# Consolidated Financial Results for the Six Months Ended June 30, 2024 [Japanese GAAP]

July 30, 2024

Company name: SHIKOKU KASEI HOLDINGS CORPORATION
Stock exchange listing: Tokyo Stock Exchange
Code number: 4099
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Scheduled date of filing semi-annual securities report: August 9, 2024
Scheduled date of commencing dividend payments: September 6, 2024
Availability of supplementary briefing material on financial results: Available
Schedule of financial results briefing session: Scheduled

(Amounts less than one million yen are rounded down)

**1. Consolidated Financial Results for the Six Months Ended June 30, 2024 (from January 1, 2024 to June 30, 2024)**

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|---|---|---|---|---|---|---|---|---|
| Six months ended | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| June 30, 2024 | 35,225 | 14.1 | 4,835 | 27.7 | 5,936 | 25.8 | 4,032 | 25.5 |
| Juen 30, 2023 | 30,880 | – | 3,786 | – | 4,720 | – | 3,212 | – |

(Note) Comprehensive income: Six months ended June 30, 2024: ¥5,335 million [(0.5)%]
Six months ended June 30, 2023: ¥5,361 million [– %]

| | Basic earnings per share | Diluted earnings per share |
|---|---|---|
| Six months ended | Yen | Yen |
| June 30, 2024 | 85.41 | – |
| June 30, 2023 | 61.22 | – |

The Company has changed the account closing date from March 31 to December 31 beginning with the fiscal year ended December 31, 2022. Accordingly, changes from the previous corresponding period are not presented as the semi-annual periods of the fiscal year 2023 (January 1, 2023 to June 30, 2023) and the fiscal year 2022 (April 1, 2022 to September 30, 2022) do not match.

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio |
|---|---|---|---|
| | Million yen | Million yen | % |
| As of June 30, 2024 | 131,878 | 81,271 | 61.1 |
| As of December 31, 2023 | 131,046 | 86,867 | 65.7 |

(Reference) Equity: As of June 30, 2024: ¥80,512 million
As of December 31, 2023: ¥86,157 million

**2. Dividends**

| | Annual dividends | | | | |
|---|---|---|---|---|---|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended December 31, 2023 | – | 14.00 | – | 14.00 | 28.00 |
| Fiscal year ending December 31, 2024 | – | 25.00 | | | |
| Fiscal year ending December 31, 2024 (Forecast) | | | – | 25.00 | 50.00 |

(Notes) 1. Revisions to the cash dividends forecast most recently announced: Yes
2. For details, please also refer to the Notice Regarding Revision of Basic Policy for Shareholder Returns, Dividends of Surplus (Interim Dividend), Revision of Year-end Dividend Forecast, and Abolition of Shareholder Special Benefit Program (Japanese only) released today (July 30, 2024).

**3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2024 (from January 1, 2024 to December 31, 2024)**

(% indicates changes from the previous corresponding period.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|---|---|---|---|---|---|---|---|---|---|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| Full year | 68,000 | 7.7 | 8,200 | 2.2 | 9,500 | 2.4 | 7,900 | 0.6 | 171.54 |

(Note) Revisions to the financial results forecast most recently announced: Yes

*** Notes:**

(1) Significant changes in the scope of consolidation during the period: No

(2) Accounting policies adopted specially for the preparation of semi-annual consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: No
2) Changes in accounting policies other than 1) above: No
3) Changes in accounting estimates: No
4) Retrospective restatement: No

(4) Total number of issued shares (ordinary shares)
1) Total number of issued shares at the end of the period (including treasury shares):
June 30, 2024: 44,869,563 shares
December 31, 2023: 50,760,663 shares
2) Total number of treasury shares at the end of the period:
June 30, 2024: 176,804 shares
December 31, 2023: 176,415 shares
3) Average number of shares during the period (cumulative from the beginning of the fiscal year):
Six months ended June 30, 2024: 47,217,749 shares
Six months ended June 30, 2023: 52,476,931 shares

* These semi-annual financial results are outside the scope of review by certified public accountants or audit firms.

* Explanation regarding the appropriate use of financial results forecasts and other special items
Forward-looking statements such as operating results forecasts and other projections contained in this report are based on information currently available to the Company and certain assumptions deemed reasonable. Actual results

may differ significantly from these forecasts due to a wide range of factors. For the assumptions underlying the operating results forecasts and cautionary notes concerning their use, please refer to "(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information" under "1. Qualitative Information on Quarterly Financial Results for the Period under Review" on page 4 of the attached documents to the quarterly financial statements.

