

Consolidated Financial Results
For the Second Quarter of the Fiscal Year Ending March 31, 2025 [IFRS]
(Six Months Ended September 30, 2024)



November 7, 2024

Company name: NIPPON SHOKUBAI CO., LTD. Listing: TSE (Prime Market)
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Scheduled date to file semi-annual securities report: November 12, 2024
Scheduled date of dividend payment: December 5, 2024
Supplementary material prepared: Yes
Results information meeting held: Yes (for securities analysts and institutional investors)

(Figures are rounded off to the nearest million yen)

1. Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2025 (hereafter FY2024) (from April 1, 2024 to September 30, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended Sep. 30, 2024	206,876	6.5	10,455	4.5	12,428	27.0	9,443	21.7	8,925	30.1	6,532	(70.7)
Six months ended Sep. 30, 2023	194,301	(11.5)	10,006	(42.3)	9,785	(51.6)	7,757	(46.7)	6,861	(51.2)	22,271	(19.8)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended Sep. 30, 2024	58.03	58.02
Six months ended Sep. 30, 2023	43.63	43.62

Note: On April 1, 2024, the Company conducted a 4-for-1 stock split of common shares. "Basic earnings per share" and "diluted earnings per share" have been calculated assuming that the stock split had been conducted at the start of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Rate of equity attributable to owners of parent	Equity attributable to owners of parent per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of Sep. 30, 2024	522,705	390,758	381,549	73.0	2,510.81
As of Mar. 31, 2024	544,060	392,562	383,448	70.5	2,482.45

Note: On April 1, 2024, the Company conducted a 4-for-1 stock split of common shares. "Equity attributable to owners of parent per share" has been calculated assuming that the stock split was conducted at the start of the previous fiscal year.

2. Dividends

	Dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2023	–	90.00	–	90.00	180.00
FY2024	–	54.00			
FY2024 (forecast)			–	54.00	108.00

Notes: 1. Revisions to the dividends forecast since the latest announcement: Yes

For details of the revision to the dividend forecast, please refer to “Notice Regarding Revisions to Dividend of Surplus (Interim Dividend) and Year-end Dividend Forecast” announced on November 7, 2024.

2. On April 1, 2024, the Company conducted a 4-for-1 stock split of common shares. Dividend amounts for FY2023 are the actual dividend amounts before the stock split. The amounts for FY2024 are based on the post-stock-split information.

3. Consolidated Financial Forecasts for the FY2024 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	415,000	5.9	20,000	20.8	23,000	46.1	16,500	49.9	108.05

Note: Revisions to the financial forecasts since the latest announcement: Yes

*Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies; changes in accounting estimates

1) Changes in accounting policies required by IFRS: None

2) Other changes in accounting policies: None

3) Changes in accounting estimates: None

(3) Number of shares issued and outstanding (common shares)

1) Number of shares issued at the end of the period (including treasury shares)

Sep. 30, 2024: 156,000,000 shares Mar. 31, 2024: 156,000,000 shares

2) Number of treasury shares at the end of the period

Sep. 30, 2024: 4,037,452 shares Mar. 31, 2024: 1,536,840 shares

3) Average number of shares outstanding during the period

Six months ended Six months ended
Sep. 30, 2024: 153,786,718 shares Sep. 30, 2023: 157,261,725 shares

Notes: 1. The numbers of treasury shares at the end of the periods include shares of the Company held by the trust account set up after the introduction of a Performance-linked Stock Compensation Plan for the Company’s Members of the Board and Executive Officers (176,500 shares as of September 30, 2024 and 179,600 shares as of March 31, 2024). Shares of the Company held by the trust account are included in the treasury shares to be deducted in the calculation of the average number of shares outstanding during the period.

2. On April 1, 2024, the Company conducted a 4-for-1 stock split of common shares. The “number of shares issued at the end of the period,” “number of treasury shares at the end of the period,” and “average number of shares outstanding during the period” have been calculated assuming that the stock split was conducted at the start of the previous fiscal year.

