# **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)
FY02/2023		30.333	523	1.046		66.19	40.00	2.008.49
FY02/2023 FY02/2024		,		,				,
FY02/2024 FY02/2025CoE		31,886	1,225	1,826	,	139.01	45.00 45.00	2,179.85
		34,000	1,500	1,850	,	114.58	45.00	
FY02/2024	YoY	5.1%	134.2%	74.6%		-	-	-
FY02/2025CoE	YoY	6.6%	22.5%	1.3%	(18.2%)	-	-	-

Source: Company Data, WRJ Calculation

## 1.0 Results Update (12 April 2024)

#### **Steady Growth**

On 12 April 2024, MORESCO, running operations of R&D, manufacture and sale of chemical goods used in diverse applications with autos as the mainstay, released its FY02/2024 results. It has been revealed that earnings are surging and the Company is implementing measures to realize steady growth from a long-term perspective at the same time. In addition to Japan, the mainstay by region, the Company is seeing a favorable recovery in earnings in Southeast/South Asia (Thailand, Indonesia and India) and North America, far more than compensating for sluggish performance in China, where a recovery of local demand is delayed. Meanwhile, the Company has released its 10th Midterm Management Plan (FY02/2025 to FY02/2027) to focus on satisfying both of Realization of a Sustainable Society and Enhancement of Added Value of Business as the theme, implying CAGR of 6.0% in sales and 30.1% in operating profit as an anticipated rate of growth with its management performance target. Thus, it appears that the above-mentioned Enhancement of Added Value of Business has a lot to do with the Company's policy to proactively improve sales mix, going forward. We are to attend the results briefing via webcast (scheduled for 22 April 2024) and then interview the Company's management for further details, so that we should be able to update our Company Report in light of the content of both and release afresh.

Our Company Report: MORESCO (5018) Upgrading Sales Mix (14 March 2024)

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

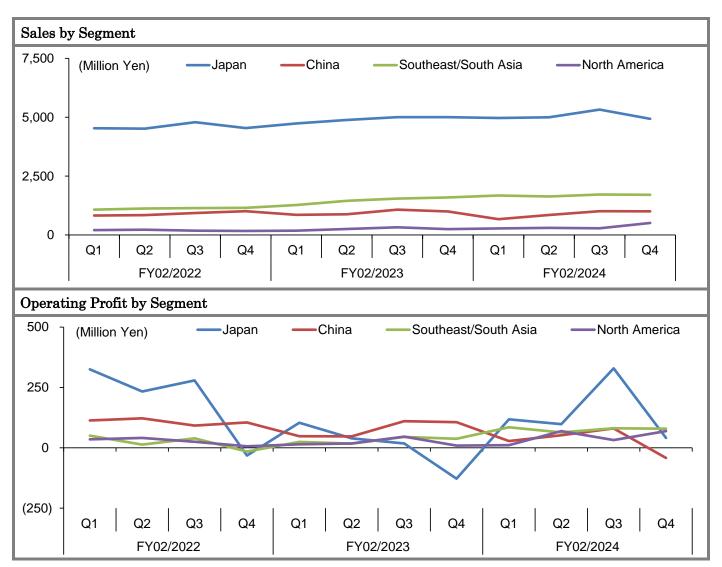
	interface ocience opecianst
Company Name	MORESCO Corporation
	Company Website  IR Information
	IR Information
	Share Price (Japanese)
Established	27 October 1958
Listing	20 October 2023: Tokyo Stock Exchange Standard Market (ticker: 5018)
	4 April 2022: Tokyo Stock Exchange Prime Market
	14 February 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 2024)
No. of Shares	9,696,500 shares, including 463,720 treasury shares (as of the end of Feb. 2024)
Main Features	• Independent (non-keiretsu) manufacturer of chemical goods, some 43%
	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 (Thailand, Indonesia and India)
	IV. North America
Representative	CEO, Representative Director and President: Motohisa Morozumi
Shareholders	Matsumura Oil 11.6%, Cosmo Oil Lubricants 5.4%, MORESCO ESOP 4.5%,
	NIPPON SODA 4.0%, Master Trust Bank of Japan, T. 3.8%, STARLITE Co., Ltd.
	3.5% (as of the end of February 2024, but for treasury shares)
Head Office	Kobe-city, Hyogo-prefecture, JAPAN
No. of Personnel	Consolidated: 821, Parent: 387 (as of the end of February 2024)

Source: Company Data

## 3.0 Recent Trading and Prospects

#### FY02/2024

For FY02/2024, sales came in at \$31,886m (up 5.1% YoY), operating profit \$1,225m (up 134.2%), recurring profit \$1,826m (up 74.6%) and profit attributable to owners of parent \$1,283m (up 108.8%), while operating profit margin 3.8% (up 2.1% points). The Company suggests that operating profit margin has risen sharply due mainly to a trend that the impact of sharp rise in raw material prices has begun to subside in Japan and overseas.



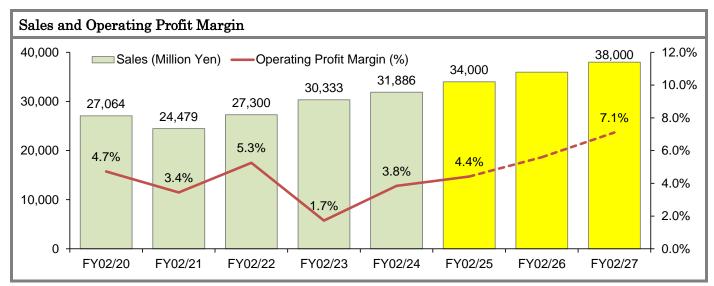
Source: Company Data, WRJ Calculation

Meanwhile, the Company saw net non-operating gain of ¥601m (versus net gain of ¥523m in the previous year) and net extraordinary gain of ¥229m (versus breakeven). The former was largely attributable to foreign exchange gain of ¥251m (versus gain of ¥295m) and investment gain on equity method of ¥314m (versus ¥148m). The factor cited for the increase in investment gain on equity method is one-time contribution from conversion of a Chinese equity-method affiliate into a subsidiary. The said conversion contributed also to the latter in that gain on negative goodwill resulting from here accounted for most of the above-mentioned net extraordinary gain.

In Japan, the mainstay by region, sales came in at ¥20,229m (up 3.0%), segment profit ¥586m (versus ¥33m in the previous year) and segment profit margin 2.9% (up 2.7% points) with 63.4% of sales and 49.1% of segment profit. Meanwhile, on the Functional Fluids side, the mainstay by business division and with a high exposure to auto application, sales came in at ¥16,247m (up 7.6%), which accounted for 51.0% of sales. As far as we could see, it is the case that an increase in auto production volume in Japan and overseas during the relevant period was contributing to the Company's performance to a large extent. However, the Company has suffered from a sluggish performance in China, where a recovery of local demand is delayed as well as suffering from lowered rate of utilization at destination of products, i.e., local factory of Japanese auto parts supplier.

#### FY02/2025 Company Forecasts

FY02/2024 Company forecasts are going for prospective sales of \(\pm\)34,000m (up 6.6% YoY), operating profit of \(\pm\)1,500m (up 22.5%), recurring profit of \(\pm\)1,850m (up 1.3%) and profit attributable to owners of parent of \(\pm\)1,050m (down 18.2%), while operating profit margin of 4.4% (up 0.6% points). At the same time, Company forecasts are going for planned annual dividend of \(\pm\)45.00, implying payout ratio of 39.3%. Elsewhere, the Company suggests a possibility for CROSS, Inc., the Company's subsidiary based in the United States, whose business was acquired in October 2023, to contribute to earnings earlier than currently assumed.