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## 1. Qualitative Information on Quarterly Financial Results for the Period under Review

### (1) Explanation of Operating Results

The Japanese economy during the six months ended June 30, 2024 showed signs of recovery in corporate production activities and capital expenditure, but consumer sentiment showed a lack of strength due to the depreciation of the yen, high resource prices, and high commodity prices, resulting in sluggish performance in housing investment and other areas. In overseas economies, the U.S. economy has performed steadily, particularly in terms of consumer spending, but the global shipping environment remains in turmoil due to heightened geopolitical risks, posing one of the business risks for the Company.

Under these circumstances, for the six months ended June 30, 2024 (from January 1, 2024 to June 30, 2024), the Group posted net sales of ¥35,225 million (up 14.1% year-on-year), operating profit of ¥4,835 million (up 27.7% year-on-year), ordinary profit of ¥5,936 million (up 25.8% year-on-year), and profit attributable to owners of parent of ¥4,032 million (up 25.5% year-on-year), showing year-on-year growth in all of the aforementioned indicators.

Strong sales in overseas markets for our Chemicals operations combined with the depreciation of the yen, resulting in renewed record highs in terms of net sales, operating profit, ordinary profit, and profit attributable to owners of parent.

Operating results by segment are as follows.

**1) Chemicals operations**

(Inorganic chemicals)

Sales of insoluble sulfur, a material for radial tires, exceeded those of the previous year due to expansion in overseas markets. Sales of carbon disulfide for rayon and cellophane were also higher than the previous year due to strong export sales. Sales of sodium sulfate for bath agents and detergents were down on the previous year, due to sluggish demand.

(Organic chemicals)

Regarding chlorinated isocyanurates for disinfectants, sales exceeded those of the previous year in the domestic market due to solid sales for household sanitary use and other purposes. In the U.S. market, sales exceeded those of the previous year due to the progression of inventory adjustments in distribution and a tightening of supply and demand.

(Fine chemicals)

Sales of electronic chemicals exceeded those of the previous year due to strong export sales of Glicoat-SMD, a heat-resistant soluble OSP (Organic Solderability Preservative) for printed wiring boards, owing to the bottoming out of the semiconductor and electronics markets. Chemical adhesion process GliCAP also performed well due to an increase in the number of orders for use in server boards.

Sales of advanced & specialty chemicals exceeded those of the previous year owing to a recovery in the epoxy resin curing agent (imidazoles) and resin modifier (glycoluril derivatives, etc.) markets and the resulting growth in export sales. As for sales of semiconductor process materials, we saw progress in customer evaluations and the acquisition of new prototype production orders.

As a result, net sales for the Chemicals operations segment were ¥25,242 million (up 21.2% year-on-year) and segment profit was ¥4,090 million (up 41.1% year-on-year), with both up on the previous year.

**2) Housing Materials operations**

As housing-related demand has fallen amid the continued decline in the number of new housing starts, particularly for owned houses, due to a surge in construction costs and other factors, we have poured our efforts into expanding landscape exterior products for non-residential purposes, which is one of our strengths. Nevertheless, sales were down on the previous year.

As a result, net sales for the Housing Materials operations segment were ¥9,458 million (down 1.2% year-on-year) and segment profit was ¥546 million (down 23.6% year-on-year).

**Reference information**

[Overseas net sales]

| | Six months ended June 30, 2023 (from January 1, 2023 to June 30, 2023) | | Six months ended June 30, 2024 (from January 1, 2024 to June 30, 2024) | |
|---|---|---|---|---|
| | Net sales (Million yen) | Overseas net sales to consolidated net sales (%) | Net sales (Million yen) | Overseas net sales to consolidated net sales (%) |
| Asia | 2,657 | 8.6 | 3,840 | 10.9 |
| North America | 7,464 | 24.2 | 9,659 | 27.4 |
| Other regions | 954 | 3.1 | 1,056 | 3.0 |
| Total | 11,075 | 35.9 | 14,555 | 41.3 |
| Consolidated net sales | 30,880 | | 35,225 | |

(2) Explanation of Financial Position

(Status of assets, liabilities and net assets)

Total assets increased by ¥831 million from the end of the previous fiscal year to ¥131,878 million. Major increases were ¥4,358 million in investment securities and ¥1,766 million in accounts receivable – trade, while a major decrease was ¥5,820 million in cash and deposits.

