Walden Research Japan

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MORESCO (5018)

Consolidated Fiscal Year (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
FY02/2022		27,300	1,434	2,011	1,808	192.76	40.00	1,914.94
FY02/2023		30,333	523	1,046	615	66.19	40.00	2,008.49
FY02/2024CoE		34,500	1,400	1,600	700	75.83	45.00	-
FY02/2023	YoY	11.1%	(63.5%)	(48.0%)	(66.0%)	-	-	-
FY02/2024CoE	YoY	13.7%	167.7%	53.0%	13.9%	-	-	-
Consolidated Q1 to Q3		Sales	Operating	Recurring	Profit Attributable to	EPS	DPS	BPS
(Million Yen)		Sales	Profit	Profit	Owners of Parent	(Yen)	(Yen)	(Yen)
Q1 to Q3 FY02/2023		22,479	511	1,144	719	-	-	-
Q1 to Q3 FY02/2024		23,731	1,050	1,699	1,335	-	-	-
Q1 to Q3 FY02/2024	YoY	5.6%	105.5%	48.6%	85.8%	-	-	-

Source: Company Data, WRJ Calculation

1.0 Results Update (17 January 2024)

Recovery in Japan

On 15 January 2024, MORESCO, running operations of R&D, manufacture and sale of chemical goods used in diverse applications with autos as the mainstay, released its Q1 to Q3 FY02/2024 results. It has been revealed that the Company achieved a two-fold increase in operating profit over the same period of the previous year, due to a significant improvement in profitability in Japan, the mainstay by region. Sales volume has rather declined in Japan over the same period of the previous year, but it was far more than compensated for by the impact of an improvement in sales mix and a revision on selling prices of own products. On top of this, it appears that the Company has also benefited from a trend of settling down for raw material price hike. It has been also the case that a marked improvement in earnings was seen in Southeast/South Asia (Thailand, Indonesia and India). In addition to a steady increase in local sales volume against the backdrop of higher auto production volume, etc., the impact of a revision on selling prices of own products, as in Japan, was reportedly being felt. Nevertheless, the situation for Q4 (December to February) is unpredictable due to the possibility of initial costs associated with the start of operations at new factory in China, in addition to the inevitable deterioration in earnings due to seasonality. We are to obtain further details through our interview with the management, while planning to update our Company Report in light of such details in order to release anew.

Company Report: MORESCO (5018) Growth Strategy (11 December 2023)

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

2.0 Company Profile

MORESCO Corporation
Company Website IB Information
IR Information
Share Price (Japanese)
27 October 1958
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
¥2,118m (as of the end of November 2023)
9,696,500 shares, including 463,720 treasury shares (as of the end of Nov. 2023)
• 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
I . Japan
II. China
III. Southeast/South Asia (Thailand, Indonesia and India)
IV. North America
CEO, Representative Director and President: Motohisa Morozumi
Matsumura Oil 11.5%, Cosmo Oil Lubricants 5.4%, Master Trust Bank of Japan,
T. 4.6%, MORESCO ESOP 4.3%, (as of the end of August 2023, but for treasury
shares)
Kobe-city, Hyogo-prefecture, JAPAN
Consolidated: 784, Parent: 381 (as of the end of February 2023)

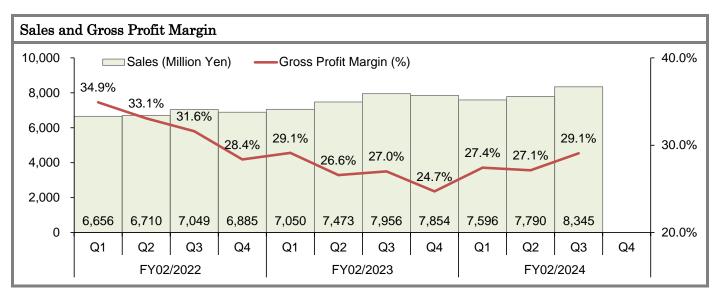
Interface Science Specialist

Source: Company Data

3.0 Recent Trading and Prospects

Q1 to Q3 FY02/2024

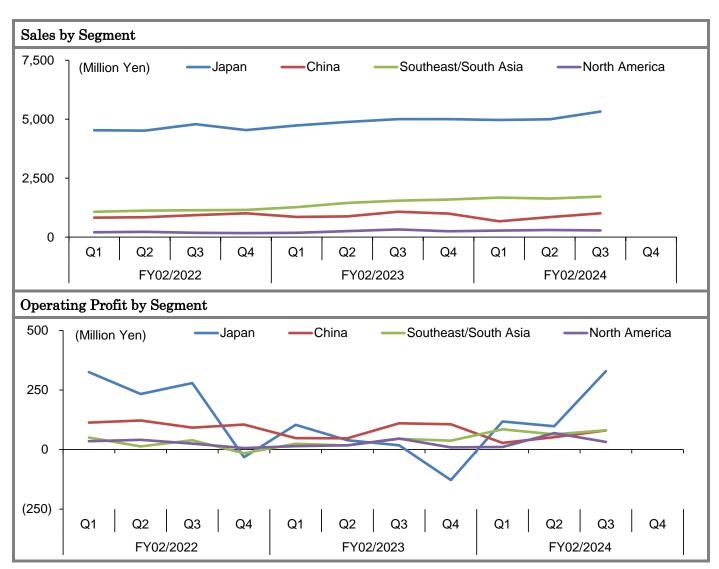
For Q1 to Q3 FY02/2024, sales came in at \$23,731m (up 5.6% YoY), operating profit \$1,050m (up 105.5%), recurring profit \$1,699m (up 48.6%) and profit attributable to owners of parent \$1,335m (up 85.8%). Meanwhile, gross profit came in at \$6,623m (up 7.0%) and SG&A expenses \$5,572m (down 1.8%), implying gross profit margin of 27.9% (up 0.4% points) and SG&A ratio of 23.5% (down 1.8% points), having resulted in operating profit margin of 4.4% (up 2.2% points).



Source: Company Data, WRJ Calculation

On a quarterly basis, the Company's gross profit margin continued to show a V-shaped recovery. The Company is seeing sales expanding favorably for high-value-added products, represented by water-soluble minimum quantity spray type lubricants, which is driving an improvement in sales mix, while the impact of a revision on selling prices of own products is appearing at the same time, according to the Company. On top of this, it appears that the Company is also benefiting from a trend of settling down for raw material price hike in line with that of crude oil prices, yen's depreciation and naphtha prices. Meanwhile, the Company is seeing a substantial improvement in operating profit margin, given a curbed contribution of SG&A expenses, although it has something to do with delays in recognition of some expenses, completion of amortization for goodwill associated with the past acquisition and other factors.

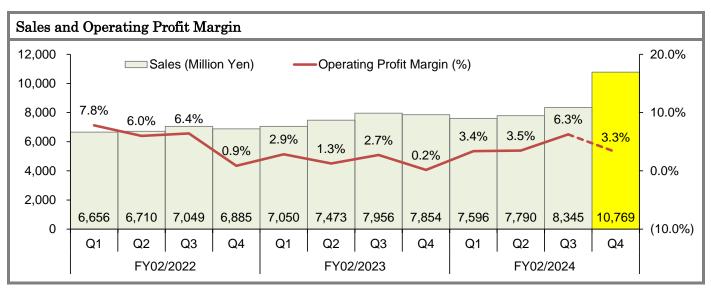
At the non-operating level, the Company saw net gain of \$649m, roughly unchanged from the same period of the previous year. Currency gain has declined, which was basically compensated for by an increase in investment gain on equity method. According to the Company, the latter is attributable to a gain of \$151mfor compensation money from the Chinese government, as a result of expropriation of factory space owned by its local affiliate. By the way, initial Company forecasts have not assumed any currency gain/loss nor the compensation money. In the Company's consolidated accounts, the above-mentioned affiliate was made a wholly-owned subsidiary as of the end of Q3 (September to November) and an extraordinary gain of ¥250m on a net basis was recorded as a result of this, i.e., loss on step acquisitions of ¥34m and gain on negative goodwill of ¥285m, which was a key driver for surging profit attributable to owners of parent. By the way, it is also the case that initial Company forecasts have not assumed such extraordinary gain not loss.



