Walden Research Japan

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MORESCO (5018)

Consolidated Fiscal Ye (Million Yen)	ear	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
FY02/2022		27,300		2,011	1,808	192.76	40.00	1,914.94
FY02/2023		30,333	523	1,046	615	66.19	40.00	2,008.49
FY02/2024CoE		34,500	1,400	1,600	700	75.86	45.00	
FY02/2023	YoY	11.1%	(63.5%)	(48.0%)	(66.0%)	-	-	-
FY02/2024CoE	YoY	13.7%	167.7%	53.0%	13.9%	-	-	-

Source: Company Data, WRJ Calculation

1.0 Results Update (11 April 2023)

Impact of Time Lag

On 11 April 2023, MORESCO, running operations of R&D, manufacture and sale of chemical goods used in diverse applications with autos as the mainstay, released its FY02/2023 results. It has been revealed that a steady improvement in earnings is to occur for FY02/2024. The key reason cited for this is that the impact of time lag required to have passed on surging raw material prices to selling prices is to be gradually eliminated. According to the Company, the impact of time lag has caused a significant deterioration in its earnings for FY02/2023. In fact, the Company did pass on surging raw material prices to selling prices, but it required a certain period of time lag for the latter to be implemented after the former had taken place. For FY02/2023, it has been almost persisting that further hike of raw material prices was taking place, when the Company did pass that of the past on to selling prices after a certain period of time lag, having resulted in an ever-declining gross profit margin. Nevertheless, the Company is now stating that raw material prices which had continued to rise have begun to stabilize most lately and it is in the process of continuously passing on the hike of raw material prices so far to selling prices. We are to view the Company's results briefing on the web, scheduled to be held on 17 April 2023, which is to be followed by our interview with management, so that we should be able to update MORESCO (5018) A Path of Recovery (14 March 2023) and release afresh.

IR Representative: Hirofumi Fujimoto, Director, Senior Executive Officer and CFO (81-(0)78-303-9010/hirofumi_fujimoto@moresco.co.jp)

2.0 Company Profile

Interface Science Specialist

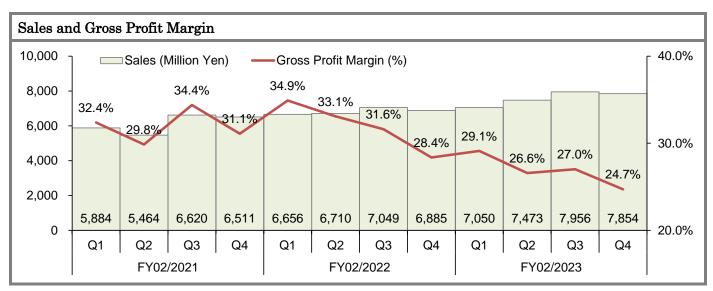
	interface Science Specialist							
Company Name	MORESCO Corporation							
	Company Website IR Information							
	IR Information							
	Share Price (Japanese)							
Established	27 October 1958							
Listing	4 April 2022: Tokyo Stock Exchange Prime Market (ticker: 5018)							
	14 February 2011: Tokyo Stock Exchange 1st section							
	29 July 2008: Tokyo Stock Exchange 2nd section							
	13 November 2003: Registered on the over-the-counter market of JSDA							
Capital	¥2,118m (as of the end of February 2023)							
No. of Shares	9,696,500 shares, including 468,970 treasury shares (as of the end of Feb. 2023)							
Main Features	• Independent (non-keiretsu) manufacturer of chemical goods, some 44%							
	exposed to autos by application in terms of sales							
	• Specializing in "interface science" with exclusive exposure to niche markets							
	R&D, manufacture and sale of chemical goods to fulfil the functionalities of							
	lubrications, adhesives and surface protections							
Segments	I . Japan							
	II . China							
	III. Southeast / South Asia							
	IV. North America							
Representative	CEO, Representative Director and President: Motohisa Morozumi							
Shareholders	Matsumura Oil 11.5%, Cosmo Oil Lubricants 5.4%, MORESCO Employee Stock							
	Ownership Plan 4.4%, Master Trust Bank of Japan, T. 4.2% (as of the end of							
	February 2023, but for treasury shares)							
Head Office	Kobe-city, Hyogo-prefecture, JAPAN							
No. of Personnel	Consolidated: 784, Parent: 381 (as of the end of February 2022)							

Source: Company Data

3.0 Recent Trading and Prospects

FY02/2023

For FY02/2023, sales came in at ¥30,333m (up 11.1% YoY), operating profit ¥523m (down 63.5%), recurring profit ¥1,046m (down 48.0%) and profit attributable to owners of parent ¥615m (down 66.0%). At the extraordinary level, extraordinary gain of ¥833m from sale of MORESCO Honmachi Building, which was recorded for FY02/2022, did not reappear, having pushed down profit attributable to owners of parent to a corresponding extent. Meanwhile, gross profit came in at ¥8,129m (down 6.8%) and SG&A expenses ¥7,606m (up 4.3%), implying gross profit margin of 26.8% (down 5.2% points) and SG&A ratio of 25.1% (down 1.6% points), having resulted in operating profit margin of 1.7% (down 3.5% points).



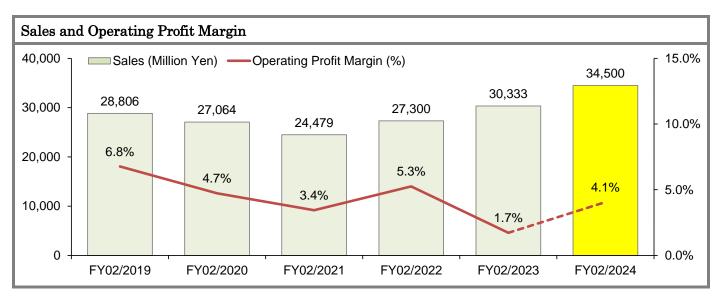
Source: Company Data, WRJ Calculation

According to the Company, sales volume as a whole has slightly declined over the previous year, while selling prices have risen sharply in line with the transfer of raw material price hikes to selling prices and yen's depreciation. However, the aforementioned impact of time lag and other factors have forced gross profit margin being ever-declining.

For example, the Company suggests that sales on the Functional Fluids side (mainly associated with autos by application) in Japan, the mainstay by region, equate roughly half of sales for the Company as a whole, while having seen the trends for sales, volume and prices almost the same as the overall trend for the Company as a whole. This means that volume was marginally declining in Japan, but the Company also suggests the production volume of autos during the relevant period came in at some 8m units (up 4%). According to the Company, the largest customer out of all those automakers has suffered from a decrease in the production volume of autos, which was a major negative factor for volume for the Company as a whole. Meanwhile, the Company also suggests that other factors behind declined volume as a whole are basically attributable to an overall market factor.

FY02/2024 Company Forecasts

FY02/2024 Company forecasts, announced on 11 April 2023, are going for prospective sales of \(\pm\)34,500m (up 13.7% YoY), operating profit of \(\pm\)1,400m (up 167.7%), recurring profit of \(\pm\)1,600m (up 53.0%) and profit attributable to owners of parent of \(\pm\)700m (up 13.9%), while operating profit margin of 4.1% (up 2.3% points). At the same time, Company forecasts are going for planned annual dividend of \(\pm\)45.00 per share, implying payout ratio of 59.3%. With respect to common dividend, Company forecasts are going for \(\pm\)40.00, unchanged from FY02/2023, while adding commemorative dividend of \(\pm\)5.00 (for the 65th anniversary of foundation in October 2023) on top of this for FY02/2024.



Source: Company Data, WRJ Calculation

Meanwhile, the Company suggests that volume will rise and prices will rise at the same time. With respect to volume, the Company is looking to an increase in production volume of autos in Southeast Asia, China, etc., which is expected to drive volume on the Functional Fluids side (mainly associated with autos by application). Still, the Company looks assuming conservative prospects for the production volume of autos in Japan. Another driver for the volume with the Company is that the volume on the Hot Melt Adhesives side will continue showing strengths as the mainstay hygiene related ones are to see a diversification in application, which is to drive the volume to be delivered. By the way, prices will rise due to the aforementioned reasons.