Source: Company Data, WRJ Calculation

By the way, The Company's 10th Midterm Management Plan (FY02/2025 to FY02/2027) is calling for prospective sales of \$38,000m, operating profit of \$2,700m and operating profit margin of 7.1% for FY02/2027, the final year of the plan. At the same time, the Company is also calling for prospective ROE of some 8% for FY02/2027 versus some 5% for FY02/2025 as implied with Company forecasts.

## 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)	02/2023	02/2023	02/2023	02/2023	02/2024	02/2024	02/2024	02/2024	Net Chg.
Sales	7,050	14,523	22,479	30,333	7,596	15,386	23,731	31,886	+1,553
Cost of Sales	4,997	10,484	16,291	22,204	5,513	11,188	17,108	22,902	+698
Gross Profit	2,053	4,039	6,188	8,129	2,083	4,197	6,623	8,984	+855
SG&A Expenses	1,852	3,744	5,677	7,606	1,826	3,669	5,572	7,759	+153
Operating Profit	201	295	511	523	257	528	1,050	1,225	+702
Non-Operating Balance	270	551	633	523	138	405	649	601	+78
Recurring Profit	471	846	1,144	1,046	395	933	1,699	1,826	+780
Extraordinary Balance	-	-	-	-	-	-	250	229	+229
Profit before Income Taxes	471	846	1,144	1,046	395	933	1,949	2,055	+1,009
Total Income Taxes	116	286	347	320	125	262	455	606	+286
Profit Attributable to Non-Controlling Interests	38	56	78	112	47	102	159	165	+53
Profit Attributable to Owners of Parent	317	504	719	615	224	569	1,335	1,283	+668
Sales YoY	+5.9%	+8.7%	+10.1%	+11.1%	+7.7%	+5.9%	+5.6%	+5.1%	-
Operating Profit YoY	(61.4%)	(68.0%)	(62.8%)	(63.5%)	+28.0%	+78.8%	+105.5%	+134.2%	-
Recurring Profit YoY	(34.7%)	(27.3%)	(34.0%)	(48.0%)	(16.1%)	+10.4%	+48.6%	+74.6%	-
Profit Attributable to Owners of Parent YoY	(71.0%)	(62.9%)	(58.5%)	(66.0%)	(29.5%)	+13.0%	+85.8%	+108.8%	-
Gross Profit Margin	29.1%	27.8%	27.5%	26.8%	27.4%	27.3%	27.9%	28.2%	+1.4%
SG&A Ratio	26.3%	25.8%	25.3%	25.1%	24.0%	23.8%	23.5%	24.3%	(0.7%)
Operating Profit Margin	2.9%	2.0%	2.3%	1.7%	3.4%	3.4%	4.4%	3.8%	+2.1%
Recurring Profit Margin	6.7%	5.8%	5.1%	3.4%	5.2%	6.1%	7.2%	5.7%	+2.3%
Profit Attributable to Owners of Parent Margin	4.5%	3.5%	3.2%	2.0%	2.9%	3.7%	5.6%	4.0%	+2.0%
Total Income Taxes / Profit before Income Taxes	24.6%	33.8%	30.3%	30.6%	31.6%	28.1%	23.3%	29.5%	(1.1%)
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 02/2023	Q2 02/2023	Q3 02/2023	Q4 02/2023	Q1 02/2024	Q2 02/2024	Q3 02/2024	Q4 02/2024	YoY Net Chg.
(Million Yen) Sales									
Sales Cost of Sales	02/2023	02/2023	02/2023	02/2023	02/2024	02/2024	02/2024	02/2024	Net Chg.
Sales	02/2023 7,050	02/2023 7,473	02/2023 <b>7,95</b> 6	02/2023 7,854	02/2024 7,596	02/2024 7,790	02/2024 8,345	02/2024 8,155	Net Chg. +301
Sales Cost of Sales	02/2023 7,050 4,997	02/2023 7,473 5,487	02/2023 <b>7,956</b> 5,807	02/2023 <b>7,854</b> 5,913	<b>02/2024 7,596</b> 5,513	<b>02/2024</b> <b>7,790</b> 5,675	<b>02/2024</b> <b>8,345</b> 5,920	<b>02/2024 8,155</b> 5,794	Net Chg. +301 (119)
Sales Cost of Sales Gross Profit	<b>7,050</b> 4,997 2,053	02/2023 7,473 5,487 1,986	<b>7,956</b> 5,807 2,149	<b>7,854</b> 5,913 1,941	<b>02/2024 7,596</b> 5,513 2,083	<b>02/2024 7,790</b> 5,675 2,114	<b>02/2024 8,345</b> 5,920 2,426	<b>02/2024 8,155</b> 5,794 2,361	Net Chg. +301 (119) +420
Sales Cost of Sales Gross Profit SG&A Expenses	<b>7,050</b> 4,997 2,053 1,852	02/2023 7,473 5,487 1,986 1,892	02/2023 7,956 5,807 2,149 1,933	02/2023 7,854 5,913 1,941 1,929	<b>02/2024 7,596</b> 5,513 2,083 1,826	<b>7,790</b> 5,675 2,114 1,843	<b>02/2024 8,345</b> 5,920 2,426 1,903	<b>02/2024 8,155</b> 5,794 2,361 2,187	+301 (119) +420 +258
Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit	02/2023 7,050 4,997 2,053 1,852 201	02/2023 7,473 5,487 1,986 1,892 94	02/2023 7,956 5,807 2,149 1,933 216	02/2023 7,854 5,913 1,941 1,929 12	02/2024 7,596 5,513 2,083 1,826 257	02/2024 7,790 5,675 2,114 1,843 271	02/2024 8,345 5,920 2,426 1,903 522 244 766	02/2024 8,155 5,794 2,361 2,187 175	Net Chg. +301 (119) +420 +258 +163
Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non-Operating Balance	02/2023 7,050 4,997 2,053 1,852 201 270	02/2023 7,473 5,487 1,986 1,892 94 281	02/2023 7,956 5,807 2,149 1,933 216 82	7,854 5,913 1,941 1,929 12 (110)	02/2024 7,596 5,513 2,083 1,826 257 138	02/2024 7,790 5,675 2,114 1,843 271 267	02/2024 8,345 5,920 2,426 1,903 522 244	02/2024 8,155 5,794 2,361 2,187 175 (48)	Net Chg. +301 (119) +420 +258 +163 +62
Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non-Operating Balance Recurring Profit	02/2023 7,050 4,997 2,053 1,852 201 270 471	02/2023 7,473 5,487 1,986 1,892 94 281 375	02/2023 7,956 5,807 2,149 1,933 216 82 298	7,854 5,913 1,941 1,929 12 (110)	02/2024 7,596 5,513 2,083 1,826 257 138 395	02/2024 7,790 5,675 2,114 1,843 271 267 538	02/2024 8,345 5,920 2,426 1,903 522 244 766	02/2024 8,155 5,794 2,361 2,187 175 (48) 127	Net Chg. +301 (119) +420 +258 +163 +62 +225
Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non-Operating Balance Recurring Profit Extraordinary Balance	02/2023 7,050 4,997 2,053 1,852 201 270 471	02/2023 7,473 5,487 1,986 1,892 94 281 375	02/2023 7,956 5,807 2,149 1,933 216 82 298	02/2023 7,854 5,913 1,941 1,929 12 (110) (98)	02/2024 7,596 5,513 2,083 1,826 257 138 395	7,790 5,675 2,114 1,843 271 267 538	02/2024 8,345 5,920 2,426 1,903 522 244 766 250	02/2024 8,155 5,794 2,361 2,187 175 (48) 127 (21)	Net Chg. +301 (119) +420 +258 +163 +62 +225 (21)
Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non-Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes	02/2023 7,050 4,997 2,053 1,852 201 270 471	02/2023 7,473 5,487 1,986 1,892 94 281 375	02/2023 7,956 5,807 2,149 1,933 216 82 298	02/2023 7,854 5,913 1,941 1,929 12 (110) (98)	02/2024 7,596 5,513 2,083 1,826 257 138 395	02/2024 7,790 5,675 2,114 1,843 271 267 538	02/2024 8,345 5,920 2,426 1,903 522 244 766 250 1,016	02/2024 8,155 5,794 2,361 2,187 175 (48) 127 (21) 106	Net Chg. +301 (119) +420 +258 +163 +62 +225 (21) +204
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	02/2023 7,050 4,997 2,053 1,852 201 270 471 - 471 116	7,473 5,487 1,986 1,892 94 281 375 - 375 170	02/2023 7,956 5,807 2,149 1,933 216 82 298 - 298 61	02/2023 7,854 5,913 1,941 1,929 12 (110) (98) - (98) (27)	02/2024 7,596 5,513 2,083 1,826 257 138 395 - 395 125 47 224	7,790 5,675 2,114 1,843 271 267 538 - 538 137	02/2024 8,345 5,920 2,426 1,903 522 244 766 250 1,016 193	02/2024  8,155 5,794 2,361 2,187 175 (48) 127 (21) 106 151	Net Chg. +301 (119) +420 +258 +163 +62 +225 (21) +204 +178