Source: Company Data, WRJ Calculation

FY02/2024 Company Forecasts

FY02/2024 initial Company forecasts, announced on 11 April 2023, have remained unchanged, going for prospective sales of \$34,500m (up 13.7% YoY), operating profit of \$1,400m (up 167.7%), recurring profit of \$1,600m (up 53.0%) and profit attributable to owners of parent of \$700m (up 13.9%), while operating profit margin of 4.1% (up 2.3% points). Company forecasts have remained unchanged also for planned annual dividend, going for \$45.00 per share, implying payout ratio of 59.3%.



Source: Company Data, WRJ Calculation (Q4 FY02/2024: full-year Company forecasts less Q1 to Q3 results).

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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		+1,252
Cost of Sales	4,997	10,484	16,291	22,204	5,513	11,188	17,108		+817
Gross Profit	2,053	4,039	6,188	8,129	2,083	4,197	6,623		+435
SG&A Expenses	1,852	3,744	5,677	7,606	1,826	3,669	5,572		(105)
Operating Profit	201	295	511	523	257	528	1,050		+539
Non-Operating Balance	270	551	633	523	138	405	649	-	+16
Recurring Profit	471	846	1,144	1,046	395	933	1,699		+555
Extraordinary Balance	-	-	-	-	-	-	250	-	+250
Profit before Income Taxes	471	846	1,144	1,046	395	933	1,949	-	+805
Total Income Taxes	116	286	347	320	125	262	455		+108
Profit Attributable to Non-Controlling Interests	38	56	78	112	47	102	159	-	+81
Profit Attributable to Owners of Parent	317	504	719	615	224	569	1,335		+616
Sales YoY	+5.9%	+8.7%	+10.1%	+11.1%	+7.7%	+5.9%	+5.6%	-	-
Operating Profit YoY	(61.4%)	(68.0%)	(62.8%)	(63.5%)	+28.0%	+78.8%	+105.5%	-	-
Recurring Profit YoY	(34.7%)	(27.3%)	(34.0%)	(48.0%)	(16.1%)	+10.4%	+48.6%		-
Profit Attributable to Owners of Parent YoY	(71.0%)	(62.9%)	(58.5%)	(66.0%)	(29.5%)	+13.0%	+85.8%		-
Gross Profit Margin	29.1%	27.8%	27.5%	26.8%	27.4%	27.3%	27.9%	-	+0.4%
SG&A Ratio	26.3%	25.8%	25.3%	25.1%	24.0%	23.8%	23.5%		(1.8%)
Operating Profit Margin	2.9%	2.0%	2.3%	1.7%	3.4%	3.4%	4.4%		+2.2%
Recurring Profit Margin	6.7%	5.8%	5.1%	3.4%	5.2%	6.1%	7.2%		+2.1%
Profit Attributable to Owners of Parent Margin	4.5%	3.5%	3.2%	2.0%	2.9%	3.7%	5.6%	-	+2.4%
Total Income Taxes / Profit before Income Taxes	24.6%	33.8%	30.3%	30.6%	31.6%	28.1%	23.3%	-	(7.0%)
			00.070	001070	011070	20.170	20.070		(1.070)
Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	(11070)
								Cons.Act Q4	YoY
	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act		
Income Statement	Cons.Act Q1	Cons.Act Q2	Cons.Act Q3	Cons.Act Q4	Cons.Act Q1	Cons.Act Q2	Cons.Act Q3	Q4	YoY
Income Statement (Million Yen)	Cons.Act Q1 02/2023	Cons.Act Q2 02/2023	Cons.Act Q3 02/2023	Cons.Act Q4 02/2023	Cons.Act Q1 02/2024	Cons.Act Q2 02/2024	Cons.Act Q3 02/2024	Q4	YoY Net Chg.
Income Statement (Million Yen) Sales	Cons.Act Q1 02/2023 7,050	Cons.Act Q2 02/2023 7,473	Cons.Act Q3 02/2023 7,956	Cons.Act Q4 02/2023 7,854	Cons.Act Q1 02/2024 7,596	Cons.Act Q2 02/2024 7,790	Cons.Act Q3 02/2024 8,345	Q4	YoY Net Chg. +389
Income Statement (Million Yen) Sales Cost of Sales	Cons.Act Q1 02/2023 7,050 4,997	Cons.Act Q2 02/2023 7,473 5,487	Cons.Act Q3 02/2023 7,956 5,807	Cons.Act Q4 02/2023 7,854 5,913	Cons.Act Q1 02/2024 7,596 5,513	Cons.Act Q2 02/2024 7,790 5,675	Cons.Act Q3 02/2024 8,345 5,920	Q4	YoY Net Chg. +389 +113
Income Statement (Million Yen) Sales Cost of Sales Gross Profit	Cons.Act Q1 02/2023 7,050 4,997 2,053	Cons.Act Q2 02/2023 7,473 5,487 1,986	Cons.Act Q3 02/2023 7,956 5,807 2,149	Cons.Act Q4 02/2023 7,854 5,913 1,941	Cons.Act Q1 02/2024 7,596 5,513 2,083	Cons.Act Q2 02/2024 7,790 5,675 2,114	Cons.Act Q3 02/2024 8,345 5,920 2,426	Q4	YoY Net Chg. +389 +113 +277
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses	Cons.Act Q1 02/2023 7,050 4,997 2,053 1,852	Cons.Act Q2 02/2023 7,473 5,487 1,986 1,892	Cons.Act Q3 02/2023 7,956 5,807 2,149 1,933	Cons.Act Q4 02/2023 7,854 5,913 1,941 1,929	Cons.Act Q1 02/2024 7,596 5,513 2,083 1,826	Cons.Act Q2 02/2024 7,790 5,675 2,114 1,843	Cons.Act Q3 02/2024 8,345 5,920 2,426 1,903	Q4	YoY Net Chg. +389 +113 +277 (30)
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit	Cons.Act Q1 02/2023 7,050 4,997 2,053 1,852 201	Cons.Act Q2 02/2023 7,473 5,487 1,986 1,892 94	Cons. Act Q3 02/2023 7,956 5,807 2,149 1,933 216	Cons.Act Q4 02/2023 7,854 5,913 1,941 1,929 12	Cons.Act Q1 02/2024 7,596 5,513 2,083 1,826 257	Cons.Act Q2 02/2024 7,790 5,675 2,114 1,843 271	Cons.Act Q3 02/2024 8,345 5,920 2,426 1,903 522	Q4	YoY Net Chg. +389 +113 +277 (30) +306
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non-Operating Balance	Cons.Act Q1 02/2023 7,050 4,997 2,053 1,852 201 270	Cons.Act Q2 02/2023 7,473 5,487 1,986 1,892 94 281	Cons.Act Q3 02/2023 7,956 5,807 2,149 1,933 216 82	Cons.Act Q4 02/2023 7,854 5,913 1,941 1,929 12 (110)	Cons.Act Q1 02/2024 7,596 5,513 2,083 1,826 257 138	Cons.Act Q2 02/2024 7,790 5,675 2,114 1,843 271 267	Cons.Act Q3 02/2024 8,345 5,920 2,426 1,903 522 244	Q4	YoY Net Chg. +389 +113 +277 (30) +306 +162
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non-Operating Balance Recurring Profit	Cons.Act Q1 02/2023 7,050 4,997 2,053 1,852 201 270 471	Cons.Act Q2 02/2023 7,473 5,487 1,986 1,892 94 281 375	Cons.Act Q3 02/2023 7,956 5,807 2,149 1,933 216 82 298	Cons.Act Q4 02/2023 7,854 5,913 1,941 1,929 12 (110)	Cons.Act Q1 02/2024 7,596 5,513 2,083 1,826 257 138 395	Cons.Act Q2 02/2024 7,790 5,675 2,114 1,843 271 267 538	Cons.Act Q3 02/2024 8,345 5,920 2,426 1,903 522 244 766	Q4	YoY Net Chg. +389 +113 +277 (30) +306 +162 +468
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non-Operating Balance Recurring Profit Extraordinary Balance	Cons.Act Q1 02/2023 7,050 4,997 2,053 1,852 201 270 471	Cons.Act Q2 02/2023 7,473 5,487 1,986 1,892 94 281 375	Cons.Act Q3 02/2023 7,956 5,807 2,149 1,933 216 82 298	Cons.Act Q4 02/2023 7,854 5,913 1,941 1,929 12 (110) (98)	Cons.Act Q1 02/2024 7,596 5,513 2,083 1,826 257 138 395	Cons.Act Q2 02/2024 7,790 5,675 2,114 1,843 271 267 538	Cons.Act Q3 02/2024 8,345 5,920 2,426 1,903 522 244 766 250	Q4	YoY Net Chg. +389 +113 +277 (30) +306 +162 +468 +250
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non-Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes	Cons.Act Q1 02/2023 7,050 4,997 2,053 1,852 201 270 471	Cons.Act Q2 02/2023 7,473 5,487 1,986 1,892 94 281 375 - 375	Cons.Act Q3 02/2023 7,956 5,807 2,149 1,933 216 82 298 - 298	Cons.Act Q4 02/2023 7,854 5,913 1,941 1,929 12 (110) (98) - (98)	Cons.Act Q1 02/2024 7,596 5,513 2,083 1,826 257 138 395 - 395	Cons.Act Q2 02/2024 7,790 5,675 2,114 1,843 271 267 538	Cons.Act Q3 02/2024 8,345 5,920 2,426 1,903 522 244 766 250 1,016	Q4	YoY Net Chg. +389 +113 +277 (30) +306 +162 +468 +250 +718
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non-Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes	Cons.Act Q1 02/2023 7,050 4,997 2,053 1,852 201 270 471 - 471 116	Cons.Act Q2 02/2023 7,473 5,487 1,986 1,892 94 281 375 - 375 170	Cons.Act Q3 02/2023 7,956 5,807 2,149 1,933 216 82 298 - 298 61	Cons.Act Q4 02/2023 7,854 5,913 1,941 1,929 12 (110) (98) (27)	Cons.Act Q1 02/2024 7,596 5,513 2,083 1,826 257 138 395 - 395 125	Cons.Act Q2 02/2024 7,790 5,675 2,114 1,843 271 267 538 - 538 137	Cons.Act Q3 02/2024 8,345 5,920 2,426 1,903 522 244 766 250 1,016 193	Q4	YoY Net Chg. +389 +113 +277 (30) +306 +162 +468 +250 +718 +132
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non-Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Non-Controlling Interests	Cons.Act Q1 02/2023 7,050 4,997 2,053 1,852 201 270 471 - 471 116 38	Cons.Act Q2 02/2023 7,473 5,487 1,986 1,892 94 281 375 - 375 170 18	Cons.Act Q3 02/2023 7,956 5,807 2,149 1,933 216 82 298 - 298 61 22	Cons.Act Q4 02/2023 7,854 5,913 1,941 1,929 12 (110) (98) (27) 34	Cons.Act Q1 02/2024 7,596 5,513 2,083 1,826 257 138 395 - 395 125 47	Cons.Act Q2 02/2024 7,790 5,675 2,114 1,843 271 267 538 - 538 137 55	Cons.Act Q3 02/2024 8,345 5,920 2,426 1,903 522 244 766 250 1,016 193 57	Q4	YoY Net Chg. +389 +113 +277 (30) +306 +162 +468 +250 +718 +132 +35
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non-Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Non-Controlling Interests Profit Attributable to Owners of Parent Sales YoY	Cons.Act Q1 02/2023 7,050 4,997 2,053 1,852 201 270 471 - 471 116 38 317	Cons.Act Q2 02/2023 7,473 5,487 1,986 1,892 94 281 375 - 375 170 18 18 187	Cons.Act Q3 02/2023 7,956 5,807 2,149 1,933 216 82 298 61 2298 61 22 215	Cons.Act Q4 02/2023 7,854 5,913 1,941 1,929 12 (110) (98) (27) 34 (104)	Cons.Act Q1 02/2024 7,596 5,513 2,083 1,826 257 138 395 - 395 125 47 224	Cons.Act Q2 02/2024 7,790 5,675 2,114 1,843 271 267 538 - 538 137 55 345	Cons.Act Q3 02/2024 8,345 5,920 2,426 1,903 522 244 766 250 1,016 193 57 766	Q4	YoY Net Chg. +389 +113 +277 (30) +306 +162 +468 +250 +718 +132 +35
