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## Flash Report for the Six Months Ended September 30, 2024 (based on Japanese GAAP) (on a consolidated basis)

November 11, 2024

Name of the listed company: Fuji Seal International, Inc.

Code No.: 7864 Stock exchange: Tokyo

URL: <http://www.fujiseal.com>

Representative: Shigeo Okazaki, President and CEO

Contact: Fumitaka Goto, IR Division Manager TEL 06-6350-1080

Scheduled date for submission of Interim Report: November 12, 2024

Scheduled date for initiation of dividend payments: December 2, 2024

Prepared supplementary presentation material on quarterly results: Yes

Held quarterly results briefing: Yes (for securities analysts and institutional investors)

\* All amounts are rounded down to the nearest million yen.

### 1. Consolidated Results for the Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 2024)

(1) Consolidated operating results (millions of yen) (%: year on year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the parent	
Six months ended								
September 30, 2024	105,234	10.9%	9,186	63.4%	8,581	21.3%	5,700	6.8%
September 30, 2023	94,852	4.3	5,623	18.9	7,074	38.5	5,337	53.1

Note: Comprehensive income

Six months ended

September 30, 2024: ¥14,252 million [33.1%]

September 30, 2023: ¥10,704 million [(10.6)%]

	Earnings per share (¥)	Diluted EPS (¥)
Six months ended		
September 30, 2024	105.01	—
September 30, 2023	97.44	—

(2) Consolidated financial position (millions of yen)

	Total assets	Net assets	Equity ratio	Net assets per share (¥)
As of September 30, 2024	207,367	144,219	69.5%	2,654.24
As of March 31, 2024	192,684	132,142	68.6	2,435.66

Reference: Owners' equity

As of September 30, 2024: ¥144,219 million

As of March 31, 2024: ¥132,142 million

### 2. Dividends

	Cash dividends per share (¥)				
	Quarter-end			Year-end	Annual
	1st	2nd	3rd		
Year ended March 31, 2024	—	17.00	—	43.00	60.00
Year ending March 31, 2025	—	30.00			
Year ending March 31, 2025 (forecast)			—	30.00	60.00

Note: Revisions to the most recently disclosed dividend payment forecasts: None

### 3. Consolidated Business Performance Forecasts for the Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

	(millions of yen) (%: year on year change)								
	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the parent	Earnings per share (¥)	
Full term	203,000	3.2%	15,400	15.7%	15,600	5.9%	10,600	3.1%	195.18

Note: Revisions to the most recently disclosed business performance forecasts: None

#### 4. Notes

(1) Changes in significant subsidiaries during the interim period  
(changes in specified subsidiaries resulting in changes in scope of consolidation): None  
New: - (Company name:-) Excluded: - (Company name:-)

(2) Application of specific accounting treatment to the preparation of interim consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatements  
1. Changes in accounting policies due to revisions to accounting standards, etc.: Yes  
2. Changes in accounting policies other than 1.: None  
3. Changes in accounting estimates: None  
4. Restatements: None

Note: For details, please refer to “Notes to Changes in Accounting Policies” on page 11 in the Attachment to this report. These notes can be found under “(4) Notes for Interim Consolidated Financial Statements” in the “2. Interim Consolidated Financial Statements and Main Notes” section of this report.

(4) Number of ordinary shares issued at the end of the period

1. Number of shares issued at the end of the period (including treasury shares)	As of September 30, 2024	60,161,956 shares	As of March 31, 2024	60,161,956 shares
2. Number of treasury shares at the end of the period	As of September 30, 2024	5,826,390 Shares	As of March 31, 2024	5,908,810 shares
3. Average number of shares during the period (for the interim period)	As of September 30, 2024	54,288,957 shares	As of September 30, 2023	54,778,988 shares

Note: Treasury shares at the end of the period include shares of the Company held by a saving-type employee stock ownership plan (ESOP) trust account (hereinafter, “the trust account”). In addition, shares of the Company held by the trust account are included in the treasury shares excluded from the calculation of the average number of shares during the period.

#### Notes

\* The Flash Report for the Six Months Ended September 30, 2024 is outside of the scope of review by a certified public accountant or an audit firm.