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	02/2023 7,050 4,997 2,053 1,852 201 270 471 - 471 116 38	02/2023 7,473 5,487 1,986 1,892 94 281 375 - 375 170 18	02/2023 7,956 5,807 2,149 1,933 216 82 298 61 22 215 +12.9%	02/2023 7,854 5,913 1,941 1,929 12 (110) (98) (27) 34	02/2024 7,596 5,513 2,083 1,826 257 138 395 - 395 125 47	02/2024 7,790 5,675 2,114 1,843 271 267 538 - 538 137 55	02/2024 8,345 5,920 2,426 1,903 522 244 766 250 1,016 193 57	02/2024  8,155 5,794 2,361 2,187 175 (48) 127 (21) 106 151 6	Net Chg. +301 (119) +420 +258 +163 +62 +225 (21) +204 +178 (28)
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	02/2023 7,050 4,997 2,053 1,852 201 270 471 - 471 116 38 317	7,473 5,487 1,986 1,892 94 281 375 - 375 170 18 187 +11.4% (76.7%)	02/2023 7,956 5,807 2,149 1,933 216 82 298 61 22 215 +12.9% (52.2%)	02/2023 7,854 5,913 1,941 1,929 12 (110) (98) - (98) (27) 34 (104)	02/2024 7,596 5,513 2,083 1,826 257 138 395 - 395 125 47 224 +7.7% +28.0%	7,790 5,675 2,114 1,843 271 267 538 - 538 137 55 345 +4.2% +188.3%	02/2024 8,345 5,920 2,426 1,903 522 244 766 250 1,016 193 57 766	02/2024  8,155 5,794 2,361 2,187 175 (48) 127 (21) 106 151 6 (52)	Net Chg. +301 (119) +420 +258 +163 +62 +225 (21) +204 +178 (28)
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	02/2023 7,050 4,997 2,053 1,852 201 270 471 - 471 116 38 317 +5.9%	02/2023 7,473 5,487 1,986 1,892 94 281 375 - 375 170 18 187	02/2023 7,956 5,807 2,149 1,933 216 82 298 61 22 215 +12.9%	02/2023 7,854 5,913 1,941 1,929 12 (110) (98) - (98) (27) 34 (104)	02/2024 7,596 5,513 2,083 1,826 257 138 395 - 395 125 47 224 +7.7%	02/2024 7,790 5,675 2,114 1,843 271 267 538 - 538 137 55 345	02/2024 8,345 5,920 2,426 1,903 522 244 766 250 1,016 193 57 766 +4.9%	02/2024  8,155 5,794 2,361 2,187 175 (48) 127 (21) 106 151 6 (52)	Net Chg. +301 (119) +420 +258 +163 +62 +225 (21) +204 +178 (28)
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	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%)	7,473 5,487 1,986 1,892 94 281 375 - 375 170 18 187 +11.4% (76.7%) (15.2%) (29.2%)	7,956 5,807 2,149 1,933 216 82 298 61 22 215 +12.9% (52.2%) (47.6%) (42.0%)	02/2023 7,854 5,913 1,941 1,929 12 (110) (98) - (98) (27) 34 (104) +14.1% (79.7%)	02/2024 7,596 5,513 2,083 1,826 257 138 395 - 395 125 47 224 +7.7% +28.0% (16.1%) (29.5%)	7,790 5,675 2,114 1,843 271 267 538 - 538 137 55 345 +4.2% +188.3% +43.5% +84.5%	02/2024 8,345 5,920 2,426 1,903 522 244 766 250 1,016 193 57 766 +4.9% +141.7% +157.0% +256.3%	02/2024  8,155 5,794 2,361 2,187 175 (48) 127 (21) 106 151 6 (52) +3.8%	Net Chg. +301 (119) +420 +258 +163 +62 +225 (21) +204 +178 (28) +52
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	02/2023 7,050 4,997 2,053 1,852 201 270 471 471 116 38 317 +5.9% (61.4%) (34.7%)	7,473 5,487 1,986 1,892 94 281 375 - 375 170 18 187 +11.4% (76.7%) (15.2%)	7,956 5,807 2,149 1,933 216 82 298 61 22 215 +12.9% (52.2%) (47.6%)	02/2023 7,854 5,913 1,941 1,929 12 (110) (98) - (98) (27) 34 (104) +14.1% (79.7%)	02/2024 7,596 5,513 2,083 1,826 257 138 395 - 395 125 47 224 +7.7% +28.0% (16.1%)	7,790 5,675 2,114 1,843 271 267 538 - 538 137 55 345 +4.2% +188.3% +43.5%	02/2024 8,345 5,920 2,426 1,903 522 244 766 250 1,016 193 57 766 +4.9% +141.7% +157.0%	02/2024  8,155 5,794 2,361 2,187 175 (48) 127 (21) 106 151 6 (52)	Net Chg. +301 (119) +420 +258 +163 +62 +225 (21) +204 +178 (28)
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	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%)	7,473 5,487 1,986 1,892 94 281 375 - 375 170 18 187 +11.4% (76.7%) (15.2%) (29.2%)	7,956 5,807 2,149 1,933 216 82 298 61 22 215 +12.9% (52.2%) (47.6%) (42.0%)	02/2023 7,854 5,913 1,941 1,929 12 (110) (98) - (98) (27) 34 (104) +14.1% (79.7%)	02/2024 7,596 5,513 2,083 1,826 257 138 395 - 395 125 47 224 +7.7% +28.0% (16.1%) (29.5%)	7,790 5,675 2,114 1,843 271 267 538 - 538 137 55 345 +4.2% +188.3% +43.5% +84.5%	02/2024 8,345 5,920 2,426 1,903 522 244 766 250 1,016 193 57 766 +4.9% +141.7% +157.0% +256.3%	02/2024  8,155 5,794 2,361 2,187 175 (48) 127 (21) 106 151 6 (52) +3.8%	Net Chg. +301 (119) +420 +258 +163 +62 +225 (21) +204 +178 (28) +52
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	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%	7,473 5,487 1,986 1,892 94 281 375 - 375 170 18 187 +11.4% (76.7%) (15.2%) (29.2%)	7,956 5,807 2,149 1,933 216 82 298 61 22 215 +12.9% (52.2%) (47.6%) (42.0%) 27.0%	02/2023 7,854 5,913 1,941 1,929 12 (110) (98) - (98) (27) 34 (104) +14.1% (79.7%)	7,596 5,513 2,083 1,826 257 138 395 - 395 125 47 224 +7.7% +28.0% (16.1%) (29.5%) 27.4%	7,790 5,675 2,114 1,843 271 267 538 - 538 137 55 345 +4.2% +188.3% +43.5% +84.5% 27.1%	02/2024 8,345 5,920 2,426 1,903 522 244 766 250 1,016 193 57 766 +4.9% +141.7% +157.0% +256.3%	02/2024  8,155 5,794 2,361 2,187 175 (48) 127 (21) 106 151 6 (52) +3.8% 29.0%	Net Chg. +301 (119) +420 +258 +163 +62 +225 (21) +204 +178 (28) +52 +4.2%
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	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%	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%	7,956 5,807 2,149 1,933 216 82 298 61 22 215 +12.9% (52.2%) (47.6%) (42.0%) 24.3%	02/2023 7,854 5,913 1,941 1,929 12 (110) (98) - (98) (27) 34 (104) +14.1% (79.7%) - 24.7% 24.6%	7,596 5,513 2,083 1,826 257 138 395 - 395 125 47 224 +7.7% +28.0% (16.1%) (29.5%) 27.4% 24.0%	7,790 5,675 2,114 1,843 271 267 538 - 538 137 55 345 +4.2% +188.3% +43.5% +84.5% 27.1% 23.7%	02/2024 8,345 5,920 2,426 1,903 522 244 766 250 1,016 193 57 766 +4.9% +141.7% +157.0% +256.3% 29.1% 22.8%	02/2024  8,155 5,794 2,361 2,187 175 (48) 127 (21) 106 151 6 (52) +3.8% 29.0% 26.8%	Net Chg. +301 (119) +420 +258 +163 +62 +225 (21) +204 +178 (28) +52 +4.2% +2.3%
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	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%	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%	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%	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%	7,596 5,513 2,083 1,826 257 138 395 - 395 125 47 224 +7.7% +28.0% (16.1%) (29.5%) 27.4% 24.0% 3.4%	7,790 5,675 2,114 1,843 271 267 538 - 538 137 55 345 +4.2% +188.3% +43.5% +84.5% 27.1% 23.7% 3.5%	02/2024  8,345 5,920 2,426 1,903 522 244 766 250 1,016 193 57 766 +4.9% +141.7% +157.0% +256.3% 29.1% 22.8% 6.3%	02/2024  8,155 5,794 2,361 2,187 175 (48) 127 (21) 106 151 6 (52) +3.8% 29.0% 26.8% 2.1%	Net Chg. +301 (119) +420 +258 +163 +62 +225 (21) +204 +178 (28) +52 +4.2% +2.3% +2.0%

