wide expenses not allocated to reportable segments of ¥ (1,889) million.

(Note 2) Segment income (loss) was adjusted for ordinary loss in Semi-annual Consolidated Statements of Income.

(Note 3) Major products in each segment

- Human Life Segment:

ESLEN Beads, ESLEN Sheet, ESLEN Wood, INTERFOAM, CELPET, other foamed/molded products, 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, etc.

(Note 4) Change of display method

In the six months ended September 30, 2024, “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 six months ended September 30, 2023, have been restated using the categories from after the change.