\* Explanations concerning the appropriate use of business performance forecasts and other special notes  
This report contains business performance forecasts and other forward-looking statements based on data currently available to the Company as well as certain assumptions judged by the Company to be reasonable. The Company offers no assurance that its business performance forecasts and other forward-looking statements will be achieved. Actual financial results may differ significantly from expectations due to a variety of factors. Please refer to page 5 “(3) Information Regarding Consolidated Business Performance Forecasts” under “1. Overview of Consolidated Operating Results” for details on assumptions for business performance forecasts and cautionary matters regarding the use of business performance forecasts.

(How to Obtain Financial Results Supplementary Briefing Materials)

The Company plans to hold a briefing for institutional investors and analysts on November 12, 2024.

The financial results supplementary briefing materials that will be used on that day are scheduled to be posted on the Company’s website today.

## 5. Overview of Consolidated Operating Results

### (1) Overview of Consolidated Operating Results for the Six Months Ended September 30, 2024

For the first-half period of fiscal 2024 (the fiscal year ending March 31, 2025), net sales at Fuji Seal International, Inc. came to ¥105,234 million (up 10.9% year on year), operating profit was ¥9,186 million (up 63.4%), and ordinary profit totaled ¥8,581 million (up 21.3%). Profit attributable to owners of the parent was ¥5,700 million (up 6.8%).

(millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024	Change
Net sales	94,852	105,234	10.9%
Operating profit	5,623	9,186	63.4%
Ordinary profit	7,074	8,581	21.3%
Profit attributable to owners of the parent	5,337	5,700	6.8%

Average exchange rate vs US dollar (yen)	135.00	152.36	12.9%
Average exchange rate vs euro (yen)	145.93	164.70	12.9%

The following is a breakdown of business performance by segment.

(millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024	Change	Change in local currency terms
<b>Japan</b>				
Shrink Sleeve Labels	*24,367	25,669	5.3%	—
Pressure Sensitive Labels	4,308	4,426	2.7%	—
Spouted Pouches	10,340	11,416	10.4%	—
Machinery	2,229	2,383	6.9%	—
Other	*8,104	7,847	(3.2)%	—
Total sales	49,350	51,742	4.8%	—
Operating profit	4,259	5,580	31.0%	—
<b>Americas</b>				
Shrink Sleeve Labels	21,645	27,450	26.8%	12.4%
Pressure Sensitive Labels	897	1,394	55.4%	37.7%
Spouted Pouches	148	32	(78.5)%	(80.9)%
Machinery	2,779	2,627	(5.5)%	(16.2)%
Other	384	—	—	—
Total sales	25,855	31,505	21.9%	8.0%
Operating profit	1,206	3,092	156.2%	127.0%
<b>Europe</b>				
Shrink Sleeve Labels	8,480	9,457	11.5%	(1.2)%
Pressure Sensitive Labels	2,976	2,769	(6.9)%	(17.6)%
Machinery	3,328	5,339	60.4%	42.1%
Total sales	14,785	17,566	18.8%	5.3%
Operating profit	194	845	335.3%	285.7%
<b>ASEAN</b>				
Shrink Sleeve Labels	4,238	5,033	18.7%	5.2%
Pressure Sensitive Labels	94	62	(34.3)%	(41.8)%
Spouted Pouches	4,134	4,503	8.9%	(3.5)%
Machinery	263	386	46.3%	29.6%
Other	45	24	(47.4)%	(53.4)%
Total sales	8,777	10,009	14.0%	1.0%
Operating profit	163	395	141.9%	114.4%

\* From the three months ended June 30, 2024, product sales categories in Japan have been reclassified. Accordingly, comparative analysis in the overview of consolidated operating results is based on the revised classification method for product sales categories.

## Japan

Sales of shrink sleeve labels increased 5.3% year on year to ¥25,669 million. Sales of pressure sensitive labels increased 2.7% to ¥4,426 million. Sales of spouted pouches increased 10.4% to ¥11,416 million. Machinery sales rose 6.9% to ¥2,383 million. Sales of other products decreased 3.2% to ¥7,847 million.

As a result, total sales in Japan came to ¥51,742 million (up 4.8% year on year). On the earnings front, operating profit increased 31.0% to ¥5,580 million.

## Americas

Sales of shrink sleeve labels increased 26.8% (up 12.4% on a local currency basis) to ¥27,450 million. Sales of pressure sensitive labels increased 55.4% (up 37.7% on a local currency basis) to ¥1,394 million. Sales of spouted pouches decreased 78.5% (down 80.9% on a local currency basis) to ¥32 million. Machinery sales decreased 5.5% (down 16.2% on a local currency basis) to ¥2,627 million.

