

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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

January 31, 2025

<p>Company Name: SEKISUI KASEI CO., LTD.          Listing: Tokyo Stock Exchange          Securities Code: 4228          URL: <a href="https://www.sekisuikasei.com">https://www.sekisuikasei.com</a>          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 commence dividend payments: -          Preparation of supplementary material on quarterly financial results: No          Holding of quarterly financial results briefing: No</p>	
--	--

(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 Income		Ordinary Income		Net Income Attributable to Owners of Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
December 31, 2024	103,967	6.5	291	-40.7	315	-58.9	25	-
December 31, 2023	97,592	4.8	492	205.4	768	220.8	-244	-

Note: Comprehensive Income: For the nine months ended December 31, 2024: -121 million yen [- %]

For the nine months ended December 31, 2023: -994 million yen [- %]

	Net Income Attributable to Owners of Parent per Share	Net Income Attributable to Owners of Parent per Share (Diluted)
	yen	yen
Nine months ended		
December 31, 2024	0.56	-
December 31, 2023	-5.40	-

#### (2) Consolidated Financial Position

	Total Assets	Net Assets	Equity to Asset Ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	147,941	56,148	37.4
As of March 31, 2024	146,473	56,821	38.3

Reference: Equity As of December 31, 2024: 55,387 million yen As of March 31, 2024: 56,060 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	-	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 quarterly consolidated financial statements: None

(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: Yes
- b) Changes other than a): None
- c) Changes in accounting estimates: None
- d) Restatements: None

Note: Please see “2. (4) Notes to Quarterly 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 December 31, 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 December 31, 2024	1,525,782 shares
As of March 31, 2024	1,614,299 shares

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

Nine months ended December 31, 2024	45,426,942 shares
Nine months ended December 31, 2023	45,333,859 shares

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 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. (3) Consolidated Financial Results Forecasts and Other Forward-looking Information” on page 5 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 Quarterly Financial Position .....	5
(3) Consolidated Financial Results Forecasts and Other Forward-looking Information.....	5
(4) Research and Development Activities .....	5
2. Quarterly Consolidated Financial Statements and Notes .....	6
(1) Quarterly Consolidated Balance Sheets .....	6
(2) Quarterly Consolidated Statements of Income and Statements of Comprehensive Income.....	8
Quarterly Consolidated Statements of Income .....	8
Quarterly Consolidated Statements of Comprehensive Income.....	9
(3) Quarterly Consolidated Statements of Cash Flows .....	10
(4) Notes to Quarterly Consolidated Financial Statements .....	11
(Changes in Accounting Policies).....	11
(The Premise of a Going Concern) .....	11
(Significant Changes in Shareholder Equity) .....	11
(Segment Information) .....	12

# 1. Qualitative Information and Financial Review

## (1) Consolidated Business Results

During the nine months ended December 31, 2024, the future of the global economy became increasingly uncertain due to such factors as the situation in Ukraine, the prolongation of geopolitical instability in the Middle East, and higher prices resulting from soaring costs for energy and resources, driven by changes in the international political situation. 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 a turnaround in personal consumption driven by improvements in the employment environment and a rise in inbound tourism have led to a moderate trend of recovery in business conditions, elevated 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, industrial parts, packaging materials, and transport materials put in a strong performance.

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," we worked to rebuild the business portfolio by selecting and concentrating management resources, and in the third quarter we conducted consolidations of subsidiaries on which we had been working as a measure to improve capital efficiency, such as Sekisui Kasei Tohoku, Sekisui Kasei Sakai, and Sekisui Kasei Shanghai Precision Forming. Going forward, we will continue to review unprofitable or under-utilized assets and take other measures as part of our efforts to shift management resources to high value-added businesses.

As for "Shift to businesses that solve environmental and social issues," the polyester bead foam "ST-Eleveat BIO," which uses materials derived from biomass and is characterized by its environmental friendliness and durability, has been adopted for parts used in large two-wheeled vehicles. Furthermore, our newly developed fluoride-free polymer, "Fluxflow," is a material that is conformant with PFAS regulations\*. The polymer structure control technology it incorporates has led to the confirmation of its dispersive performance not only with PTFE particles but also for materials that are difficult to disperse, such as carbon nanotubes and inorganic fillers, and we are strengthening initiatives to expand the market. Going forward, we will redouble our efforts to reduce environmental impacts through our business activities.