## 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)	02/2023	02/2023	02/2023	02/2023	02/2024	02/2024	02/2024	02/2024	Net Chg.
Japan	4,738	9,624	14,629	19,637	4,968	9,966	15,295	20,229	+592
China	854	1,737	2,813	3,814	670	1,522	2,532	3,536	(278)
Southeast/South Asia (Thailand, Indonesia and India)	1,276	2,726	4,274	5,870	1,679	3,313	5,031	6,737	+867
North America	182	436	762	1,011	278	584	872	1,384	+373
Sales	7,050	14,523	22,479	30,333	7,596	15,386	23,731	31,886	+1,553
Japan	104	143	161	33	118	216	545	586	+553
China	48	95	205	311	28	80	160	118	(193)
Southeast/South Asia (Thailand, Indonesia and India)	24	41	86	123	85	149	230	309	+186
North America	14	32	78	87	11	80	112	181	+94
Segment Profit	189	311	531	553	242	525	1,046	1,194	+641
Adjustments	11	(16)	(20)	(30)	15	3	4	31	+61
Operating Profit	201	295	511	523	257	528	1,050	1,225	+702
Japan	2.2%	1.5%	1.1%	0.2%	2.4%	2.2%	3.6%	2.9%	+2.7%
China	5.6%	5.5%	7.3%	8.2%	4.2%	5.3%	6.3%	3.3%	(4.8%)
Southeast/South Asia (Thailand, Indonesia and India)	1.9%	1.5%	2.0%	2.1%	5.1%	4.5%	4.6%	4.6%	+2.5%
North America	7.7%	7.3%	10.2%	8.6%	4.0%	13.7%	12.8%	13.1%	+4.5%
Segment Profit Margin	2.7%	2.1%	2.4%	1.8%	3.2%	3.4%	4.4%	3.7%	+1.9%
Adjustments	0.2%	(0.1%)	(0.1%)	(0.1%)	0.2%	0.0%	0.0%	0.1%	+0.2%
Operating Profit Margin	2.9%	2.0%	2.3%	1.7%	3.4%	3.4%	4.4%	3.8%	+2.1%
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)	02/2023	02/2023	02/2023	02/2023	02/2024	02/2024	02/2024	02/2024	Net Chg.
Japan	4,738	4,886	5,005	5,008	4,968	4,998	5,329	4,934	(74)
China	854	883	1,076	1,001	670	852	1,010	1,004	+3
Southeast/South Asia (Thailand, Indonesia and India)	1,276	1,450	1,548	1,596	1,679	1,634	1,718	1,706	+110
North America	182	254	326	249	278	306	288	512	+263
Sales	7,050	7,473	7,956	7,854	7,596	7,790	8,345	8,155	+301
Japan	104	00	1.0	(400)	118	98	329	41	+169
		39	18	(128)	110				
China	48	39 47	18 110	(128) 106	28	52	80	(42)	(148)
China Southeast/South Asia (Thailand, Indonesia and India)				, ,			80 81	(42) 79	` '
	48	47	110	106	28	52		, ,	+42
Southeast/South Asia (Thailand, Indonesia and India)	48 24	47 17	110 45	106 37	28 85	52 64	81	79	+42
Southeast/South Asia (Thailand, Indonesia and India) North America	48 24 14	47 17 18	110 45 46	106 37 9	28 85 11	52 64 69	81 32	79 69	+42 +60 <b>+126</b>
Southeast/South Asia (Thailand, Indonesia and India) North America Segment Profit	48 24 14 <b>189</b>	47 17 18 <b>122</b>	110 45 46 <b>220</b>	106 37 9 <b>22</b>	28 85 11 <b>242</b>	52 64 69 <b>283</b>	81 32 <b>521</b>	79 69 <b>148</b>	+42 +60 <b>+126</b> +37
Southeast/South Asia (Thailand, Indonesia and India) North America Segment Profit Adjustments	48 24 14 <b>189</b> 11	47 17 18 <b>122</b> (27)	110 45 46 <b>220</b> (4)	106 37 9 <b>22</b> (10)	28 85 11 <b>242</b> 15	52 64 69 <b>283</b> (12)	81 32 <b>521</b> 1	79 69 <b>148</b> 27	+42 +60 <b>+126</b> +37 <b>+163</b>
Southeast/South Asia (Thailand, Indonesia and India) North America Segment Profit Adjustments Operating Profit	48 24 14 <b>189</b> 11 <b>201</b>	47 17 18 <b>122</b> (27) <b>94</b>	110 45 46 <b>220</b> (4) <b>216</b>	106 37 9 22 (10) 12	28 85 11 <b>242</b> 15 <b>257</b>	52 64 69 <b>283</b> (12) <b>271</b>	81 32 <b>521</b> 1 <b>522</b>	79 69 <b>148</b> 27 <b>175</b>	+42 +60 <b>+126</b> +37 <b>+163</b> +3.4%
Southeast/South Asia (Thailand, Indonesia and India) North America Segment Profit Adjustments Operating Profit Japan	48 24 14 <b>189</b> 11 <b>201</b> 2.2%	47 17 18 <b>122</b> (27) <b>94</b> 0.8%	110 45 46 <b>220</b> (4) <b>216</b> 0.4%	106 37 9 22 (10) 12	28 85 11 <b>242</b> 15 <b>257</b>	52 64 69 <b>283</b> (12) <b>271</b> 2.0%	81 32 <b>521</b> 1 <b>522</b> 6.2%	79 69 <b>148</b> 27 <b>175</b> 0.8%	+42 +60 <b>+126</b> +37 <b>+163</b> +3.4% (14.8%)
Southeast/South Asia (Thailand, Indonesia and India) North America  Segment Profit Adjustments  Operating Profit  Japan China	48 24 14 <b>189</b> 11 <b>201</b> 2.2% 5.6%	47 17 18 122 (27) 94 0.8% 5.3%	110 45 46 <b>220</b> (4) <b>216</b> 0.4% 10.2%	106 37 9 22 (10) 12 (2.6%) 10.6%	28 85 11 <b>242</b> 15 <b>257</b> 2.4% 4.2%	52 64 69 <b>283</b> (12) <b>271</b> 2.0% 6.1%	81 32 <b>521</b> 1 <b>522</b> 6.2% 7.9%	79 69 <b>148</b> 27 <b>175</b> 0.8% (4.2%)	+42 +60 <b>+126</b> +37 <b>+163</b> +3.4% (14.8%) +2.3%
Southeast/South Asia (Thailand, Indonesia and India) North America  Segment Profit Adjustments  Operating Profit  Japan China Southeast/South Asia (Thailand, Indonesia and India)	48 24 14 189 11 201 2.2% 5.6%	47 17 18 122 (27) 94 0.8% 5.3% 1.2%	110 45 46 <b>220</b> (4) <b>216</b> 0.4% 10.2% 2.9%	106 37 9 22 (10) 12 (2.6%) 10.6% 2.3%	28 85 11 242 15 257 2.4% 4.2% 5.1%	52 64 69 <b>283</b> (12) <b>271</b> 2.0% 6.1% 3.9%	81 32 521 1 522 6.2% 7.9% 4.7%	79 69 <b>148</b> 27 <b>175</b> 0.8% (4.2%) 4.6%	+42 +60 <b>+126</b> +37 <b>+163</b> +3.4% (14.8%) +2.3% +9.9%
Southeast/South Asia (Thailand, Indonesia and India) North America  Segment Profit Adjustments  Operating Profit  Japan China Southeast/South Asia (Thailand, Indonesia and India) North America	48 24 14 189 11 201 2.2% 5.6% 1.9%	47 17 18 122 (27) 94 0.8% 5.3% 1.2% 7.1%	110 45 46 <b>220</b> (4) <b>216</b> 0.4% 10.2% 2.9% 14.1%	106 37 9 22 (10) 12 (2.6%) 10.6% 2.3% 3.6%	28 85 11 242 15 257 2.4% 4.2% 5.1% 4.0%	52 64 69 <b>283</b> (12) <b>271</b> 2.0% 6.1% 3.9% 22.5%	81 32 521 1 522 6.2% 7.9% 4.7%	79 69 148 27 175 0.8% (4.2%) 4.6% 13.5%	(148) +42 +60 +126 +37 +163 +3.4% (14.8%) +2.3% +9.9% +1.5% +0.5%

