



## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	27.00	-	19.50	-
Fiscal year ending March 31, 2025	-				
Fiscal year ending March 31, 2025 (forecast)		16.50	-	16.50	33.00

- Notes: 1. Revisions to the forecasts of cash dividends most recently announced: None
2. The Company conducted a stock split at a ratio of two shares for one common share with an effective date of January 1, 2024. Regarding dividends by the third quarter of the fiscal year ended March 31, 2024, the actual dividend amount before the stock split is stated. The full-year dividend per share for the fiscal year ended March 31, 2024, is not presented due to the stock split.

## 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024, to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	66,500	1.8	4,600	(6.9)	4,800	(7.8)	3,100	(8.7)	45.16
Fiscal year ending March 31, 2025	139,000	4.5	10,700	4.0	11,000	1.8	7,400	0.8	107.81

- Notes: 1. Revisions to the consolidated earnings forecasts most recently announced: None
2. The Company conducted a share exchange on June 30, 2024, making the Company's consolidated subsidiaries, Sunrise Corporation, Maruyasu & Co., Ltd., and Konishi Kouei Co., Ltd., wholly owned subsidiaries, and allocated 3,460,356 shares of treasury shares. "Basic earnings per share" is calculated based on the number of shares as of June 30, 2024.

\* **Notes**

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

Newly included: 0 companies

Excluded: 0 companies

(2) Application of special accounting for preparing quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies other than (i): None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2024	70,414,880 shares
As of March 31, 2024	70,414,880 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2024	1,776,722 shares
As of March 31, 2024	5,237,078 shares

(iii) Average number of shares outstanding during the period

As of June 30, 2024	66,042,891 shares
As of June 30, 2023	70,037,178 shares

Notes: 1. The Company conducted a stock split at a ratio of two shares for one common share with an effective date of January 1, 2024. The total number of issued shares at the end of the period, the number of treasury shares at the end of the period, and the average number of shares outstanding during the period are calculated based on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2024.

2. Based on the resolution of the Board of Directors meeting held on May 22, 2024, the Company conducted a share exchange on June 30, 2024, making the Company's consolidated subsidiaries, Sunrise Corporation, Maruyasu & Co., Ltd., and Konishi Kouei Co., Ltd., wholly owned subsidiaries, and allocated 3,460,356 shares of treasury shares.

\* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

\* Proper use of earnings forecasts, and other special matters

Forward-looking statements, including the earnings forecasts stated in these materials, are based on information currently available to the Company and certain assumptions deemed reasonable. Results may differ materially from the earnings forecasts due to various factors. For the assumptions used as the basis for the earnings forecasts and special remarks regarding the use of the earnings forecasts, please refer to "(3) Explanation of consolidated earnings forecasts and other forward-looking statements" in "1. Overview of operating results, etc." on page 3 (Attached Material).

## Index

1. Overview of operating results, etc. ....	2
(1) Overview of operating results for the first three months .....	2
(2) Overview of financial position for the first three months .....	3
(3) Explanation of consolidated earnings forecasts and other forward-looking statements .....	3
2. Quarterly consolidated financial statements and significant notes thereto .....	4
(1) Quarterly consolidated balance sheet.....	4
(2) Quarterly consolidated statement of income (cumulative) and quarterly consolidated statement of comprehensive income (cumulative) .....	6
(3) Notes to quarterly consolidated financial statements.....	8
(Notes on premise of going concern) .....	8
(Notes on significant changes in the amount of shareholders' equity) .....	8
(Notes on quarterly consolidated statement of cash flows).....	8
(Notes on segment information, etc.).....	8

## 1. Overview of operating results, etc.

### (1) Overview of operating results for the first three months

During the three months ended June 30, 2024, the Japanese economy showed a moderate recovery trend. This was due to improved employment and income conditions, which led to a turnaround in personal consumption; and solid corporate earnings driven by inbound demand and increased exports. On the other hand, the economic outlook remains uncertain due to monetary tightening, mainly in Europe and the U.S., a slowdown in the Chinese economy, soaring resource prices, and the impact of higher prices due to the ongoing yen depreciation.

In this business environment, the Group has launched its newly formulated “Medium-Term Management Plan 2027 (Fiscal Year Ending March 2025 to Fiscal Year Ending March 2027).” Based on this plan, the Group will strengthen new business development through the introduction of new products, further focus on growth areas, and make the largest-ever capital investments in production, logistics, and DX-related areas. The Group promotes the Medium-Term Management Plan to expand its business further and improve management efficiency through these efforts.

As a result, the Group’s operating results for the first three months under review were as follows. Net sales increased 1.3% year on year to 32,267 million yen, operating profit decreased 3.7% year on year to 2,122 million yen, ordinary profit was down 2.4% year on year to 2,359 million yen, and profit attributable to owners of parent fell 3.7% year on year to 1,528 million yen.

Results by segment are as follows.