As a result, total sales in the Americas increased 21.9% (up 8.0% on a local currency basis) to ¥31,505 million. On the earnings front, operating profit increased 156.2% (up 127.0% on a local currency basis) to ¥3,092 million.

## Europe

Sales of shrink sleeve labels increased 11.5% (down 1.2% on a local currency basis) to ¥9,457 million. Sales of pressure sensitive labels decreased 6.9% (down 17.6% on a local currency basis) to ¥2,769 million. Machinery sales increased 60.4% (up 42.1% on a local currency basis) to ¥5,339 million.

As a result, total sales in Europe increased 18.8% (up 5.3% on a local currency basis) to ¥17,566 million. On the earnings front, operating profit increased 335.3% (up 285.7% on a local currency basis) to ¥845 million.

## ASEAN

Sales of shrink sleeve labels increased 18.7% (up 5.2% on a local currency basis) to ¥5,033 million. Sales of pressure sensitive labels decreased 34.3% (down 41.8% on a local currency basis) to ¥62 million. Sales of spouted pouches increased 8.9% (down 3.5% on a local currency basis) to ¥4,503 million. Machinery sales increased 46.3% (up 29.6% on a local currency basis) to ¥386 million. Sales of other products decreased 47.4% (down 53.4% on a local currency basis) to ¥24 million.

As a result, total sales in ASEAN increased 14.0% (up 1.0% on a local currency basis) to ¥10,009 million. On the earnings front, operating profit increased 141.9% (up 114.4% on a local currency basis) to ¥395 million.

## (2) Overview of Financial Condition as of September 30, 2024

### Assets, Liabilities and Net Assets

At the end of the six months ended September 30, 2024, total assets had increased ¥14,683 million compared with the previous fiscal year-end to ¥207,367 million.

The main factors included a ¥3,862 million increase in cash and deposits, a ¥3,806 million increase in notes and accounts receivable - trade (including electronically recorded monetary claims), a ¥4,651 million increase in inventories, and a ¥2,575 million increase in tangible fixed assets.

Total liabilities increased ¥2,605 million compared to the previous fiscal year-end to ¥63,147 million. The main factors included a ¥2,379 million increase in notes and accounts payable - trade (including electronically recorded obligations - operating) and a ¥2,606 million decrease in borrowings.

Total net assets increased ¥12,077 million compared to the previous fiscal year-end to ¥144,219 million. This mainly reflected a ¥3,344 million increase in retained earnings and a ¥8,420 million increase in foreign currency translation adjustment.

### Cash Flows

Net cash provided by operating activities for the Six Months Ended ended September 30, 2024 was ¥11,835 million (net cash of ¥8,200 million provided in the corresponding period of the previous fiscal year). This mainly reflected the posting of profit before income taxes of ¥8,389 million and depreciation of ¥4,381 million, as well as inflows including a ¥1,441 million increase in trade payables. The main deductions were a ¥2,557 million increase in inventories and ¥1,694 million in income taxes paid.

Net cash used in investing activities amounted to ¥4,350 million (net cash of ¥4,948 million used in the corresponding period of the previous fiscal year). This was due primarily to ¥3,015 million used for the purchase of property, plant and equipment.

Net cash used in financing activities was ¥5,344 million (net cash of ¥2,719 million used in the corresponding period of the previous fiscal year). This was due primarily to a ¥2,878 million decrease in borrowings and ¥2,356 million in dividends paid.

As a result, cash and cash equivalents at the end of the six months ended September 30, 2024 had increased ¥2,950 million from the previous fiscal year-end to ¥25,738 million.

## (3) Information Regarding Consolidated Business Performance Forecasts

The Company's full-year consolidated business performance forecast for the fiscal year ending March 31, 2025 has not been revised from the forecast announced on May 13, 2024.

**(4) Research and Development Activities**

In the six months ended September 30, 2024, the amount of spending on research and development activities for the entire Group was ¥1,207 million.

There were no significant changes in the status of the Group's research and development activities during the six months ended September 30, 2024.