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non-Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Non-Controlling Interests Profit Attributable to Owners of Parent	Cons.Act Q1 02/2023 7,050 4,997 2,053 1,852 201 270 471 - 471 116 38 317 +5.9%	Cons.Act Q2 02/2023 7,473 5,487 1,986 1,892 94 281 375 - 375 170 18 187 187	Cons.Act Q3 02/2023 7,956 5,807 2,149 1,933 216 82 298 61 2298 61 22 215 +12.9%	Cons.Act Q4 02/2023 7,854 5,913 1,941 1,929 12 (110) (98) (27) 34 (104) +14.1%	Cons.Act Q1 02/2024 7,596 5,513 2,083 1,826 257 138 395 125 47 224 +7.7%	Cons.Act Q2 02/2024 7,790 5,675 2,114 1,843 271 267 538 - 538 137 555 345 +4.2%	Cons.Act Q3 02/2024 8,345 5,920 2,426 1,903 522 244 766 250 1,016 193 57 766 +4.9%	Q4	YoY Net Chg. +389 +113 +277 (30) +306 +162 +468 +250 +718 +132 +35
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non-Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Non-Controlling Interests Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY	Cons.Act Q1 02/2023 7,050 4,997 2,053 1,852 201 270 471 - 471 116 38 317 +5.9% (61.4%)	Cons.Act Q2 02/2023 7,473 5,487 1,986 1,892 94 281 375 - 375 170 18 187 +11.4% (76.7%)	Cons.Act Q3 02/2023 7,956 5,807 2,149 1,933 216 82 298 61 2298 61 22 215 +12.9% (52.2%)	Cons.Act Q4 02/2023 7,854 5,913 1,941 1,929 12 (110) (98) (27) 34 (104) +14.1%	Cons.Act Q1 02/2024 7,596 5,513 2,083 1,826 257 138 395 125 47 224 +7.7% +28.0%	Cons.Act Q2 02/2024 7,790 5,675 2,114 1,843 271 267 538 - 538 137 55 345 +4.2% +188.3%	Cons.Act Q3 02/2024 8,345 5,920 2,426 1,903 522 244 766 250 1,016 193 57 766 +4.9% +141.7%	Q4	YoY Net Chg. +389 +113 +277 (30) +306 +162 +468 +250 +718 +132 +35
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non-Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Non-Controlling Interests Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY	Cons.Act Q1 02/2023 7,050 4,997 2,053 1,852 201 270 471 - 471 116 38 317 +5.9% (61.4%) (34.7%)	Cons.Act Q2 02/2023 7,473 5,487 1,986 1,892 94 281 375 - 375 170 18 187 +11.4% (76.7%) (15.2%)	Cons.Act Q3 02/2023 7,956 5,807 2,149 1,933 216 82 298 61 2298 61 22 215 +12.9% (52.2%) (47.6%)	Cons.Act Q4 02/2023 7,854 5,913 1,941 1,929 12 (110) (98) (27) 34 (104) +14.1% (79.7%)	Cons.Act Q1 02/2024 7,596 5,513 2,083 1,826 257 138 395 125 47 224 +7.7% +28.0% (16.1%)	Cons.Act Q2 02/2024 7,790 5,675 2,114 1,843 271 267 538 - 538 137 55 345 +4.2% +188.3% +43.5%	Cons.Act Q3 02/2024 8,345 5,920 2,426 1,903 522 244 766 250 1,016 193 57 766 +4.9% +141.7% +141.7%	Q4	YoY Net Chg. +389 +113 +277 (30) +306 +162 +468 +250 +718 +132 +35
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non-Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Non-Controlling Interests Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY Profit Attributable to Owners of Parent YoY	Cons.Act Q1 02/2023 7,050 4,997 2,053 1,852 201 270 471 - 471 116 38 317 +5.9% (61.4%) (34.7%) (71.0%)	Cons.Act Q2 02/2023 7,473 5,487 1,986 1,892 94 281 375 - 375 170 18 187 +11.4% (76.7%) (15.2%) (29.2%)	Cons.Act Q3 02/2023 7,956 5,807 2,149 1,933 216 82 298 61 2298 61 22 215 +12.9% (52.2%) (47.6%) (42.0%)	Cons.Act Q4 02/2023 7,854 5,913 1,941 1,929 12 (110) (98) (27) 34 (27) 34 (104) +14.1% (79.7%) - - 24.7%	Cons.Act Q1 02/2024 7,596 5,513 2,083 1,826 257 138 395 125 47 224 +7.7% +28.0% (16.1%) (29.5%)	Cons.Act Q2 02/2024 7,790 5,675 2,114 1,843 271 267 538 - 538 137 55 345 +4.2% +188.3% +43.5% +84.5%	Cons.Act Q3 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%	Q4	YoY Net Chg. +389 +113 +277 (30) +306 +162 +468 +250 +718 +132 +35 +551 - - - - - - - - - -
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non-Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Non-Controlling Interests Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY Profit Attributable to Owners of Parent YoY Profit Attributable to Owners of Parent YoY Profit Attributable to Owners of Parent YoY	Cons.Act Q1 02/2023 7,050 4,997 2,053 1,852 201 270 471 1852 471 116 38 317 +5.9% (61.4%) (34.7%) (71.0%) 29.1%	Cons.Act Q2 02/2023 7,473 5,487 1,986 1,892 94 281 375 - 3755 1700 18 187 +11.4% (76.7%) (15.2%) (29.2%)	Cons.Act Q3 02/2023 7,956 5,807 2,149 1,933 216 82 298 61 228 61 228 215 +12.9% (52.2%) (47.6%) (42.0%)	Cons.Act Q4 02/2023 7,854 5,913 1,941 1,929 12 (110) (98) (27) 34 (104) +14.1% (79.7%) - - 24.7% 24.6%	Cons.Act Q1 02/2024 7,596 5,513 2,083 1,826 257 138 395 125 125 47 224 +7.7% +28.0% (16.1%) (29.5%)	Cons.Act Q2 02/2024 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%	Cons.Act Q3 02/2024 8,345 5,920 2,426 1,903 522 244 766 250 1,016 193 57 766 +4.9% +141.7% +141.7% +157.0% +256.3%	Q4	YoY Net Chg. +389 +113 +277 (30) +306 +162 +468 +250 +718 +132 +35 +551
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non-Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Non-Controlling Interests Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY Profit Attributable to Owners of Parent YoY Gross Profit Margin SG&A Ratio Operating Profit Margin	Cons.Act Q1 02/2023 7,050 4,997 2,053 1,852 201 270 471 116 38 317 +5.9% (61.4%) (34.7%) (71.0%) 29.1% 26.3% 2.9%	Cons.Act Q2 02/2023 7,473 5,487 1,986 1,892 94 281 375 375 170 18 187 +11.4% (76.7%) (15.2%) (29.2%) 26.6% 25.3% 1.3%	Cons.Act Q3 02/2023 7,956 5,807 2,149 1,933 216 82 298 61 228 61 225 215 +12.9% (52.2%) (47.6%) (42.0%) 27.0% 24.3% 2.7%	Cons.Act Q4 02/2023 7,854 5,913 1,941 1,929 12 (110) (98) (27) 34 (104) +14.1% (79.7%) - - 24.7% 24.6% 0.2%	Cons.Act Q1 02/2024 7,596 5,513 2,083 1,826 257 138 395 125 47 224 +7.7% +28.0% (16.1%) (29.5%) 27.4% 24.0% 3.4%	Cons.Act Q2 02/2024 7,790 5,675 2,114 1,843 271 267 538 - 538 137 55 345 +4.2% +188.3% +43.5% +43.5% +84.5% 27.1% 23.7% 3,5%	Cons.Act Q3 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%	Q4	YoY Net Chg. +389 +113 +277 (30) +306 +162 +468 +250 +718 +132 +35 +551 - - - - - +2.1% (1.5%) +3.5%
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non-Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Non-Controlling Interests Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY Profit Attributable to Owners of Parent YoY Gross Profit Margin SG&A Ratio	Cons.Act Q1 02/2023 7,050 4,997 2,053 1,852 201 270 471 116 38 317 +5.9% (61.4%) (34.7%) (71.0%) 29.1% 26.3%	Cons.Act Q2 02/2023 7,473 5,487 1,986 1,892 94 281 375 375 170 18 187 +11.4% (76.7%) (15.2%) (29.2%) 26.6% 25.3% 1.3% 5.0%	Cons.Act Q3 02/2023 7,956 5,807 2,149 1,933 216 82 298 61 228 61 228 61 225 (42.0%) (42.0%) (42.0%) 27.0% 24.3% 2.7% 3.7%	Cons.Act Q4 02/2023 7,854 5,913 1,941 1,929 12 (110) (98) (27) 34 (104) +14.1% (79.7%) - - 24.7% 24.6% 0.2% (1.2%)	Cons.Act Q1 02/2024 7,596 5,513 2,083 1,826 257 138 395 125 47 224 +7.7% +28.0% (16.1%) (29.5%) 27.4% 24.0% 3.4% 5.2%	Cons.Act Q2 02/2024 7,790 5,675 2,114 1,843 271 267 538 538 137 55 345 +4.2% +188.3% +43.5% +43.5% +84.5% 27.1% 23.7% 3,5% 6.9%	Cons.Act Q3 02/2024 8,345 5,920 2,426 1,903 522 244 766 250 1,016 193 57 766 +4.9% +141.7% +141.7% +157.0% +256.3% 29.1% 22.8% 6.3% 9.2%	Q4	YoY Net Chg. +389 +113 +277 (30) +306 +162 +468 +250 +718 +132 +35 +551 - - - - - - - - - - - - - - - - - -
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non-Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Non-Controlling Interests Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY Profit Attributable to Owners of Parent YoY Gross Profit Margin SG&A Ratio Operating Profit Margin Recurring Profit Margin	Cons.Act Q1 02/2023 7,050 4,997 2,053 1,852 201 270 471 116 38 317 +5.9% (61.4%) (34.7%) (71.0%) 29.1% 26.3% 2.9% 6.7%	Cons.Act Q2 02/2023 7,473 5,487 1,986 1,892 94 281 375 375 170 18 187 +11.4% (76.7%) (15.2%) (29.2%) 26.6% 25.3% 1.3%	Cons.Act Q3 02/2023 7,956 5,807 2,149 1,933 216 82 298 61 228 61 225 215 +12.9% (52.2%) (47.6%) (42.0%) 27.0% 24.3% 2.7%	Cons.Act Q4 02/2023 7,854 5,913 1,941 1,929 12 (110) (98) (27) 34 (104) +14.1% (79.7%) - - 24.7% 24.6% 0.2%	Cons.Act Q1 02/2024 7,596 5,513 2,083 1,826 257 138 395 125 47 224 +7.7% +28.0% (16.1%) (29.5%) 27.4% 24.0% 3.4%	Cons.Act Q2 02/2024 7,790 5,675 2,114 1,843 271 267 538 - 538 137 55 345 +4.2% +188.3% +43.5% +43.5% +84.5% 27.1% 23.7% 3,5%	Cons.Act Q3 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%	Q4	YoY Net Chg. +389 +113 +277 (30) +306 +162 +468 +250 +718 +132 +35 +551 - - - - - - - - - - - - - - - - - -

