

Consolidated Quarterly Financial Results (Japanese Accounting Standards) for the First Three Quarters of the Fiscal Year Ending December 31, 2024

November 8, 2024

Name of Listed Company: artience Co., Ltd.

Code: 4634

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Scheduled date of commencement of dividend payments: –

Supplementary documents for financial results: Yes

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

(Amounts of less than million yen are omitted.)

1. Consolidated business results for the First Three Quarters of fiscal 2024 ending December 31, 2024

(From January 1, 2024 to September 30, 2024)

(1) Business results (cumulative totals)

(Percentages indicate year-on-year changes)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|-----------------------------------|-------------|-----|------------------|------|-----------------|------|---|-------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| First Three Quarters, Fiscal 2024 | 260,187 | 9.2 | 15,797 | 73.1 | 14,964 | 53.2 | 12,622 | 74.8 |
| First Three Quarters, Fiscal 2023 | 238,235 | 1.4 | 9,125 | 71.9 | 9,766 | 35.0 | 7,219 | -17.6 |

(Note) Comprehensive income: First Three Quarters, Fiscal 2024: 17,581 million yen (-42.1%) First Three Quarters, Fiscal 2023: 30,342 million yen (48.5%)

| | Profit per share (Basic) | Profit per share (Diluted) |
|-----------------------------------|--------------------------|----------------------------|
| | Yen | Yen |
| First Three Quarters, Fiscal 2024 | 238.27 | 238.18 |
| First Three Quarters, Fiscal 2023 | 136.20 | 136.11 |

(Note) At the end of the previous consolidated fiscal year, a provisional accounting method pertaining to a business combination was finalized, and each one of the figures for the first three quarters of the fiscal year ended December 31, 2023 reflects a review that was made based on the finalization of the provisional accounting method.

(2) Financial position

| | Total assets | Net assets | Net worth/Total assets |
|-----------------------------------|--------------|-------------|------------------------|
| | Million yen | Million yen | % |
| First Three Quarters, Fiscal 2024 | 457,780 | 267,585 | 56.1 |
| Fiscal 2023 | 447,798 | 255,653 | 54.9 |

(Note) Net worth: First Three Quarters, Fiscal 2024: 256,691 million yen

Fiscal 2023: 245,762 million yen

2. Dividends

| | Dividends per share | | | | |
|------------------------|---------------------|-----------|-----------|----------|--------|
| | End of Q1 | End of Q2 | End of Q3 | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal 2023 | — | 45.00 | — | 45.00 | 90.00 |
| Fiscal 2024 | — | 50.00 | — | | |
| Fiscal 2024 (Forecast) | | | | 50.00 | 100.00 |

(Note) Revisions to the most recently announced dividend forecasts: None

3. Forecasts for the year ending December 31, 2024 (from January 1, 2024 to December 31, 2024)

(Figures in percentages denote the year-on-year change.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Profit per share (Basic) |
|-----------|-------------|------|------------------|------|-----------------|------|---|------|--------------------------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| Full-year | 355,000 | 10.2 | 20,000 | 49.6 | 20,000 | 55.3 | 16,500 | 69.5 | 311.89 |

(Note) Revisions to the most recently announced earnings forecasts: None

* Notes:

- | | |
|--|-------------------|
| (1) Important changes in the scope of consolidation during the term: | No |
| (2) Application of special accounting treatment to the preparation of quarterly consolidated financial statements: | No |
| (3) Changes in accounting policies and changes or restatement of accounting estimates: | |
| (i) Changes in accounting policies due to the modification in accounting methods: | No |
| (ii) Changes in accounting policies other than (i) | No |
| (iii) Changes in accounting estimates: | No |
| (iv) Restatement: | No |
| (4) Numbers of shares issued (ordinary shares) | |
| (i) Numbers of shares issued at the end of the terms (including treasury shares): | |
| First Three Quarters, Fiscal 2024: | 53,286,544 shares |
| Fiscal 2023: | 58,286,544 shares |
| (ii) Number of treasury shares at the end of the terms: | |
| First Three Quarters, Fiscal 2024: | 601,006 shares |
| Fiscal 2023: | 5,262,779 shares |
| (iii) Average numbers of shares issued during the terms (consolidated accumulation periods): | |
| First Three Quarters, Fiscal 2024: | 52,976,269 shares |
| First Three Quarters, Fiscal 2023: | 53,006,527 shares |

* Review of the attached consolidated quarterly financial statements by certified public accountants or audit firms: Yes (voluntary)

