LETTER TO STAKEHOLDERS

Overview of Business Performance

During the current consolidated fiscal year, the Japanese economy has been on a moderate recovery trend, supported by improvements in employment and income conditions. However, the outlook remains uncertain due to persistent inflation, U.S. policy trends including trade policy, and fluctuations in financial and capital markets.

In light of the prolonged instability and volatility risks in the global economic environment, the Group continues to develop high-quality, price-competitive products while promoting activities to develop new customers and applications in order to maintain and improve earnings.

As a result, the Group's performance for the current consolidated fiscal year was as follows: net sales of ¥43,131 million yen (up 3.9% YoY), operating income of ¥9,281 million (up 6.0% YoY), ordinary income of ¥9,677 million (down 9.8% YoY), and net income attributable to owners of parent of ¥6,830 million (down 9.0% YoY).

The ratio of operating income to net sales increased 0.4 percentage points from the previous fiscal year to 21.5%.
The ratio of ordinary income to total assets decreased 2.2 percentage points from the previous fiscal year to 10.5%. The primary reason for the decrease in ordinary income was an increase in non-operating expenses.
Return on equity decreased 1.9 percentage points to 8.9%.
As a result, net income per share was ¥2,354.19.

Overview of Performance by Business Segment

Japan Segment

Segment sales increased to ¥40,423 million (up 3.9% YoY) and segment income (operating income) increased to ¥9,014 million (up 6.6 % YoY).

In the field of anionic surfactants, overseas sales remained generally strong, and the domestic textile segment also recovered during the current period, exceeding the previous year's level. As a result, sales to external customers reached ¥3,742 million (up 6.1% YoY).

In the field of non-ionic surfactants, sales for toiletries remained sluggish, but overseas sales were generally strong, and the domestic textile segment also bottomed out and showed improvement. As a result, sales to external customers reached ¥24,004 million (up 1.7% YoY).

In the field of cationic and amphoteric surfactants, domestic sales for household detergents were sluggish, resulting in sales to external customers of ¥813 million (down 2.0% YoY).

In the field of high polymer and inorganic products, etc., overseas sales were generally strong. In the domestic textile sector, although there were differences depending on the production area and application, overall sales improved. In the non-textile industrial sector, sales of automotive parts and resin molding products performed well, exceeding the level of the same period of the previous year. As a result, net sales to external customers were ¥11,863 million (up 8.2% YoY).

Asia Segment

Net sales to external customers for the fiscal year were ¥2,708 million (up 3.6% YoY) and segment profit (operating profit) was ¥290 million (down 7.1% YoY).

In the field of anionic surfactants, sales to external customers were ¥6 million (up 18.2% YoY) due to advance orders from customers, despite processing agent sales remaining largely flat due to sluggish textile market conditions.

In the field of nonionic surfactants, sales to external customers were ¥542 million (up 7.5% YoY), driven by solid orders for thobe fabric destined for the Middle East.

In the cationic and anionic surfactant segment, sales to external customers were ¥4 million (down 54.9% YoY), due to sluggish demand for fabric softeners amid the sluggish textile market.

In the field of high polymers and inorganic products, sales to external customers were ¥2,154 million (up 2.8% YoY) due to the impact of foreign exchange rates. However, sales were lower than the same period of the previous year due to the continuing global slump in the apparel market..

A Message from the Management

We focus on R & D, with 30% of our employees in the R & D division, supplying users in a variety of industries, especially the textile industry, with a wide range of products essential for improving quality and productivity. Our goal is to become a stronger, more profitable company that can respond to the global economy.

We have established its current position by continuing to develop unique technologies not only in the surfactant field but also in the polymer field. Our customer base spans a wide range of fields, and we are confident that by accurately grasping customer needs, we will be able to significantly expand our accumulated technological capabilities. In other words, we are deepening and expanding the chain of development from the development of oil for fibers to Polymer Matsumoto Microsphere, oil for DI cans of metal processing oil, and magnetic fluid.

The global economic environment is expected to remain unpredictable due to instability and prolonged risk of volatility.

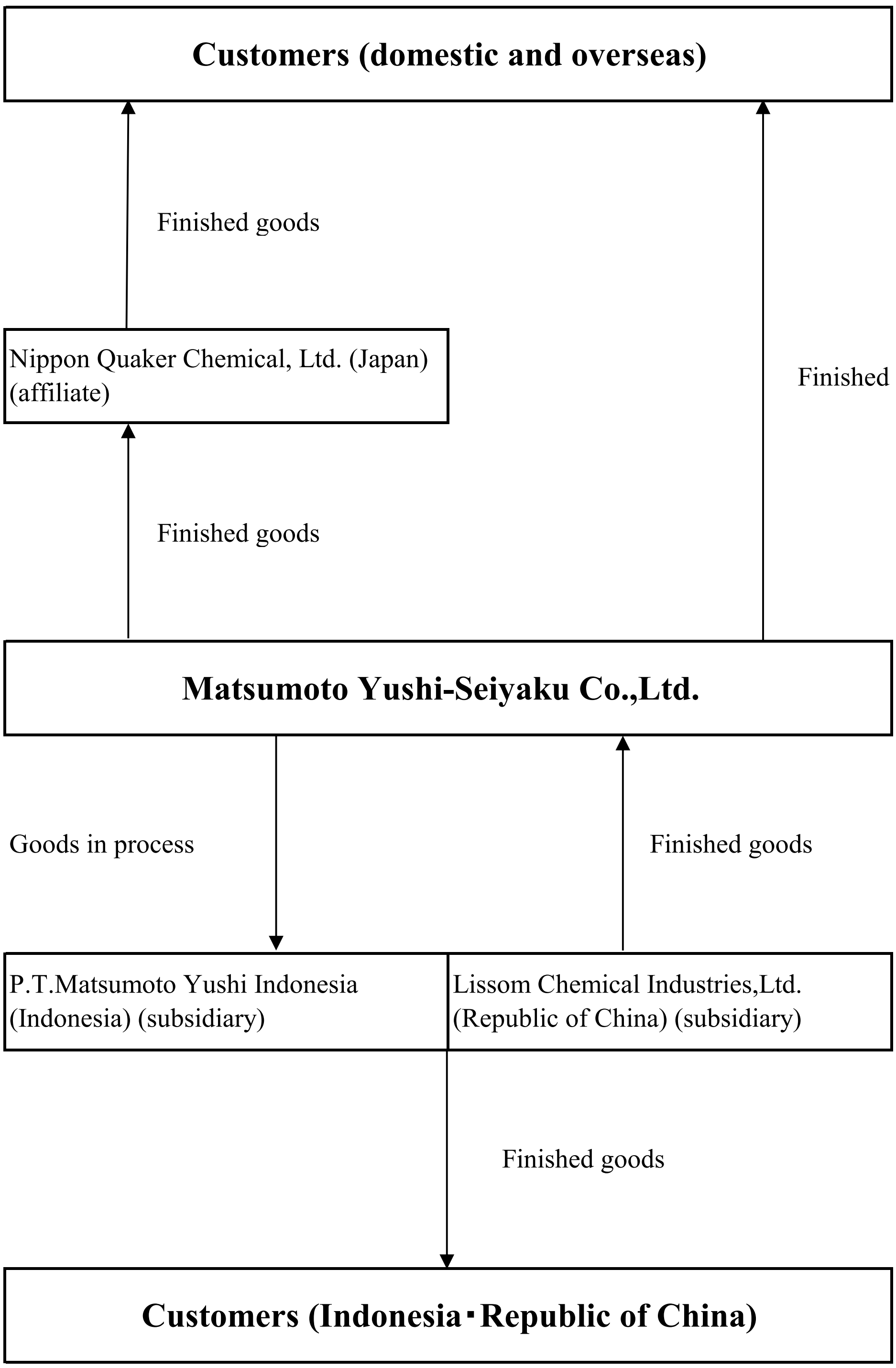
Under these circumstances, we will continue its efforts to strengthen our management foundation. In response to fluctuations in global demand in the textile and automotive industries, we will flexibly adjust production volumes, develop competitive new products, expand sales channels, maintain a stable product supply system, and rationalize our operations.