Segmented Information (Cumulative / Quarterly)

Segmented Information	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	-	+666
China	854	1,737	2,813	3,814	670	1,522	2,532		(281)
Southeast/South Asia (Thailand, Indonesia and India)	1,276	2,726	4,274	5,870	1,679	3,313	5,031		+757
North America	182	436	762	1,011	278	584	872		+110
Sales	7,050	14,523	22,479	30,333	7,596	15,386	23,731	-	+1,252
Japan	104	143	161	33	118	216	545	•	+384
China	48	95	205	311	28	80	160		(45)
Southeast/South Asia (Thailand, Indonesia and India)	24	41	86	123	85	149	230		+144
North America	14	32	78	87	11	80	112		+34
Segment Profit	189	311	531	553	242	525	1,046		+515
Adjustments	11	(16)	(20)	(30)	15	3	4		+24
Operating Profit	201	295	511	523	257	528	1,050	-	+539
Japan	2.2%	1.5%	1.1%	0.2%	2.4%	2.2%	3.6%	-	+2.5%
China	5.6%	5.5%	7.3%	8.2%	4.2%	5.3%	6.3%		(1.0%)
Southeast/South Asia (Thailand, Indonesia and India)	1.9%	1.5%	2.0%	2.1%	5.1%	4.5%	4.6%		+2.6%
North America	7.7%	7.3%	10.2%	8.6%	4.0%	13.7%	12.8%		+2.6%
Segment Profit Margin	2.7%	2.1%	2.4%	1.8%	3.2%	3.4%	4.4%	-	+2.0%
Adjustments	0.2%	(0.1%)	(0.1%)	(0.1%)	0.2%	0.0%	0.0%		+0.1%
Operating Profit Margin	2.9%	2.0%	2.3%	1.7%	3.4%	3.4%	4.4%	-	+2.2%
Segmented Information	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	-	+324
China	854	883	1,076	1,001	670	852	1,010		(66)
Southeast/South Asia (Thailand, Indonesia and India)	1,276	1,450	1,548	1,596	1,679	1,634	1,718	-	+170
North America	182	254	326	249	278	306	288	-	(38)
Sales	7,050	7,473	7,956	7,854	7,596	7,790	8,345		+389
Japan	104	39	18	(128)	118	98	329	-	+311
China	48	47	110	106	28	52	80		(30)
Southeast/South Asia (Thailand, Indonesia and India)	24	17	45	37	85	64	81		+36
North America	14	18	46	9	11	69	32	-	(14)
Segment Profit	189	122	220	22	242	283	521		+301
Adjustments	11	(27)	(4)	(10)	15	(12)	1	-	+5
Operating Profit	201	94	216	12	257	271	522		+306
Japan	2.2%	0.8%	0.4%	(2.6%)	2.4%	2.0%	6.2%		+5.8%
China	5.6%	5.3%	10.2%	10.6%	4.2%	6.1%	7.9%	-	(2.3%)
Southeast/South Asia (Thailand, Indonesia and India)	1.9%	1.2%	2.9%	2.3%	5.1%	3.9%	4.7%	-	+1.8%
North America	7.7%	7.1%	14.1%	3.6%	4.0%	22.5%	11.1%	-	(3.0%)
Segment Profit Margin	2.7%	1.6%	2.8%	0.3%	3.2%	3.6%	6.2%	-	+3.5%
Adjustments	0.2%	(0.4%)	(0.1%)	(0.1%)	0.2%	(0.2%)	0.0%	-	+0.1%
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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	-	+884
Synthetic Lubricants	502	991	1,381	1,703	301	607	957	-	(424)
Liquid Paraffins & Sulfonates	902	1,855	2,849	3,793	998	1,940	2,993		+144
Hot Melt Adhesives	1,809	3,754	5,801	7,664	2,108	4,194	6,419		+618
Energy Device Materials	45	84	128	209	30	54	124	-	(4)
Other	372	812	1,239	1,859	470	856	1,272	-	+33
Sales	7,050	14,523	22,479	30,333	7,596	15,386	23,731	-	+1,252
Functional Fluids	+10.9%	+10.8%	+14.4%	+16.0%	+7.8%	+10.1%	+8.0%	-	-
Synthetic Lubricants	(0.1%)	(4.1%)	(9.7%)	(13.7%)	(40.0%)	(38.7%)	(30.7%)		-
Liquid Paraffins & Sulfonates	+11.9%	+11.0%	+10.5%	+9.0%	+10.6%	+4.6%	+5.1%		-
Hot Melt Adhesives	+8.2%	+12.9%	+14.1%	+13.0%	+16.6%	+11.7%	+10.7%		-
Energy Device Materials	(21.3%)	(34.5%)	(35.1%)	(11.8%)	(31.9%)	(35.7%)	(3.3%)		-
Other	(29.5%)	(5.4%)	(6.7%)	+3.6%	+26.4%	+5.3%	+2.6%		-
Sales (YoY)	+5.9%	+8.7%	+10.1%	+11.1%	+7.7%	+5.9%	+5.6%		-
Functional Fluids	48.5%	48.4%	49.3%	49.8%	48.6%	50.3%	50.4%	-	-
Synthetic Lubricants	7.1%	6.8%	6.1%	5.6%	4.0%	3.9%	4.0%		-
Liquid Paraffins & Sulfonates	12.8%	12.8%	12.7%	12.5%	13.1%	12.6%	12.6%		-
Hot Melt Adhesives	25.7%	25.8%	25.8%	25.3%	27.8%	27.3%	27.0%		-
Energy Device Materials	0.6%	0.6%	0.6%	0.7%	0.4%	0.4%	0.5%		-
Other	5.3%	5.6%	5.5%	6.1%	6.2%	5.6%	5.4%		-
Sales (Componet Percentages)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		-
	100.0% Cons.Act				100.0% Cons.Act	100.0% Cons.Act	100.0% Cons.Act	- Cons.Act	-
Sales (Componet Percentages)		100.0%	100.0%	100.0%				- Cons.Act Q4	- YoY
Sales (Componet Percentages)	Cons.Act	100.0% Cons.Act	100.0% Cons.Act	100.0% Cons.Act	Cons.Act	Cons.Act	Cons.Act		- YoY Net Chg.
Sales (Componet Percentages) Sales by Business Division	Cons.Act Q1	100.0% Cons.Act Q2	100.0% Cons.Act Q3	100.0% Cons.Act Q4	Cons.Act Q1	Cons.Act Q2	Cons.Act Q3	Q4	
Sales (Componet Percentages) Sales by Business Division (Million Yen)	Cons.Act Q1 02/2023	100.0% Cons.Act Q2 02/2023	100.0% Cons.Act Q3 02/2023	100.0% Cons.Act Q4 02/2023	Cons.Act Q1 02/2024	Cons.Act Q2 02/2024	Cons.Act Q3 02/2024	Q4	Net Chg.
Sales (Componet Percentages) Sales by Business Division (Million Yen) Functional Fluids	Cons.Act Q1 02/2023 3,420	100.0% Cons.Act Q2 02/2023 3,607	100.0% Cons.Act Q3 02/2023 4,054	100.0% Cons.Act Q4 02/2023 4,024	Cons.Act Q1 02/2024 3,688	Cons.Act Q2 02/2024 4,048	Cons.Act Q3 02/2024 4,229	Q4	Net Chg. +175
Sales (Componet Percentages) Sales by Business Division (Million Yen) Functional Fluids Synthetic Lubricants	Cons.Act Q1 02/2023 3,420 502	100.0% Cons.Act Q2 02/2023 3,607 489	100.0% Cons.Act Q3 02/2023 4,054 390	100.0% Cons.Act Q4 02/2023 4,024 322	Cons.Act Q1 02/2024 3,688 301	Cons.Act Q2 02/2024 4,048 306	Cons.Act Q3 02/2024 4,229 350	Q4	Net Chg. +175 (40) +59
Sales (Componet Percentages) Sales by Business Division (Million Yen) Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates	Cons.Act Q1 02/2023 3,420 502 902	100.0% Cons.Act Q2 02/2023 3,607 489 953	100.0% Cons.Act Q3 02/2023 4,054 390 994	100.0% Cons.Act Q4 02/2023 4,024 322 944	Cons.Act Q1 02/2024 3,688 301 998	Cons.Act Q2 02/2024 4,048 306 942	Cons.Act Q3 02/2024 4,229 350 1,053	Q4	Net Chg. +175 (40) +59 +178