* Explanations about the proper use of financial forecasts and other important notes

1. The above forecasts are based on the information available on the date these materials are released and incorporate assumptions about uncertainties that may affect future earnings. The forecasts do not constitute an assurance that the Company promises to achieve the earnings. The forecasts do not constitute an assurance that the Company promises to achieve the earnings. Actual earnings could differ materially from these forecasts due to various factors in the future. For notes about assumptions of earnings forecasts and the use of earnings forecasts, refer to “(3) Information on the consolidated earnings forecasts and other future forecasts” of “1. Qualitative Information on Financial Results, etc. for the First Three Quarters Ended September 30, 2024” on page 4 of the accompanying materials.
2. Supplementary documents for financial results will be posted on the Company’s website on November 8, 2024 (Friday).
3. The Company will hold a financial results briefing for investors as follows. Reference materials for financial results and forecasts used in the briefing will be posted on the Company’s website before the opening of the briefing.
 - November 15, 2024 (Friday): Briefing for institutional investors and security analysts.

Accompanying Materials – Contents

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1. Qualitative Information on Financial Results, etc. for the First Three Quarters Ended September 30, 2024

(1) Details of operating results

Regarding Thai Eurocoat Ltd. in the Kingdom of Thailand, shares of which were acquired on April 3, 2023 by Toyo Ink (Thailand) Co., Ltd., a wholly owned subsidiary of the Company, a provisional accounting method had been applied. However, because the accounting method was finalized at the end of the previous consolidated fiscal year, values after a review made based on the finalization of the provisional accounting method were used for comparison and analysis with the first three quarters of the previous consolidated fiscal year.

In the first three quarters of the consolidated fiscal year under review, the global economy continued to show a modest recovery overall, although consumer spending remained stagnant. There were some downside risks to business, namely, stagnation in China and certain parts of Europe, and even in Southeast Asia business recovery was sluggish.

In this environment, the Group worked to execute its policies for the fiscal year: transformation of existing business groups into highly profitable ones, creation of strategic, priority business groups, and transformation of the management foundation.

As a result, net sales in the first three quarters of the fiscal year under review increased to 260,187 million yen (up 9.2% year on year), operating profit increased to 15,797 million yen (up 73.1% year on year), and ordinary profit increased to 14,964 million yen (up 53.2% year on year). Profit attributable to owners of parent increased to 12,622 million yen (up 74.8% year on year).

Operating results by segment are as follows.

(i) Colorants and Functional Materials Related Business

Materials for LCD color filters had shown a steady expansion in sales in China and Taiwan, but profits have declined. Factors for this decline are reduced demand as a result of withdrawal from the market by Japanese display manufacturers, as well as the continued slump in demand for small and midsize panels, including panels for automotive applications and for industrial equipment.

Though sales of plastic colorants were sluggish due to stagnant demand for containers and construction material in Japan, the Company improved its profit-margin through streamlining, and captured increased demand overseas for solar cells and air conditioners.

Sales of inkjet inks expanded in domestic and overseas markets, reflecting rising demand.

Sales for applications in lithium-ion battery materials for automotive applications showed a decline due to a stagnant EV market, but the Company started to utilize its added capacity in China.

As a result, net sales for this segment as a whole increased to 64,993 million yen (up 7.4% year on year), and operating profit increased to 2,871 million yen (up 36.1% year on year).

(ii) Polymers and Coatings Related Business

Among functional films and tapes, sales of functional films, including conductive adhesive sheets, remained strong due in part to the effect of the expansion of sales in China, in addition to an increase in smartphone production. In addition, progress was made in the achievement of results in the area of semiconductor-related materials.

Sales of pressure sensitive adhesives for displays and labels were sluggish in Japan, with mainly rising raw material prices and costs putting downward pressure on profit. Sales of pressure sensitive adhesives remained strong overseas, due to expansion of sales driven by the expansion of facilities. Sales of adhesives for packaging were strong in Japan and increased in Southeast Asia and other overseas markets. Among the adhesives for

industrial use, sales of adhesives for lithium-ion batteries were strong, reflecting the expansion of customers' operations.

Sales of can coatings for beverage cans remained strong in Japan. Sales of can coatings also grew positively overseas, partly reflecting the effect of the acquisition of a coating manufacturer in Thailand that was carried out in the previous fiscal year, an increase in demand for cans for processed seafood and the increased adoption of environmentally friendly products.