In addition, we have been working to strengthen our production facilities over the past few years, and we will continue to make effective use of these facilities.

In R&D, we are developing new materials and higher value-added applications, and we intend to continue to operate our business flexibly by putting the right people in the right jobs to respond to changing social conditions.

Sincerely,
NAOKI KIMURA
President and CEO

Holding Company Configuration and Highlights of Business



CORPORATE GOVERNANCE

We are working to achieve a highly transparent and sound system of corporate governance that enables us to realize stable and continuous improvement of enterprise value.

In addition to the regular monthly meetings of the board of directors, extraordinary meetings are held as necessary to make timely decisions. Directors, statutory auditors, and the chiefs of the department have a joint meeting once a week. They ensure legal compliance and the legitimate execution of business. The term of office of directors is one year to respond to the rapidly changing business environment.

We adopt a board of statutory auditor system. The board consists of three auditors, one of whom is a full-time auditor. They also attend the director meetings and join other significant discussions to observe the appropriateness of managerial business execution.

As for internal auditing, the Internal Auditing Department is working on the promotion and improvement of internal control and maintaining close coordination with the Board of Statutory Auditors and Accounting Auditor.

MATSUMOTO YUSHI-SEIYAKU CO., LTD. AND A SUBSIDIARY

Selected Financial Data

Years ended March 31

	2025	2024	2023	2022	2021
Results for the year (millions of Yen):					
Net Sales	43,131	41,526	39,628	37,248	29,605
Cost of sales	29,441	28,569	27,613	27,439	21,991
Gross profit	13,691	12,958	12,015	9,809	7,614
Selling, general and administrative expenses	4,409	4,199	4,238	4,051	3,668
Operating income	9,282	8,759	7,777	5,759	3,946
Other income(expenses)	459	1,974	2,267	2,017	858
Income before income taxes and non-controlling interests	9,741	10,733	10,044	7,776	4,804
Income taxes					
current	2,799	3,110	2,782	2,319	1,380
deferred	(1)	(5)	1	(41)	(21)
Net income	6,943	7,628	7,262	5,498	3,445
Net income attributable to :					
non controlling interests in subsidiary	(112)	(124)	(15)	(6)	(12)
owners of parent	6,830	7,505	7,247	5,492	3,433
Acquisition of property, plant and equipment	1,181	1,064	435	462	792
Depreciation and amortization	1,059	963	935	929	931
Per share of common stock(Yen):					
Net income attributable to owners of parent	2,354.19	2,586.38	2,259.37	1,697.19	1,060.99
Cash dividends	400.00	400.00	350.00	350.00	300.00
Year-end financial position(millions of Yen):					
Total current assets	66,121	66,439	61,787	60,277	53,079
Total property, plant and equipment	7,388	7,852	7,160	6,153	6,747
Total investments and other assets	21,680	15,222	10,242	9,777	8,824
Total current liabilities	11,018	11,498	10,923	11,405	9,057
Total long-term liabilities	2,804	2,677	1,797	1,409	1,250
Non-controlling interests	1,963	1,979	1,777	155	143
Foreign currency translation adjustments	28	(83)	(195)	(47)	(165)
Total net assets	81,367	75,338	66,470	63,393	58,344
Other year-end data:					
Number of shares issued(thousands)	4,513	4,513	4,513	4,513	4,513
Number of shareholders	807	782	764	774	694

MATSUMOTO YUSHI-SEIYAKU CO.,LTD. AND A SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2025 and 2024

ASSETS	Millions of yen 2025	Millions of yen 2024	Thousands of U.S.dollars (Note 1) 2025	Thousands of U.S.dollars (Note 1) 2024
Current assets:				
Cash and cash equivalents(Note 5)	¥ 49,831	¥ 50,549	$ 334,434	$ 339,257
Short-term investments (Note 5,6)	510	510	3,423	3,423
Notes and accounts receivable(Note 5):				
Trade	7,072	7,489	47,460	50,261
Associates	2,244	2,063	15,062	13,847
Other	65	37	439	251
Electronically recorded monetary claims(Note 5):	373	327	2,501	2,193
Allowance for doubtful accounts	(8)	(22)	(54)	(149)
	9,746	9,894	65,408	66,402
Inventories (Note 7)	5,901	5,379	39,605	36,099
Other current assets	134	107	898	716
Total current assets	66,121	66,439	443,767	445,897
Property, plant and equipment(Note 9) :				
Land	1,639	1,642	11,003	11,022
Buildings and structures	9,374	9,168	62,912	61,532
Machinery and equipment	18,516	17,944	124,270	120,432
Construction in progress	36	225	243	1,507
	29,566	28,979	198,428	194,492
Accumulated depreciation	(22,178)	(21,127)	(148,843)	(141,792)
Total property, plant and equipment	7,388	7,852	49,586	52,700
Investments and other assets:				
Investments in affiliates(Note 8)	914	868	6,137	5,822
Investments in securities (Note 5,6)	19,793	13,366	132,842	89,703
Long-term loans(Note 5)	252	254	1,692	1,707
Deferred income taxes(Note 14)	7	9	50	61
Other	716	729	4,808	4,896
Allowance for doubtful accounts	(4)	(4)	(28)	(28)
Total investments and other assets	21,680	15,222	145,502	102,161
Total assets	¥ 95,189	¥ 89,513	$ 638,855	$ 600,758

The accompanying notes are an integral part of these statements.