Sales (Componet Percentages) Sales by Business Division (Million Yen) Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates Hot Melt Adhesives	Cons.Act Q1 02/2023 3,420 502 902 1,809	100.0% Cons.Act Q2 02/2023 3,607 489 953 1,945	100.0% Cons.Act Q3 02/2023 4,054 390 994 2,047	100.0% Cons.Act Q4 02/2023 4,024 322 944 1,863	Cons.Act Q1 02/2024 3,688 301 998 2,108	Cons.Act Q2 02/2024 4,048 306 942 2,086	Cons.Act Q3 02/2024 4,229 350 1,053 2,225	Q4	Net Chg. +175 (40) +59 +178 +26
Sales (Componet Percentages) Sales by Business Division (Million Yen) Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates Hot Melt Adhesives Energy Device Materials	Cons.Act Q1 02/2023 3,420 502 902 1,809 45	100.0% Cons.Act Q2 02/2023 3,607 489 953 1,945 39	100.0% Cons.Act Q3 02/2023 4,054 390 994 2,047 44	100.0% Cons.Act Q4 02/2023 4,024 322 944 1,863 81	Cons.Act Q1 02/2024 3,688 301 998 2,108 30 470	Cons.Act Q2 02/2024 4,048 306 942 2,086 24	Cons.Act Q3 02/2024 4,229 350 1,053 2,225 70	Q4	Net Chg. +175 (40) +59 +178 +26 (11)
Sales (Componet Percentages) Sales by Business Division (Million Yen) Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates Hot Melt Adhesives Energy Device Materials Other	Cons.Act Q1 02/2023 3,420 502 902 1,809 45 372	100.0% Cons.Act Q2 02/2023 3,607 489 953 1,945 39 440	100.0% Cons.Act Q3 02/2023 4,054 3900 994 2,047 44	100.0% Cons.Act Q4 02/2023 4,024 322 944 1,863 81 620	Cons.Act Q1 02/2024 3,688 301 998 2,108 30	Cons.Act Q2 02/2024 4,048 306 942 2,086 24 386	Cons.Act Q3 02/2024 4,229 350 1,053 2,225 70 416	Q4	Net Chg. +175 (40) +59 +178 +26 (11)
Sales (Componet Percentages) Sales by Business Division (Million Yen) Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates Hot Melt Adhesives Energy Device Materials Other Sales Functional Fluids	Cons.Act Q1 02/2023 3,420 502 902 1,809 45 372 7,050 +10.9%	100.0% Cons.Act Q2 02/2023 3,607 489 953 1,945 39 440 7,473 +10.7%	100.0% Cons.Act Q3 02/2023 4,054 390 994 2,047 44 427 7,956 +21.2%	100.0% Cons.Act Q4 02/2023 4,024 322 944 1,863 81 620 7,854 +20.7%	Cons.Act Q1 02/2024 3,688 301 998 2,108 30 470 7,596 +7.8%	Cons.Act Q2 02/2024 4,048 306 942 2,086 24 386 7,790 +12.2%	Cons.Act Q3 02/2024 4,229 350 1,053 2,225 70 416 8,345 +4.3%	Q4	Net Chg. +175 (40) +59 +178 +26 (11)
Sales (Componet Percentages) Sales by Business Division (Million Yen) Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates Hot Melt Adhesives Energy Device Materials Other Sales	Cons.Act Q1 02/2023 3,420 502 902 1,809 45 372 7,050	100.0% Cons.Act Q2 02/2023 3,607 489 953 1,945 39 440 7,473	100.0% Cons.Act Q3 02/2023 4,054 390 994 2,047 44 427 7,956	100.0% Cons.Act Q4 02/2023 4,024 322 944 1,863 81 620 7,854 +20.7% (27.6%)	Cons.Act Q1 02/2024 3,688 301 998 2,108 30 470 7,596	Cons.Act Q2 02/2024 4,048 306 942 2,086 24 386 7,790 +12.2% (37.4%)	Cons.Act Q3 02/2024 4,229 350 1,053 2,225 700 416 8,345	Q4	Net Chg. +175 (40) +59 +178 +26 (11)
Sales (Componet Percentages) Sales by Business Division (Million Yen) Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates Hot Melt Adhesives Energy Device Materials Other Sales Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates	Cons.Act Q1 02/2023 3,420 502 902 1,809 45 372 7,050 +10.9% (0.1%) +11.9%	100.0% Cons.Act Q2 02/2023 3,607 489 953 1,945 39 440 7,473 +10.7% (7.7%) +10.2%	100.0% Cons.Act Q3 02/2023 4,054 3904 2,047 44 427 7,956 +21.2% (21.4%) +9.6%	100.0% Cons.Act Q4 02/2023 4,024 322 944 1,863 81 620 7,854 +20.7% (27.6%) +4.8%	Cons.Act Q1 02/2024 3,688 301 998 2,108 30 470 7,596 +7.8% (40.0%) +10.6%	Cons.Act Q2 02/2024 4,048 306 942 2,086 24 386 7,790 +12.2% (37.4%) (1.2%)	Cons.Act Q3 02/2024 4,229 350 1,053 2,225 70 416 8,345 +4.3% (10.3%) +5.9%	Q4	Net Chg. +175 (40) +59 +178 +26 (11)
Sales (Componet Percentages) Sales by Business Division (Million Yen) 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	Cons.Act Q1 02/2023 3,420 502 902 1,809 45 372 7,050 +10.9% (0.1%) +11.9% +8.2%	100.0% Cons.Act Q2 02/2023 3,607 489 953 1,945 39 440 7,473 +10.7% (7.7%) +10.2% +17.6%	100.0% Cons.Act Q3 02/2023 4,054 3904 2,047 44 427 7,956 +21.2% (21.4%) +9.6% +16.2%	100.0% Cons.Act Q4 02/2023 4,024 322 944 1,863 81 620 7,854 +20.7% (27.6%) +4.8% +9.7%	Cons.Act Q1 02/2024 3,688 301 998 2,108 30 470 7,596 +7.8% (40.0%) +10.6% +16.6%	Cons.Act Q2 02/2024 4,048 306 942 2,086 24 386 7,790 +12.2% (37.4%) (1.2%) +7.2%	Cons.Act Q3 02/2024 4,229 350 1,053 2,225 70 416 8,345 +4.3% (10.3%) +5.9% +8.7%	Q4	Net Chg. +175 (40) +59 +178 +26 (11)
Sales (Componet Percentages) Sales by Business Division (Million Yen) 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	Cons.Act Q1 02/2023 3,420 502 902 1,809 45 372 7,050 +10.9% (0.1%) +11.9% +8.2% (21.3%)	100.0% Cons.Act Q2 02/2023 3,607 489 953 1,945 39 440 7,473 +10.7% (7.7%) +10.2% +17.6% (45.1%)	100.0% Cons.Act Q3 02/2023 4,054 390 2,047 44 427 7,956 +21.2% (21.4%) +9.6% +16.2% (37.1%)	100.0% Cons.Act Q4 02/2023 4,024 322 944 1,863 81 620 7,854 +20.7% (27.6%) +4.8% +9.7% +107.7%	Cons.Act Q1 02/2024 3,688 301 998 2,108 30 470 7,596 +7.8% (40.0%) +10.6% +16.6% (31.9%)	Cons.Act Q2 02/2024 4,048 306 942 2,086 24 386 7,790 +12.2% (37.4%) (1.2%) +7.2% (38.5%)	Cons.Act Q3 02/2024 4,229 350 1,053 2,225 70 416 8,345 +4.3% (10.3%) +5.9% +8.7% +59.1%	Q4	Net Chg. +175 (40)
Sales (Componet Percentages) Sales by Business Division (Million Yen) 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	Cons.Act Q1 02/2023 3,420 502 902 1,809 45 372 7,050 +10.9% (0.1%) +11.9% +8.2% (21.3%) (29.5%)	100.0% Cons.Act Q2 02/2023 3,607 489 953 1,945 39 440 7,473 +10.7% (7.7%) +10.2% +17.6% (45.1%) +32.9%	100.0% Cons.Act Q3 02/2023 4,054 390 994 2,047 44 427 7,956 +21.2% (21.4%) +9.6% +16.2% (37.1%) (9.0%)	100.0% Cons.Act Q4 02/2023 4,024 322 944 1,863 81 620 7,854 +20.7% (27.6%) +4.8% +9.7% +107.7% +33.0%	Cons.Act Q1 02/2024 3,688 301 998 2,108 30 470 7,596 +7.8% (40.0%) +10.6% +16.6% (31.9%) +26.4%	Cons.Act Q2 02/2024 4,048 306 942 2,086 24 386 7,790 +12.2% (37.4%) (1.2%) +7.2% (38.5%) (12.3%)	Cons.Act Q3 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%)	Q4	Net Chg. +175 (40) +59 +178 +26 (11)