#### (i) Bond

In the general household field, sales through home improvement stores and convenience stores remained steady. In the housing-related field, market development through introducing new water-based adhesives for building materials is progressing. However, sales of existing products, such as adhesives and sealants for interior work, decreased due to a decline in the number of new housing starts caused by rising construction costs. In the industrial material field, sales increased due to strong overall sales of elastic adhesives used in automobiles/electronic components that are developing new customers and water-based adhesives used in paper-related applications, etc. In the civil engineering and construction field, sales of sealing materials for construction and materials used in construction methods for preventing flaking increased in line with an increase in renovation projects.

As a result of the above, net sales grew 1.3% year on year to 17,672 million yen and operating profit increased 2.9% year on year to 1,491 million yen.

#### (ii) Chemicals

In the chemical engineering field, sales of resin raw materials decreased due to the slowdown in China’s economy. In the automobile field, sales decreased due to price reductions, etc. On the other hand, profits increased due to factors such as adopting new products.

In the electronics and electrical appliance field, sales of related products increased due to the horizontal deployment of products for smartphones to new models and strong sales of heat dissipation-related products. Regarding Maruyasu & Co., Ltd., sales of products for use in semiconductor manufacturing decreased.

As a result of the above, net sales decreased 0.4% year on year to 9,442 million yen and operating profit rose 32.4% year on year to 389 million yen.

#### (iii) Construction

In the Construction Business, sales of repair, improvement, and reinforcement works in the infrastructure and (housing) stock markets, particularly for public works, increased. However, profits decreased due to fewer completions. Order activities during the period under review remained steady.

As a result of the above, net sales increased 4.8% year on year to 5,108 million yen and operating profit

fell 51.2% year on year to 207 million yen.

(iv) Other

The Other segment represents the Real Estate Rental Business, etc. Net sales decreased 1.0% year on year to 43 million yen and operating profit increased 47.3% year on year to 38 million yen.

**(2) Overview of financial position for the first three months**

Assets, liabilities and net assets

Total assets as of June 30, 2024, decreased 1,508 million yen from the previous fiscal year-end to 139,342 million yen.

(i) Assets

Current assets dropped 3,270 million yen from the previous fiscal year-end to 89,355 million yen, mainly due to a decrease of 2,731 million yen in notes and accounts receivable - trade, and contract assets, and a drop of 982 million yen in electronically recorded monetary claims - operating, despite an increase of 1,180 million yen in cash and deposits. Non-current assets grew 1,761 million yen from the previous fiscal year-end to 49,986 million yen, mainly due to an increase of 1,302 million yen in property, plant and equipment.

(ii) Liabilities

Current liabilities were down 2,390 million yen from the previous fiscal year-end to 46,753 million yen, mainly due to a decrease of 1,363 million yen in notes and accounts payable - trade, and a decrease of 769 million yen in provision for bonuses. Non-current liabilities grew 403 million yen from the previous fiscal year-end to 7,424 million yen mainly due to an increase of 382 million yen in other.

(iii) Net assets

Net assets were up 478 million yen from the previous fiscal year-end to 85,163 million yen, mainly due to an increase of 1,599 million yen in capital surplus, and a decrease of 3,042 million yen in treasury shares, an item that reduces net assets, despite a decrease of 4,620 million yen in non-controlling interests.

**(3) Explanation of consolidated earnings forecasts and other forward-looking statements**

There are currently no changes to the earnings forecast announced on April 25, 2024.

## 2. Quarterly consolidated financial statements and significant notes thereto

### (1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	26,651	27,831
Notes and accounts receivable - trade, and contract assets	36,390	33,659
Electronically recorded monetary claims - operating	16,958	15,976
Merchandise and finished goods	9,415	8,947
Work in process	281	326
Raw materials and supplies	1,537	1,565
Other	1,445	1,078
Allowance for doubtful accounts	(54)	(29)
<b>Total current assets</b>	<b>92,625</b>	<b>89,355</b>
Non-current assets		
Property, plant and equipment	29,715	31,018
Intangible assets	1,978	2,344
Investments and other assets		
Investment securities	11,402	11,576
Other	5,145	5,065
Allowance for doubtful accounts	(17)	(18)
<b>Total investments and other assets</b>	<b>16,530</b>	<b>16,623</b>
<b>Total non-current assets</b>	<b>48,224</b>	<b>49,986</b>
<b>Total assets</b>	<b>140,850</b>	<b>139,342</b>

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	37,218	35,854
Electronically recorded obligations - operating	4,072	3,986
Short-term borrowings	50	48
Current portion of long-term borrowings	42	41
Income taxes payable	1,087	447
Provision for bonuses	1,411	642
Provision for bonuses for directors (and other officers)	155	33
Other	5,105	5,699
Total current liabilities	49,144	46,753
Non-current liabilities		
Long-term borrowings	76	67
Retirement benefit liability	714	744
Other	6,229	6,612
Total non-current liabilities	7,020	7,424
Total liabilities	56,165	54,178
Net assets		
Shareholders' equity		
Share capital	4,603	4,603
Capital surplus	4,422	6,021
Retained earnings	67,314	67,572
Treasury shares	(4,604)	(1,562)
Total shareholders' equity	71,735	76,635
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,687	4,760
Deferred gains or losses on hedges	-	(0)
Foreign currency translation adjustment	650	832
Remeasurements of defined benefit plans	2,597	2,540
Total accumulated other comprehensive income	7,934	8,134
Non-controlling interests	5,014	394
Total net assets	84,685	85,163
Total liabilities and net assets	140,850	139,342