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen 2025	Millions of yen 2024	Thousands of U.S. dollars (Note 1) 2025	Thousands of U.S. dollars (Note 1) 2024
Current liabilities:				
Accounts payable(Note 5):				
Trade	¥ 7,313	¥ 6,508	$ 49,082	$ 43,675
Associates	932	691	6,253	4,640
Other	1,077	2,009	7,228	13,481
Accrued income taxes	1,284	1,749	8,616	11,737
Accrued bonuses to employees	334	329	2,245	2,210
Other current liabilities	78	212	523	1,423
Total current liabilities	11,018	11,498	73,946	77,167
Long-term liabilities				
Retirement benefit liability(Note 10)	1,007	1,023	6,760	6,869
Asset retirement obligations(Note 19)	120	120	809	805
Deferred income taxes (Note 14)	1,597	1,437	10,721	9,646
Other liabilities	79	97	531	649
Total long-term liabilities	2,804	2,677	18,821	17,969
Total liabilities	13,822	14,175	92,767	95,136
Net assets:				
Shareholders' equity				
Common stock				
Authorized 16,000,000 shares				
Issued 2025- 4,512,651 shares (Note 11)	6,090	6,090	40,873	40,873
Capital surplus	6,612	6,518	44,378	43,747
Retained earnings	74,323	68,654	498,814	460,763
Less, treasury stock, at cost: (Note 11)	(12,134)	(12,131)	(81,434)	(81,414)
Total Shareholders' equity	74,892	69,131	502,631	463,968
Accumulated other comprehensive income				
Unrealized gain (loss) on available-for-sale securities	4,479	4,302	30,063	28,872
Foreign currency translation adjustments	28	(83)	185	(555)
Remeasurements of defined benefit plans	5	8	33	52
Total accumulated other comprehensive income	4,512	4,227	30,281	28,369
Non-controlling interests	1,963	1,979	13,176	13,285
Total net assets	81,367	75,338	546,088	505,622
Total liabilities and net assets	¥ 95,189	¥ 89,513	$ 638,855	$ 600,758

MATSUMOTO YUSHI-SEIYAKU CO.,LTD AND A SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME
YEARS ENDED MARCH 31, 2025 and 2024

	Millions of yen		Thousands of U.S. dollars (Note 1)	
	2025	2024	2025	2024
Net sales(Note 16,17,21)	¥ 43,131	¥ 41,526	$ 289,472	$ 278,701
Cost of sales(Note 16,17)	29,441	28,569	197,589	191,735
Gross profit	13,691	12,958	91,883	86,966
Selling, general and administrative expenses (Note 12,13)	4,409	4,199	29,590	28,182
Operating income	9,282	8,759	62,293	58,784
Other income (expenses):				
Interest and dividend income	467	246	3,134	1,652
Interest expenses	(0)	(14)	(1)	(94)
Investment profit (Loss) on equity method	148	201	994	1,351
Foreign exchange profit (Loss)	(394)	1,269	(2,646)	8,517
Gain (Loss) on redemption of investment securities	(33)	—	(220)	—
Other, net	271	272	1,819	1,825
Income before income taxes and non-controlling interests	9,741	10,733	65,374	72,034
Income taxes (Note 14):				
Current	2,799	3,110	18,788	20,871
Deferred	(1)	(5)	(10)	(34)
	2,798	3,105	18,779	20,837
Net income	6,943	7,628	46,595	51,197
Net income attributable to :				
Non-controlling interests in subsidiary	(112)	(124)	(754)	(831)
Owners of parent	¥ 6,830	¥ 7,505	$ 45,841	$ 50,366

	Yen	Yen	U.S. dollars (Note 1)	
	2025	2024	2025	2024
Net income per share:				
Basic(Note 18)	¥ 2,354.19	¥ 2,586.38	$ 15.800	$ 17.358
Cash dividends per share(Note 11)	400.00	400.00	2.685	2.685

The accompanying notes are an integral part of these statements.

MATSUMOTO YUSHI-SEIYAKU CO.,LTD AND A SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED MARCH 31, 2025 and 2024

	Millions of yen		Thousands of U.S. dollars (Note 1)	
	2025	2024	2025	2024
Income before income taxes and non-controlling interests	¥ 6,943	¥ 7,628	$ 46,595	$ 51,197
Other comprehensive income(Note 15):				
Unrealized gains (losses) on available-for-sale securities	177	2,040	1,190	13,692
Foreign currency translation adjustments	180	211	1,205	1,415
Remeasurement of defined benefit plans	(0)	24	(2)	163
Share of other comprehensive income of associates accounted for using equity method	(2)	1	(16)	5
Total other comprehensive income (loss)	354	2,276	2,378	15,275
Comprehensive income	¥ 7,297	¥ 9,904	$ 48,973	$ 66,472
Comprehensive income attributable to:				
Owners of the parent company	7,115	7,505	47,754	50,366
Minority interests	182	124	1,219	831

MATSUMOTO YUSHI-SEIYAKU CO.,LTD
AND A SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED MARCH 31, 2025 and 2024

Millions of yen

		Shareholders' equity					Accumulated other comprehensive income					
	Number of shares issued (thousands)	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity	Unrealized gain (loss) on other securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total Accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at March 31, 2023	4,513	6,090	6,518	62,165	(12,126)	62,647	2,262	(195)	(20)	2,047	1,777	66,470
Cash dividends				(1,016)		(1,016)						(1,016)
Net income attributable to owners of parent				7,505		7,505						7,505
Purchase of treasury stock					(5)	(5)						(5)
Net change of items other than shareholders' equity							2,040	112	28	2,180	203	2,383
Balance at March 31, 2024	4,513	¥ 6,090	¥ 6,518	¥ 68,654	¥ (12,131)	¥ 69,131	¥ 4,302	¥ (83)	¥ 8	¥ 4,227	¥ 1,979	¥ 75,338
Cash dividends				(1,161)		(1,161)						(1,161)
Net income attributable to owners of parent				6,830		6,830						6,830
Purchase of treasury stock					(3)	(3)						(3)
Purchase of shares of consolidated subsidiaries			94			94						94
Net change of items other than shareholders' equity							177	110	(3)	285	(16)	269
Balance at March 31, 2025	4,513	¥ 6,090	¥ 6,612	¥ 74,323	¥ (12,134)	¥ 74,892	¥ 4,479	¥ 28	¥ 5	¥ 4,512	¥ 1,963	¥ 81,367

Thousands of U.S. dollars (Note 1)

		Shareholders' equity					Accumulated other comprehensive income					
	Number of shares issued (thousands)	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity	Unrealized gain (loss) on other securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total Accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at March 31, 2023	4,513	$ 40,873	$ 43,747	$ 417,213	$ (81,383)	$ 420,450	$ 15,180	$ (1,309)	(135)	$ 13,737	$ 11,924	$ 446,110
Cash dividends				(6,816)		(6,816)						(6,816)
Net income attributable to owners of parent				50,366		50,366						50,366
Purchase of treasury stock					(31)	(31)						(31)
Net change of items other than shareholders' equity							13,692	753	187	14,633	1,361	15,993
Balance at March 31, 2024	4,513	$ 40,873	$ 43,747	$ 460,763	$ (81,414)	$ 463,968	$ 28,872	$ (555)	$ 52	$ 28,369	$ 13,285	$ 505,622
Cash dividends				(7,789)		(7,789)						(7,789)
Net income attributable to owners of parent				45,841		45,841						45,841
Purchase of treasury stock					(20)	(20)						(20)
Purchase of shares of consolidated subsidiaries			631			631						631
Net change of items other than shareholders' equity							1,190	740	(19)	1,911	(109)	1,802
Balance at March 31, 2025	4,513	$ 40,873	$ 44,378	$ 498,814	$ (81,434)	$ 502,631	$ 30,063	$ 185	$ 33	$ 30,281	$ 13,176	$ 546,088

The accompanying notes are an integral part of these statements.