On the theme of "Reinforce our management foundations," in the NIKKEI Sustainable Comprehensive Survey Smart Work Management and the Nikkei SDGs Management Survey, which evaluate companies that are working to resolve social, economic, and environmental issues through their businesses in a way that leads to sustainable enhancements in corporate value, we were awarded an overall rating of three stars for the sixth consecutive year. In the future we will continue our efforts to enhance corporate value by putting our corporate philosophy into practice.

In terms of sales, in the Human Life segment, although mainstream applications such as fisheries and agriculture saw declining demand, we captured new demand through the newly developed "ESLEN Sheet PZ series" of materials made with reduced resources, and succeeded in growing volumes. We also saw growing orders from consumer cooperatives and other customers for goods delivery boxes using "ESLEN Beads RNW," which makes use of recycled materials. In the Industry Segment, "PIOCELAN" experienced significant growth in the Asian market for LCD panel transportation materials, surpassing last year's figures. Our TECHPOLYMER, which uses polymerization technology, is seeing increased adoption in lighting applications such as automotive interior lighting and running lights for enhanced visibility. Furthermore, leveraging the electrode development technology that we have cultivated for electrocardiogram measurement and low-frequency therapy equipment, we worked on the development of new applications for our ST-gel (functional high-polymer gel), such as electrodes used in safe and effective electrostimulation for those suffering from brain conditions.

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

As a result, for the nine months ended December 31, 2024, the Group posted net sales of ¥103,967 million (up 6.5% year on year), operating income of ¥291 million (down 40.7% year on year), and ordinary income of ¥315 million (down 58.9% year on year). After adding extraordinary gains of ¥923 million derived from the sale of certain non-current assets and subtracting extraordinary losses of ¥112 million, which included such one-off items as impairment losses on non-current assets of domestic subsidiaries, net income attributable to owners of the parent came to ¥25 million (compared to a net loss of ¥244 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 results for each segment are as follows.

<Human Life Segment>

Net sales in the Human Life Segment reached ¥41,187 million (up 10.0% year on year), with a segment income of ¥1,838 million (up 17.9% year on year).

Food field	<p>“ESLEN Sheets”</p> <ul style="list-style-type: none"> <li>• Strong shipments of food container applications for supermarkets.</li> <li>• 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).</li> <li>• Demand for instant noodles applications has been on a slight recovery trend, leading to flat shipment volumes year on year.</li> </ul>
	<p>“ESLEN Beads”</p> <ul style="list-style-type: none"> <li>• Shipments for agricultural applications were sluggish due to the effects of weather.</li> <li>• In fishery applications, shipment volumes were weak due to the continuing impact of declining catches and the suspension of shipments to China.</li> <li>• We made progress in the adoption of RNW, which uses recycled raw materials, by consumer cooperatives in various regions.</li> </ul>
Housing/Energy field	<p>Construction-related materials</p> <ul style="list-style-type: none"> <li>• Demand for insulation materials and lightweight aggregates rose, and performance was favorable.</li> </ul> <p>Civil engineering-related materials</p> <ul style="list-style-type: none"> <li>• Delays in the progress of construction projects continued, leading to sales of EPS blocks decreasing year on year.</li> </ul> <p>Greening materials</p> <ul style="list-style-type: none"> <li>• Super Soilen System products for large redevelopment projects performed well, and lightweight greening materials were also strong.</li> </ul>

\* 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 ¥62,779 million (up 4.4% year on year), with a segment income of ¥759 million (down 5.7% year on year).