4.0 Financial Statements

Income Statement (Cumulative / Quarterly)

Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	YoY
(Million Yen)	02/2022	02/2022	02/2022	02/2022	02/2023	02/2023	02/2023	02/2023	Net Chg.
Sales	6,656	13,366	20,415	27,300	7,050	14,523	22,479	30,333	+3,033
Cost of Sales	4,332	8,822	13,643	18,575	4,997	10,484	16,291	22,204	+3,629
Gross Profit	2,324	4,544	6,772	8,725	2,053	4,039	6,188	8,129	(596)
SG&A Expenses	1,805	3,621	5,397	7,291	1,852	3,744	5,677	7,606	+315
Operating Profit	520	923	1,375	1,434	201	295	511	523	(911)
Non-Operating Balance	201	240	357	577	270	551	633	523	(54)
Recurring Profit	721	1,163	1,732	2,011	471	846	1,144	1,046	(965)
Extraordinary Balance	833	833	833	833	-	-	-	-	(833)
Profit before Income Taxes	1,555	1,996	2,565	2,844	471	846	1,144	1,046	(1,798)
Total Income Taxes	379	527	685	831	116	286	347	320	(511)
Profit Attributable to Non-Controlling Interests	81	110	150	205	38	56	78	112	(93)
Profit Attributable to Owners of Parent	1,095	1,359	1,730	1,808	317	504	719	615	(1,193)
Sales YoY	+13.1%	+17.8%	+13.6%	+11.5%	+5.9%	+8.7%	+10.1%	+11.1%	-
Operating Profit YoY	+265.0%	+820.0%	+114.5%	+70.3%	(61.4%)	(68.0%)	(62.8%)	(63.5%)	-
Recurring Profit YoY	-	-	+164.0%	+95.3%	(34.7%)	(27.3%)	(34.0%)	(48.0%)	-
Profit Attributable to Owners of Parent YoY	-	-	+471.0%	+249.1%	(71.0%)	(62.9%)	(58.5%)	(66.0%)	-
Gross Profit Margin	34.9%	34.0%	33.2%	32.0%	29.1%	27.8%	27.5%	26.8%	(5.2%)
SG&A Ratio	27.1%	27.1%	26.4%	26.7%	26.3%	25.8%	25.3%	25.1%	(1.6%)
Operating Profit Margin	7.8%	6.9%	6.7%	5.3%	2.9%	2.0%	2.3%	1.7%	(3.5%)
Recurring Profit Margin	10.8%	8.7%	8.5%	7.4%	6.7%	5.8%	5.1%	3.4%	(3.9%)
Profit Attributable to Owners of Parent Margin	16.5%	10.2%	8.5%	6.6%	4.5%	3.5%	3.2%	2.0%	(4.6%)
Total Income Taxes / Profit before Income Taxes	24.4%	26.4%	26.7%	29.2%	24.6%	33.8%	30.3%	30.6%	+1.4%
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Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	., .,
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	YoY
(Million Yen)	Q1 02/2022	Q2 02/2022	Q3 02/2022	Q4 02/2022	Q1 02/2023	Q2 02/2023	Q3 02/2023	Q4 02/2023	Net Chg.
(Million Yen) Sales	Q1 02/2022 6,656	Q2 02/2022 6,710	Q3 02/2022 7,049	Q4 02/2022 6,885	Q1 02/2023 7,050	Q2 02/2023 7,473	Q3 02/2023 7,956	Q4 02/2023 7,854	Net Chg. +969
(Million Yen) Sales Cost of Sales	Q1 02/2022 6,656 4,332	Q2 02/2022 6,710 4,490	Q3 02/2022 7,049 4,821	Q4 02/2022 6,885 4,932	Q1 02/2023 7,050 4,997	Q2 02/2023 7,473 5,487	Q3 02/2023 7,956 5,807	Q4 02/2023 7,854 5,913	Net Chg. +969 +981
(Million Yen) Sales Cost of Sales Gross Profit	Q1 02/2022 6,656 4,332 2,324	Q2 02/2022 6,710 4,490 2,220	Q3 02/2022 7,049 4,821 2,228	Q4 02/2022 6,885 4,932 1,953	Q1 02/2023 7,050 4,997 2,053	Q2 02/2023 7,473 5,487 1,986	Q3 02/2023 7,956 5,807 2,149	Q4 02/2023 7,854 5,913 1,941	Net Chg. +969 +981 (12)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses	Q1 02/2022 6,656 4,332 2,324 1,805	Q2 02/2022 6,710 4,490 2,220 1,816	Q3 02/2022 7,049 4,821 2,228 1,776	Q4 02/2022 6,885 4,932 1,953 1,894	Q1 02/2023 7,050 4,997 2,053 1,852	Q2 02/2023 7,473 5,487 1,986 1,892	Q3 02/2023 7,956 5,807 2,149 1,933	Q4 02/2023 7,854 5,913 1,941 1,929	+969 +981 (12) +35
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit	Q1 02/2022 6,656 4,332 2,324 1,805 520	Q2 02/2022 6,710 4,490 2,220 1,816 403	Q3 02/2022 7,049 4,821 2,228 1,776 452	Q4 02/2022 6,885 4,932 1,953 1,894 59	Q1 02/2023 7,050 4,997 2,053 1,852 201	Q2 02/2023 7,473 5,487 1,986 1,892 94	Q3 02/2023 7,956 5,807 2,149 1,933 216	Q4 02/2023 7,854 5,913 1,941 1,929 12	Net Chg. +969 +981 (12) +35 (47)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non-Operating Balance	Q1 02/2022 6,656 4,332 2,324 1,805 520 201	Q2 02/2022 6,710 4,490 2,220 1,816 403 39	Q3 02/2022 7,049 4,821 2,228 1,776 452 117	Q4 02/2022 6,885 4,932 1,953 1,894 59 220	Q1 02/2023 7,050 4,997 2,053 1,852 201 270	Q2 02/2023 7,473 5,487 1,986 1,892 94 281	Q3 02/2023 7,956 5,807 2,149 1,933 216 82	Q4 02/2023 7,854 5,913 1,941 1,929 12 (110)	Net Chg. +969 +981 (12) +35 (47) (330)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non-Operating Balance Recurring Profit	Q1 02/2022 6,656 4,332 2,324 1,805 520 201 721	Q2 02/2022 6,710 4,490 2,220 1,816 403 39 442	Q3 02/2022 7,049 4,821 2,228 1,776 452 117 569	Q4 02/2022 6,885 4,932 1,953 1,894 59	Q1 02/2023 7,050 4,997 2,053 1,852 201 270 471	Q2 02/2023 7,473 5,487 1,986 1,892 94 281 375	Q3 02/2023 7,956 5,807 2,149 1,933 216 82 298	Q4 02/2023 7,854 5,913 1,941 1,929 12	Net Chg. +969 +981 (12) +35 (47)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non-Operating Balance Recurring Profit Extraordinary Balance	Q1 02/2022 6,656 4,332 2,324 1,805 520 201 721 833	Q2 02/2022 6,710 4,490 2,220 1,816 403 39 442	Q3 02/2022 7,049 4,821 2,228 1,776 452 117 569	Q4 02/2022 6,885 4,932 1,953 1,894 59 220 279	Q1 02/2023 7,050 4,997 2,053 1,852 201 270 471	Q2 02/2023 7,473 5,487 1,986 1,892 94 281 375	Q3 02/2023 7,956 5,807 2,149 1,933 216 82 298	Q4 02/2023 7,854 5,913 1,941 1,929 12 (110) (98)	Net Chg. +969 +981 (12) +35 (47) (330) (377)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non-Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes	Q1 02/2022 6,656 4,332 2,324 1,805 520 201 721 833 1,555	Q2 02/2022 6,710 4,490 2,220 1,816 403 39 442	Q3 02/2022 7,049 4,821 2,228 1,776 452 117 569	Q4 02/2022 6,885 4,932 1,953 1,894 59 220 279	Q1 02/2023 7,050 4,997 2,053 1,852 201 270 471	Q2 02/2023 7,473 5,487 1,986 1,892 94 281 375	Q3 02/2023 7,956 5,807 2,149 1,933 216 82 298	Q4 02/2023 7,854 5,913 1,941 1,929 12 (110) (98)	Net Chg. +969 +981 (12) +35 (47) (330) (377) - (377)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non-Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes	Q1 02/2022 6,656 4,332 2,324 1,805 520 201 721 833 1,555 379	Q2 02/2022 6,710 4,490 2,220 1,816 403 39 442 - 441 148	Q3 02/2022 7,049 4,821 2,228 1,776 452 117 569 - 569 158	Q4 02/2022 6,885 4,932 1,953 1,894 59 220 279 - 279 146	Q1 02/2023 7,050 4,997 2,053 1,852 201 270 471 - 471 116	Q2 02/2023 7,473 5,487 1,986 1,892 94 281 375 - 375 170	Q3 02/2023 7,956 5,807 2,149 1,933 216 82 298 - 298 61	Q4 02/2023 7,854 5,913 1,941 1,929 12 (110) (98) - (98) (27)	**Net Chg. **969 **981 (12) **35 (47) (330) (377) (377) (173)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non-Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Non-Controlling Interests	Q1 02/2022 6,656 4,332 2,324 1,805 520 201 721 833 1,555 379 81	Q2 02/2022 6,710 4,490 2,220 1,816 403 39 442 - 441 148 29	Q3 02/2022 7,049 4,821 2,228 1,776 452 117 569 - 569 158 40	Q4 02/2022 6,885 4,932 1,953 1,894 59 220 279 - 279 146 55	Q1 02/2023 7,050 4,997 2,053 1,852 201 270 471 - 471 116 38	Q2 02/2023 7,473 5,487 1,986 1,892 94 281 375 - 375 170 18	Q3 02/2023 7,956 5,807 2,149 1,933 216 82 298 - 298 61 22	Q4 02/2023 7,854 5,913 1,941 1,929 12 (110) (98) - (98) (27) 34	Net Chg. +969 +981 (12) +35 (47) (330) (377) - (377) (173) (21)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non-Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Non-Controlling Interests Profit Attributable to Owners of Parent	Q1 02/2022 6,656 4,332 2,324 1,805 520 201 721 833 1,555 379 81 1,095	Q2 02/2022 6,710 4,490 2,220 1,816 403 39 442 - 441 148 29 264	Q3 02/2022 7,049 4,821 2,228 1,776 452 117 569 - 569 158 40 371	Q4 02/2022 6,885 4,932 1,953 1,894 59 220 279 - 279 146 55 78	Q1 02/2023 7,050 4,997 2,053 1,852 201 270 471 - 471 116 38 317	Q2 02/2023 7,473 5,487 1,986 1,892 94 281 375 - 375 170 18 187	Q3 02/2023 7,956 5,807 2,149 1,933 216 82 298 - 298 61 22 215	Q4 02/2023 7,854 5,913 1,941 1,929 12 (110) (98) - (98) (27) 34 (104)	**Net Chg. **969 **981 (12) **35 (47) (330) (377) (377) (173)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non-Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Non-Controlling Interests Profit Attributable to Owners of Parent Sales YoY	Q1 02/2022 6,656 4,332 2,324 1,805 520 201 721 833 1,555 379 81 1,095	Q2 02/2022 6,710 4,490 2,220 1,816 403 39 442 - 441 148 29	Q3 02/2022 7,049 4,821 2,228 1,776 452 117 569 - 569 158 40 371 +6.5%	Q4 02/2022 6,885 4,932 1,953 1,894 59 220 279 - 279 146 55 78 +5.7%	Q1 02/2023 7,050 4,997 2,053 1,852 201 270 471 - 471 116 38 317 +5.9%	Q2 02/2023 7,473 5,487 1,986 1,892 94 281 375 - 375 170 18 187 +11.4%	Q3 02/2023 7,956 5,807 2,149 1,933 216 82 298 - 298 61 22 215 +12.9%	Q4 02/2023 7,854 5,913 1,941 1,929 12 (110) (98) - (98) (27) 34 (104) +14.1%	Net Chg. +969 +981 (12) +35 (47) (330) (377) - (377) (173) (21)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non-Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Non-Controlling Interests Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY	Q1 02/2022 6,656 4,332 2,324 1,805 520 201 721 833 1,555 379 81 1,095	Q2 02/2022 6,710 4,490 2,220 1,816 403 39 442 - 441 148 29 264	Q3 02/2022 7,049 4,821 2,228 1,776 452 117 569 - 569 158 40 371 +6.5% (16.5%)	Q4 02/2022 6,885 4,932 1,953 1,894 59 220 279 - 279 146 55 78 +5.7% (70.6%)	Q1 02/2023 7,050 4,997 2,053 1,852 201 270 471 - 471 116 38 317 +5.9% (61.4%)	Q2 02/2023 7,473 5,487 1,986 1,892 94 281 375 - 375 170 18 187 +11.4% (76.7%)	Q3 02/2023 7,956 5,807 2,149 1,933 216 82 298 61 2298 61 22 215 +12.9% (52.2%)	Q4 02/2023 7,854 5,913 1,941 1,929 12 (110) (98) - (98) (27) 34 (104)	Net Chg. +969 +981 (12) +35 (47) (330) (377) - (377) (173) (21)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non-Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Non-Controlling Interests Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY	Q1 02/2022 6,656 4,332 2,324 1,805 520 201 721 833 1,555 379 81 1,095	Q2 02/2022 6,710 4,490 2,220 1,816 403 39 442 - 441 148 29 264	Q3 02/2022 7,049 4,821 2,228 1,776 452 117 569 - 569 158 40 371 +6.5% (16.5%) (4.8%)	Q4 02/2022 6,885 4,932 1,953 1,894 59 220 279 - 279 146 55 78 +5.7% (70.6%) (25.4%)	Q1 02/2023 7,050 4,997 2,053 1,852 201 270 471 - 471 116 38 317 +5.9% (61.4%) (34.7%)	Q2 02/2023 7,473 5,487 1,986 1,892 94 281 375 - 375 170 18 187 +11.4% (76.7%) (15.2%)	Q3 02/2023 7,956 5,807 2,149 1,933 216 82 298 61 22 215 +12.9% (52.2%) (47.6%)	Q4 02/2023 7,854 5,913 1,941 1,929 12 (110) (98) - (98) (27) 34 (104) +14.1%	Net Chg. +969 +981 (12) +35 (47) (330) (377) - (377) (173) (21)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non-Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Non-Controlling Interests Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY Profit Attributable to Owners of Parent YoY	Q1 02/2022 6,656 4,332 2,324 1,805 520 201 721 833 1,555 379 81 1,095 +13.1% +265.0%	Q2 02/2022 6,710 4,490 2,220 1,816 403 39 442 - 441 148 29 264 +22.8%	Q3 02/2022 7,049 4,821 2,228 1,776 452 117 569 - 569 158 40 371 +6.5% (16.5%) (4.8%) (5.6%)	Q4 02/2022 6,885 4,932 1,953 1,894 59 220 279 - 279 146 55 78 +5.7% (70.6%) (25.4%) (63.7%)	Q1 02/2023 7,050 4,997 2,053 1,852 201 270 471 	Q2 02/2023 7,473 5,487 1,986 1,892 94 281 375 - 375 170 18 187 +11.4% (76.7%) (15.2%) (29.2%)	Q3 02/2023 7,956 5,807 2,149 1,933 216 82 298 61 22 215 +12.9% (52.2%) (47.6%) (42.0%)	Q4 02/2023 7,854 5,913 1,941 1,929 12 (110) (98) (27) 34 (104) +14.1% (79.7%)	Net Chg. +969 +981 (12) +35 (47) (330) (377) - (377) (173) (21) (182)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non-Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Non-Controlling Interests Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY Profit Attributable to Owners of Parent YoY Gross Profit Margin	Q1 02/2022 6,656 4,332 2,324 1,805 520 201 721 833 1,555 379 81 1,095 +13.1% +265.0%	Q2 02/2022 6,710 4,490 2,220 1,816 403 39 442 - 441 148 29 264 +22.8% - -	Q3 02/2022 7,049 4,821 2,228 1,776 452 117 569 - 569 158 40 371 +6.5% (16.5%) (4.8%) (5.6%) 31.6%	Q4 02/2022 6,885 4,932 1,953 1,894 59 220 279 - 279 146 55 78 +5.7% (70.6%) (25.4%) (63.7%) 28.4%	Q1 02/2023 7,050 4,997 2,053 1,852 201 270 471 	Q2 02/2023 7,473 5,487 1,986 1,892 94 281 375 - 375 170 18 187 +11.4% (76.7%) (15.2%) (29.2%) 26.6%	Q3 02/2023 7,956 5,807 2,149 1,933 216 82 298 61 222 215 +12.9% (52.2%) (47.6%) (42.0%) 27.0%	Q4 02/2023 7,854 5,913 1,941 1,929 12 (110) (98) (27) 34 (104) +14.1% (79.7%)	Net Chg. +969 +981 (12) +35 (47) (330) (377) - (377) (173) (21) (182) (3.7%)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non-Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Non-Controlling Interests Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY Profit Attributable to Owners of Parent YoY Gross Profit Margin SG&A Ratio	Q1 02/2022 6,656 4,332 2,324 1,805 520 201 721 833 1,555 379 81 1,095 +13.1% +265.0%	Q2 02/2022 6,710 4,490 2,220 1,816 403 39 442 - 441 148 29 264 +22.8% - - - 33.1% 27.1%	Q3 02/2022 7,049 4,821 2,228 1,776 452 117 569 - 569 158 40 371 +6.5% (16.5%) (4.8%) (5.6%) 31.6% 25.2%	Q4 02/2022 6,885 4,932 1,953 1,894 59 220 279 - 279 146 55 78 +5.7% (70.6%) (25.4%) (63.7%) 28.4% 27.5%	Q1 02/2023 7,050 4,997 2,053 1,852 201 270 471 - 471 116 38 317 +5.9% (61.4%) (34.7%) (71.0%) 29.1% 26.3%	Q2 02/2023 7,473 5,487 1,986 1,892 94 281 375 - 375 170 18 187 +11.4% (76.7%) (15.2%) (29.2%) 26.6% 25.3%	Q3 02/2023 7,956 5,807 2,149 1,933 216 82 298 61 22 215 +12.9% (52.2%) (47.6%) (42.0%) 27.0% 24.3%	Q4 02/2023 7,854 5,913 1,941 1,929 12 (110) (98) (27) 34 (104) +14.1% (79.7%)	Net Chg. +969 +981 (12) +35 (47) (330) (377) - (377) (173) (21) (182) (3.7%) (2.9%)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non-Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Non-Controlling Interests Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY Profit Attributable to Owners of Parent YoY Gross Profit Margin SG&A Ratio Operating Profit Margin	Q1 02/2022 6,656 4,332 2,324 1,805 520 201 721 833 1,555 379 81 1,095 +13.1% +265.0% 34.9% 27.1% 7.8%	Q2 02/2022 6,710 4,490 2,220 1,816 403 39 442 - 441 148 29 264 +22.8% - - - 33.1% 27.1% 6.0%	Q3 02/2022 7,049 4,821 2,228 1,776 452 117 569 - 569 158 40 371 +6.5% (16.5%) (4.8%) (5.6%) 31.6% 25.2% 6.4%	Q4 02/2022 6,885 4,932 1,953 1,894 59 220 279 - 279 146 55 78 +5.7% (70.6%) (25.4%) (63.7%) 28.4% 27.5% 0.9%	Q1 02/2023 7,050 4,997 2,053 1,852 201 270 471 - 471 116 38 317 +5.9% (61.4%) (34.7%) (71.0%) 29.1% 26.3% 2.9%	Q2 02/2023 7,473 5,487 1,986 1,892 94 281 375 - 375 170 18 187 +11.4% (76.7%) (15.2%) (29.2%) 26.6% 25.3% 1.3%	Q3 02/2023 7,956 5,807 2,149 1,933 216 82 298 61 22 215 +12.9% (52.2%) (47.6%) (42.0%) 27.0% 24.3% 2.7%	Q4 02/2023 7,854 5,913 1,941 1,929 12 (110) (98) (27) 34 (104) +14.1% (79.7%) 24.7% 24.6% 0.2%	Net Chg. +969 +981 (12) +35 (47) (330) (377) - (377) (173) (21) (182) (3.7%) (2.9%) (0.7%)
Cost of Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non-Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Non-Controlling Interests Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY Profit Attributable to Owners of Parent YoY Gross Profit Margin SG&A Ratio Operating Profit Margin Recurring Profit Margin	Q1 02/2022 6,656 4,332 2,324 1,805 520 201 721 833 1,555 379 81 1,095 +13.1% +265.0% 34.9% 27.1% 7.8% 10.8%	Q2 02/2022 6,710 4,490 2,220 1,816 403 39 442 - 441 148 29 264 +22.8% - - - 33.1% 27.1% 6.0% 6.6%	Q3 02/2022 7,049 4,821 2,228 1,776 452 117 569 - 569 158 40 371 +6.5% (16.5%) (4.8%) (5.6%) 31.6% 25.2% 6.4% 8.1%	Q4 02/2022 6,885 4,932 1,953 1,894 59 220 279 - 279 146 55 78 +5.7% (70.6%) (25.4%) (63.7%) 28.4% 27.5% 0.9% 4.1%	Q1 02/2023 7,050 4,997 2,053 1,852 201 270 471 - 471 116 38 317 +5.9% (61.4%) (34.7%) (71.0%) 29.1% 26.3% 2.9% 6.7%	Q2 02/2023 7,473 5,487 1,986 1,892 94 281 375 - 375 170 18 187 +11.4% (76.7%) (15.2%) (29.2%) 26.6% 25.3% 1.3% 5.0%	Q3 02/2023 7,956 5,807 2,149 1,933 216 82 298 61 22 215 +12.9% (52.2%) (47.6%) (42.0%) 27.0% 24.3% 2.7% 3.7%	Q4 02/2023 7,854 5,913 1,941 1,929 12 (110) (98) (27) 34 (104) +14.1% (79.7%) 24.7% 24.6% 0.2% (1.2%)	Net Chg. +969 +981 (12) +35 (47) (330) (377) - (377) (173) (21) (182) (3.7%) (2.9%) (0.7%) (5.3%)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non-Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Non-Controlling Interests Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY Profit Attributable to Owners of Parent YoY Gross Profit Margin SG&A Ratio Operating Profit Margin	Q1 02/2022 6,656 4,332 2,324 1,805 520 201 721 833 1,555 379 81 1,095 +13.1% +265.0% 34.9% 27.1% 7.8%	Q2 02/2022 6,710 4,490 2,220 1,816 403 39 442 - 441 148 29 264 +22.8% - - - 33.1% 27.1% 6.0%	Q3 02/2022 7,049 4,821 2,228 1,776 452 117 569 - 569 158 40 371 +6.5% (16.5%) (4.8%) (5.6%) 31.6% 25.2% 6.4%	Q4 02/2022 6,885 4,932 1,953 1,894 59 220 279 - 279 146 55 78 +5.7% (70.6%) (25.4%) (63.7%) 28.4% 27.5% 0.9%	Q1 02/2023 7,050 4,997 2,053 1,852 201 270 471 - 471 116 38 317 +5.9% (61.4%) (34.7%) (71.0%) 29.1% 26.3% 2.9%	Q2 02/2023 7,473 5,487 1,986 1,892 94 281 375 - 375 170 18 187 +11.4% (76.7%) (15.2%) (29.2%) 26.6% 25.3% 1.3%	Q3 02/2023 7,956 5,807 2,149 1,933 216 82 298 61 22 215 +12.9% (52.2%) (47.6%) (42.0%) 27.0% 24.3% 2.7%	Q4 02/2023 7,854 5,913 1,941 1,929 12 (110) (98) (27) 34 (104) +14.1% (79.7%) 24.7% 24.6% 0.2%	Net Chg. +969 +981 (12) +35 (47) (330) (377) - (377) (173) (21) (182) (3.7%) (2.9%) (0.7%)