MATSUMOTO YUSHI-SEIYAKU CO.,LTD AND A SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2025 and 2024

	Millions of yen		Thousands of U.S. dollars (Note 1)	
	2025	2024	2025	2024
Cash flows from operating activities:				
Net income	¥ 9,741	¥ 10,733	$ 65,374	$ 72,034
Adjustments for:				
Depreciation and amortization	1,059	963	7,108	6,461
Loss (gain) on sales and disposal of property,	(79)	1	(532)	4
Loss (gain) on sale of investment securities	33	―	220	―
Loss (gain) on sale of investment securities	(51)	―	(344)	―
Allowance for doubtful accounts	(15)	4	(103)	29
Investment (profit) loss on equity method	(148)	(204)	(994)	(1,371)
Increase (decrease) in retirement benefit liability	(18)	(3)	(120)	(20)
Increase (decrease) in provision for bonuses	5	(8)	34	(54)
Interest and dividend income	(467)	(246)	(3,134)	(1,652)
Interest expenses	0	14	1	94
Foreign exchange (profit) loss	306	(1,100)	2,055	(7,384)
Decrease (Increase) in notes and accounts receivable	231	(401)	1,550	(2,690)
Decrease (Increase) in inventories	(496)	531	(3,329)	3,565
Increase (Decrease) in accounts payable	1,031	(373)	6,918	(2,507)
Increase (Decrease) in accrued consumption tax	(108)	21	(725)	138
Other, net	(560)	186	(3,755)	1,250
Sub total	10,463	10,117	70,221	67,899
Interest and dividend income received	557	391	3,737	2,625
Interest expenses paid	(0)	(14)	(1)	(94)
Income taxes paid	(3,252)	(3,119)	(21,825)	(20,934)
Net cash provided by operating activities	7,768	7,375	52,133	49,495
Cash flows from investing activities:				
Repayment of maturity of time deposits	(1,020)	(1,020)	(6,846)	(6,846)
Proceeds from maturity of time deposits	1,020	1,020	6,846	6,846
Receipt from redemption of investment securities	172	316	1,157	2,124
Proceeds from sale of investment securities	914	―	6,132	―
Payments for purchase of property, plant and equipment	(1,181)	(1,064)	(7,929)	(7,140)
Payments for purchase of securities	(1,999)	(15,000)	(13,414)	(100,671)
Payments for purchase of investments in securities	(7,067)	(2,125)	(47,431)	(14,263)
Other, net	106	2	713	14
Net cash provided by (used in) investing activities	(9,055)	(17,871)	(60,772)	(119,937)
Cash flows from financing activities:				
Cash dividends paid	(1,134)	(992)	(7,609)	(6,657)
Cash dividends paid to non-controlling shareholders	(17)	(21)	(112)	(143)
Purchase of treasury stock	(3)	(5)	(20)	(31)
Repayments of lease obligations	(2)	(2)	(14)	(14)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(87)	―	(584)	―
Net cash used in financing activities	(1,243)	(1,020)	(8,339)	(6,846)
Effect of exchange rate changes on cash and cash equivalents	(187)	1,187	(1,258)	7,970
Net increase (decrease) in cash and cash equivalents	(2,717)	(10,328)	(18,236)	(69,318)
Cash and cash equivalents at beginning of year	35,549	45,878	238,585	307,904
Cash and cash equivalents at end of year (Note 5)	¥ 32,832	¥ 35,549	$ 220,349	$ 238,585

The accompanying notes are an integral part of these statements.

MATSUMOTO YUSHI-SEIYAKU CO.,LTD. AND SUBSIDEARIES

Notes to Financial Statements
Years Ended March 31, 2025 and 2024

Basis of Presenting Consolidated Financial Statements

Matsumoto Yushi-Seiyaku Co.,Ltd.(the "Company") maintains its accounts and records in accordance with the provisions set forth in the Company Code of Japan (the "Code") and the Financial Instruments and Exchange Act and in conformity with accounting principles and practices generally accepted in Japan, which are different from the accounting and disclosure requirements of International Accounting Standards.

The Company's overseas subsidiaries maintain their accounts and records in conformity with generally accepted accounting principles and practices prevailing in their countries of domicile.

The accompanying consolidated financial statements are prepared based on the consolidated financial statements of the Company and its subsidiaries (the "Group") which were filed with the Director of Kanto Local Finance Bureau as required by the Financial Instruments and Exchange Act.

In preparing the accompanying consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan.

The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of the reader, using the approximate exchange rate at March 31, 2025, which was ￥149 to U.S.$1.00. These translations for convenience should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

1. Matters Concerning Scope of Consolidation and Application of Equity Method

・**The Number of Consolidated Subsidiaries: 2 companies**
P.T.Matsumoto Yushi Indonesia
Lissom Chemical Industry,Ltd.

・**The Number of Affiliated Companies Accounted for Using The Equity Method:1company**
Nippon Quaker Chemical.Ltd

2. Summary of Significant Accounting Policies

(1) Matters Concerning The Fiscal Year of Consolidated Subsidiaries

The balance sheet date of P.T. Matsumoto Yushi Indonesia and Lissom Chemical Industry. Ltd. is December 31. Their financial statements as of December 31 are used in preparation of the consolidated financial statements. Significant transactions, if any, in the period from January 1 to March 31, have been adjusted in the consolidated financial statements.

(2)Short-term Investments and Investments in Securities

In accordance with the Financial Instruments and Exchange Act, securities should be classified into four categories: trading securities, held-to-maturities securities, equity investments in an affiliate and other securities. Equity and debt securities are classified as other securities.

・Debt securities intended to be held to maturity: The amortized cost method using the straight-line method.

・Available-for-sale securities

Other than equity securities without marketable prices: The fair value method based on the market prices as of the balance sheets date. (Unrealized gains on available-for-sale securities are included directly in the net assets and costs of selling available-for-sale securities is calculated by the total-average method)

Equity securities without market prices: The cost method using the total-average method.

(3)Inventories

Finished products, work in process, purchased merchandise and law materials are stated at cost determined(net realized value method) by the weighted average method. Supplies and containers are stated at the most recent purchase prices.

(4)Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment are as follows:

Buildings	ⅰ Buildings acquired before March 31, 1998 Declining-balance method. ⅱ Buildings acquired after April 1, 1998 Straight-line method.
Structures	ⅰ Structures acquired before March 31, 2016 Declining-balance method. ⅱ Structures acquired after April 1, 2016 Straight-line method.
Machinery and Equipment	Declining-balance method.
Leased Assets	Straight-line method over the lease period assuming no residual value.

(5)Intangible Assets

Amortization of intangible assets is computed by the straight-line method.

(6)Accounting standards for significant allowances

・Allowance for doubtful accounts

Allowance for doubtful accounts is provided to reserve probable losses from bad debt. It consists of the estimated uncollectible amount of certain identified doubtful receivable and the amount estimated on the basis of the past default ratio for normal receivables.

・Accrued Bonuses to Employees

As a general practice in Japan, bonuses are normally payable to employees in early summer and early winter covering the first and second half of the year, respectively. The Company records such accrued bonus liabilities at March 31.

(7)Accrued Severance Indemnities

Accrued severance indemnities are provided based on the amount of projected benefit obligation reduced by pension plan assets at fair value at the end of the period.

Employees' retirement benefits, covering employees of the Company, are provided through unfunded lump-sum benefit plans and funded noncontributory pension plans. Under the plans, eligible employees are entitled, under most circumstances, to severance payments based on compensation at the time of severance and year of service.

Actuarial losses will be amortized over five years beginning with the next year and past service cost will be expensed in the fiscal year collectively.

(8)Standards for Recognizing Revenues and Expenses

①Description of the performance obligations in the main business

The Group sells products related to the two divisions in the surfactant division and the polymer and inorganic products division.