## Sales by Business Division (Cumulative / Quarterly)

Sales by Business Division	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)	02/2023	02/2023	02/2023	02/2023	02/2024	02/2024	02/2024	02/2024	Net Chg.
Functional Fluids	3,420	7,027	11,081	15,105	3,688	7,736	11,965	16,247	+1,142
Synthetic Lubricants	502	991	1,381	1,703	301	607	957	1,337	(366)
Liquid Paraffins & Sulfonates	902	1,855	2,849	3,793	998	1,940	2,993	3,909	+116
Hot Melt Adhesives	1,809	3,754	5,801	7,664	2,108	4,194	6,419	8,430	+766
Energy Device Materials	45	84	128	209	30	54	124	200	(9)
Other	372	812	1,239	1,859	470	856	1,272	1,764	(95)
Sales	7,050	14,523	22,479	30,333	7,596	15,386	23,731	31,886	+1,553
Functional Fluids	+10.9%	+10.8%	+14.4%	+16.0%	+7.8%	+10.1%	+8.0%	+7.6%	
Synthetic Lubricants	(0.1%)	(4.1%)	(9.7%)	(13.7%)	(40.0%)	(38.7%)	(30.7%)	(21.5%)	
Liquid Paraffins & Sulfonates	+11.9%	+11.0%	+10.5%	+9.0%	+10.6%	+4.6%	+5.1%	+3.1%	
Hot Melt Adhesives	+8.2%	+12.9%	+14.1%	+13.0%	+16.6%	+11.7%	+10.7%	+10.0%	
Energy Device Materials	(21.3%)	(34.5%)	(35.1%)	(11.8%)	(31.9%)	(35.7%)	(3.3%)	(4.6%)	
Other	(29.5%)	(5.4%)	(6.7%)	+3.6%	+26.4%	+5.3%	+2.6%	(5.1%)	
Sales (YoY)	+5.9%	+8.7%	+10.1%	+11.1%	+7.7%	+5.9%	+5.6%	+5.1%	
Functional Fluids	48.5%	48.4%	49.3%	49.8%	48.6%	50.3%	50.4%	51.0%	
Synthetic Lubricants	7.1%	6.8%	6.1%	5.6%	4.0%	3.9%	4.0%	4.2%	
Liquid Paraffins & Sulfonates	12.8%	12.8%	12.7%	12.5%	13.1%	12.6%	12.6%	12.3%	
Hot Melt Adhesives	25.7%	25.8%	25.8%	25.3%	27.8%	27.3%	27.0%	26.4%	
Energy Device Materials	0.6%	0.6%	0.6%	0.7%	0.4%	0.4%	0.5%	0.6%	
Other	5.3%	5.6%	5.5%	6.1%	6.2%	5.6%	5.4%	5.5%	-
Sales (Componet Percentages)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Sales by Business Division	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
(Million Yen)	Q1 02/2023	Q2 02/2023	Q3 02/2023	Q4 02/2023	Q1 02/2024	Q2 02/2024	Q3 02/2024	Q4 02/2024	
(Million Yen) Functional Fluids									Net Chg.
,	02/2023	02/2023	02/2023	02/2023	02/2024	02/2024	02/2024	02/2024	Net Chg. +258
Functional Fluids	02/2023 3,420	02/2023 3,607	02/2023 4,054	02/2023 4,024	<b>02/2024</b> 3,688	<b>02/2024</b> 4,048	<b>02/2024</b> 4,229	<b>02/2024</b> 4,282	Net Chg. +258 +58
Functional Fluids Synthetic Lubricants	02/2023 3,420 502	02/2023 3,607 489	02/2023 4,054 390	02/2023 4,024 322	<b>02/2024</b> 3,688 301	<b>02/2024</b> 4,048 306	<b>02/2024</b> 4,229 350	<b>02/2024</b> 4,282 380	Net Chg. +258 +58 (28)
Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates	02/2023 3,420 502 902	02/2023 3,607 489 953	02/2023 4,054 390 994	02/2023 4,024 322 944	<b>02/2024</b> 3,688 301 998	<b>02/2024</b> 4,048 306 942	<b>02/2024</b> 4,229 350 1,053	<b>02/2024</b> 4,282 380 916	+258 +58 (28) +148
Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates Hot Melt Adhesives	02/2023 3,420 502 902 1,809	02/2023 3,607 489 953 1,945	02/2023 4,054 390 994 2,047	02/2023 4,024 322 944 1,863	02/2024 3,688 301 998 2,108	<b>02/2024</b> 4,048 306 942 2,086	02/2024 4,229 350 1,053 2,225	02/2024 4,282 380 916 2,011	+258 +58 (28) +148 (5)
Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates Hot Melt Adhesives Energy Device Materials	02/2023 3,420 502 902 1,809 45	02/2023 3,607 489 953 1,945 39	02/2023 4,054 390 994 2,047 44	02/2023 4,024 322 944 1,863 81	02/2024 3,688 301 998 2,108 30	02/2024 4,048 306 942 2,086 24	02/2024 4,229 350 1,053 2,225 70	02/2024 4,282 380 916 2,011 76	+258 +58 (28) +148 (5) (128)
Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates Hot Melt Adhesives Energy Device Materials Other	02/2023 3,420 502 902 1,809 45 372	02/2023 3,607 489 953 1,945 39 440	02/2023 4,054 390 994 2,047 44 427	02/2023 4,024 322 944 1,863 81 620	02/2024 3,688 301 998 2,108 30 470	02/2024 4,048 306 942 2,086 24 386	02/2024 4,229 350 1,053 2,225 70 416	02/2024 4,282 380 916 2,011 76 492	YoY Net Chg. +258 +58 (28) +148 (5) (128) +301
Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates Hot Melt Adhesives Energy Device Materials Other  Sales Functional Fluids Synthetic Lubricants	02/2023 3,420 502 902 1,809 45 372 7,050	02/2023 3,607 489 953 1,945 39 440 7,473	02/2023 4,054 390 994 2,047 44 427 <b>7,956</b>	02/2023 4,024 322 944 1,863 81 620 7,854	02/2024 3,688 301 998 2,108 30 470 7,596	02/2024 4,048 306 942 2,086 24 386 7,790	02/2024 4,229 350 1,053 2,225 70 416 8,345	02/2024 4,282 380 916 2,011 76 492 8,155	+258 +58 (28) +148 (5)
Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates Hot Melt Adhesives Energy Device Materials Other Sales Functional Fluids	02/2023 3,420 502 902 1,809 45 372 7,050 +10.9%	02/2023 3,607 489 953 1,945 39 440 7,473 +10.7%	02/2023 4,054 390 994 2,047 44 427 <b>7,956</b> +21.2%	02/2023 4,024 322 944 1,863 81 620 7,854 +20.7%	02/2024 3,688 301 998 2,108 30 470 7,596 +7.8%	02/2024 4,048 306 942 2,086 24 386 7,790 +12.2%	02/2024 4,229 350 1,053 2,225 70 416 8,345 +4.3%	02/2024 4,282 380 916 2,011 76 492 8,155 +6.4%	+258 +58 (28) +148 (5)
Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates Hot Melt Adhesives Energy Device Materials Other  Sales Functional Fluids Synthetic Lubricants	02/2023 3,420 502 902 1,809 45 372 7,050 +10.9% (0.1%)	02/2023 3,607 489 953 1,945 39 440 7,473 +10.7% (7.7%)	02/2023 4,054 390 994 2,047 44 427 <b>7,956</b> +21.2% (21.4%)	02/2023 4,024 322 944 1,863 81 620 7,854 +20.7% (27.6%)	02/2024 3,688 301 998 2,108 30 470 7,596 +7.8% (40.0%)	02/2024 4,048 306 942 2,086 24 386 7,790 +12.2% (37.4%)	02/2024 4,229 350 1,053 2,225 70 416 8,345 +4.3% (10.3%)	02/2024 4,282 380 916 2,011 76 492 8,155 +6.4% +18.0%	+258 +58 (28) +148 (5)
Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates Hot Melt Adhesives Energy Device Materials Other  Sales Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates	02/2023 3,420 502 902 1,809 45 372 7,050 +10.9% (0.1%) +11.9%	02/2023 3,607 489 953 1,945 39 440 7,473 +10.7% (7.7%) +10.2%	02/2023 4,054 390 994 2,047 44 427 <b>7,956</b> +21.2% (21.4%) +9.6%	02/2023 4,024 322 944 1,863 81 620 7,854 +20.7% (27.6%) +4.8%	02/2024 3,688 301 998 2,108 30 470 7,596 +7.8% (40.0%) +10.6%	02/2024 4,048 306 942 2,086 24 386 7,790 +12.2% (37.4%) (1.2%)	02/2024 4,229 350 1,053 2,225 70 416 8,345 +4.3% (10.3%) +5.9%	02/2024 4,282 380 916 2,011 76 492 8,155 +6.4% +18.0% (3.0%)	+258 +58 (28) +148 (5)
Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates Hot Melt Adhesives Energy Device Materials Other  Sales Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates Hot Melt Adhesives	02/2023 3,420 502 902 1,809 45 372 7,050 +10.9% (0.1%) +11.9% +8.2%	02/2028 3,607 489 953 1,945 39 440 7,473 +10.7% (7.7%) +10.2% +17.6%	02/2023 4,054 390 994 2,047 44 427 <b>7,956</b> +21.2% (21.4%) +9.6% +16.2%	02/2023 4,024 322 944 1,863 81 620 7,854 +20.7% (27.6%) +4.8% +9.7%	02/2024  3,688 301 998 2,108 30 470 7,596 +7.8% (40.0%) +10.6% +16.6%	02/2024 4,048 306 942 2,086 24 386 7,790 +12.2% (37.4%) (1.2%) +7.2%	02/2024 4,229 350 1,053 2,225 70 416 8,345 +4.3% (10.3%) +5.9% +8.7%	02/2024 4,282 380 916 2,011 76 492 8,155 +6.4% +18.0% (3.0%) +7.9%	+258 +58 (28) +148 (5)
Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates Hot Melt Adhesives Energy Device Materials Other  Sales  Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates Hot Melt Adhesives Energy Device Materials Other  Sales (YoY)	02/2023 3,420 502 902 1,809 45 372 7,050 +10.9% (0.1%) +11.9% +8.2% (21.3%) (29.5%) +5.9%	02/2028 3,607 489 953 1,945 39 440 7,473 +10.7% (7.7%) +10.2% +17.6% (45.1%) +32.9% +11.4%	02/2023 4,054 390 994 2,047 44 427 7,956 +21.2% (21.4%) +9.6% +16.2% (37.1%) (9.0%) +12.9%	02/2023 4,024 322 944 1,863 81 620 7,854 +20.7% (27.6%) +4.8% +9.7% +107.7% +33.0% +14.1%	02/2024  3,688 301 998 2,108 30 470 7,596 +7.8% (40.0%) +10.6% +16.6% (31.9%) +26.4% +7.7%	02/2024 4,048 306 942 2,086 24 386 7,790 +12.2% (37.4%) (1.2%) +7.2% (38.5%) (12.3%) +4.2%	02/2024 4,229 350 1,053 2,225 70 416 8,345 +4.3% (10.3%) +5.9% +8.7% +59.1% (2.6%) +4.9%	02/2024  4,282 380 916 2,011 76 492 8,155 +6.4% +18.0% (3.0%) +7.9% (6.2%) (20.6%) +3.8%	+258 +58 (28) +148 (5)
Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates Hot Melt Adhesives Energy Device Materials Other  Sales  Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates Hot Melt Adhesives Energy Device Materials Other	02/2023 3,420 502 902 1,809 45 372 7,050 +10.9% (0.1%) +11.9% +8.2% (21.3%) (29.5%) +5.9%	02/2028 3,607 489 953 1,945 39 440 7,473 +10.7% (7.7%) +10.2% +17.6% (45.1%) +32.9% +11.4% 48.3%	02/2023 4,054 390 994 2,047 44 427 7,956 +21.2% (21.4%) +9.6% +16.2% (37.1%) (9.0%)	02/2023 4,024 322 944 1,863 81 620 7,854 +20.7% (27.6%) +4.8% +9.7% +107.7% +33.0% +14.1%	02/2024  3,688 301 998 2,108 30 470 7,596 +7.8% (40.0%) +10.6% +16.6% (31.9%) +26.4% +7.7% 48.6%	02/2024 4,048 306 942 2,086 24 386 7,790 +12.2% (37.4%) (1.2%) +7.2% (38.5%) (12.3%) +4.2% 52.0%	02/2024 4,229 350 1,053 2,225 70 416 8,345 +4.3% (10.3%) +5.9% +8.7% +59.1% (2.6%) +4.9% 50.7%	02/2024  4,282 380 916 2,011 76 492 8,155 +6.4% +18.0% (3.0%) +7.9% (6.2%) (20.6%) +3.8% 52.5%	+258 +58 (28) +148 (5)
Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates Hot Melt Adhesives Energy Device Materials Other  Sales  Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates Hot Melt Adhesives Energy Device Materials Other  Sales (YoY)	02/2023 3,420 502 902 1,809 45 372 7,050 +10.9% (0.1%) +11.9% +8.2% (21.3%) (29.5%) +5.9%	02/2028 3,607 489 953 1,945 39 440 7,473 +10.7% (7.7%) +10.2% +17.6% (45.1%) +32.9% +11.4%	02/2023 4,054 390 994 2,047 44 427 7,956 +21.2% (21.4%) +9.6% +16.2% (37.1%) (9.0%) +12.9%	02/2023 4,024 322 944 1,863 81 620 7,854 +20.7% (27.6%) +4.8% +9.7% +107.7% +33.0% +14.1%	02/2024  3,688 301 998 2,108 30 470 7,596 +7.8% (40.0%) +10.6% +16.6% (31.9%) +26.4% +7.7%	02/2024 4,048 306 942 2,086 24 386 7,790 +12.2% (37.4%) (1.2%) +7.2% (38.5%) (12.3%) +4.2%	02/2024 4,229 350 1,053 2,225 70 416 8,345 +4.3% (10.3%) +5.9% +8.7% +59.1% (2.6%) +4.9%	02/2024  4,282 380 916 2,011 76 492 8,155 +6.4% +18.0% (3.0%) +7.9% (6.2%) (20.6%) +3.8%	+258 +58 (28) +148 (5)
Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates Hot Melt Adhesives Energy Device Materials Other  Sales  Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates Hot Melt Adhesives Energy Device Materials Other  Sales (YoY) Functional Fluids	02/2023 3,420 502 902 1,809 45 372 7,050 +10.9% (0.1%) +11.9% +8.2% (21.3%) (29.5%) +5.9% 48.5% 7.1% 12.8%	02/2028 3,607 489 953 1,945 39 440 7,473 +10.7% (7.7%) +10.2% +17.6% (45.1%) +32.9% 48.3% 6.5% 12.8%	02/2023 4,054 390 994 2,047 44 427 7,956 +21.2% (21.4%) +9.6% +16.2% (37.1%) (9.0%) +12.9% 51.0%	02/2023 4,024 322 944 1,863 81 620 7,854 +20.7% (27.6%) +4.8% +9.7% +107.7% +33.0% 51.2% 4.1% 12.0%	02/2024  3,688 301 998 2,108 30 470 7,596 +7.8% (40.0%) +10.6% +16.6% (31.9%) +26.4% +7.7% 48.6%	02/2024 4,048 306 942 2,086 24 386 7,790 +12.2% (37.4%) (1.2%) +7.2% (38.5%) (12.3%) +4.2% 52.0% 3.9% 12.1%	02/2024 4,229 350 1,053 2,225 70 416 8,345 +4.3% (10.3%) +5.9% +8.7% +59.1% (2.6%) +4.9% 50.7% 4.2% 12.6%	02/2024  4,282 380 916 2,011 76 492 8,155 +6.4% +18.0% (3.0%) +7.9% (6.2%) (20.6%) +3.8%  52.5% 4.7% 11.2%	+258 +58 (28) +148 (5)
Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates Hot Melt Adhesives Energy Device Materials Other  Sales  Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates Hot Melt Adhesives Energy Device Materials Other  Sales (YoY)  Functional Fluids Synthetic Lubricants	02/2023 3,420 502 902 1,809 45 372 7,050 +10.9% (0.1%) +11.9% +8.2% (21.3%) (29.5%) +5.9% 48.5% 7.1%	02/2028 3,607 489 953 1,945 39 440 7,473 +10.7% (7.7%) +10.2% +17.6% (45.1%) +32.9% +11.4% 48.3% 6.5%	02/2023 4,054 390 994 2,047 44 427 7,956 +21.2% (21.4%) +9.6% +16.2% (37.1%) (9.0%) +12.9% 51.0% 4.9%	02/2023 4,024 322 944 1,863 81 620 7,854 +20.7% (27.6%) +4.8% +9.7% +107.7% +33.0% +14.1% 51.2% 4.1%	02/2024  3,688  301  998  2,108  30  470  7,596  +7.8%  (40.0%) +10.6% +16.6%  (31.9%) +26.4%  47.7%  48.6%  4.0%  13.1%  27.8%	02/2024 4,048 306 942 2,086 24 386 7,790 +12.2% (37.4%) (1.2%) +7.2% (38.5%) (12.3%) +4.2% 52.0% 3.9%	02/2024  4,229  350  1,053  2,225  70  416  8,345  +4.3%  (10.3%) +5.9% +8.7% +59.1%  (2.6%) +4.9%  50.7%  4.2%	02/2024  4,282 380 916 2,011 76 492 8,155 +6.4% +18.0% (3.0%) +7.9% (6.2%) (20.6%) +3.8%  52.5% 4.7%	+258 +58 (28) +148 (5)
Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates Hot Melt Adhesives Energy Device Materials Other  Sales  Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates Hot Melt Adhesives Energy Device Materials Other  Sales (YoY)  Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates	02/2023 3,420 502 902 1,809 45 372 7,050 +10.9% (0.1%) +11.9% +8.2% (21.3%) (29.5%) +5.9% 48.5% 7.1% 12.8% 25.7% 0.6%	02/2028 3,607 489 953 1,945 39 440 7,473 +10.7% (7.7%) +10.2% +17.6% (45.1%) +32.9% +11.4% 48.3% 6.5% 12.8% 26.0% 0.5%	02/2023 4,054 390 994 2,047 44 427 7,956 +21.2% (21.4%) +9.6% +16.2% (37.1%) (9.0%) +12.9% 51.0% 4.9% 12.5% 25.7% 0.6%	02/2023 4,024 322 944 1,863 81 620 7,854 +20.7% (27.6%) +4.8% +9.7% +107.7% +33.0% 4.1% 12.0% 23.7% 1.0%	02/2024  3,688  301  998  2,108  30  470  7,596  +7.8%  (40.0%) +10.6% +16.6% (31.9%) +26.4%  4.0%  13.1%  27.8%  0.4%	02/2024  4,048 306 942 2,086 24 386 7,790 +12.2% (37.4%) (1.2%) +7.2% (38.5%) (12.3%) +4.2%  52.0% 3.9% 12.1% 26.8% 0.3%	02/2024 4,229 350 1,053 2,225 70 416 8,345 +4.3% (10.3%) +5.9% +8.7% +59.1% (2.6%) +4.9% 50.7% 4.2% 12.6% 26.7% 0.8%	02/2024  4,282 380 916 2,011 76 492 8,155 +6.4% +18.0% (3.0%) +7.9% (6.2%) (20.6%) +3.8%  52.5% 4.7% 11.2% 24.7% 0.9%	+258 +58 (28) +148 (5)
Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates Hot Melt Adhesives Energy Device Materials Other  Sales  Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates Hot Melt Adhesives Energy Device Materials Other  Sales (YoY)  Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates Hot Melt Adhesives	02/2023 3,420 502 902 1,809 45 372 7,050 +10.9% (0.1%) +11.9% +8.2% (21.3%) (29.5%) +5.9% 48.5% 7.1% 12.8% 25.7%	02/2028 3,607 489 953 1,945 39 440 7,473 +10.7% (7.7%) +10.2% +17.6% (45.1%) +32.9% +11.4% 48.3% 6.5% 12.8% 26.0%	02/2023 4,054 390 994 2,047 44 427 7,956 +21.2% (21.4%) +9.6% +16.2% (37.1%) (9.0%) +12.9% 51.0% 4.9% 12.5% 25.7%	02/2023 4,024 322 944 1,863 81 620 7,854 +20.7% (27.6%) +4.8% +9.7% +107.7% +33.0% 4.1% 12.0% 23.7%	02/2024  3,688  301  998  2,108  30  470  7,596  +7.8%  (40.0%) +10.6% +16.6%  (31.9%) +26.4%  47.7%  48.6%  4.0%  13.1%  27.8%	02/2024 4,048 306 942 2,086 24 386 7,790 +12.2% (37.4%) (1.2%) +7.2% (38.5%) (12.3%) +4.2% 52.0% 3.9% 12.1% 26.8%	02/2024 4,229 350 1,053 2,225 70 416 8,345 +4.3% (10.3%) +5.9% +8.7% +59.1% (2.6%) 50.7% 4.2% 12.6% 26.7%	02/2024  4,282 380 916 2,011 76 492 8,155 +6.4% +18.0% (3.0%) +7.9% (6.2%) (20.6%) +3.8%  52.5% 4.7% 11.2% 24.7%	+258 +58 (28) +148 (5) (128)