## 6. Interim Consolidated Financial Statements and Main Notes

### (1) Interim Consolidated Balance Sheets

(millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets:		
Cash and deposits	22,806	26,668
Notes and accounts receivable - trade	50,695	53,767
Electronically recorded monetary claims - operating	12,628	13,362
Merchandise and finished goods	10,227	11,835
Work in process	6,033	7,448
Raw materials and supplies	9,093	10,722
Other current assets	5,684	5,757
Allowance for doubtful accounts	(105)	(70)
<b>Total current assets</b>	<b>117,064</b>	<b>129,492</b>
Non-current assets:		
Property, plant and equipment:		
Buildings and structures, net	26,182	27,416
Machinery, equipment and vehicles, net	21,185	21,664
Tools, furniture and fixtures, net	2,368	2,331
Land	8,748	9,049
Lease assets, net	254	260
Construction in progress	3,041	3,639
Other, net	992	987
<b>Total property, plant and equipment</b>	<b>62,774</b>	<b>65,349</b>
Intangible assets:		
Goodwill	997	935
Other	1,386	1,358
<b>Total intangible assets</b>	<b>2,383</b>	<b>2,294</b>
Investments and other assets:		
Investment securities	3,568	4,076
Deferred tax assets	3,336	2,739
Other	3,672	3,424
Allowance for doubtful accounts	(115)	(9)
<b>Total investments and other assets</b>	<b>10,462</b>	<b>10,231</b>
<b>Total non-current assets</b>	<b>75,620</b>	<b>77,875</b>
<b>Total assets</b>	<b>192,684</b>	<b>207,367</b>

(millions of yen)

As of March 31, 2024      **As of September 30, 2024**

Liabilities		
Current liabilities:		
Notes and accounts payable - trade	17,474	17,539
Electronically recorded obligations - operating	11,118	13,432
Short-term borrowings	4,020	10
Current portion of long-term borrowings	756	801
Lease liability	67	70
Accounts payable - other	3,853	3,413
Income taxes payable	1,960	1,975
Provision for bonuses	2,246	2,053
Other	11,419	15,049
<b>Total current liabilities</b>	<b>52,917</b>	<b>54,348</b>
Non-current liabilities:		
Long-term borrowings	1,841	3,200
Lease liability	98	100
Deferred tax liabilities	1,847	1,474
Retirement benefit liabilities	2,865	2,977
Other	970	1,046
<b>Total non-current liabilities</b>	<b>7,624</b>	<b>8,799</b>
<b>Total liabilities</b>	<b>60,542</b>	<b>63,147</b>
Net assets		
Shareholders' equity:		
Share capital	5,990	5,990
Capital surplus	6,599	6,625
Retained earnings	110,990	114,334
Treasury shares	(9,556)	(9,400)
<b>Total shareholders' equity</b>	<b>114,024</b>	<b>117,550</b>
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	1,342	1,377
Deferred gains or losses on hedges	(3)	—
Foreign currency translation adjustment	16,781	25,202
Remeasurements of defined benefit plans	(1)	90
<b>Total accumulated other comprehensive income</b>	<b>18,118</b>	<b>26,669</b>
<b>Total net assets</b>	<b>132,142</b>	<b>144,219</b>
<b>Total liabilities and net assets</b>	<b>192,684</b>	<b>207,367</b>

**(2) Interim Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**  
**Interim Consolidated Statements of Income**

(millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	94,852	105,234
Cost of sales	78,358	83,487
Gross profit	16,493	21,747
Selling, general and administrative expenses	*1 10,870	*1 12,560
Operating profit	5,623	9,186
Non-operating income:		
Interest income	172	107
Dividend income	59	69
Interest on tax refund	75	43
Foreign exchange gains	1,310	—
Gain on sales of scraps	17	20
Other	31	42
Total non-operating income	1,666	283
Non-operating expenses:		
Interest expenses	153	112
Foreign exchange losses	—	713
Depreciation of inactive non-current assets	61	58
Other	—	3
Total non-operating expenses	215	888
Ordinary profit	7,074	8,581
Extraordinary income:		
Gain on sale of non-current assets	13	8
Total extraordinary income	13	8
Extraordinary losses:		
Loss on sale and retirement of non-current assets	21	200
Total extraordinary losses	21	200
Profit before income taxes	7,066	8,389
Income taxes:		
Income taxes-current	2,140	2,549
Income taxes-deferred	(411)	139
Total income taxes	1,728	2,688
Profit	5,337	5,700
Profit attributable to owners of the parent	5,337	5,700