Liabilities increased by ¥6,428 million from the end of the previous fiscal year to ¥50,606 million. Major increases were ¥3,312 million in long-term borrowings, ¥2,217 million in current portion of long-term borrowings, and ¥1,500 million in short-term borrowings.

Net assets decreased by ¥5,596 million from the end of the previous fiscal year to ¥81,271 million. A major increase was ¥959 million in valuation difference on available-for-sale securities, while a major decrease was ¥6,886 million in retained earnings.

As a result, equity ratio fell to 61.1% from 65.7% at the end of the previous fiscal year.

(Status of cash flows)

Cash flows provided by operating activities totaled ¥3,114 million (a decrease of ¥2,895 million year-on-year). Major cash inflows were profit before income taxes of ¥5,883 million and depreciation of ¥1,442 million, while major cash outflows were income taxes paid of ¥2,564 million and increase in trade receivables of ¥1,454 million.

Cash flows used in investing activities totaled ¥19,309 million (an increase of ¥16,147 million year-on-year). Major cash outflows were purchase of securities of ¥13,207 million, purchase of investment securities of ¥4,919 million and purchase of property, plant and equipment of ¥2,089 million.

Cash flows used in financing activities totaled ¥3,902 million (an increase of ¥2,088 million year-on-year). A major cash inflow was proceeds from long-term borrowings of ¥8,600 million, while major cash outflows were purchase of treasury shares of ¥10,221 million and repayments of long-term borrowings of ¥3,070 million.

As a result, cash and cash equivalents totaled ¥24,076 million (a decrease of ¥19,520 million from the end of the previous fiscal year).

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

The full-year financial results forecast has been revised from the initial plan (announced on January 30, 2024) as follows.

1. Revisions to the consolidated financial results forecast figures for the fiscal year ending December 31, 2024 (January 1, 2024 – December 31, 2024)

| | Net sales | Operating profit | Ordinary profit | Profit attributable to owners of parent | Basic earnings per share |
|---|---|---|---|---|---|
| Previous forecast (A) | 64,000 | 7,800 | 8,200 | 5,500 | 108.73 |
| Revised forecast (B) | 68,000 | 8,200 | 9,500 | 7,900 | 171.54 |
| Change (B - A) | 4,000 | 400 | 1,300 | 2,400 | |
| Change rate (%) | 6.3 | 5.1 | 15.9 | 43.6 | |

2. Reasons for the revision

Net sales were revised upward due to the revision of assumed exchange rates to ¥150 to U.S. dollar and ¥160 to Euro (from the original plan of ¥140 to U.S. dollar and ¥150 to Euro), reflecting the depreciation of the yen, and to the better-than-expected progression of the Chemicals operations plan in the first half of the fiscal year.

On the other hand, operating profit is expected to benefit only partially from the effect of the depreciating yen on the exchange rate, due to soaring prices of resources and various raw materials.

In addition, since foreign exchange gains are expected in non-operating income and gain on sale of investment securities resulting from the sale of cross-shareholdings are expected in extraordinary income, ordinary profit and profit attributable to owners of parent are also expected to exceed the initial plan.

(Note) The above financial results forecasts are based on information currently available to the Company as of the date of this report. Actual results may differ significantly from these forecasts due to a wide range of factors.

## 2. Semi-annual Consolidated Financial Statements and Primary Notes

### (1) Semi-annual Consolidated Balance Sheets

(Million yen)

| | As of December 31, 2023 | As of June 30, 2024 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 29,947 | 24,126 |
| Notes receivable - trade | 589 | 468 |
| Electronically recorded monetary claims - operating | 3,021 | 3,331 |
| Accounts receivable - trade | 13,907 | 15,674 |
| Securities | 17,505 | 18,011 |
| Merchandise and finished goods | 8,947 | 8,728 |
| Work in process | 37 | 48 |
| Raw materials and supplies | 4,400 | 4,347 |
| Other | 1,278 | 755 |
| Allowance for doubtful accounts | (3) | (3) |
| Total current assets | 79,631 | 75,488 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 5,926 | 5,960 |
| Machinery, equipment and vehicles, net | 6,648 | 6,768 |
| Land | 8,693 | 8,800 |
| Construction in progress | 3,446 | 3,792 |
| Other, net | 645 | 626 |
| Total property, plant and equipment | 25,360 | 25,947 |
| Intangible assets | 699 | 625 |
| Investments and other assets | | |
| Investment securities | 21,844 | 26,202 |
| Deferred tax assets | 1,909 | 2,056 |
| Retirement benefit asset | 532 | 549 |
| Other | 1,070 | 1,008 |
| Allowance for doubtful accounts | (0) | (0) |
| Total investments and other assets | 25,355 | 29,816 |
| Total non-current assets | 51,415 | 56,389 |
| Total assets | 131,046 | 131,878 |