Sales (Componet Percentages) Sales by Business Division (Million Yen) 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)	Cons.Act Q1 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%	100.0% Cons.Act Q2 02/2023 3,607 489 953 1,945 39 440 7,473 +10.7% (7.7%) +10.2% +17.6% (45.1%) +32.9% +11.4%	100.0% Cons.Act Q3 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%	100.0% Cons.Act Q4 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%	Cons.Act Q1 02/2024 3,688 301 998 2,108 300 4700 7,596 +7.8% (40.0%) +10.6% +16.6% (31.9%) +26.4% +7.7%	Cons.Act Q2 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%	Cons.Act Q3 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%	Q4	Net Chg. +175 (40) +59 +178 +26 (11)
Sales (Componet Percentages) Sales by Business Division (Million Yen) 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	Cons.Act Q1 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%	100.0% Cons.Act Q2 02/2023 3,607 489 953 1,945 39 440 7,473 +10.7% (7.7%) +10.2% +17.6% (45.1%) +32.9% +11.4%	100.0% Cons.Act Q3 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%	100.0% Cons.Act Q4 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%	Cons.Act Q1 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%	Cons.Act Q2 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%	Cons.Act Q3 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%	Q4	Net Chg. +175 (40) +59 +178 +26 (11)
Sales (Componet Percentages) Sales by Business Division (Million Yen) 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	Cons.Act Q1 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%	100.0% Cons.Act Q2 02/2023 3,607 489 953 1,945 39 440 7,473 +10.7% (7.7%) +10.2% +17.6% (45.1%) +32.9% +11.4%	100.0% Cons.Act Q3 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%	100.0% Cons.Act Q4 02/2023 4,024 322 944 1,863 81 620 7,854 +20.7% (27.6%) +4.8% +9.7% +107.7% +33.0% +107.7% 51.2% 4.1%	Cons.Act Q1 02/2024 3,688 301 998 2,108 300 4700 7,596 +7.8% (40.0%) +10.6% +10.6% (31.9%) +26.4% +7.7% 48.6% 4.0%	Cons.Act Q2 02/2024 4,048 306 942 2,086 24 386 7,790 +12.2% (37.4%) (1.2%) +7.2% (38.5%) (12.3%) (12.3%) +4.2% 52.0% 3.9%	Cons.Act Q3 02/2024 4,229 350 1,053 2,225 70 416 8,345 +4.3% (10.3%) +5.9% +5.9% +5.9.1% (2.6%) +4.9% 50.7% 4.2%	Q4	Net Chg. +175 (40) +59 +178 +26 (11)
Sales (Componet Percentages) Sales by Business Division (Million Yen) 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 Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates Hot Melt Adhesives Energy Device Materials Other Sales (YoY) Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates	Cons.Act Q1 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%	100.0% Cons.Act Q2 02/2023 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%	100.0% Cons.Act Q3 02/2023 4,054 390 994 2,047 44 427 7,956 +21.2% (21.4%) +9.6% (21.4%) +9.6% (37.1%) (9.0%) +12.9% 51.0% 4.9% 12.5%	100.0% Cons.Act Q4 02/2023 4,024 322 944 1,863 81 620 7,854 +20.7% (27.6%) +4.8% (27.6%) +4.8% +9.7% +107.7% +33.0% +107.7% 51.2% 4.1% 251.2%	Cons.Act Q1 02/2024 3,688 301 998 2,108 30 470 7,596 +7.8% (40.0%) +10.6% (31.9%) +26.4% +7.7% 48.6% 4.0% 13.1%	Cons.Act Q2 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%	Cons.Act Q3 02/2024 4,229 350 1,053 2,225 70 416 8,345 +4.3% (10.3%) +5.9% +8.7% +5.9.1% (2.6%) +4.9% 50.7% 4.2% 12.6%	Q4	Net Chg. +175 (40) +59 +178 +26 (11)
Sales (Componet Percentages) Sales by Business Division (Million Yen) 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 Energy Device Materials Other Sales (YoY) Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates Hot Melt Adhesives	Cons.Act Q1 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%	100.0% Cons.Act Q2 02/2023 3,607 489 953 1,945 39 440 7,473 +10.7% (7.7%) +10.2% +17.6% (45.1%) +32.9% +32.9% 48.3% 6.5% 12.8% 26.0%	100.0% Cons.Act Q3 02/2023 4,054 390 994 2,047 44 427 7,956 +21.2% (21.4%) +9.6% (21.4%) +9.6% (37.1%) (9.0%) +12.9% 51.0% 4.9% 12.5%	100.0% Cons.Act Q4 02/2023 4,024 322 944 1,863 81 620 7,854 +20.7% (27.6%) +4.8% (27.6%) +4.8% (27.6%) +4.8% +9.7% +107.7% +33.0% +107.7% 51.2% 4.1% 51.2%	Cons.Act Q1 02/2024 3,688 301 998 2,108 30 470 7,596 +7.8% (40.0%) +10.6% (31.9%) +26.4% +7.7% 48.6% 4.0% 13.1% 27.8%	Cons.Act Q2 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%	Cons.Act Q3 02/2024 4,229 350 1,053 2,225 70 416 8,345 +4.3% (10.3%) +5.9% +5.9.1% (2.6%) +4.9% 50.7% 4.2% 12.6% 26.7%	Q4	Net Chg. +175 (40) +59 +178 +26 (11)
Sales (Componet Percentages) Sales by Business Division (Million Yen) 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 Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates Hot Melt Adhesives Energy Device Materials Other Sales (YoY) Functional Fluids Synthetic Lubricants Liquid Paraffins & Sulfonates	Cons.Act Q1 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%	100.0% Cons.Act Q2 02/2023 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%	100.0% Cons.Act Q3 02/2023 4,054 390 994 2,047 44 427 7,956 +21.2% (21.4%) +9.6% (21.4%) +9.6% (37.1%) (9.0%) +12.9% 51.0% 4.9% 12.5%	100.0% Cons.Act Q4 02/2023 4,024 322 944 1,863 81 620 7,854 +20.7% (27.6%) +4.8% (27.6%) +4.8% +9.7% +107.7% +33.0% +107.7% 51.2% 4.1% 251.2%	Cons.Act Q1 02/2024 3,688 301 998 2,108 30 470 7,596 +7.8% (40.0%) +10.6% (31.9%) +26.4% +7.7% 48.6% 4.0% 13.1%	Cons.Act Q2 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%	Cons.Act Q3 02/2024 4,229 350 1,053 2,225 70 416 8,345 +4.3% (10.3%) +5.9% +8.7% +5.9.1% (2.6%) +4.9% 50.7% 4.2% 12.6%	Q4	Net Chg. +175 (40) +59 +178 +26 (11)