Mobility field	<p>PIOCELAN for parts packaging applications, etc.</p> <ul style="list-style-type: none"> <li>• Despite adoption of PIOCELAN RNW by customers and strength in North America, the increase in returnable materials led to continued declines in volume, and overall sales fell below previous-year levels.</li> </ul> <p>FRP parts and related materials</p> <ul style="list-style-type: none"> <li>• Sales for buses were strong, leading to a year-on-year increase.</li> </ul> <p>Proseat Group</p> <ul style="list-style-type: none"> <li>• With vehicle production in the European market decreasing year on year, losses continued despite the implementation of price revisions.</li> </ul>
Electronics field	<p>PIOCELAN</p> <ul style="list-style-type: none"> <li>• Sales for use in LCD panel transportation material applications rose in Asia, recording significant year-on-year growth.</li> </ul> <p>TECHPOLYMER</p> <ul style="list-style-type: none"> <li>• Performed well due to robust demand for use in monitors and the adoption for use in new lighting applications.</li> </ul>
Medical/Healthcare field	<p>ELASTIL</p> <ul style="list-style-type: none"> <li>• Although running shoe applications declined due to the end of production for the model in which ELASTIL had been adopted, sales for protective sneakers were robust, leading to an overall increase year on year.</li> </ul> <p>TECHNOGEL</p> <ul style="list-style-type: none"> <li>• Despite a delayed recovery in demand for medical and healthcare applications, expanding market share in gel rolls led to an overall increase year on year.</li> </ul>

\* 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 Quarterly Financial Position

At the end of the third quarter under review, assets totaled ¥147,941 million (an increase of ¥1,468 million from the end of the previous fiscal year). In assets, increases in items such as notes and accounts receivable - trade, and contract assets resulted in current assets rising by ¥1,800 million. Non-current assets declined by ¥332 million due to decreases in such items as buildings and structures, and land.

In liabilities, current liabilities rose by ¥8,464 million as a result of increases in short-term loans and other items. Conversely, as a result of decreases in such items as long-term loans, long-term liabilities decreased by ¥6,322 million. Net assets decreased by ¥673 million to ¥56,148 million, due to decreases in net unrealized holding gains on securities, and other items. As a result, the equity ratio was 37.4%.

As for cash flows for the nine months ended December 31, 2024, cash flows from operating activities saw proceeds decrease by ¥1,571 million year on year, resulting in ¥899 million in net cash provided by operating activities, due mainly to a smaller increase in notes and accounts payable. Due partly to the increase in purchases of property, plant and equipment, net cash used in investing activities increased by ¥921 million over the same period of the previous fiscal year to ¥3,912 million. Cash outflows associated with financing activities decreased by ¥3,905 million year on year, resulting in ¥1,452 million in net cash provided by financing activities, due mainly to increases in short-term loans. As a result, the balance of cash and cash equivalents as of December 31, 2024 decreased by ¥1,583 million from the end of the previous fiscal year to ¥9,283 million.

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

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

## (4) Research and Development Activities

The amount of R&D expenses recorded by the Group during the nine months ended December 31, 2024 was ¥2,118 million.

## 2. Quarterly Consolidated Financial Statements and Notes

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	10,904	9,887
Notes and accounts receivable - trade, and contract assets	29,377	30,968
Electronically recorded monetary claims – operating	9,141	9,932
Merchandise and finished goods	8,604	8,824
Work in process goods	2,420	1,830
Raw materials and supplies	5,220	5,157
Other	3,496	4,338
Allowance for doubtful accounts	(56)	(30)
<b>Total current assets</b>	<b>69,110</b>	<b>70,910</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,350	14,225
Machinery, equipment and vehicles, net	12,763	13,157
Land	21,510	21,336
Other, net	5,088	4,791
<b>Total property, plant and equipment</b>	<b>53,712</b>	<b>53,511</b>
Intangible assets		
Other intangible assets	1,935	2,027
<b>Total intangible assets</b>	<b>1,935</b>	<b>2,027</b>
Investments and other assets		
Investments in securities	13,045	12,866
Assets for retirement benefits	6,711	6,815
Other	2,014	1,888
Allowance for doubtful accounts	(55)	(77)
<b>Total investments and other assets</b>	<b>21,715</b>	<b>21,492</b>
<b>Total non-current assets</b>	<b>77,363</b>	<b>77,031</b>
<b>Total assets</b>	<b>146,473</b>	<b>147,941</b>