②The normal point in time at which the entity fulfils the performance obligation (The normal point in time at which revenue is recognized)

Revenue from sales of products is recognized at the time of delivery of the products because the customer has gained control over the products and the performance obligations are satisfied at the time of delivery of the products. However, for domestic sales of goods or products, revenue is recognized at the time of shipment if the period between the time of shipment and the time when control of the goods or products is transferred to the customer is a normal period.

(9)Translation of Foreign Currencies

Foreign currency receivables and payables are translated into Japanese yen at the exchange rates in effect on the balance sheet date, and translation gains or losses are charged to income in the year incurred.

Assets, liabilities, revenue and expenses of overseas subsidiary are translated into Japanese yen at the exchange rates in effect on balance sheet date and shareholders' equity is translated into Japanese yen at historical rates. Differences arising from translation are presented as "Foreign currency translation adjustments" in the accompanying consolidated balance sheets.

(10)Consolidated Statement of Cash Flows

For the purposes of cash flow statements, cash and cash equivalents comprise cash on hand, deposits held at call with banks, net of overdrafts and all highly liquid investments with maturities of three months or less.

3. Significant Accounting Estimates

Items whose amounts have been recorded in the consolidated financial statements for the current consolidated fiscal year based on accounting estimates that may have a material impact on the consolidated financial statements for the following consolidated fiscal year are as follows:

・Investment securities (unlisted stocks)

(1)Amounts in the Consolidated Statements

	Millions of Yen		Thousands of U.S dollars
	2025	2024	2025
Investment securities (unlisted stocks)	4,451	2,957	29,876

In the event that the real value of unlisted shares, whose market value is deemed extremely difficult to ascertain, declines significantly due to deterioration in the financial condition of the investee, it is determined whether to devalue the value following an assessment of the possibility of recovery,

If the performance of the investee declines significantly in the future and the appraised value of the investment securities is devalued, it may have a material impact on the business performance of our group in the following fiscal year and thereafter.

4.Unapplied Accounting Standard

Following accounting standards and guidance are those issued but not yet applied.

・Accounting Standard for Leases (ASBJ Statement No.34, September 13, 2024)

・Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No.33, September 13, 2024)

(1) Overview

Similar to international accounting standards, this establishes treatment such as recognizing assets and liabilities for all leases of the lessee.

(2)Planned Application

To be applied from the beginning of the fiscal year ending March 31, 2028.

(3)Effects of Accounting Standard Application

The impact amount is currently being evaluated at the time of preparing these consolidated financial statements.

5. Financial Instruments

(1)Circumstances on financial instruments

(a) Policy for financial instruments

The Company and its consolidated subsidiaries manage the temporary surplus funds by deposit and securities with banks that have a high level of safety. The Company and its consolidated subsidiaries raise funds for business operation with short-term bank loans.

(b) Details and risk of financial instruments and its risk management

Receivables such as notes and accounts receivable are exposed to customer's credit risk.

Receivables denominated in foreign currencies are exposed to the market risk of fluctuation in foreign currency exchange rates.

In order to reduce to the customer's credit risk, the Company monitors the dues and balances by customer.

Short-term investments and investments in securities are exposed to market fluctuation risk, but mainly consist of equity of the companies which conduct business with the Company. The Company periodically monitors the fair value of the security and the financial condition of the issuer.

Payables such as accounts payable are due within 6 months.

Payables denominated in foreign currency are exposed to the risk of fluctuation in foreign currency exchange rates.

(c) Supplemental information on fair values of financial instruments

Fair values of financial instruments include values based on market price and reasonably estimated values when market price is not available. Because variable factors are counted in the estimation, the estimated values may vary by adopting different assumptions.

(2)Fair value of financial instruments

Financial instruments at March 31, 2025 and 2024 consisted of the following:

	millions of yen		
	2025		
	Book Value	Fair Value	Differences
Cash and cash equivalents	¥ 49,831	¥ 49,829	¥ (2)
Notes and accounts receivable	9,381	9,381	-
Electonically recorded monetary clims	373	373	-
Short-term investments and investments in securities	20,303	20,303	-
Total assets	¥ 79,888	¥ 79,886	¥ (2)
Accounts payable	9,322	9,322	-
Total liabilities	¥ 9,322	¥ 9,322	¥ -

	millions of yen		
	2024		
	Book Value	Fair Value	Differences
Cash and cash equivalents	¥ 50,549	¥ 50,548	¥ (1)
Notes and accounts receivable	9,589	9,589	-
Electonically recorded monetary clims	327	327	-
Short-term investments and investments in securities	13,876	13,876	-
Total assets	¥ 74,341	¥ 74,340	¥ (1)
Accounts payable	9,208	9,208	-
Total liabilities	¥ 9,208	¥ 9,208	¥ -

	thousands of U.S.dollars(Note 1)		
	2025		
	Book Value	Fair Value	Differences
Cash and cash equivalents	$ 334,434	$ 334,422	$ (12)
Notes and accounts receivable	62,961	62,961	-
Electonically recorded monetary clims	2,501	2,501	-
Short-term investments and investments in securities	136,265	136,265	-
Total assets	$ 536,161	$ 536,149	$ (12)
Accounts payable	62,563	62,563	-
Total liabilities	$ 62,563	$ 62,563	$ -

Repayment schedule of, cash and cash equivalents, notes and accounts receivable, short-term investments and investments in securities, long-term loans.

	millions of yen			
	2025			
	Within one year	Over one year within five years	Over five years within ten years	Over ten years
Cash and cash equivalents	¥ 49,829	¥ -	¥ -	¥ -
Notes and accounts receivable	9,381	-	-	-
Electonically recorded monetary clims	373	-	-	-
Short-term investments and investments in securities	510	4,554	111	-
Total assets	¥ 60,093	¥ 4,554	¥ 111	¥ -

	millions of yen			
	2024			
	Within one year	Over one year within five years	Over five years within ten years	Over ten years
Cash and cash equivalents	¥ 50,548	¥ -	¥ -	¥ -
Notes and accounts receivable	9,589	-	-	-
Electonically recorded monetary clims	327	-	-	-
Short-term investments and investments in securities	510	40	168	-
Total assets	¥ 60,974	¥ 40	¥ 168	¥ -

	thousands of U.S.dollars(Note 1)			
	2025			
	Within one year	Over one year within five years	Over five years within ten years	Over ten years
Cash and cash equivalents	$ 334,422	$ -	$ -	$ -
Notes and accounts receivable	62,961	-	-	-
Electonically recorded monetary clims	2,501	-	-	-
Short-term investments and investments in securities	3,423	30,561	747	-
Total assets	$ 403,307	$ 30,561	$ 747	$ -

(3)Fair value information of financial instruments by level of inputs

Based on the observability and the significance of the inputs used to determine fair values, fair value information of financial instruments is presented by categorizing measurements into the following three levels:

Level 1 fair value: the fair value measured by quoted prices of identical assets or liabilities in active markets.

Level 2 fair value: the fair value measured using directly or indirectly observable inputs other than Level 1.

Level 3 fair value: fair values measured using unobservable inputs.