* This semi-annual financial results report is outside the scope of review by certified public accountants or an audit corporation.

* Appropriate use of business forecasts and other special items

1. In this document, statements other than historical facts are forward-looking statements that reflect the Company’s plans and expectations. These forward-looking statements involve risks, uncertainties and other factors that may cause our actual results and achievements to differ from those anticipated in these statements. Please refer to “1. Overview of Operating Results, etc. (3) Consolidated Financial Forecasts and Other Forward-looking Statements” on page 3 of the attached materials for the assumptions used in business forecasts.

2. Supplementary material will be disclosed through TDnet on Monday, November 11, 2024, and is also scheduled to

be posted on the Company's website.

*This document is translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Period under Review

For an overview of the Group's operating results, please refer to "Financial Results Presentation Material 2Q FY2024" (Supplementary Material for Financial Results), which is scheduled to be disclosed on Monday, November 11, 2024.

(2) Overview of Financial Position for the Period under Review

1) Assets, Liabilities and Equity

Total assets at the end of the second quarter of the fiscal year under review decreased by 21,355 million yen from the end of the previous fiscal year to 522,705 million yen. Current assets decreased by 13,695 million yen from the end of the previous fiscal year. This was mainly due to a decrease in sales volume despite higher selling prices in connection with higher raw material prices as well as a decrease in trade receivables due to the fact that the closing day of the previous fiscal year fell on the bank holiday. Non-current assets decreased by 7,660 million yen from the end of the previous fiscal year. This was mainly due to the progress of depreciation and a decrease in property, plant and equipment given foreign exchange effects and a decrease in other financial assets as a result of the sale of stocks held, despite an increase in investments accounted for using equity method.

Total liabilities decreased by 19,551 million yen from the end of the previous fiscal year to 131,947 million yen. This was mainly due to a decrease in borrowings and a decrease in trade payables due to the fact that the closing day of the previous fiscal year fell on the bank holiday.

Total equity decreased by 1,804 million yen from the end of the previous fiscal year to 390,758 million yen. This was mainly due to a decrease in exchange differences on translation of foreign operations caused by exchange rate fluctuations and purchase of treasury shares despite an increase in retained earnings.

The rate of equity attributable to owners of parent increased by 2.5 percentage points from 70.5% at the end of the previous fiscal year to 73.0%. Equity attributable to owners of parent per share increased by 28.36 yen from the end of the previous fiscal year to 2,510.81 yen.

2) Cash Flows

Cash and cash equivalents at the end of the second quarter of the fiscal year under review amounted to 55,017 million yen, a decrease of 112 million yen from the end of the previous fiscal year, mainly due to the impact of foreign exchange differences, despite the fact that cash flows provided by operating activities exceeded the sum of cash flows used in investing activities including capital investment and cash flows used in financing activities.

Cash flow from operating activities

Net cash provided by operating activities in the six months ended September 30, 2024 amounted to 22,979 million yen, a decrease of 10,372 million yen from a cash inflow of 33,351 million yen in the same period of the previous fiscal year. This was mainly due to a decrease in trade payables, which increased in the same period of the previous fiscal year due to the impact of a bank holiday and other factors, despite higher profit before tax than that of the same period of the previous fiscal year and lower income tax paid than in the same period of the previous fiscal year.

Cash flow from investing activities

Net cash used in investing activities in the six months ended September 30, 2024 totaled 7,601 million yen, a decrease of 1,169 million yen from a cash outflow of 8,770 million yen in the same period of the previous fiscal year. This was mainly due to an increase in proceeds from sale of investment securities despite an increase in purchase of property, plant and equipment.

Cash flow from financing activities

Net cash used in financing activities in the six months ended September 30, 2024 amounted to 14,342 million yen, a decrease of 1,484 million yen from a cash outflow of 15,827 million yen in the same period of the previous fiscal year. This was mainly due to a decrease in repayments of short-term and long-term borrowings despite an increase in purchase of treasury shares.