Segmented Information (Cumulative / Quarterly)

Segmented Information	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	YoY
(Million Yen)	02/2022	02/2022	02/2022	02/2022	02/2023	02/2023	02/2023	02/2023	Net Chg.
Japan	4,537	9,053	13,843	18,385	4,738	9,624	14,629	19,637	+1,252
China	830	1,677	2,612	3,625	854	1,737	2,813	3,814	+189
Southeast / South Asia	1,080	2,205	3,345	4,501	1,276	2,726	4,274	5,870	+1,369
North America	209	432	615	789	182	436	762	1,011	+222
Sales	6,656	13,366	20,415	27,300	7,050	14,523	22,479	30,333	+3,033
Japan	325	558	837	805	104	143	161	33	(772)
China	113	235	327	432	48	95	205	311	(121)
Southeast / South Asia	50	63	102	86	24	41	86	123	+37
North America	35	76	101	107	14	32	78	87	(20)
Segment Profit	523	932	1,367	1,431	189	311	531	553	(878)
Adjustments	(3)	(9)	7	4	11	(16)	(20)	(30)	(34)
Operating Profit	520	923	1,375	1,434	201	295	511	523	(911)
Japan	7.2%	6.2%	6.0%	4.4%	2.2%	1.5%	1.1%	0.2%	(4.2%)
China	13.6%	14.0%	12.5%	11.9%	5.6%	5.5%	7.3%	8.2%	(3.8%)
Southeast / South Asia	4.6%	2.9%	3.0%	1.9%	1.9%	1.5%	2.0%	2.1%	+0.2%
North America	16.7%	17.6%	16.4%	13.6%	7.7%	7.3%	10.2%	8.6%	(5.0%)
Segment Profit Margin	7.9%	7.0%	6.7%	5.2%	2.7%	2.1%	2.4%	1.8%	(3.4%)
Adjustments	(0.0%)	(0.1%)	0.0%	0.0%	0.2%	(0.1%)	(0.1%)	(0.1%)	(0.1%)
Operating Profit Margin	7.8%	6.9%	6.7%	5.3%	2.9%	2.0%	2.3%	1.7%	(3.5%)
Segmented Information	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	YoY
(Million Yen)	02/2022	02/2022	02/2022	02/2022	02/2023	02/2023	02/2023	02/2023	Net Chg.
Japan	4,537	4,516	4,790	4,542	4,738	4,886	5,005	5,008	+466
China	830	847	935	1,013	854	883	1,076	1,001	(12)
Southeast / South Asia	1,080	1,125	1,140	1,156	1,276	1,450	1,548	1,596	+440
North America	209	223	183	174	182	254	326	249	+75
Sales	6,656	6,710							
lanan		0,710	7,049	6,885	7,050	7,473	7,956	7,854	+969
Japan	325	233	7,049 279	6,885 (32)	7,050	7,473	7,956	7,854 (128)	
Japan China	325 113								(96)
•		233	279	(32)	104	39	18	(128)	(96) +1
China	113	233 122	279 92	(32) 105	104 48	39 47	18 110	(128) 106	(96) +1 +53
China Southeast / South Asia	113 50	233 122 13	279 92 39	(32) 105 (16)	104 48 24	39 47 17	18 110 45	(128) 106 37	(96) +1 +53 +3
China Southeast / South Asia North America	113 50 35	233 122 13 41	279 92 39 25	(32) 105 (16) 6	104 48 24 14	39 47 17 18	18 110 45 46	(128) 106 37 9	(96) +1 +53 +3 (42)
China Southeast / South Asia North America Segment Profit	113 50 35 523	233 122 13 41 409	279 92 39 25 435	(32) 105 (16) 6 64	104 48 24 14 189	39 47 17 18 122	18 110 45 46 220	(128) 106 37 9 22	(96) +1 +53 +3 (42)
China Southeast / South Asia North America Segment Profit Adjustments	113 50 35 523 (3)	233 122 13 41 409 (6)	279 92 39 25 435 16	(32) 105 (16) 6 64 (3)	104 48 24 14 189	39 47 17 18 122 (27)	18 110 45 46 220 (4)	(128) 106 37 9 22 (10)	(96 +1 +53 +3 (42) (7)
China Southeast / South Asia North America Segment Profit Adjustments Operating Profit	113 50 35 523 (3) 520	233 122 13 41 409 (6) 403	279 92 39 25 435 16 452	(32) 105 (16) 6 64 (3) 59	104 48 24 14 189 11 201	39 47 17 18 122 (27) 94	18 110 45 46 220 (4) 216	(128) 106 37 9 22 (10)	(96) +1 +53 +3 (42) (7) (47)
China Southeast / South Asia North America Segment Profit Adjustments Operating Profit Japan	113 50 35 523 (3) 520 7.2%	233 122 13 41 409 (6) 403 5.2%	279 92 39 25 435 16 452 5.8%	(32) 105 (16) 6 64 (3) 59 (0.7%)	104 48 24 14 189 11 201 2.2%	39 47 17 18 122 (27) 94 0.8%	18 110 45 46 220 (4) 216 0.4%	(128) 106 37 9 22 (10) 12	(96) +1 +53 +3 (42) (7) (47) (1.9%) +0.2%
China Southeast / South Asia North America Segment Profit Adjustments Operating Profit Japan China	113 50 35 523 (3) 520 7.2% 13.6%	233 122 13 41 409 (6) 403 5.2%	279 92 39 25 435 16 452 5.8% 9.8%	(32) 105 (16) 6 64 (3) 59 (0.7%) 10.4%	104 48 24 14 189 11 201 2.2% 5.6%	39 47 17 18 122 (27) 94 0.8% 5.3%	18 110 45 46 220 (4) 216 0.4% 10.2%	(128) 106 37 9 22 (10) 12 (2.6%) 10.6%	(96) +1 +53 (42) (7 (47) (1.9%) +0.2% +3.7%
China Southeast / South Asia North America Segment Profit Adjustments Operating Profit Japan China Southeast / South Asia	113 50 35 523 (3) 520 7.2% 13.6% 4.6%	233 122 13 41 409 (6) 403 5.2% 14.4% 1.2%	279 92 39 25 435 16 452 5.8% 9.8% 3.4%	(32) 105 (16) 6 64 (3) 59 (0.7%) 10.4% (1.4%)	104 48 24 14 189 11 201 2.2% 5.6% 1.9%	39 47 17 18 122 (27) 94 0.8% 5.3% 1.2%	18 110 45 46 220 (4) 216 0.4% 10.2% 2.9%	(128) 106 37 9 22 (10) 12 (2.6%) 10.6% 2.3%	(96) +1 +53 (42) (77) (47) (1.9%) +0.2% +3.7% +0.2%
China Southeast / South Asia North America Segment Profit Adjustments Operating Profit Japan China Southeast / South Asia North America	113 50 35 523 (3) 520 7.2% 13.6% 4.6%	233 122 13 41 409 (6) 403 5.2% 14.4% 1.2% 18.4%	279 92 39 25 435 16 452 5.8% 9.8% 3.4% 13.7%	(32) 105 (16) 6 64 (3) 59 (0.7%) 10.4% (1.4%) 3.4%	104 48 24 14 189 11 201 2.2% 5.6% 1.9% 7.7%	39 47 17 18 122 (27) 94 0.8% 5.3% 1.2% 7.1%	18 110 45 46 220 (4) 216 0.4% 10.2% 2.9% 14.1%	(128) 106 37 9 22 (10) 12 (2.6%) 10.6% 2.3% 3.6%	(96) +1 +53 +3 (42) (7) (47) (1.9%) +0.2% +3.7% +0.2% (0.6%) (0.1%)

Sales by Business Division (Cumulative / Quarterly)