### **Balance Sheet (Quarterly)**

Balance Sheet	Cons.Act								
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	YoY
(Million Yen)	02/2023	02/2023	02/2023	02/2023	02/2024	02/2024	02/2024	02/2024	Net Chg.
Cash and Deposit	3,812	4,166	4,172	4,256	3,935	3,756	5,952	5,636	+1,380
Accounts Receivables	7,046	7,524	7,831	7,595	7,462	7,453	8,016	7,942	+347
Inventory	5,727	6,102	6,311	6,306	6,451	6,378	6,505	6,687	+381
Other	580	493	614	653	564	566	1,399	724	+71
Current Assets	17,165	18,285	18,928	18,810	18,412	18,153	21,872	20,989	+2,179
Tangible Assets	8,330	8,395	8,537	8,610	8,666	9,114	9,540	10,140	+1,530
Intangible Assets	614	649	643	589	749	744	735	1,228	+639
Investments and Other Assets	3,583	3,764	3,820	4,002	4,068	4,166	4,370	4,695	+693
Fixed Assets	12,527	12,808	13,001	13,202	13,483	14,024	14,645	16,063	+2,861
Deferred Assets	-	-	-	6	18	32	42	-	(6)
Total Assets	29,691	31,092	31,929	32,017	31,913	32,208	36,559	37,053	+5,036
Accounts Payables	4,419	4,926	5,173	5,144	4,828	4,467	4,581	4,908	(236)
Short-Term Debt	857	1,546	1,549	2,381	2,145	2,096	2,806	3,040	+659
Other	2,052	1,611	2,245	2,074	1,787	1,629	2,176	1,912	(162)
Current Liabilities	7,328	8,083	8,967	9,599	8,760	8,192	9,563	9,860	+261
Long-Term Debt	457	382	307	472	942	887	2,994	3,065	+2,593
Other	785	910	834	707	667	748	814	1,006	+299
Fixed Liabilities	1,242	1,292	1,141	1,179	1,609	1,635	3,808	4,071	+2,892
Total Liabilities	8,570	9,375	10,108	10,778	10,369	9,827	13,371	13,931	+3,153
Shareholders' Equity	17,357	17,361	17,392	17,287	17,327	17,678	18,254	18,202	+915
Other	3,764	4,356	4,428	3,953	4,217	4,703	4,934	4,920	+967
Net Assets	21,121	21,717	21,820	21,240	21,544	22,381	23,188	23,122	+1,882
Total Liabilities & Net Assets	29,691	31,092	31,929	32,017	31,913	32,208	36,559	37,053	+5,036
Equity Capital	18,492	18,945	19,016	18,533	18,743	19,418	20,143	20,126	+1,593
Interest Bearing Debt	1,314	1,928	1,856	2,853	3,087	2,983	5,800	6,105	+3,252
Net Debt	(2,498)	(2,238)	(2,316)	(1,403)	(848)	(773)	(152)	469	+1,872
Equity Ratio	62.3%	60.9%	59.6%	57.9%	58.7%	60.3%	55.1%	54.3%	-
Net Debt Equity Ratio	(13.5%)	(11.8%)	(12.2%)	(7.6%)	(4.5%)	(4.0%)	(0.8%)	2.3%	-
ROE (12 months)	5.8%	5.2%	4.4%	3.4%	2.8%	3.5%	6.3%	6.6%	-
ROA (12 months)	6.1%	5.8%	4.7%	3.4%	3.1%	3.6%	4.7%	5.3%	-
Days for Inventory Turnover	104	101	99	97	106	102	100	105	-
Quick Ratio	148%	145%	134%	123%	130%	137%	146%	138%	-
Current Ratio	234%	226%	211%	196%	210%	222%	229%	213%	-

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)	02/2023	02/2023	02/2023	02/2023	02/2024	02/2024	02/2024	02/2024	Net Chg.
Operating Cash Flow	-	535	-	515	-	1,004	-	2,675	+2,160
Investing Cash Flow	-	(718)	-	(1,172)	-	(1,305)	-	(4,222)	(3,050)
Operating Cash Flow and Investing Cash Flow	-	(183)	-	(657)	-	(301)	-	(1,547)	(890)
Financing Cash Flow	-	487	-	1,227	_	(115)	-	2,819	+1,592

#### 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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