Financial assets and financial liabilities measured at fair value in the consolidated balance sheet

	Millions of yen			
	2025			
	Fair value			
Types of shares	Level 1	Level 2	Level 3	Total
Investments in securities				
Other securities				
Shares	¥ 9,305	¥ -	¥ -	¥ 9,305
Bonds	-	4,488	-	4,488
Investment trust	-	1,439	-	1,439
Total assets	¥ 9,305	¥ 5,927	¥ -	¥ 15,232

	Millions of yen			
	2024			
	Fair value			
Types of shares	Level 1	Level 2	Level 3	Total
Investments in securities				
Other securities				
Shares	¥ 8,771	¥ -	¥ -	¥ 8,771
Investment trust	-	1,499	-	1,499
Total assets	¥ 8,771	¥ 1,499	¥ -	¥ 10,270

	Thousands of U.S.dollars(Note 1)			
	2025			
	Fair value			
Types of shares	Level 1	Level 2	Level 3	Total
Investments in securities				
Other securities				
Shares	$ 62,449	$ -	$ -	$ 62,449
Bonds	-	30,122	-	30,122
Investment trust	-	9,659	-	9,659
Total assets	$ 62,449	$ 39,781	$ -	$ 102,230

The fair values of investment trusts are not included in the above.

(Note) Valuation techniques and inputs used in measuring fair value

Investments in securities

Listed securities are measured using quoted prices. Fair value of listed securities are classified as Level 1, because they are traded in active markets.

6. Short-term Investments and Investments in Securities

Short-term investments at March 31, 2025 and 2024 consisted of the following:

	Millions of yen		Thousands of U.S. dollars(Note 1)
	2025	2024	2025
Bonds and debentures	¥ -	¥ -	$ -
Time deposits	510	510	3,423
Other	-	-	-
	¥ 510	¥ 510	$ 3,423

The following is a summary of investments in securities at March 31, 2025 and 2024 respectively:

	Millions of yen			
	March 31, 2025			
	Other securities			
	Cost	Gross unrealized gains	Gross unrealized losses	Book Value (Estimated fair value)
Equity securities	¥ 3,473	¥ 5,864	¥ (32)	¥ 9,305
Bonds	4,416	80	(8)	4,488
Other	776	686	(25)	1,437
	¥ 8,665	¥ 6,631	¥ (65)	¥ 15,231
Add: Securities without readily determinable fair value				4,563
				¥ 19,793

	Millions of yen			
	March 31, 2024			
	Other securities			
	Cost	Gross unrealized gains	Gross unrealized losses	Book Value (Estimated fair value)
Equity securities	¥ 3,235	¥ 5,546	¥ (11)	¥ 8,771
Other	813	749	(64)	1,497
	¥ 4,048	¥ 6,295	¥ (75)	¥ 10,268
Add: Securities without readily determinable fair value				3,097
				¥ 13,365

	Thousands of U.S.dollars(Note 1)			
	March 31, 2025			
	Other securities			
	Cost	Gross unrealized gains	Gross unrealized losses	Book Value (Estimated fair value)
Equity securities	$ 23,306	$ 39,359	$ (215)	$ 62,449
Bonds	29,636	536	(51)	30,122
Other	5,211	4,605	(169)	9,648
	$ 58,152	$ 44,500	$ (434)	$ 102,219
Add: Securities without readily determinable fair value				30,623
				$ 132,842

7. Inventories

Inventories at March 31, 2025 and 2024 comprise the following:

	Millions of yen		Thousands of U.S. dollars(Note 1)
	2025	2024	2025
Finished goods	¥ 3,293	¥ 3,012	$ 22,103
Work in process	838	817	5,621
Raw materials and supplies	1,770	1,550	11,880
	¥ 5,901	¥ 5,379	$ 39,604

Revaluation loss on inventories of ￥10 million (U.S.$69 thousand) and ￥17million based on the lower of cost or market method was deducted from the carrying amounts of inventories at March 31,2025 and 2024 , respectively.

8. Investments in Affiliates

Investments in affiliates as of March 31, 2025 and 2024 consisted of the following:

	Millions of yen		Thousands of U.S. dollars(Note 1)
	2025	2024	2025
Investments in securities (Stocks)	¥ 914	¥ 868	$ 6,137

9. Property, Plant and Equipment

Accumulated reduction entry of property , plant and equipment purchased using funds from a government subsidy amounted to ￥187 million (U.S.$1,257 thousand) and ￥187 million at March 31,2025 and 2024 , respectively.

10. Retirement and Pension Plans

The following tables set forth the changes in benefit obligation, and plan assets of the Company at March 31, 2025 and 2024 respectively:

(1) Changes in Benefit Obligations

	Millions of yen				Thousands of U.S. dollars(Note 1)	
	2025		2024		2025	
Beginning balance of benefit obligations	¥	2,391	¥	2,334	$	16,050
Service costs		142		144		956
Interest costs		26		25		173
Actuarial differences arising during the year		(20)		7		(133)
Retirement benefits paid		(123)		(118)		(828)
Past service costs		5		0		32
Ending balance of benefit obligations	¥	2,421	¥	2,391	$	16,250

(2) Changes in Pension Assets

	Millions of yen				Thousands of U.S. dollars(Note 1)	
	2025		2024		2025	
Beginning balance of pension assets	¥	1,368	¥	1,270	$	9,181
Expected return on pension assets		49		44		331
Actuarial differences arising during the year		(18)		42		(123)
Contributions made by the Company and consolidated subsidiary		68		65		457
Retirement benefits paid		(53)		(53)		(355)
Ending balance of pension assets	¥	1,414	¥	1,368	$	9,490

(3)Reconciliation of benefit obligations and pension assets with net defined benefit liability and asset on the Consolidated Balance Sheets

	Millions of yen				Thousands of U.S. dollars(Note 1)	
	2025		2024		2025	
Funded benefit obligations	¥	2,421	¥	2,391	$	16,250
Pension assets		(1,414)		(1,368)		(9,490)
Net amount of liability and asset on Consolidated Balance Sheets	¥	1,007	¥	1,023	$	6,760

	Millions of yen				Thousands of U.S. dollars(Note 1)	
	2025		2024		2025	
Net defined benefit liability	¥	1,007	¥	1,023	$	6,760
Net amount of liability and asset on Consolidated Balance Sheets	¥	1,007	¥	1,023	$	6,760

(4)Retirement Benefit Expenses

	Millions of yen				Thousands of U.S. dollars(Note 1)	
	2025		2024		2025	
Service costs	¥	142	¥	144	$	956
Interest costs		26		25		173
Expected return on pension assets		(49)		(44)		(331)
Amortization of actuarial differences		(4)		3		(27)
Amortization of past service cost		5		0		32
Retirement benefit expenses for defined benefit pension plans	¥	120	¥	128	$	804

(5)Remeasurements of Defined Benefit Plans (Other Comprehensive Income)
Breakdown (before deduction of tax effects)

	Millions of yen				Thousands of U.S. dollars(Note 1)	
	2025		2024		2025	
Actuarial differences, etc.	¥	(0)	¥	35	$	(2)
Total	¥	(0)	¥	35	$	(2)

(6)Remeasurements of Defined Benefit Plans (Accumulated Other Comprehensive Income)
Breakdown (before deduction of tax effects)

	Millions of yen				Thousands of U.S. dollars(Note 1)	
	2025		2024		2025	
Unrecognized actuarial differences, etc.	¥	(0)	¥	0	$	(1)
Total	¥	(0)	¥	0	$	(1)

(7)Pension Assets Breakdown

	2025	2024
Bonds	18.6%	18.1%
Stocks	45.9%	46.9%
General account	6.8%	7.2%
Other	28.7%	27.8%
Total	100.0%	100.0%

Rate of expected return on pension assets

The expected return on pension assets is determined based on the current and estimated future rates of return on various pension assets.