(3) Consolidated Financial Forecasts and Other Forward-looking Statements

The Company has updated its full-year consolidated financial forecasts reflecting the consolidated financial results for the first half of the fiscal year under review and the forecasts for the second half. Compared with the forecasts announced on August 7, 2024 (the “previous forecasts”), revenue has been left unchanged at 415,000 million yen, while profits have been revised upwards with operating profit to 20,000 million yen, profit before tax to 23,000 million yen, and profit attributable to owners of parent to 16,500 million yen.

For the second half of the fiscal year under review, although we are facing negative factors that reduce profit due to a decrease in sales volume, we anticipate the spreads to expand due to a decline in raw material prices, expecting operating profit to increase by 500 million yen from the previous forecasts to 9,500 million yen. In addition, profit before tax is expected to increase by 1,100 million yen from the previous forecasts to 10,600 million yen due to increases in operating profit and share of profit of investments accounted. Profit attributable to owners of parent is expected to be 7,600 million yen.

For the second half of the fiscal year, the consolidated financial results are based on the assumption that the exchange rate will be 145 yen/USD and 160 yen/EUR, and the domestic naphtha price will be 73,000 yen/kl.

Consolidated financial forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

	Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecasts (A) (August 7, 2024)	415,000	18,000	20,500	15,000	98.12
Announced at this time (B)	415,000	20,000	23,000	16,500	108.05
Increase (Decrease) (B-A)	0	2,000	2,500	1,500	
Change (%)	0.0	11.1	12.2	10.0	
(Reference) Actual amounts in the previous fiscal year (FY2023)	392,009	16,562	15,744	11,008	70.48

Note: On April 1, 2024, the Company conducted a 4-for-1 stock split of common shares. “Basic earnings per share” has been calculated assuming that the stock split was conducted at the start of the previous fiscal year.

(Reference)

Preconditions for forecasts

	Domestic naphtha price	Foreign exchange rate	
	yen/kl	yen/USD	yen/EUR
First-half results	78,000	153	166
Second-half forecasts	73,000	145	160
Full-year forecasts	75,500	149	163

Forecasts by reportable segment

(Unit: Billions of yen)

	Materials business		Solutions business		Adjustment	Total	
	Revenue	Operating profit	Revenue	Operating profit	Operating profit	Revenue	Operating profit
First-half results	149.5	8.1	57.4	2.0	0.3	206.9	10.5
Second-half forecasts	147.5	6.5	61.6	2.6	0.5	208.1	9.5
Full-year forecasts	297.0	14.6	118.0	4.6	0.8	415.0	20.0

Note: “Adjustment” includes inter-segment transaction eliminations and corporate profit (loss) not allocated to reportable segments.

In light of the revisions to full-year consolidated financial forecasts, both the interim dividend and the year-end dividend forecast for the fiscal year ending March 31, 2025, have been revised to 54 yen per, an increase of 19 yen per share. For details, please refer to “Notice Regarding Revisions to Dividend of Surplus (Interim Dividend) and Year-end Dividend Forecast” announced on November 7, 2024.

2. Condensed Semi-annual Consolidated Financial Statements and Related Notes

(1) Condensed Semi-annual Consolidated Statements of Financial Position

	(Unit: Millions of yen)	
	FY2023 As of Mar. 31, 2024	2Q-FY2024 As of Sep. 30, 2024
Assets		
Current assets		
Cash and cash equivalents	55,129	55,017
Trade receivables	98,181	92,077
Inventories	84,446	81,733
Other financial assets	16,661	11,197
Other current assets	5,262	5,961
Total current assets	259,679	245,985
Non-current assets		
Property, plant and equipment	188,436	181,752
Intangible assets	4,959	4,731
Investments accounted for using equity method	26,531	29,026
Other financial assets	45,718	42,309
Retirement benefit asset	13,700	13,884
Deferred tax assets	3,846	3,634
Other non-current assets	1,192	1,385
Total non-current assets	284,381	276,720
Total assets	544,060	522,705