(Million yen)

| | As of December 31, 2023 | As of June 30, 2024 |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 8,940 | 8,654 |
| Electronically recorded obligations - operating | 523 | 612 |
| Short-term borrowings | 3,530 | 5,030 |
| Current portion of long-term borrowings | 5,783 | 8,000 |
| Accrued expenses | 1,476 | 1,628 |
| Income taxes payable | 2,696 | 1,938 |
| Accrued consumption taxes | 558 | 190 |
| Notes payable - facilities | 4 | 1 |
| Electronically recorded obligations - facilities | 84 | 374 |
| Other | 3,097 | 2,987 |
| Total current liabilities | 26,694 | 29,416 |
| Non-current liabilities | | |
| Long-term borrowings | 12,906 | 16,219 |
| Deferred tax liabilities | 2,191 | 2,614 |
| Deferred tax liabilities for land revaluation | 998 | 998 |
| Provision for retirement benefits for directors (and other officers) | 64 | 65 |
| Retirement benefit liability | 591 | 549 |
| Asset retirement obligations | 370 | 371 |
| Provision for share awards | 43 | 55 |
| Other | 317 | 317 |
| Total non-current liabilities | 17,483 | 21,190 |
| Total liabilities | 44,178 | 50,606 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 6,867 | 6,867 |
| Capital surplus | 5,711 | 5,711 |
| Retained earnings | 66,077 | 59,190 |
| Treasury shares | (226) | (238) |
| Total shareholders' equity | 78,430 | 71,532 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 5,044 | 6,003 |
| Revaluation reserve for land | 2,274 | 2,274 |
| Foreign currency translation adjustment | 252 | 532 |
| Remeasurements of defined benefit plans | 155 | 170 |
| Total accumulated other comprehensive income | 7,726 | 8,980 |
| Non-controlling interests | 710 | 758 |
| Total net assets | 86,867 | 81,271 |
| Total liabilities and net assets | 131,046 | 131,878 |

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

Semi-annual Consolidated Statements of Income

(Million yen)

| | Six months ended June 30, 2023 | Six months ended June 30, 2024 |
|---|---|---|
| Net sales | 30,880 | 35,225 |
| Cost of sales | 19,137 | 21,349 |
| Gross profit | 11,742 | 13,875 |
| Selling, general and administrative expenses | | |
| Transportation and storage costs | 2,788 | 3,266 |
| Advertising expenses | 467 | 515 |
| Salaries | 1,181 | 1,338 |
| Retirement benefit expenses | 75 | 64 |
| Provision for retirement benefits for directors (and other officers) | 5 | 9 |
| Research and development expenses | 867 | 839 |
| Other | 2,568 | 3,005 |
| Total selling, general and administrative expenses | 7,955 | 9,040 |
| Operating profit | 3,786 | 4,835 |
| Non-operating income | | |
| Interest income | 103 | 148 |
| Dividend income | 271 | 241 |
| Foreign exchange gains | 554 | 737 |
| Miscellaneous income | 35 | 16 |
| Total non-operating income | 964 | 1,143 |
| Non-operating expenses | | |
| Interest expenses | 17 | 28 |
| Donations | 10 | 10 |
| Miscellaneous losses | 3 | 4 |
| Total non-operating expenses | 31 | 42 |
| Ordinary profit | 4,720 | 5,936 |
| Extraordinary income | | |
| Subsidy income | — | 0 |
| Gain on bargain purchase | 32 | — |
| Total extraordinary income | 32 | 0 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 52 | 5 |
| Loss on sale of investment securities | — | 47 |
| Total extraordinary losses | 52 | 53 |
| Profit before income taxes | 4,700 | 5,883 |
| Income taxes | 1,482 | 1,802 |
| Profit | 3,217 | 4,081 |
| Profit attributable to non-controlling interests | 4 | 48 |
| Profit attributable to owners of parent | 3,212 | 4,032 |