(8)Basic Assumptions for Calculating Benefit Obligations

	2025	2024
Discount rate	1.0%	1.0%
Expected rate of return on pension assets	3.6%	3.5%
Expected rate of salary increase	2.5%	2.5%

11. Supplemental Information for Consolidated Statements of Changes in Net Assets

(a)Type and number of outstanding shares

	Thousand of shares			
	Year ended March 31,2025			
Types of shares	Balance at beginning of year	Increase in shares during the year	Decrease in shares during the year	Balance at year end
Issued stock:				
Common stock	4,513	-	-	4,513
Treasury stock:				
Common stock	1,611	0	-	1,611

	Thousand of shares			
	Year ended March 31,2024			
Types of shares	Balance at beginning of year	Increase in shares during the year	Decrease in shares during the year	Balance at year end
Issued stock:				
Common stock	4,513	-	-	4,513
Treasury stock:				
Common stock	1,611	0	-	1,611

(b)Dividends

(1)Dividends paid to shareholders

Year ended March 31,2024

Date of approval	Resolution approved by	Type of shares	Amount		Amount per share		Cut-off date	Effective date
			(Millions of yen)	(Thousand of U.S.dollars)	(Yen)	(U.S.dollars)		
June 25, 2024	Annual general meeting of shareholders	Common stock	¥1,161	$7,789	¥400	$2.68	March 31, 2024	June 26, 2024

Year ended March 31,2023

Date of approval	Resolution approved by	Type of shares	Amount		Amount per share		Cut-off date	Effective date
			(Millions of yen)	(Thousand of U.S.dollars)	(Yen)	(U.S.dollars)		
June 28, 2023	Annual general meeting of shareholders	Common stock	¥1,016	$6,816	¥350	$2.35	March 31, 2023	June 29, 2023

(2)Dividends with a cut-off date during the fiscal year but an effective date subsequent to the fiscal year

Year ended March 31,2025

Date of approval	Resolution approved by	Type of shares	Source of dividends	Amount		Amount per share		Cut-off date	Effective date
				(Millions of yen)	(Thousand of U.S.dollars)	(Yen)	(U.S.dollars)		
June 26, 2025	Annual general meeting of shareholders	Common stock	Retained earnings	¥1,161	$7,789	¥400	2.68	March 31, 2025	June 27, 2025

Year ended March 31,2024

Date of approval	Resolution approved by	Type of shares	Source of dividends	Amount		Amount per share		Cut-off date	Effective date
				(Millions of yen)	(Thousand of U.S.dollars)	(Yen)	(U.S.dollars)		
June 25, 2024	Annual general meeting of shareholders	Common stock	Retained earnings	¥1,161	$7,789	¥400	2.68	March 31, 2024	June 26, 2024

12. Selling, General and Administrative Expenses

Selling, general and administrative expenses for the years ended March 31, 2025 and 2024 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars(Note 1)
	2025	2024	2025
Packing and haulage expenses	¥ 1,120	¥ 960	$ 7,516
Employees' salaries and Bonuses	707	675	4,747
Provision for bonuses	130	130	875
Retirement benefit expenses	31	34	206
Research and development expenses	798	804	5,357

13. Research and Development Expenses

Research and development expenditure charged to income was ¥798 million(U.S.$5,357 thousand) and ¥804 million for the year ended March 31, 2025 and 2024, respectively.

14. Income Taxes

The Company is subject to several taxes based on income, which in the aggregate resulted in statutory tax rates of approximately 30.62% and 30.62% for the years ended March 31, 2025 and 2024.
Overseas subsidiary is subject to income taxes of the country in which it operates.

The effective rate for the two years ended March 31, 2025 and 2024 differs from the Company's statutory tax rate for the following reasons:

	2025	2024
Statutory tax rate	30.62	30.62
Permanently nondeductible expenses	0.08	0.05
Permanently nontaxable dividends received	(0.48)	(0.57)
Per capital levy of residents tax	0.12	0.11
Difference of tax rates of overseas subsidiary	(0.24)	(0.29)
Tax credit on research and development	(0.76)	(0.61)
Elimination of intercompany dividend income	(0.07)	(0.09)
Other	(0.54)	(0.29)
Effective tax rate	28.73	28.93

The significant components of deferred tax assets and deferred tax liabilities at March 31, 2025 and 2024 are presented below:

	Millions of yen		Thousands of U.S. dollars(Note 1)
	2025	2024	2025
Deferred tax assets:			
Net defined benefit liability	¥ 317	¥ 316	$ 2,125
Net unrealized holding losses on securities	28	29	191
Accrued employee bonuses	102	101	687
Accrued enterprise tax payable	72	91	481
Loss on valuation of golf club membership	30	29	200
Depreciation	27	26	182
Loss on valuation of investment securities	32	21	214
Unrealized losses on inventories	6	7	40
Other	54	49	362
Gross deferred tax assets	668	670	4,483
Valuation allowance	-	-	-
Total deferred tax assets	668	670	4,483
Deferred tax liabilities:			
Net unrealized holding profits on securities	(2,090)	(1,928)	(14,028)
Fair value of consolidated subsidiaries	(168)	(170)	(1,127)
Other	-	(0)	-
Total deferred tax liabilities	(2,258)	(2,098)	(15,154)
Net deferred tax assets	7	9	50
Net deferred tax liabilities	(1,597)	(1,437)	(10,721)

15. Comprehensive Income

Reclassification adjustments and income tax effects attributable to other comprehensive income for the years ended March 31, 2025 and 2024 are as follows:

	Millions of yen		Thousands of U.S dollars
	2025	2024	2025
Valuation difference on available-for-sale securities:			
Gains (losses) arising during the year	¥ 359	¥ 2,940	$ 2,408
Reclassification adjustments	(18)	-	(124)
Before income tax effects	340	2,940	2,284
Income tax effects	163	900	1,094
Total	177	2,040	1,190
Foreign currency translation adjustments:			
Adjustments arising during the year	180	211	1,205
Reclassification adjustments	-	-	-
Before income tax effects	180	211	1,205
Income tax effects	-	-	-
Total	180	211	1,205
Remeasurements of defined benefit plans:			
Adjustments arising during the year	4	32	25
Reclassification adjustments	(4)	3	(27)
Before income tax effects	(0)	35	(2)
Income tax effects	0	(11)	1
Total	(0)	24	(2)
Share of other comprehensive income of entities accounted foe using equity method:			
Adjustments arising during the year	(1)	0	(8)
Reclassification adjustments	(1)	1	(8)
Total	(2)	1	0
Total other comprehensive income	¥ 354	¥ 2,276	$ 2,378

16. Segment and Related Information

Matsumoto Yushi-Seiyaku Co., Ltd. For Japan segment, P.T. Matsumoto Yushi Indonesia for Asia segment, and Lissom Chemical Industry, Ltd. for Asia segment respectively, function as an independent business entity developing comprehensive strategies and promoting business operations.
The reported segments are individually accounted for, with separate financial data available, and are subject to periodical scrutiny by the Board of Directors for performance evaluation and resources assignment.