(Unit: Millions of yen)

	FY2023 As of Mar. 31, 2024	2Q-FY2024 As of Sep. 30, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	61,351	49,689
Borrowings	17,100	13,441
Other financial liabilities	10,355	8,505
Income taxes payable	1,534	4,080
Provisions	6,239	6,182
Other current liabilities	4,667	3,503
Total current liabilities	101,246	85,399
Non-current liabilities		
Borrowings	21,924	19,548
Other financial liabilities	5,634	4,854
Retirement benefit liability	8,968	9,166
Provisions	3,051	3,023
Deferred tax liabilities	10,676	9,958
Total non-current liabilities	50,252	46,547
Total liabilities	151,498	131,947
Equity		
Share capital	25,038	25,038
Capital surplus	22,513	22,512
Treasury shares	(2,358)	(6,458)
Retained earnings	298,424	306,652
Other components of equity	39,830	33,805
Total equity attributable to owners of parent	383,448	381,549
Non-controlling interests	9,114	9,209
Total equity	392,562	390,758
Total liabilities and equity	544,060	522,705

(2) Condensed Semi-annual Consolidated Statements of Profit or Loss and Condensed Semi-annual Consolidated Statements of Comprehensive Income

Condensed Semi-annual Consolidated Statements of Profit or Loss

	(Unit: Millions of yen)	
	2Q-FY2023 Apr. 1, 2023 to Sep. 30, 2023	2Q-FY2024 Apr. 1, 2024 to Sep. 30, 2024
Revenue	194,301	206,876
Cost of sales	160,531	170,569
Gross profit	33,769	36,307
Selling, general and administrative expenses	25,000	26,531
Other operating income	2,595	1,326
Other operating expenses	1,358	647
Operating profit	10,006	10,455
Finance income	1,052	1,393
Finance costs	877	1,156
Share of profit (loss) of investments accounted for using equity method	(396)	1,737
Profit before tax	9,785	12,428
Income tax expense	2,028	2,985
Profit	7,757	9,443
Profit attributable to:		
Owners of parent	6,861	8,925
Non-controlling interests	896	518
Profit	7,757	9,443
Earnings per share		
Basic earnings per share (Yen)	43.63	58.03
Diluted earnings per share (Yen)	43.62	58.02

Condensed Semi-annual Consolidated Statements of Comprehensive Income

	(Unit: Millions of yen)	
	2Q-FY2023	2Q-FY2024
	Apr. 1, 2023 to Sep. 30, 2023	Apr. 1, 2024 to Sep. 30, 2024
Profit	7,757	9,443
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of financial assets measured at fair value through other comprehensive income	2,704	524
Share of other comprehensive income of investments accounted for using equity method	4	1
Total of items that will not be reclassified to profit or loss	2,708	524
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	11,024	(4,706)
Share of other comprehensive income of investments accounted for using equity method	782	1,271
Total of items that may be reclassified to profit or loss	11,806	(3,435)
Other comprehensive income, net of tax	14,514	(2,911)
Comprehensive income	22,271	6,532
Comprehensive income attributable to		
Owners of parent	20,902	5,678
Non-controlling interests	1,369	855
Comprehensive income	22,271	6,532

(3) Condensed Semi-annual Consolidated Statements of Changes in Equity

Six months ended September 30, 2023 (Apr. 1, 2024 to Sep. 30, 2023)

(Unit: Millions of yen)

	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	
					Net change in fair value of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance at beginning of period	25,038	22,520	(9,298)	301,940	4,331	–
Profit	–	–	–	6,861	–	–
Other comprehensive income	–	–	–	–	2,699	4
Comprehensive income	–	–	–	6,861	2,699	4
Purchase of treasury shares	–	–	(4)	–	–	–
Disposal of treasury shares	–	(3)	23	–	–	–
Share-based payment transactions	–	5	–	–	–	–
Dividends	–	–	–	(3,534)	–	–
Increase (decrease) in Non-controlling interests	–	1	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	135	(130)	(4)
Total transactions with owners	–	3	19	(3,399)	(130)	(4)
Balance at end of period	25,038	22,523	(9,279)	305,402	6,900	–