## Interim Consolidated Statements of Comprehensive Income

(millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	5,337	5,700
Other comprehensive income:		
Valuation difference on available-for-sale securities	(259)	35
Deferred gains or losses on hedges	(2)	3
Foreign currency translation adjustments	5,670	8,420
Remeasurements of defined benefit plans, net of tax	(42)	91
Total other comprehensive income	5,367	8,551
Comprehensive income	10,704	14,252
Comprehensive income attributable to		
Comprehensive income (loss) attributable to owners of the parent	10,704	14,252
Comprehensive income (loss) attributable to non-controlling interests	—	—

### (3) Interim Consolidated Statements of Cash Flows

(millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	7,066	8,389
Depreciation	4,001	4,381
Amortization of goodwill	24	63
Increase (decrease) in allowance for doubtful accounts	4	(44)
Increase (decrease) in provision for bonuses	(34)	(254)
Increase (decrease) in retirement benefit liability	(11)	64
Loss (gain) on sale and retirement of non-current assets	8	191
Interest and dividend income	(231)	(176)
Interest expenses	153	112
Foreign exchange losses (gains)	(1,082)	601
Decrease (increase) in trade receivables	(2,240)	(766)
Decrease (increase) in inventories	(200)	(2,557)
Increase (decrease) in trade payables	991	1,441
Increase (decrease) in accounts payable - other	(459)	(340)
Other, net	1,477	2,333
Subtotal	9,465	13,438
Interest and dividends received	243	181
Interest paid	(148)	(90)
Income taxes refund (paid)	(1,360)	(1,694)
Net cash provided by (used in) operating activities	8,200	11,835
Cash flows from investing activities		
Payments into time deposits	—	(892)
Purchase of property, plant and equipment	(3,543)	(3,015)
Proceeds from sale of property, plant and equipment	18	115
Purchase of intangible assets	(109)	(98)
Purchase of investment securities	(18)	(438)
Loan advances	(75)	(42)
Proceeds from collection of loans receivable	3	44
Purchase of shares of subsidiaries resulting in change in scope of consolidation	*2 (1,204)	—
Other, net	(18)	(22)
Net cash provided by (used in) investing activities	(4,948)	(4,350)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,500)	(4,010)
Proceeds from long-term borrowings	—	1,523
Repayment of long-term borrowings	(21)	(391)
Purchase of treasury stock	(0)	(0)
Proceeds from sale of treasury shares	—	107
Cash dividends paid	(985)	(2,356)
Other, net	(212)	(217)
Net cash provided by (used in) financing activities	(2,719)	(5,344)
Effect of exchange rate changes on cash and cash equivalents	1,361	809
Net increase (decrease) in cash and cash equivalents	1,894	(2,950)
Cash and cash equivalents at beginning of period	17,347	22,788
Cash and cash equivalents at end of period	*1 19,242	*1 25,738

## (4) Notes for Interim Consolidated Financial Statements

### Notes to Changes in Accounting Policies

#### Application of the Accounting Standard for Current Income Taxes and Other Related Standards

Effective from the beginning of the first-half period of the fiscal year ending March 31, 2025, the Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter, the “2022 Revised Accounting Standard”) and other related standards.

In applying the revisions concerning the accounting classification for corporate and other taxes (taxation on other comprehensive income), the Company has followed the transitional treatment set forth in the proviso of Paragraph 20-3 of the 2022 Revised Accounting Standard and the transitional treatment set forth in the proviso of Paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter, the “2022 Revised Guidance”). This change in accounting policy had no effect on the interim consolidated financial statements.

Furthermore, in cases where gains or losses on the sale of subsidiary shares between consolidated companies are deferred for tax purposes, there are revisions related to changes in how these cases are treated in the consolidated financial statements. For these revisions, the Company has applied the 2022 Revised Guidance from the beginning of the first-half period of the fiscal year ending March 31, 2025. This change in accounting policy had no effect on the interim consolidated financial statements.

### Segment Information

#### Outline of reportable segments

The Company and its consolidated subsidiaries are engaged in the planning, proposal, development, manufacture and sale of packaging, mainly for shrink sleeve labels, pressure sensitive labels, spouted pouches and machinery.

The Company’s reportable segments are the constituent units of the Company for which separate financial information is available and which are regularly reviewed by the Board of Directors in order to determine the allocation of management resources and evaluate business performance. The reportable segments are structured around geographical segments that reflect the Company’s global sales network. The Company has four reportable segments: Japan, Americas, Europe and ASEAN.