(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable – trade	18,437	18,989
Electronically recorded obligations – operating	8,611	8,835
Short-term loans	14,466	23,721
Accrued income and enterprise taxes	742	314
Provision for bonuses to employees	1,080	544
Provision for bonuses to directors and audit and supervisory board members	33	52
Other	9,599	8,977
<b>Total current liabilities</b>	<b>52,971</b>	<b>61,435</b>
<b>Long-term liabilities</b>		
Bonds payable	7,000	7,000
Long-term loans	16,413	10,239
Liabilities for retirement benefits	3,916	4,069
Provision for product warranty	57	57
Other	9,293	8,992
<b>Total long-term liabilities</b>	<b>36,681</b>	<b>30,358</b>
<b>Total liabilities</b>	<b>89,652</b>	<b>91,793</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	16,533	16,533
Capital surplus	16,408	16,377
Retained earnings	17,142	16,578
Treasury stock	(1,301)	(1,230)
<b>Total shareholders' equity</b>	<b>48,783</b>	<b>48,258</b>
<b>Accumulated other comprehensive income</b>		
Net unrealized holding gains on securities	6,880	6,805
Surplus arising from land revaluation	1,479	1,479
Translation adjustments	(778)	(834)
Retirement benefits liability adjustments	(304)	(322)
<b>Total accumulated other comprehensive income</b>	<b>7,277</b>	<b>7,128</b>
Non-controlling interests	760	761
<b>Total net assets</b>	<b>56,821</b>	<b>56,148</b>
<b>Total liabilities and net assets</b>	<b>146,473</b>	<b>147,941</b>

## (2) Quarterly Consolidated Statements of Income and Statements of Comprehensive Income

## Quarterly Consolidated Statements of Income

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	97,592	103,967
Cost of sales	78,143	83,571
Gross profit	19,449	20,395
Selling, general and administrative expenses	18,957	20,104
Operating income (loss)	492	291
Non-operating income		
Interest income	44	25
Dividend income	304	340
Foreign exchange gains, net	358	259
Other	537	297
Total non-operating income	1,245	923
Non-operating expenses		
Interest expense	616	696
Loss on sales or disposal of equipment	37	72
Other	315	130
Total non-operating expenses	969	899
Ordinary income (loss)	768	315
Extraordinary income		
Gain on sales of property, plant and equipment and intangible assets	-	335
Gain on sales of investments in securities	-	588
Total extraordinary income	-	923
Extraordinary loss		
Impairment loss	39	57
Loss on business liquidation	-	54
Total extraordinary loss	39	112
Net income before income taxes	728	1,127
Income taxes	964	1,099
Net income (loss)	(235)	27
Net income attributable to non-controlling interests	8	2
Net income (loss) attributable to owners of parent	(244)	25

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net income (loss)	(235)	27
Other comprehensive (loss) income		
Net unrealized holding gains on securities	(155)	(74)
Translation adjustments	(598)	(55)
Retirement benefits liability adjustments	(4)	(18)
Total other comprehensive (loss) income	(758)	(148)
Comprehensive (loss) income	(994)	(121)
Comprehensive income attributable to:		
Owners of parent	(1,003)	(123)
Non-controlling interests	8	2