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	-	+1,780
Accounts Receivables	7,046	7,524	7,831	7,595	7,462	7,453	8,016	-	+185
Inventory	5,727	6,102	6,311	6,306	6,451	6,378	6,505	-	+194
Other	580	493	614	653	564	566	1,399		+785
Current Assets	17,165	18,285	18,928	18,810	18,412	18,153	21,872		+2,944
Tangible Assets	8,330	8,395	8,537	8,610	8,666	9,114	9,540		+1,003
Intangible Assets	614	649	643	589	749	744	735		+92
Investments and Other Assets	3,583	3,764	3,820	4,002	4,068	4,166	4,370	-	+550
Fixed Assets	12,527	12,808	13,001	13,202	13,483	14,024	14,645		+1,644
Deferred Assets	-	-	-	6	18	32	42		+42
Total Assets	29,691	31,092	31,929	32,017	31,913	32,208	36,559	-	+4,630
Accounts Payables	4,419	4,926	5,173	5,144	4,828	4,467	4,581	-	(592)
Short-Term Debt	857	1,546	1,549	2,381	2,145	2,096	2,806		+1,257
Other	2,052	1,611	2,245	2,074	1,787	1,629	2,176	-	(69)
Current Liabilities	7,328	8,083	8,967	9,599	8,760	8,192	9,563		+596
Long-Term Debt	457	382	307	472	942	887	2,994		+2,687
Other	785	910	834	707	667	748	814		(20)
Fixed Liabilities	1,242	1,292	1,141	1,179	1,609	1,635	3,808		+2,667
Total Liabilities	8,570	9,375	10,108	10,778	10,369	9,827	13,371		+3,263
Shareholders' Equity	17,357	17,361	17,392	17,287	17,327	17,678	18,254		+862
Other	3,764	4,356	4,428	3,953	4,217	4,703	4,934	-	+506
Net Assets	21,121	21,717	21,820	21,240	21,544	22,381	23,188		+1,368
Total Liabilities & Net Assets	29,691	31,092	31,929	32,017	31,913	32,208	36,559	-	+4,630
Equity Capital	18,492	18,945	19,016	18,533	18,743	19,418	20,143	-	+1,127
Interest Bearing Debt	1,314	1,928	1,856	2,853	3,087	2,983	5,800		+3,944
Net Debt	(2,498)	(2,238)	(2,316)	(1,403)	(848)	(773)	(152)		+2,164
Equity Ratio	62.3%	60.9%	59.6%	57.9%	58.7%	60.3%	55.1%	-	-
Net Debt Equity Ratio	(13.5%)	(11.8%)	(12.2%)	(7.6%)	(4.5%)	(4.0%)	(0.8%)	-	-
ROE (12 months)	5.8%	5.2%	4.4%	3.4%	2.8%	3.5%	6.3%		-
ROA (12 months)	6.1%	5.8%	4.7%	3.4%	3.1%	3.6%	4.7%	-	-
Days for Inventory Turnover	104	101	99	97	106	102	100	-	-
Quick Ratio	148%	145%	134%	123%	130%	137%	146%	-	-
Current Ratio	234%	226%	211%	196%	210%	222%	229%	-	-