Semi-annual Consolidated Statements of Comprehensive Income

(Million yen)

| | Six months ended June 30, 2023 | Six months ended June 30, 2024 |
|---|---|---|
| Profit | 3,217 | 4,081 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,976 | 959 |
| Foreign currency translation adjustment | 161 | 280 |
| Remeasurements of defined benefit plans, net of tax | 6 | 14 |
| Total other comprehensive income | 2,143 | 1,254 |
| Comprehensive income | 5,361 | 5,335 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 5,356 | 5,286 |
| Comprehensive income attributable to non-controlling interests | 4 | 48 |

(3) Semi-annual Consolidated Statements of Cash Flows

(Million yen)

| | Six months ended June 30, 2023 | Six months ended June 30, 2024 |
|---|---|---|
| Cash flows from operating activities | | |
| Profit before income taxes | 4,700 | 5,883 |
| Depreciation | 1,623 | 1,442 |
| Gain on bargain purchase | (32) | – |
| Increase (decrease) in retirement benefit liability | 15 | (34) |
| Decrease (increase) in retirement benefit asset | (6) | (3) |
| Interest and dividend income | (374) | (389) |
| Interest expenses | 17 | 28 |
| Loss (gain) on sale of investment securities | – | 47 |
| Subsidy income | – | (0) |
| Loss on retirement of property, plant and equipment | 52 | 5 |
| Decrease (increase) in trade receivables | 134 | (1,454) |
| Decrease (increase) in inventories | 86 | 456 |
| Increase (decrease) in trade payables | (95) | (430) |
| Increase (decrease) in accrued consumption taxes | 57 | (40) |
| Other, net | (355) | (194) |
| Subtotal | 5,823 | 5,317 |
| Interest and dividends received | 375 | 389 |
| Interest paid | (18) | (28) |
| Subsidies received | – | 0 |
| Income taxes refund (paid) | (169) | (2,564) |
| Net cash provided by (used in) operating activities | 6,010 | 3,114 |
| Cash flows from investing activities | | |
| Purchase of securities | (3,000) | (13,207) |
| Proceeds from redemption of securities | 3,000 | – |
| Purchase of property, plant and equipment | (2,358) | (2,089) |
| Payments for retirement of property, plant and equipment | (28) | (5) |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | (81) | – |
| Purchase of investment securities | (706) | (4,919) |
| Proceeds from sale and redemption of investment securities | 500 | 894 |
| Other, net | (488) | 19 |
| Net cash provided by (used in) investing activities | (3,162) | (19,309) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | 1,000 | 1,500 |
| Proceeds from long-term borrowings | 3,000 | 8,600 |
| Repayments of long-term borrowings | (2,080) | (3,070) |
| Purchase of treasury shares | (3,039) | (10,221) |
| Dividends paid | (687) | (709) |
| Other, net | (6) | (0) |
| Net cash provided by (used in) financing activities | (1,814) | (3,902) |
| Effect of exchange rate change on cash and cash equivalents | 363 | 577 |
| Net increase (decrease) in cash and cash equivalents | 1,397 | (19,520) |
| Cash and cash equivalents at beginning of period | 36,683 | 43,597 |
| Cash and cash equivalents at end of period | 38,080 | 24,076 |

(4) Notes to Semi-annual Consolidated Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Notes in the case of significant changes in shareholders' equity)

(Purchase of treasury shares)

The Company resolved on February 28, 2024 to purchase its treasury shares pursuant to the provisions of the articles of incorporation, as set forth in Article 459, Paragraph 1 of the Companies Act, and purchased 5,891,100 shares of treasury shares. As a result, during the six months ended June 30, 2024, treasury shares increased by ¥10,221 million.

(Cancellation of treasury shares)

The Company resolved on February 28, 2024 to cancel its treasury shares pursuant to the provisions in Article 178 of the Companies Act, and cancelled 5,891,100 shares of treasury shares on March 8, 2024. As a result, during the six months ended June 30, 2024, retained earnings and treasury shares decreased by ¥10,209 million and ¥10,209 million, respectively.