## (3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
<b>Cash flows from operating activities</b>		
Net income before income taxes	728	1,127
Depreciation and amortization	4,258	4,503
Impairment loss	39	57
Loss on business liquidation	-	54
Increase (decrease) in allowance for doubtful accounts	(1)	(4)
Interest and dividend income	(349)	(365)
Interest expense	616	696
Increase (decrease) in provision for bonuses to employees	(471)	(536)
Increase (decrease) in net liabilities for retirement benefits	57	25
Increase (decrease) in provision for product warranty	(24)	(0)
Loss (gain) on sales of investments in securities	-	(588)
Loss (gain) on sales and retirement of property, plant, equipment	33	(268)
Decrease (increase) in notes and accounts receivable	(4,433)	(2,459)
Decrease (increase) in inventories	(180)	507
Increase (decrease) in notes and accounts payable	2,114	672
Other, net	1,444	(914)
Subtotal	3,832	2,506
Interest and dividends received	349	365
Interest paid	(521)	(629)
Proceeds from casualty insurance claims	859	6
Income taxes (paid) refunded	(2,047)	(1,349)
Net cash provided by (used in) operating activities	2,471	899
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(2,650)	(4,329)
Proceeds from sales of property, plant and equipment	17	579
Purchases of investments in securities	(3)	(4)
Proceeds from sales of investments in securities	-	663
Increase in short-term and long-term loans receivable	(17)	(3)
Collection of short-term and long-term loans receivable	15	11
Other, net	(351)	(830)
Net cash provided by (used in) investing activities	(2,991)	(3,912)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans	2,427	5,569
Proceeds from long-term loans	1,500	2,200
Repayment of long-term loans	(5,114)	(4,973)
Dividends paid	(537)	(584)
Dividends paid to non-controlling shareholders	(1)	(1)
Other, net	(726)	(756)
Net cash provided by (used in) financing activities	(2,452)	1,452
Effect of exchange rate changes on cash and cash equivalents	202	(23)
Net increase (decrease) in cash and cash equivalents	(2,769)	(1,583)
Cash and cash equivalents at the beginning of the period	11,072	10,867
Cash and cash equivalents at the end of the period	8,302	9,283

#### (4) Notes to Quarterly 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 nine months ended December 31, 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 nine months ended December 31, 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 nine months ended December 31, 2024. This change in accounting policy has been applied retrospectively, and is reflected in the consolidated financial statements for the nine months ended December 31, 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 nine months ended December 31, 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. Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 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 the Quarterly Consolidated Statements of Income (Note 2)
	Human Life	Industry	Total		
Net sales					
Japan	37,432	19,414	56,846	-	56,846
Germany	-	9,497	9,497	-	9,497
Other Europe	-	18,689	18,689	-	18,689
Asia	22	9,157	9,180	-	9,180
Other	-	3,378	3,378	-	3,378
Revenue from contracts with customers	37,454	60,137	97,592	-	97,592
Other revenue	-	-	-	-	-
Net sales to external customers	37,454	60,137	97,592	-	97,592
Inter-segment net sales or transfers	460	95	555	(555)	-
Total	37,915	60,233	98,148	(555)	97,592
Segment income (loss)	1,559	805	2,364	(1,595)	768

(Note 1) Adjustments were as follows:

Adjustments for segment income (loss) of ¥ (1,595) million consisted of inter-segment eliminations of ¥ (0) million and corporate expenses not allocated to reportable segments of ¥ (1,595) million.

(Note 2) Segment income (loss) was adjusted for ordinary income in the Quarterly 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. Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 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 the Quarterly Consolidated Statements of Income (Note 2)
Net sales					
Japan	41,166	18,014	59,181	-	59,181
Germany	-	8,547	8,547	-	8,547
Other Europe	-	22,012	22,012	-	22,012
Asia	21	10,668	10,689	-	10,689
Other	-	3,536	3,536	-	3,536
Revenue from contracts with customers	41,187	62,779	103,967	-	103,967
Other revenue	-	-	-	-	-
Net sales to third parties	41,187	62,779	103,967	-	103,967
Inter segment net sales or transfers	245	140	385	(385)	-
Total	41,433	62,920	104,353	(385)	103,967
Segment income (loss)	1,838	759	2,598	(2,282)	315

(Note 1) Adjustments were as follows:

Adjustments for segment income (loss) of ¥ (2,282) million consisted of inter-segment eliminations of ¥ 3 million and company-wide expenses not allocated to reportable segments of ¥ (2,285) million.

(Note 2) Segment income (loss) was adjusted for ordinary loss in the Quarterly 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 nine months ended December 31, 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 nine months ended December 31, 2023, have been restated using the categories from after the change.