		•		•						
	Sales by Business Division	Cons.Act								
Functional Plusides 3,083 0,344 3,077 1,072 3,420 7,072 1,168 1,510 1,700 1,520 1,520 1,520 1,520 1,570		Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	YoY
Symbolic Lubricinaries 9.00	(Million Yen)	02/2022	02/2022	02/2022	02/2022	02/2023	02/2023	02/2023	02/2023	Net Chg
Lingual Parallmens & Sulmontees 107 1,077 2,278 3,480 302 1,865 2,689 3,784 5,785 1,860 1,965	Functional Fluids	3,083	6,341	9,687	13,021	3,420	7,027	11,081	15,105	+2,084
Het Mich Achenwes	Synthetic Lubricants	503	1,033	1,529	1,974	502	991	1,381	1,703	(271)
Emergy Devices Milenterisks 57 128 139 237 45 149 129 1699 1400	Liquid Paraffines & Sulfonates	807	1,672	2,579	3,480	902	1,855	2,849	3,793	+313
Chemical Business	Hot Melt Adhesives	1,671	3,325	5,086	6,785	1,809	3,754	5,801	7,664	+879
Chemical Business 6,444 13,389 20,407 27,202 7,690 14,523 22,479 30,333 4,304 50,816 30	Energy Device Materials	57	128	198	237	45	84	128	209	(28)
Remis Building Business	Other	528	859	1,328	1,794	372	812	1,239	1,859	+65
Sales	Chemical Business	6,648	13,358	20,407	27,292	7,050	14,523	22,479	30,333	+3,041
Functional Fluids	Rental Building Business	8	8	8	8	-	-	-	-	(8)
Symbolic Lubricants (4.3%) +12,69% -7,70% -5,5% (0.1%) (4.1%) (9.7%) (10.7%) +10.9% +10.9	Sales	6,656	13,366	20,415	27,300	7,050	14,523	22,479	30,333	+3,033
Liquid Paradinens & Sulfontense (6.4%) (6.9%) -1.28% -1.28% -1.19% -1.19% -1.05% -1.	Functional Fluids	+25.1%	+36.5%	+27.2%	+23.2%	+10.9%	+10.8%	+14.4%	+16.0%	
Hot Mid Adhesises	Synthetic Lubricants	(4.3%)	+12.6%	+7.0%	+5.5%	(0.1%)	(4.1%)	(9.7%)	(13.7%)	
Energy Device Materials	Liquid Paraffines & Sulfonates	(6.4%)	(3.9%)	+2.6%	+2.8%	+11.9%	+11.0%	+10.5%	+9.0%	
Chemical Business	Hot Melt Adhesives	+2.8%	+0.7%	+0.5%	(0.3%)	+8.2%	+12.9%	+14.1%	+13.0%	
Chemical Business 11,274 11,176 11,276 11,177 11,276 11,177 11,276 11,177	Energy Device Materials	+159.6%	+202.2%	+149.4%	+109.9%	(21.3%)	(34.5%)	(35.1%)	(11.8%)	
Rental Building Business	Other	+41.8%	+27.3%	+7.8%	+6.6%	(29.5%)	(5.4%)	(6.7%)	+3.6%	
Sales (YoY)	Chemical Business	+13.2%	+18.0%	+13.8%	+11.7%	+5.9%	+8.7%	+10.2%	+11.1%	
Functional Fluids	Rental Building Business	(36.7%)	(68.3%)	(78.9%)	(84.2%)	-	-	-	-	
Synthetic Lubricants	Sales (YoY)	+13.1%	+17.8%	+13.6%	+11.5%	+5.9%	+8.7%	+10.1%	+11.1%	
Liquid Paralfines & Sulfonates 12.1% 12.5% 12.6% 12.8% 12.8% 12.8% 12.8% 12.5% 12.	Functional Fluids	46.3%	47.4%	47.5%	47.7%	48.5%	48.4%	49.3%	49.8%	
Hot Melt Adhesises	Synthetic Lubricants	7.6%	7.7%	7.5%	7.2%	7.1%	6.8%	6.1%	5.6%	
Energy Device Materials	Liquid Paraffines & Sulfonates	12.1%	12.5%	12.6%	12.7%	12.8%	12.8%	12.7%	12.5%	
Other 7.9% 6.4% 6.5% 6.6% 5.3% 5.6% 5.5% 6.1% Chemical Business 99.9% 99.9% 99.9% 100.0% <	Hot Melt Adhesives	25.1%	24.9%	24.9%	24.9%	25.7%	25.8%	25.8%	25.3%	
Chemical Business 99.9% 99.9% 100.0% 1	Energy Device Materials	0.9%	1.0%	1.0%	0.9%	0.6%	0.6%	0.6%	0.7%	
Rental Building Business 0.1% 0.1% 0.0% 100.0%	Other	7.9%	6.4%	6.5%	6.6%	5.3%	5.6%	5.5%	6.1%	
Sales (Composition Ratio) 100.0%	Chemical Business	99.9%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Cons. Act Cons	Rental Building Business	0.1%	0.1%	0.0%	0.0%	-	-	-	-	
Million Yen O22 O23 O24 O21 O22 O	Sales (Composition Ratio)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Million Yen	Sales by Business Division	Cons.Act								
Functional Fluids		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	YoY
Synthetic Lubricants 503 530 496 445 502 489 390 322 (122 Liquid Paraffines & Sulfonates 807 865 907 901 902 953 994 944 44 Hot Melt Adhesives 1,671 1,664 1,761 1,699 1,809 1,945 2,047 1,863 1,16 Energy Device Materials 57 71 70 39 46 39 44 81 44 Other 528 331 469 466 372 440 427 620 +15 Chemical Business 6,648 6,710 7,049 6,885 7,050 7,473 7,956 7,854 +96 Sales 6,656 6,710 7,049 6,885 7,050 7,473 7,956 7,854 +96 Functional Fluids +25,1% +49,2% +12,7% +13,1% +10,9% +10,7% +21,2% +22,5% 49,9% Synthetic Lubr	(Million Yen)	02/2022	02/2022	02/2022	02/2022	02/2023	02/2023	02/2023	02/2023	Net Chg.
Líquid Paraffines & Sulfonates 807 865 907 901 902 953 994 944 + 44 Hot Melt Adhesives 1,671 1,654 1,761 1,699 1,809 1,945 2,047 1,863 +16 Energy Device Materials 57 71 70 39 45 39 44 81 44 Other 528 331 469 4,68 57 7,079 6,885 7,050 7,473 7,956 7,854 +96 Chemical Business 8 -7 7,049 6,885 7,050 7,473 7,956 7,854 +96 Sales 6,656 6,710 7,049 6,885 7,050 7,473 7,956 7,854 +96 Functional Fluids +25.1% +49.2% +12.7% +13.1% +10.9% +10.2% +21.4% (27.6%) Líquid Paraffines & Sulfonates (6.4%) (1.4%) +17.0% +3.4% +11.9% +10.2% +9.6%	Functional Fluids	3,083	3,258	3,346	3,334	3,420	3,607	4,054	4,024	+690
Hot Melt Adhesives	Synthetic Lubricants	503	530	496	445	502	489	390	322	(123)
Energy Device Materials 57 71 70 39 45 39 44 81 +44 Other 528 331 469 466 372 440 427 620 +15 Chemical Business 6,684 6,710 7,049 6,885 7,050 7,473 7,956 7,854 +96 Sales 6,656 6,710 7,049 6,885 7,050 7,473 7,956 7,854 +96 Functional Fluids +25.1% +49.2% +12.7% +13.1% +10.9% +10.7% +21.2% +20.7% Synthetic Lubricants (4.3%) +35.2% (2.9%) +0.2% (0.1%) (7.7%) (21.4%) (27.6%) Synthetic Lubricants (6.4%) (1.4%) +17.0% +3.4% +11.9% +10.2% +9.6% +4.8% Hot Melt Adhesives +2.8% (1.3%) +10.2% +12.9% +11.4% (2.9%) +8.2% +17.6% +16.2% +9.7% Chemical Bu	Liquid Paraffines & Sulfonates	807	865	907	901	902	953	994	944	+43
Other 528 331 469 466 372 440 427 620 +15 Chemical Business 6,648 6,710 7,049 6,885 7,050 7,473 7,956 7,854 +96 Sales 6,656 6,710 7,049 6,885 7,050 7,743 7,956 7,854 +96 Functional Fluids +25,1% +49,2% +12,7% +13,1% +10,9% +10,7% +21,2% +20,7% Synthetic Lubricants (4,3%) +35,2% (2,9%) +0.2% (0,1%) (7,7%) (21,4%) (27,6%) Synthetic Lubricants (6,4%) (1,4%) +17,0% +3,4% +11,19% +10,2% +9,6% +4,8% Hot Mell Adhesives +2,8% (1,3%) +0.2% (2,9%) +82,2% +17,6% +10,2% +9,5% +4,8% Chemical Business +13,2% +22,5% +89,2% +14,7% (21,3%) 45,1% 31,1% +10,7% +11,1% +12,9% +1	Hot Melt Adhesives	1,671	1,654	1,761	1,699	1,809	1,945	2,047	1,863	+164
Chemical Business 6,648 6,710 7,049 6,885 7,050 7,473 7,956 7,854 +986 Rental Building Business 8 -	Energy Device Materials	57	71	70	39	45	39	44	81	+42
Rental Building Business 8 - <td>Other</td> <td>528</td> <td>331</td> <td>469</td> <td>466</td> <td>372</td> <td>440</td> <td>427</td> <td>620</td> <td>+154</td>	Other	528	331	469	466	372	440	427	620	+154