	Other components of equity		Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Total			
Balance at beginning of period	17,699	22,030	362,231	7,767	369,998
Profit	–	–	6,861	896	7,757
Other comprehensive income	11,337	14,041	14,041	473	14,514
Comprehensive income	11,337	14,041	20,902	1,369	22,271
Purchase of treasury shares	–	–	(4)	–	(4)
Disposal of treasury shares	–	–	20	–	20
Share-based payment transactions	–	–	5	–	5
Dividends	–	–	(3,534)	(451)	(3,984)
Increase (decrease) in non-controlling interests	–	–	1	(1)	(0)
Transfer from other components of equity to retained earnings	–	(135)	–	–	–
Total transactions with owners	–	(135)	(3,512)	(452)	(3,963)
Balance at end of period	29,036	35,936	379,621	8,684	388,305

Six months ended September 30, 2024 (Apr. 1, 2024 to Sep. 30, 2024)

(Unit: Millions of yen)

	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	
					Net change in fair value of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance at beginning of period	25,038	22,513	(2,358)	298,424	9,131	–
Profit	–	–	–	8,925	–	–
Other comprehensive income	–	–	–	–	523	1
Comprehensive income	–	–	–	8,925	523	1
Purchase of treasury shares	–	–	(4,108)	–	–	–
Disposal of treasury shares	–	(1)	7	–	–	–
Share-based payment transactions	–	0	–	–	–	–
Dividends	–	–	–	(3,475)	–	–
Increase (decrease) in non-controlling interests	–	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	2,778	(2,778)	(1)
Total transactions with owners	–	(1)	(4,100)	(697)	(2,778)	(1)
Balance at end of period	25,038	22,512	(6,458)	306,652	6,876	–

	Other components of equity		Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Total			
Balance at beginning of period	30,699	39,830	383,448	9,114	392,562
Profit	–	–	8,925	518	9,443
Other comprehensive income	(3,770)	(3,247)	(3,247)	336	(2,911)
Comprehensive income	(3,770)	(3,247)	5,678	855	6,532
Purchase of treasury shares	–	–	(4,108)	–	(4,108)
Disposal of treasury shares	–	–	6	–	6
Share-based payment transactions	–	–	0	–	0
Dividends	–	–	(3,475)	(760)	(4,235)
Increase (decrease) in non-controlling interests	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	(2,778)	–	–	–
Total transactions with owners	–	(2,778)	(7,576)	(760)	(8,336)
Balance at end of period	26,929	33,805	381,549	9,209	390,758

(4) Condensed Semi-annual Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	2Q-FY2023 Apr. 1, 2023 to Sep. 30, 2023	2Q-FY2024 Apr. 1, 2024 to Sep. 30, 2024
Cash flows from operating activities		
Profit before tax	9,785	12,428
Depreciation and amortization	16,033	15,833
Loss (gain) on sale of property, plant and equipment	(1,277)	(4)
Interest and dividend income	(997)	(1,385)
Interest expenses	830	717
Share of loss (profit) of investments accounted for using equity method	396	(1,737)
Decrease (increase) in trade receivables	1,043	5,288
Decrease (increase) in inventories	5,602	1,631
Increase (decrease) in trade payables	5,332	(11,226)
Other	265	367
Subtotal	37,011	21,913
Interest and dividends received	1,817	1,777
Interest paid	(816)	(708)
Income taxes refund (paid)	(4,660)	(3)
Net cash provided by (used in) operating activities	33,351	22,979
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,119)	(12,120)
Proceeds from sale of property, plant and equipment	1,238	8
Purchase of intangible assets	(882)	(568)
Purchase of investments	(76)	(82)
Proceeds from sale and redemption of investments	302	4,126
Other	(233)	1,036
Net cash provided by (used in) investing activities	(8,770)	(7,601)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(4,838)	(647)
Proceeds from long-term borrowings	200	100
Repayments of long-term borrowings	(6,298)	(4,597)
Repayments of lease liabilities	(903)	(855)
Purchase of treasury shares	(4)	(4,108)
Dividends paid	(3,534)	(3,475)
Dividends paid to non-controlling interests	(451)	(760)
Other	(0)	0
Net cash provided by (used in) financing activities	(15,827)	(14,342)
Effect of exchange rate changes on cash and cash equivalents	1,968	(1,148)
Net increase (decrease) in cash and cash equivalents	10,723	(112)
Cash and cash equivalents at beginning of period	39,035	55,129
Cash and cash equivalents at end of period	49,758	55,017