**(2) Quarterly consolidated statement of income (cumulative) and quarterly consolidated statement of comprehensive income (cumulative)**

Quarterly consolidated statement of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	31,844	32,267
Cost of sales	25,554	26,043
Gross profit	6,289	6,224
Selling, general and administrative expenses	4,087	4,102
Operating profit	2,202	2,122
Non-operating income		
Interest income	2	3
Dividend income	110	130
Foreign exchange gains	72	63
Share of profit of entities accounted for using equity method	9	8
Other	40	46
Total non-operating income	235	252
Non-operating expenses		
Interest expenses	2	2
Depreciation	12	6
Other	5	5
Total non-operating expenses	20	14
Ordinary profit	2,416	2,359
Extraordinary income		
Gain on sale of non-current assets	0	1
Total extraordinary income	0	1
Extraordinary losses		
Loss on disposal of non-current assets	25	33
Total extraordinary losses	25	33
Profit before income taxes	2,391	2,328
Income taxes - current	380	375
Income taxes - deferred	332	325
Total income taxes	713	701
Profit	1,678	1,626
Profit attributable to non-controlling interests	92	98
Profit attributable to owners of parent	1,586	1,528

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	1,678	1,626
Other comprehensive income		
Valuation difference on available-for-sale securities	755	75
Deferred gains or losses on hedges	0	(0)
Foreign currency translation adjustment	72	179
Remeasurements of defined benefit plans, net of tax	(33)	(56)
Share of other comprehensive income of entities accounted for using equity method	29	25
Total other comprehensive income	824	223
Comprehensive income	2,502	1,850
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,331	1,727
Comprehensive income attributable to non-controlling interests	171	122

### (3) Notes to quarterly consolidated financial statements

(Notes on premise of going concern)

Not applicable.

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

Based on the resolution of the Board of Directors meeting held on May 22, 2024, the Company conducted a share exchange, effective June 30, 2024, making the Company's consolidated subsidiaries, Sunrise Corporation, Maruyasu & Co., Ltd., and Konishi Kouei Co., Ltd., wholly owned subsidiaries, and allocated 3,460,356 shares of the Company's treasury shares. As a result, capital surplus increased by 1,599 million yen, and treasury shares decreased by 3,042 million yen. Capital surplus was 6,021 million yen, and treasury shares was 1,562 million yen as of June 30, 2024.

(Notes on quarterly consolidated statement of cash flows)

Quarterly consolidated statement of cash flows has not been prepared for the first three months ended June 30, 2024. Depreciation expenses (including amortization expenses pertaining to intangible assets excluding goodwill) and amortization of goodwill pertaining to the first three months of the accounting period are as follows.

	Three months ended June 30, 2023	Three months ended June 30, 2024
Depreciation	¥426 million	¥464 million
Amortization of goodwill	¥31 million	¥32 million

(Notes on segment information, etc.)

[Segment information]

#### 1. Disclosure of net sales and profit or loss by reportable segment

Three months ended June 30, 2023

(Millions of yen)

	Reportable segment				Other (Note) 1	Total	Adjustments (Note) 2	Amount in consolidated statement of income (Note) 3
	Bond	Chemicals	Construction	Total				
Net sales								
(1) Revenues from external customers	17,445	9,480	4,874	31,799	44	31,844	-	31,844
(2) Intersegment sales and transfers	75	52	-	128	18	147	(147)	-
Total	17,520	9,533	4,874	31,928	63	31,991	(147)	31,844
Segment profit	1,448	294	424	2,167	25	2,193	8	2,202

Notes: 1. The "Other" category is a business segment not included in reportable segments, and includes the real estate rental business.

2. Adjustments of segment profit represent eliminations for intersegment transactions.

3. Segment profit is adjusted with operating profit in the consolidated statement of income.

Three months ended June 30, 2024

(Millions of yen)

	Reportable segment				Other (Note) 1	Total	Adjustments (Note) 2	Amount in consolidated statement of income (Note) 3
	Bond	Chemicals	Construction	Total				
Net sales								
(1) Revenues from external customers	17,672	9,442	5,108	32,223	43	32,267	-	32,267
(2) Intersegment sales and transfers	49	67	116	232	17	250	(250)	-
Total	17,721	9,509	5,224	32,455	61	32,517	(250)	32,267
Segment profit	1,491	389	207	2,088	38	2,126	(4)	2,122

Notes: 1. The “Other” category is a business segment not included in reportable segments, and includes the real estate rental business.

2. Adjustments of segment profit represent eliminations for intersegment transactions.

3. Segment profit is adjusted with operating profit in the consolidated statement of income.

2. Disclosure of impairment loss on non-current assets or goodwill, etc. by reportable segment  
Not applicable.