Sales 6,656 6,710 7,049 6,885 7,050 7,473 7,956 7,854 +986 Functional Fluids +25.1% +49.2% +12.7% +13.1% +10.9% +10.7% +21.2% +20.7% Synthetic Lubricants (4.3%) +35.2% (2.9%) +0.2% (0.1%) (7.7%) (21.4%) 420.7% Liquid Paraffines & Sulfonates (6.4%) (1.4%) +17.0% +3.4% +11.9% +10.2% +9.6% +4.8% Hot Melt Adhesives +2.8% (1.3%) +0.2% (2.9%) +8.2% +10.2% +9.6% +4.8% Energy Device Materials +159.6% +255.0% +89.2% +14.7% (21.3%) (45.1%) (37.1%) +10.7% Chemical Business +13.2% +23.1% +6.7% +6.0% +5.9% +11.4% +12.9% +14.1% Rental Building Business (36.7%) +22.8% +6.5% +5.7% +5.9% +11.4% +12.9% +14.1% Functional Fluids	Chemical Business	6,648	6,710	7,049	6,885	7,050	7,473	7,956	7,854	+969
Functional Fluids	Rental Building Business	8	-	-	-	-	-	-	-	
Synthetic Lubricants (4.3%) +35.2% (2.9%) +0.2% (0.1%) (7.7%) (21.4%) (27.6%) Liquid Paraffines & Sulfonates (6.4%) (1.4%) +17.0% +3.4% +11.9% +10.2% +9.6% +4.8% Hot Melt Adhesives +2.8% (1.3%) +0.2% (2.9%) +82.% +17.6% +16.2% +9.7% Energy Device Materials +159.6% +255.0% +89.2% +14.7% (21.3%) (45.1%) (37.1%) +107.7% Other +41.8% +9.2% (15.8%) +3.6% (29.5%) +32.9% (9.0%) +33.0% Chemical Business +13.2% +23.1% +6.7% +6.0% +5.9% +11.4% +12.9% +14.1% Rental Building Business (36.7%) - <	Sales	6,656	6,710	7,049	6,885	7,050	7,473	7,956	7,854	+969
Liquid Paraffines & Sulfonates (6.4%) (1.4%) +17.0% +3.4% +11.9% +10.2% +9.6% +4.8% Hot Melt Adhesives +2.8% (1.3%) +0.2% (2.9%) +8.2% +17.6% +16.2% +9.7% Energy Device Materials +159.6% +255.0% +89.2% +14.7% (21.3%) (45.1%) (37.1%) +107.7% Other +41.8% +9.2% (15.8%) +3.6% (29.5%) +32.9% (9.0%) +33.0% Chemical Business +13.2% +23.1% +6.7% +6.0% +5.9% +11.4% +12.9% +14.1% Rental Building Business (36.7%) -	Functional Fluids	+25.1%	+49.2%	+12.7%	+13.1%	+10.9%	+10.7%	+21.2%	+20.7%	
Hot Melt Adhesives	Synthetic Lubricants	(4.3%)	+35.2%	(2.9%)	+0.2%	(0.1%)	(7.7%)	(21.4%)	(27.6%)	
Energy Device Materials +159.6% +255.0% +89.2% +14.7% (21.3%) (45.1%) (37.1%) +107.7% Other +41.8% +9.2% (15.8%) +3.6% (29.5%) +32.9% (9.0%) +33.0% Chemical Business +13.2% +23.1% +6.7% +6.0% +5.9% +11.4% +12.9% +14.1% Rental Building Business (36.7%) - <td>Liquid Paraffines & Sulfonates</td> <td>(6.4%)</td> <td>(1.4%)</td> <td>+17.0%</td> <td>+3.4%</td> <td>+11.9%</td> <td>+10.2%</td> <td>+9.6%</td> <td>+4.8%</td> <td></td>	Liquid Paraffines & Sulfonates	(6.4%)	(1.4%)	+17.0%	+3.4%	+11.9%	+10.2%	+9.6%	+4.8%	
Other +41.8% +9.2% (15.8%) +3.6% (29.5%) +32.9% (9.0%) +33.0% Chemical Business +13.2% +23.1% +6.7% +6.0% +5.9% +11.4% +12.9% +14.1% Rental Building Business (36.7%) - <	Hot Melt Adhesives	+2.8%	(1.3%)	+0.2%	(2.9%)	+8.2%	+17.6%	+16.2%	+9.7%	
Chemical Business +13.2% +23.1% +6.7% +6.0% +5.9% +11.4% +12.9% +14.1% Rental Building Business (36.7%) - </td <td>Energy Device Materials</td> <td>+159.6%</td> <td>+255.0%</td> <td>+89.2%</td> <td>+14.7%</td> <td>(21.3%)</td> <td>(45.1%)</td> <td>(37.1%)</td> <td>+107.7%</td> <td></td>	Energy Device Materials	+159.6%	+255.0%	+89.2%	+14.7%	(21.3%)	(45.1%)	(37.1%)	+107.7%	
Rental Building Business (36.7%) - <th< td=""><td>Other</td><td>+41.8%</td><td>+9.2%</td><td>(15.8%)</td><td>+3.6%</td><td>(29.5%)</td><td>+32.9%</td><td>(9.0%)</td><td>+33.0%</td><td></td></th<>	Other	+41.8%	+9.2%	(15.8%)	+3.6%	(29.5%)	+32.9%	(9.0%)	+33.0%	
Sales (YoY) +13.1% +22.8% +6.5% +5.7% +5.9% +11.4% +12.9% +14.1% Functional Fluids 46.3% 48.6% 47.5% 48.4% 48.5% 48.3% 51.0% 51.2% Synthetic Lubricants 7.6% 7.9% 7.0% 6.5% 7.1% 6.5% 4.9% 4.1% Liquid Paraffines & Sulfonates 12.1% 12.9% 12.9% 13.1% 12.8% 12.8% 12.5% 12.0% Hot Melt Adhesives 25.1% 24.6% 25.0% 24.7% 25.7% 26.0% 25.7% 23.7% Energy Device Materials 0.9% 1.1% 1.0% 0.6% 0.6% 0.5% 0.6% 1.0% Other 7.9% 4.9% 6.7% 6.8% 5.3% 5.9% 5.4% 7.9% Chemical Business 99.9% 100.0% 100.0% 100.0% 100.0% 100.0% 100.0% 100.0% 100.0% 100.0% 100.0% 100.0% 100.0% 100.0% 1	Chemical Business	+13.2%	+23.1%	+6.7%	+6.0%	+5.9%	+11.4%	+12.9%	+14.1%	
Functional Fluids 46.3% 48.6% 47.5% 48.4% 48.5% 48.3% 51.0% 51.2% Synthetic Lubricants 7.6% 7.9% 7.0% 6.5% 7.1% 6.5% 4.9% 4.1% Liquid Paraffines & Sulfonates 12.1% 12.9% 12.9% 13.1% 12.8% 12.8% 12.5% 12.0% Hot Melt Adhesives 25.1% 24.6% 25.0% 24.7% 25.7% 26.0% 25.7% 23.7% Energy Device Materials 0.9% 1.1% 1.0% 0.6% 0.6% 0.5% 0.6% 1.0% Other 7.9% 4.9% 6.7% 6.8% 5.3% 5.9% 5.4% 7.9% Chemical Business 99.9% 100.0% <t< td=""><td>Rental Building Business</td><td>(36.7%)</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td></td></t<>	Rental Building Business	(36.7%)	-	-	-	-	-	-	-	
Synthetic Lubricants 7.6% 7.9% 7.0% 6.5% 7.1% 6.5% 4.9% 4.1% Liquid Paraffines & Sulfonates 12.1% 12.9% 12.9% 13.1% 12.8% 12.8% 12.5% 12.0% Hot Melt Adhesives 25.1% 24.6% 25.0% 24.7% 25.7% 26.0% 25.7% 23.7% Energy Device Materials 0.9% 1.1% 1.0% 0.6% 0.6% 0.5% 0.6% 1.0% Other 7.9% 4.9% 6.7% 6.8% 5.3% 5.9% 5.4% 7.9% Chemical Business 99.9% 100.0%	Sales (YoY)	+13.1%	+22.8%	+6.5%	+5.7%	+5.9%	+11.4%	+12.9%	+14.1%	
Liquid Paraffines & Sulfonates 12.1% 12.9% 12.9% 13.1% 12.8% 12.8% 12.5% 12.0% Hot Melt Adhesives 25.1% 24.6% 25.0% 24.7% 25.7% 26.0% 25.7% 23.7% Energy Device Materials 0.9% 1.1% 1.0% 0.6% 0.6% 0.5% 0.6% 1.0% Other 7.9% 4.9% 6.7% 6.8% 5.3% 5.9% 5.4% 7.9% Chemical Business 99.9% 100.0%	Functional Fluids	46.3%	48.6%	47.5%	48.4%	48.5%	48.3%	51.0%	51.2%	
Hot Melt Adhesives 25.1% 24.6% 25.0% 24.7% 25.7% 26.0% 25.7% 23.7% Energy Device Materials 0.9% 1.1% 1.0% 0.6% 0.6% 0.6% 0.5% 0.6% 1.0% Other 7.9% 4.9% 6.7% 6.8% 5.3% 5.9% 5.4% 7.9% Chemical Business 99.9% 100.0% 100.0% 100.0% 100.0% 100.0% 100.0% Rental Building Business 0.1%	Synthetic Lubricants	7.6%	7.9%	7.0%	6.5%	7.1%	6.5%	4.9%	4.1%	
Energy Device Materials 0.9% 1.1% 1.0% 0.6% 0.6% 0.5% 0.6% 1.0% Other 7.9% 4.9% 6.7% 6.8% 5.3% 5.9% 5.4% 7.9% Chemical Business 99.9% 100.0% <td< td=""><td>Liquid Paraffines & Sulfonates</td><td>12.1%</td><td>12.9%</td><td>12.9%</td><td>13.1%</td><td>12.8%</td><td>12.8%</td><td>12.5%</td><td>12.0%</td><td></td></td<>	Liquid Paraffines & Sulfonates	12.1%	12.9%	12.9%	13.1%	12.8%	12.8%	12.5%	12.0%	
Other 7.9% 4.9% 6.7% 6.8% 5.3% 5.9% 5.4% 7.9% Chemical Business 99.9% 100.0%	Hot Melt Adhesives	25.1%	24.6%	25.0%	24.7%	25.7%	26.0%	25.7%	23.7%	
Chemical Business 99.9% 100.0% <	Energy Device Materials	0.9%	1.1%	1.0%	0.6%	0.6%	0.5%	0.6%	1.0%	
Rental Building Business 0.1%	Other	7.9%	4.9%	6.7%	6.8%	5.3%	5.9%	5.4%	7.9%	
	Chemical Business	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Sales (Composition Ratio) 100.0% 100.0% 100.0% 100.0% 100.0% 100.0% 100.0%	Rental Building Business	0.1%	-	-	-	-	-	-	-	
	Sales (Composition Ratio)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