(5) Notes Concerning Condensed Semi-annual Consolidated Financial Statements

(Going Concern Assumption)

Not applicable.

(Segment Information)

1. Outline of Reportable Segments

The Group's reportable segments are divisions of the Group for which separate financial information is available, and whose operating results are reviewed regularly by the Board of Directors of the Company in order to allocate management resources and assess performance of operations.

The Group's main business lines are divided based on similarities of function and nature and the Group prepares the comprehensive strategy and conducts the business activities corresponding to the products handled by each business line. Accordingly, the Group is comprised of reportable segments classified by type of products based on each business line and does not aggregate its operating results. The two reportable segments of the Group are the Materials business and the Solutions business.

In the Materials business, acrylic acid, acrylates, ethylene oxide, ethylene glycol, ethanolamine, special acrylates, superabsorbent polymers, maleic anhydride, process catalysts, etc. are manufactured and sold. In the Solutions business, polymers for concrete admixtures, glycol ether, secondary alcohol ethoxylates, water-soluble polymers such as raw materials for detergents, intermediates for pharmaceuticals, electronic and information materials, iodine compounds, resins for adhesives/paints, ethyleneimine derivatives, processed adhesive products, automotive catalysts, De-NOx catalysts, dioxin decomposition catalysts, equipment for waste gas treatment, wet air oxidation catalysts, materials for batteries, etc. are manufactured and sold.

2. Information Concerning Revenue and Income or Loss by Reportable Segment

Six months ended Sep. 30, 2023 (Apr. 1, 2023 to Sep. 30, 2023)

(Unit: Millions of yen)

	Reportable segments			Adjustment (Note)	Total
	Materials	Solutions	Total		
Revenue					
Revenue to third parties	142,408	51,892	194,301	–	194,301
Intergroup revenue and transfers	7,971	1,461	9,431	(9,431)	–
Total	150,379	53,353	203,732	(9,431)	194,301
Segment income	8,289	983	9,272	734	10,006
Finance income	–	–	–	–	1,052
Finance costs	–	–	–	–	877
Share of profit (loss) of investments accounted for using equity method	–	–	–	–	(396)
Profit before tax	–	–	–	–	9,785

Note: The adjustment for “Segment income” includes inter-segment transaction eliminations and corporate profit (loss) not allocated to reportable segments amounting to 734 million yen.

Six months ended Sep. 30, 2024 (Apr. 1, 2023 to Sep. 30, 2024)

(Unit: Millions of yen)

	Reportable segments			Adjustment (Note)	Total
	Materials	Solutions	Total		
Revenue					
Revenue to third parties	149,492	57,384	206,876	–	206,876
Intergroup revenue and transfers	8,480	1,489	9,970	(9,970)	–
Total	157,973	58,873	216,846	(9,970)	206,876
Segment income	8,080	2,047	10,127	328	10,455
Finance income	–	–	–	–	1,393
Finance costs	–	–	–	–	1,156
Share of profit (loss) of investments accounted for using equity method	–	–	–	–	1,737
Profit before tax	–	–	–	–	12,428

Note: The adjustment for “Segment income” includes inter-segment transaction eliminations and corporate profit (loss) not allocated to reportable segments amounting to 328 million yen.