#### I. Six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

##### 1. Information regarding net sales and profit amounts by reporting segment

	Japan	Americas	Europe	ASEAN	Total	Eliminations/ Corporate* <sup>1</sup>	Consolidated amount* <sup>2</sup>
Net sales:							
Net sales from external customers	48,453	25,849	13,287	7,261	94,852	—	94,852
Intersegment sales or transfers	897	5	1,497	1,515	3,916	(3,916)	—
Total	49,350	25,855	14,785	8,777	98,768	(3,916)	94,852
Segment profit	4,259	1,206	194	163	5,823	(200)	5,623

Notes: 1. The adjustment for segment profit of ¥(200) million is mainly intersegment transaction elimination such as unrealized profit or loss elimination.

2. The total of segment profit and the total eliminations/corporate amount of the reportable segments are consistent with operating profit on the interim consolidated statements of income.

3. A breakdown of countries and regions belonging to categories other than Japan is as follows.

Americas: United States, Mexico

Europe: United Kingdom, Netherlands, France, Spain, Poland, Switzerland, Germany, Italy

ASEAN: Indonesia, Vietnam, Thailand, India

##### 2. Information regarding impairment loss or goodwill, etc. for noncurrent assets by reporting segment (Significant changes in the amount of goodwill)

In the first-half period of the fiscal year ending March 31, 2025, Toride Pharma K.K. and TAT Toride Asset Trading Co., Ltd. were newly included in the scope of consolidation following the acquisition of their shares. In connection with this change, goodwill increased by ¥984 million in the Japan segment.

#### II. Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

##### 1. Information regarding net sales and profit amounts by reporting segment

(millions of yen)

	Japan	Americas	Europe	ASEAN	Total	Eliminations/ Corporate* <sup>1</sup>	Consolidated amount* <sup>2</sup>
Net sales:							
Net sales from external customers	50,431	31,501	14,793	8,508	105,234	—	105,234
Intersegment sales or transfers	1,311	3	2,772	1,500	5,588	(5,588)	—
Total	51,742	31,505	17,566	10,009	110,822	(5,588)	105,234
Segment profit	5,580	3,092	845	395	9,914	(727)	9,186

Notes: 1. The adjustment for segment profit of ¥(727) million is mainly intersegment transaction elimination such as unrealized profit or loss elimination.

2. The total of segment profit or loss and the total eliminations/corporate amount of the reportable segments are consistent with operating profit on the interim consolidated statements of income.

3. A breakdown of countries and regions belonging to categories other than Japan is as follows.

Americas: United States, Mexico

Europe: United Kingdom, Netherlands, France, Spain, Poland, Switzerland, Germany, Italy

ASEAN: Indonesia, Vietnam, Thailand, India

2. Information regarding impairment loss or goodwill, etc. for non-current assets by reporting segment  
Not applicable

#### Notes for any significant changes in the amount of shareholders' equity

Not applicable

#### Notes for going concern assumption

Not applicable

#### Notes to the Interim Consolidated Statements of Income

\*1 The main expense items and amounts of selling, general and administrative expenses are as follows.

(millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Payroll and allowances	4,007	4,599
Provision for bonuses	535	808
Provision of allowance for doubtful accounts	(3)	(30)
Retirement benefit expenses	57	125

#### Notes to the Interim Consolidated Statements of Cash Flows

\*1. The following shows the relationship between the interim ending balances of cash and cash equivalents and the corresponding items on the interim consolidated balance sheets.

(millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash and deposits account	24,258	26,668
Time deposits with maturities over three months	—	(930)
Overdraft	(5,015)	—
Cash and cash equivalents	19,242	25,738

\*2 Main components of assets and liabilities of companies that became newly consolidated subsidiaries through a share acquisition

**Six months ended September 30, 2023** (from April 1, 2023 to September 30, 2023)

The following shows the relationship between the main components of assets and liabilities at the start of consolidation and the share acquisition value and purchase of shares (net) in conjunction with the new consolidation of Toride Pharma K.K. and TAT Toride Asset Trading Co., Ltd. through the share acquisition.

	(millions of yen)
Current assets	61
Non-current assets	210
Goodwill	984
Current liabilities	(31)
Acquisition value of subsidiaries	1,224
Cash and cash equivalents	(20)
Net: Purchase of shares of subsidiaries resulting in change in scope of consolidation	1,204

**Six months ended September 30, 2024** (from April 1, 2024 to September 30, 2024)

Not applicable