Balance Sheet (Quarterly)

Balance Sheet	Cons.Act								
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	YoY
(Million Yen)	02/2022	02/2022	02/2022	02/2022	02/2023	02/2023	02/2023	02/2023	Net Chg.
Cash and Deposit	4,521	3,988	4,090	4,001	3,812	4,166	4,172	4,256	+255
Accounts Receivables	6,479	6,337	6,800	6,844	7,046	7,524	7,831	7,595	+751
Inventory	4,665	4,869	5,043	5,326	5,727	6,102	6,311	6,306	+980
Other	545	413	343	436	580	493	614	653	+217
Current Assets	16,210	15,607	16,276	16,607	17,165	18,285	18,928	18,810	+2,203
Tangible Assets	7,811	7,842	7,954	8,304	8,330	8,395	8,537	8,610	+306
Intangible Assets	742	706	672	633	614	649	643	589	(44)
Investments and Other Assets	3,238	3,182	3,320	3,465	3,583	3,764	3,820	4,002	+537
Fixed Assets	11,791	11,730	11,947	12,401	12,527	12,808	13,001	13,202	+801
Deferred Assets	-	-	-	-	-	-	-	6	+6
Total Assets	28,001	27,337	28,223	29,008	29,691	31,092	31,929	32,017	+3,009
Accounts Payables	3,925	3,762	4,151	4,308	4,419	4,926	5,173	5,144	+836
Short-Term Debt	1,119	566	553	560	857	1,546	1,549	2,381	+1,821
Other	2,223	2,065	2,453	2,392	2,052	1,611	2,245	2,074	(318)
Current Liabilities	7,267	6,393	7,157	7,260	7,328	8,083	8,967	9,599	+2,339
Long-Term Debt	660	545	430	350	457	382	307	472	+122
Other	568	587	590	847	785	910	834	707	(140)
Fixed Liabilities	1,228	1,132	1,020	1,197	1,242	1,292	1,141	1,179	(18)
Total Liabilities	8,495	7,525	8,178	8,457	8,570	9,375	10,108	10,778	+2,321
Shareholders' Equity	16,697	16,966	17,150	17,227	17,357	17,361	17,392	17,287	+60
Other	2,809	2,846	2,896	3,324	3,764	4,356	4,428	3,953	+629
Net Assets	19,506	19,812	20,046	20,551	21,121	21,717	21,820	21,240	+689
Total Liabilities & Net Assets	28,001	27,337	28,223	29,008	29,691	31,092	31,929	32,017	+3,009
Equity Capital	17,096	17,381	17,586	17,962	18,492	18,945	19,016	18,533	+571
Interest Bearing Debt	1,779	1,111	983	910	1,314	1,928	1,856	2,853	+1,943
Net Debt	(2,742)	(2,877)	(3,107)	(3,091)	(2,498)	(2,238)	(2,316)	(1,403)	+1,688
Equity Ratio	61.1%	63.6%	62.3%	61.9%	62.3%	60.9%	59.6%	57.9%	-
Net Debt Equity Ratio	(16.0%)	(16.6%)	(17.7%)	(17.2%)	(13.5%)	(11.8%)	(12.2%)	(7.6%)	-
ROE (12 months)	10.0%	12.0%	11.7%	10.7%	5.8%	5.2%	4.4%	3.4%	-
ROA (12 months)	6.2%	7.9%	7.7%	7.1%	6.1%	5.8%	4.7%	3.4%	-
Days for Inventory Turnover	98	98	95	98	104	101	99	97	-
Quick Ratio	151%	162%	152%	149%	148%	145%	134%	123%	-
Current Ratio	223%	244%	227%	229%	234%	226%	211%	196%	-

Source: Company Data, WRJ Calculation

Cash Flow Statement (Cumulative)

Cash Flow Statement	Cons.Act								
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	YoY
(Million Yen)	02/2022	02/2022	02/2022	02/2022	02/2023	02/2023	02/2023	02/2023	Net Chg.
Operating Cash Flow	-	1,327	-	2,333	-	535	-	515	(1,818)
Investing Cash Flow	-	1,043	-	603	-	(718)	-	(1,172)	(1,775)
Operating Cash Flow and Investing Cash Flow	-	2,370	-	2,936	-	(183)	-	(657)	(3,593)
Financing Cash Flow	-	(2,504)	-	(2,937)	_	487	-	1,227	+4,164

Disclaimer

Information here is a summary of "IR Information" of the Company, compiled by Walden Research Japan, from a neutral and professional standing point, in the form of a report. "IR Information" of the Company comprises a) contents of our interview with the Company, b) contents of presentations for institutional investors, c) contents of timely disclosed information and d) contents of the homepage, etc.

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