As a result, net sales for this segment as a whole increased to 64,951 million yen (up 13.6% year on year), and operating profit increased to 5,306 million yen (up 42.6% year on year).

(iii) Packaging Materials Related Business

In Japan, sales of liquid ink products continued to show brisk demand for applications in frozen desserts and beverages due to the hotter than normal summer, and sales of liquid ink products for pet food and for convenience stores were also strong. Sales of products for cardboard boxes increased due to demand associated with chilled drinks during the summer. Overall, however, demand declined due to a fall in exports of processed seafood.

Overseas, sales showed sluggish growth due to a decline in consumption in China and Europe, but there was solid growth in demand in India and Southeast Asia, and even in South Korea, environmentally friendly water-based inks showed a growth in sales.

In the gravure cylinder platemaking business, demand for new printing plates for packaging was slumping, partly reflecting a decrease in the number of products attributed to restrained consumer spending. However, sales of precision platemaking related to electronics were trending modestly toward recovery.

Consequently, this segment achieved growth in both sales and profit, partly attributable to the effect of price revision. Net sales as a whole came to 67,159 million yen (up 7.6% year on year), and operating profit was 3,832 million yen (up 48.8% year on year).

(iv) Printing and Information Related Business

While domestic sales of products for flyers, advertising, and publishing were sluggish due to the continued structural contraction of the information-related printing market, improvements on the profit front made progress due to cost cutting through business structure reforms and price revisions made in response to rising raw material prices. Sales of functional inks showed growth for card usage, and sales of energy-saving highly sensitive UV curable inks also showed expansion.

In overseas markets, the Chinese market was slow but sales of products for educational materials increased. In Southeast Asia, sales of functional inks for paper containers and packaging were strong. In Europe and the United States, sales of UV curable inks compatible with LED and energy-saving UV curable inks remained strong.

As a result, net sales for this segment as a whole increased to 61,956 million yen (up 9.8% year on year), and operating profit increased to 3,868 million yen (up 311.1% year on year).

(v) Other

This Other segment includes businesses not included in the above segments, services provided by artience as the holding company, and other businesses. Net sales for the first three quarters under review increased to 4,207 million yen (up 3.0% year on year), but operating loss of 79 million yen (operating loss of 199 million yen in the same period of the previous fiscal year).

(2) Details of financial position

Total assets at the end of the first three quarters under review stood at 457,780 million yen, up 9,982 million yen from the end of the previous consolidated fiscal year. Liabilities were 190,195 million yen, down 1,948 million yen from the end of the previous consolidated fiscal year. Net assets came to 267,585 million yen, up 11,931 million yen from the end of the previous consolidated fiscal year.

Given the increase in net sales, notes and accounts receivable - trade, together with inventories, each showed an increase. Property, plant and equipment also increased as a result of the construction of a new plant overseas. On the other hand, in line with the acquisition and cancellation of treasury stock, together with dividend payments, cash and deposits declined, as did retained earnings. Additionally, some long-term loans payable were restated as short-term loans payable because they will mature within a year.

(3) Information on the consolidated earnings forecasts and other future forecasts

No changes have been made to the full-year forecasts of consolidated financial results for the fiscal year ending December 31, 2024 that were announced on August 9, 2024.

2. Consolidated Financial Statements and Primary Notes

(1) Consolidated balance sheet

(Million yen)

| | As of December 31, 2023 | As of September 30, 2024 |
|--|-------------------------|--------------------------|
| (Assets) | | |
| Current assets | | |
| Cash and deposits | 57,917 | 56,825 |
| Notes and accounts receivable - trade | 102,930 | 104,328 |
| Securities | 65 | 90 |
| Merchandise and finished goods | 37,714 | 38,988 |
| Work in process | 722 | 1,607 |
| Raw materials and supplies | 26,282 | 26,489 |
| Other | 6,224 | 5,846 |
| Allowance for doubtful accounts | -944 | -1,077 |
| Total current assets | 230,911 | 233,099 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 117,331 | 119,446 |
| Accumulated depreciation | -74,044 | -76,758 |
| Buildings and structures, net | 43,286 | 42,688 |
| Machinery, equipment and vehicles | 174,680 | 178,010 |
| Accumulated depreciation | -144,890 | -147,270 |
| Machinery, equipment and vehicles, net | 29,789 | 30,740 |
| Tools, furniture and fixtures | 28,542 | 29,080 |
| Accumulated depreciation | -23,472 | -24,116 |
| Tools, furniture and fixtures, net | 5,070 | 4,964 |
| Land | 30,802 | 31,189 |
| Leased assets | 8,190 | 8,337 |
| Accumulated depreciation | -2,581 | -2,823 |
| Leased assets, net | 5,608 | 5,514 |
| Construction in progress | 19,700 | 26,832 |
| Total property, plant and equipment | 134,258 | 141,930 |
| Intangible assets | 5,290 | 5,621 |
| Investments and other assets | | |
| Investment securities | 63,874 | 63,862 |
| Retirement benefit asset | 8,410 | 8,730 |
| Deferred tax assets | 3,323 | 3,225 |
| Other | 2,027 | 1,639 |
| Allowance for doubtful accounts | -298 | -329 |
| Total investments and other assets | 77,337 | 77,129 |
| Total non-current assets | 216,886 | 224,681 |
| Total assets | 447,798 | 457,780 |