(Accounting policies adopted specially for the preparation of semi-annual consolidated financial statements)

(Calculation of tax expenses)

The Company makes a reasonable estimate of the effective tax rate after the application of tax effect accounting to profit before income taxes for the current fiscal year, including the six months ended June 30, 2024, and multiplies profit before income taxes for the semi-annual period by the estimated effective tax rate.

Income taxes - deferred is included in income taxes.

(Segment information, etc.)

I. For the six months ended June 30, 2023 (from January 1, 2023 to June 30, 2023)

1. Information on net sales and profit (loss) by reportable segment and information on composition of revenue

(Million yen)

| | Reportable segment | | | Other (Note) 1 | Total | Adjustment (Note) 2 | Amount recorded in semi-annual consolidated statements of income (Note) 3 |
|---|---|---|---|---|---|---|---|
| | Chemicals operations | Housing Materials operations | Total | | | | |
| Net sales | | | | | | | |
| Inorganic chemicals | 6,785 | — | 6,785 | — | 6,785 | — | 6,785 |
| Organic chemicals | 9,796 | — | 9,796 | — | 9,796 | — | 9,796 |
| Fine chemicals | 4,249 | — | 4,249 | — | 4,249 | — | 4,249 |
| Interior, exterior finishes and paving materials | — | 633 | 633 | — | 633 | — | 633 |
| Exterior products | — | 8,937 | 8,937 | — | 8,937 | — | 8,937 |
| Other | — | — | — | 465 | 465 | — | 465 |
| Revenue from contracts with customers | 20,830 | 9,570 | 30,401 | 465 | 30,866 | — | 30,866 |
| Other revenue | — | — | — | 13 | 13 | — | 13 |
| Net sales to outside customers | 20,830 | 9,570 | 30,401 | 478 | 30,880 | — | 30,880 |
| Inter-segment net sales or transfers | 3 | 1 | 5 | 150 | 155 | (155) | — |
| Total | 20,834 | 9,572 | 30,406 | 629 | 31,036 | (155) | 30,880 |
| Segment profit | 2,898 | 715 | 3,614 | 56 | 3,671 | 115 | 3,786 |

(Notes) 1. The “Other” category represents business segments not included in the reportable segments and includes the IT systems operations and food operations.

2. The adjustment for segment profit of ¥115 million includes profit (loss) and others not allocated to each reportable segment.

3. Segment profit is adjusted with operating profit on the semi-annual consolidated statements of income.

II. For the six months ended June 30, 2024 (from January 1, 2024 to June 30, 2024)

1. Information on net sales and profit (loss) by reportable segment and information on composition of revenue

(Million yen)

| | Reportable segment | | | Other (Note) 1 | Total | Adjustment (Note) 2 | Amount recorded in semi-annual consolidated statements of income (Note) 3 |
|---|---|---|---|---|---|---|---|
| | Chemicals operations | Housing Materials operations | Total | | | | |
| Net sales | | | | | | | |
| Inorganic chemicals | 7,564 | — | 7,564 | — | 7,564 | — | 7,564 |
| Organic chemicals | 12,001 | — | 12,001 | — | 12,001 | — | 12,001 |
| Fine chemicals | 5,676 | — | 5,676 | — | 5,676 | — | 5,676 |
| Interior, exterior finishes and paving materials | — | 624 | 624 | — | 624 | — | 624 |
| Exterior products | — | 8,833 | 8,833 | — | 8,833 | — | 8,833 |
| Other | — | — | — | 512 | 512 | — | 512 |
| Revenue from contracts with customers | 25,242 | 9,458 | 34,701 | 512 | 35,213 | — | 35,213 |
| Other revenue | — | — | — | 11 | 11 | — | 11 |
| Net sales to outside customers | 25,242 | 9,458 | 34,701 | 523 | 35,225 | — | 35,225 |
| Inter-segment net sales or transfers | 2 | 1 | 3 | 144 | 148 | (148) | — |
| Total | 25,245 | 9,460 | 34,705 | 668 | 35,373 | (148) | 35,225 |
| Segment profit | 4,090 | 546 | 4,637 | 71 | 4,708 | 127 | 4,835 |

(Notes) 1. The “Other” category represents business segments not included in the reportable segments and includes the IT systems operations and food operations.

2. The adjustment for segment profit of ¥127 million includes profit (loss) and others not allocated to each reportable segment.

3. Segment profit is adjusted with operating profit on the semi-annual consolidated statements of income.