Source: Company Data, WRJ Calculation

Cash Flow Statement (Cumulative)

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
02/2023	02/2023	02/2023	02/2023	02/2024	02/2024	02/2024	02/2024	Net Chg.
-	535	-	515	-	1,004	-	-	-
-	(718)	-	(1,172)	-	(1,305)	-		-
-	(183)	-	(657)	-	(301)	-		-
-	487	-	1,227	-	(115)	-		-
	Q1 02/2023 -	Q1 Q1 to Q2 02/2023 02/2023 - 535 - (718) - (183)	Q1 Q1 to Q2 Q1 to Q3 02/2023 02/2023 02/2023 - 535 - - (718) - - (183) -	Q1 Q1 to Q2 Q1 to Q3 Q1 to Q4 02/2023 02/2023 02/2023 02/2023 - 535 - 515 - (718) - (1,172) - (183) - (657)	Q1 Q1 to Q2 Q1 to Q3 Q1 to Q3 Q1 to Q4 Q1 02/2023 02/2023 02/2023 02/2023 02/2023 02/2023 - 535 - 515 - - (718) - (1,172) - - (183) - (657) -	Q1 Q1 to Q2 Q1 to Q3 Q1 to Q3 Q1 to Q4 Q1 to Q2 Q	Q1 Q1 to Q2 Q1 to Q3 Q1 to Q4 Q1 Q1 to Q2 Q1 to Q3 Q2/2024 Q1 to Q3 Q2/2024 Q1 to Q3 Q2/2024 Q1/2024 Q1/2024 Q1/2024 Q1/2024 Q1/2024 Q2/2024 Q2/2024 Q1/2024 Q1/2024	Q1 Q1 to Q2 Q1 to Q3 Q1 to Q4 Q1 to Q4 Q1 to Q2 Q1 to Q3 Q1 to Q4 Q1 to Q2 Q1 to Q3 Q1 to Q4 Q1 to Q2 Q1 to Q3 Q1 to Q4 Q1 to Q2 Q1 to Q3 Q1 to Q4 Q1 to Q3 Q1 to Q4 Q1 to Q3 Q1 to Q4 Q1 to Q4 Q1 to Q3 Q1 to Q4 Q1 to Q4 Q1 to Q3 Q1 to Q4 Q1 to Q4 Q1 to Q3 Q1 to Q4 Q1 to Q4 Q1 to Q3 Q1 to Q4 Q1 to Q4 Q1 to Q3 Q1 to Q4 Q

Disclaimer

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