(Million yen)

| | As of December 31, 2023 | As of September 30, 2024 |
|---|-------------------------|--------------------------|
| (Liabilities) | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 67,075 | 64,087 |
| Short-term loans payable | 36,542 | 46,104 |
| Income taxes payable | 1,579 | 1,955 |
| Other | 18,756 | 18,999 |
| Total current liabilities | 123,953 | 131,147 |
| Non-current liabilities | | |
| Bonds payable | 10,000 | 10,000 |
| Long-term loans payable | 40,161 | 25,231 |
| Deferred tax liabilities | 13,563 | 14,318 |
| Provision for environmental measures | 118 | 80 |
| Retirement benefit liability | 1,878 | 2,211 |
| Asset retirement obligations | 34 | 34 |
| Other | 2,434 | 7,171 |
| Total non-current liabilities | 68,191 | 59,048 |
| Total liabilities | 192,144 | 190,195 |
| (Net assets) | | |
| Shareholders' equity | | |
| Capital stock | 31,733 | 31,733 |
| Capital surplus | 32,468 | 32,466 |
| Retained earnings | 156,381 | 153,892 |
| Treasury shares | -10,615 | -1,790 |
| Total shareholders' equity | 209,967 | 216,302 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 19,845 | 21,695 |
| Foreign currency translation adjustment | 14,809 | 17,870 |
| Remeasurements of defined benefit plans | 1,139 | 822 |
| Total accumulated other comprehensive income | 35,794 | 40,388 |
| Subscription rights to shares | 45 | 33 |
| Non-controlling interests | 9,845 | 10,860 |
| Total net assets | 255,653 | 267,585 |
| Total liabilities and net assets | 447,798 | 457,780 |

(2) Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

Consolidated first three quarters

(Million yen)

| | From January 1, 2023 to September 30, 2023 | From January 1, 2024 to September 30, 2024 |
|---|---|---|
| Net sales | 238,235 | 260,187 |
| Cost of sales | 191,996 | 204,312 |
| Gross profit | 46,238 | 55,874 |
| Selling, general and administrative expenses | | |
| Packing and transportation costs | 5,496 | 6,038 |
| Salaries and allowances | 9,539 | 10,201 |
| Bonuses | 1,868 | 1,963 |
| Welfare expenses | 2,292 | 2,468 |
| Depreciation | 1,401 | 1,459 |
| Research and development expenses | 2,730 | 2,846 |
| Other | 13,784 | 15,098 |
| Total selling, general and administrative expenses | 37,113 | 40,077 |
| Operating profit | 9,125 | 15,797 |
| Non-operating income | | |
| Interest income | 255 | 403 |
| Dividend income | 746 | 713 |
| Foreign exchange gains | 1,519 | – |
| Gain on net monetary position | – | 1,325 |
| Other | 355 | 509 |
| Total non-operating income | 2,876 | 2,951 |
| Non-operating expenses | | |
| Interest expenses | 1,540 | 1,964 |
| Foreign exchange losses | – | 951 |
| Share of loss of entities accounted for using equity method | 20 | 87 |
| Loss on net monetary position | 119 | – |
| Other | 554 | 781 |
| Total non-operating expenses | 2,234 | 3,784 |
| Ordinary profit | 9,766 | 14,964 |
| Extraordinary profit | | |
| Gain on sales of non-current assets | 137 | 17 |
| Gain on sales of investment securities | 1,767 | 2,188 |
| Other | – | 3 |
| Total extraordinary profit | 1,905 | 2,209 |
| Extraordinary losses | | |
| Loss on sales and retirement of non-current assets | 201 | 277 |
| Loss on sales of investment securities | 297 | – |
| Extra retirement payments | 150 | 145 |
| Business restructuring expenses | 534 | – |
| Other | 50 | 102 |
| Total extraordinary loss | 1,234 | 525 |
| Profit before income taxes | 10,437 | 16,649 |
| Income taxes - current | 2,732 | 3,713 |
| Income taxes - deferred | 444 | 132 |
| Total income taxes | 3,177 | 3,846 |
| Profit | 7,260 | 12,802 |
| Profit attributable to non-controlling interests | 41 | 180 |
| Profit attributable to owners of parent | 7,219 | 12,622 |

Consolidated statements of comprehensive income

Consolidated first three quarters

(Million yen)

| | From January 1, 2023 to September 30, 2023 | From January 1, 2024 to September 30, 2024 |
|--|---|---|
| Profit | 7,260 | 12,802 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 13,075 | 1,850 |
| Foreign currency translation adjustment | 9,704 | 3,189 |
| Remeasurements of defined benefit plans, net of tax | -267 | -316 |
| Share of other comprehensive income of entities accounted for using equity method | 568 | 55 |
| Total other comprehensive income | 23,081 | 4,778 |
| Comprehensive income | 30,342 | 17,581 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 29,631 | 17,216 |
| Comprehensive income attributable to non-controlling interests | 710 | 364 |

(3) Notes to consolidated quarterly financial statements**(Basic and important matters in preparing the quarterly consolidated financial statements)**

The quarterly consolidated financial statements have been prepared, conforming to the Tokyo Securities Exchange's General Principles for Preparing Quarterly Consolidated Financial Statements, Article 4 paragraph (i) and accounting standards for quarterly financial statements accepted generally as being fair and appropriate in Japan (however, when matters stipulated under Article 4 paragraph (ii) apply, there is no need for adoption).

(Notes on assumption of going business)

Not applicable.

(Notes on significant changes in the amount of shareholders' equity)

(Cancellation of treasury shares)

On May 10, 2024, the Company cancelled 5,000,000 treasury shares in accordance with a resolution passed at the meeting of the Board of Directors held on May 31, 2024. As a result, during the first three quarters under review, the capital surplus decreased by 13 million yen, retained earnings declined by 10,073 million yen, and treasury shares decreased by 10,086 million yen.

(Purchase of treasury shares)

The Company acquired 354,300 treasury shares in accordance with a resolution passed at the meeting of the Board of Directors held on August 9, 2024. As a result, during the first three quarters under review, treasury shares increased by 1,291 million yen.

As a result, on September 30, 2024, the final day of the third quarter of the fiscal year under review, the following were recorded: capital surplus at 32,466 million yen, retained earnings at 153,892 million yen, and treasury shares at 1,790 million yen.

(Notes on statement of cash flows)

Quarterly consolidated statements of cash flows for the first three quarters under review have not been prepared. Depreciation (and amortization) figures relating to the first three quarters under review (including amortization relating to intangible assets, but excluding goodwill) are as follows.

| | From January 1, 2023 to September 30, 2023 | From January 1, 2024 to September 30, 2024 |
|--------------|---|---|
| Depreciation | 8,367 million yen | 8,931 million yen |

(Note) At the end of the previous consolidated fiscal year, a provisional accounting method pertaining to a business combination was finalized, and the figures for the first three quarters of the fiscal year ended December 31, 2023 reflect a review that was made based on the finalization of the provisional accounting method.

(Segment information, etc.)

I. From January 1, 2023 to September 30, 2023

1. Information on net sales and profits or losses by reported segment

(Million yen)

| | Reported segments | | | | | Other (Note 1) | Total | Adjustment (Note 2) | Amount recorded in consolidated statements of income (Note 3) |
|-----------------------------------|---|---|---|--|---------|-------------------|---------|------------------------|--|
| | Colorants and Functional Materials Related Business | Polymers and Coatings Related Business | Packaging Materials Related Business | Printing and Information Related Business | Total | | | | |
| Net sales | | | | | | | | | |
| Sales to customers | 59,477 | 57,063 | 61,916 | 56,384 | 234,841 | 3,393 | 238,235 | – | 238,235 |
| Intersegment sales | 1,062 | 123 | 515 | 20 | 1,721 | 692 | 2,414 | -2,414 | – |
| Total | 60,539 | 57,186 | 62,431 | 56,404 | 236,563 | 4,086 | 240,649 | -2,414 | 238,235 |
| Segment profits and losses (-) | 2,109 | 3,720 | 2,575 | 941 | 9,346 | -199 | 9,147 | -22 | 9,125 |

(Notes) 1. The “Other” segment comprises business segments that are not included in the reportable segments, which include sales of raw materials, other profit-earning business activities carried out by the Company as a parent, and delivery of services.

2. An adjustment of -22 million yen in segment profits and losses (-) mainly represents the deduction of intersegment transactions.

3. Segment profits and losses (-) have been adjusted with operating profit recorded in the consolidated quarterly income statement.

4. At the end of the previous consolidated fiscal year, the Company determined a provisional accounting method pertaining to a business combination. Segment information for the first three quarters of the previous consolidated fiscal year reflects the details after the finalization of the provisional accounting method. Due to this change, the segment profit of the Polymers and Coatings Related Business for the first three quarters of the previous consolidated fiscal year applying the new method decreased 6 million yen compared to when the previous method was used.

2. Information on impairment loss on non-current assets and goodwill, etc. by reportable segment

(Significant impairment losses on non-current assets)

(Million yen)

| | Reported segments | | | | | Other | Adjustment | Total |
|-----------------|---|---|---|--|-------|-------|------------|-------|
| | Colorants and Functional Materials Related Business | Polymers and Coatings Related Business | Packaging Materials Related Business | Printing and Information Related Business | Total | | | |
| Impairment loss | 356 | – | – | – | 356 | – | – | 356 |

(Note) An impairment loss of 356 million yen related to Colorants and Functional Materials Related Business is included in business restructuring expenses in the quarterly consolidated statement of income.

(Significant changes in amount of goodwill)

In the Polymers and Coatings Related Business segment, a provisional accounting method was applied to the business combination with Thai Eurocoat Ltd., which was carried out on April 3, 2023, because the allocation of acquisition cost was not completed as of the end of the third quarter of the previous fiscal year. As described in (3) Notes to consolidated quarterly financial statements (Business combination, etc.), the amount of goodwill was retroactively adjusted from 1,875 million yen to 1,155 million yen because the allocation of acquisition cost was completed at the end of the previous fiscal year and the provisional accounting method was finalized.

II. From January 1, 2024 to September 30, 2024

1. Information on net sales and profits or losses by reported segment

(Million yen)

| | Reported segments | | | | | Other (Note 1) | Total | Adjustment (Note 2) | Amount recorded in consolidated statements of income (Note 3) |
|----------------------------------|--|---|---|--|---------|-------------------|---------|------------------------|--|
| | Colorants and Functional Materials Related Business | Polymers and Coatings Related Business | Packaging Materials Related Business | Printing and Information Related Business | Total | | | | |
| Net sales | | | | | | | | | |
| Sales to customers | 63,218 | 64,800 | 66,505 | 61,935 | 256,460 | 3,726 | 260,187 | - | 260,187 |
| Intersegment sales | 1,774 | 150 | 653 | 20 | 2,600 | 480 | 3,080 | -3,080 | - |
| Total | 64,993 | 64,951 | 67,159 | 61,956 | 259,060 | 4,207 | 263,268 | -3,080 | 260,187 |
| Segment profits and losses(-) | 2,871 | 5,306 | 3,832 | 3,868 | 15,878 | -79 | 15,799 | -1 | 15,797 |

(Notes) 1. The “Other” segment comprises business segments that are not included in the reportable segments, which include sales of raw materials, other profit-earning business activities carried out by the Company as a parent, and delivery of services.

2. An adjustment of -1 million yen in segment profits and losses (-) mainly represents the deduction of intersegment transactions.
3. Segment profits and losses (-) have been adjusted with operating profit recorded in the consolidated quarterly income statement.

2. Information on impairment loss on non-current assets and goodwill, etc. by reportable segment

Not applicable.

(Business combination, etc.)

Significant review of initial allocation of the purchase price paid used in comparative information

In the first three quarters of the previous consolidated fiscal year, a provisional accounting method had been applied regarding the acquisition of shares of Thai Eurocoat Ltd. on April 3, 2023. However, the accounting method was determined at the end of the previous consolidated fiscal year.

Following the determination of the accounting method, the comparative information in the consolidated financial statements for the first three quarters of the consolidated fiscal year under review reflects a review of initial allocation of the purchase price paid.

Consequently, in the consolidated statements of income for the first three quarters of the previous consolidated fiscal year, depreciation increased 30 million yen, amortization of goodwill decreased 24 million yen, and operating profit, ordinary profit and profit before income taxes all decreased 6 million yen.