(1) Segment information
Segment information for the years ended March 31, 2025 and 2024 consisted of the following respectively:

	Millions of yen		
	2025		
	Japan	Asia	Total segments
Sales			
Anionic surfactants	¥ 3,742	¥ 7	¥ 3,749
Nonionic surfactants	24,005	543	24,547
Cationic and zwitterionic surfactants	813	4	818
High polymer and inorganic chemicals	11,863	2,154	14,018
Revenue from contracts with customers	40,423	2,708	43,131
Sales to external customers	40,423	2,708	43,131
Inter-segment	461	12	474
Total sales	¥ 40,885	¥ 2,720	¥ 43,605
Segment income	9,014	291	9,305
Total assets	90,145	4,282	94,427
Total liabilities	13,338	441	13,779
Other			
Depreciation	¥ 1,001	¥ 47	¥ 1,048
Capital expenditure	540	42	582

	Millions of yen		
	2024		
	Japan	Asia	Total segments
Sales			
Anionic surfactants	¥ 3,527	¥ 6	¥ 3,532
Nonionic surfactants	23,594	505	24,099
Cationic and zwitterionic surfactants	830	10	840
High polymer and inorganic chemicals	10,961	2,095	13,056
Revenue from contracts with customers	38,912	2,615	41,526
Sales to external customers	38,912	2,615	41,526
Inter-segment	414	18	432
Total sales	¥ 39,325	¥ 2,633	¥ 41,958
Segment income	8,455	313	8,768
Total assets	84,871	3,873	88,743
Total liabilities	13,752	422	14,174
Other			
Depreciation	¥ 915	¥ 37	¥ 952
Capital expenditure	1,599	22	1,621

	Thousands of U.S.dollars 2025		
	Japan	Asia	Total segments
Sales			
Anionic surfactants	$ 25,114	$ 47	$ 25,161
Nonionic surfactants	161,107	3,644	164,751
Cationic and zwitterionic surfactants	5,456	27	5,483
High polymer and inorganic chemicals	79,617	14,456	94,073
Revenue from contracts with customers	271,295	18,174	289,469
Sales to external customers	271,295	18,174	289,469
Inter-segment	3,094	81	3,175
Total sales	$ 274,396	$ 18,255	$ 292,651
Segment income	60,497	1,953	62,450
Total assets	605,000	28,738	633,738
Total liabilities	89,517	2,960	92,477
Other			
Depreciation	$ 6,718	$ 315	$ 7,033
Capital expenditure	3,624	282	3,906

(2) Adjustments and eliminations

Reconciliation of sales	Millions of yen		Thousands of U.S. dollars(Note 1)
	2025	2024	2025
Segment sales	¥ 43,605	¥ 41,958	$ 292,651
Inter-segment transactions (elimination)	(474)	(432)	(3,179)
Group sales	¥ 43,131	¥ 41,526	$ 289,472

Reconciliation of income	Millions of yen		Thousands of U.S. dollars(Note 1)
	2025	2024	2025
Segment income	¥ 9,305	¥ 8,768	$ 62,449
Adjustment of inventory	(23)	(9)	(155)
Amortization of goodwill	-	0	-
Group operating income	¥ 9,282	¥ 8,759	$ 62,293

Reconciliation of assets	Millions of yen		Thousands of U.S. dollars(Note 1)
	2025	2024	2025
Segment operating assets	¥ 94,427	¥ 94,427	$ 633,736
Inter-segment transactions (elimination)	(99)	(146)	(666)
Adjustment of inventory	(18)	(15)	(122)
Other adjustments	880	931	5,907
Group assets	¥ 95,189	¥ 95,196	$ 638,855

Reconciliation of liabilities	Millions of yen		Thousands of U.S. dollars(Note 1)
	2025	2024	2025
Segment operating liabilities	¥ 13,779	¥ 13,779	$ 92,477
Inter-segment transactions (elimination)	(99)	(146)	(666)
Other adjustments	142	147	956
Group liabilities	¥ 13,822	¥ 13,780	$ 92,767

(3) Related information

Products and Services information	Millions of yen	Millions of yen	Thousands of U.S. dollars(Note 1)
Sales to external customers	2025	2024	2025
Surfactants	¥ 29,114	¥ 28,470	$ 195,393
High polymer and inorganic chemicals	13,455	12,523	90,300
Other	563	534	3,778
Total	¥ 43,131	¥ 41,526	$ 289,472

Geographic information	Millions of yen	Millions of yen	Thousands of U.S. dollars(Note 1)
Sales to external customers	2025	2024	2025
Japan	¥ 13,383	¥ 12,727	$ 89,816
China	15,206	15,786	102,055
Asia	10,179	9,298	68,317
Other	4,363	3,715	29,284
Total	¥ 43,131	¥ 41,526	$ 289,472

Main customers information	Millions of yen	Millions of yen	Thousands of U.S. dollars(Note 1)
Sales	2025	2024	2025
Marubeni Chemix Corporation	¥ 13,862	¥ 14,368	$ 93,035
Nippon Quaker Chemical, Ltd.	4,707	4,407	31,589

17. Related Party Transactions

Principal transactions between the Company and its affiliate for the years ended March 31, 2025 and 2024 are summarized as follows:

	Millions of yen		Thousands of U.S.dollars
	2025	2024	2025
Sales(Nippon Quaker Chemical, Ltd.)	¥ 4,707	¥ 4,407	$ 31,589
Purchase(Nippon Quaker Chemical, Ltd.)	2,047	2,313	13,740

18. Per Share Data

	yen		U.S.dollars
	2025	2024	2025
Net income per share	¥ 2,354.19	¥ 2,586.38	$ 15.800
Net assets per share	¥ 27,368.74	¥ 25,283.56	$ 183.683

The bases for calculating net income per share are as follows:

	Millions of yen		Thousands of U.S dollars
	2025	2024	2025
Profit attributable to owners of parent available for distribution to common shareholders	¥ 6,830	¥ 7,505	$ 45,841

	Shares	
	2025	2024
Weighted average number of shares for net income	2,901,333	2,901,557

The bases for calculating net assets per share are as follows:

	Millions of yen		Thousands of U.S dollars
	2025	2024	2025
Total net assets	¥ 81,367	¥ 75,338	$ 546,088
Amounts deducted from total net assets			
Noncontrolling interests	(1,963)	(1,979)	(13,176)
Net assets attributable to shares of common stock	79,404	73,358	532,912

	Shares	
	2025	2024
Number of shares of common stock used in the calculation of net assets per share	2,901,260	2,901,423

19. Asset Retirement Obligations

Asset retirement obligations for the year ended March 31, 2025 and 2024 consisted of the following respectively:

	Millions of yen	Millions of yen	Thousands of U.S. dollars(Note 1)
	2025	2024	2025
Balance at beginning of year	¥ 120	¥ 119	$ 805
Payments for purchase of property, plant and equipment	-	0	-
Interest cost	1	1	4
Balance at end of year	¥ 120	¥ 120	$ 809

20. Subsidiaries

The Company's subsidiaries are as follows:

Name	Ownership Interest	Country of Incorporation
P.T.Matsumoto-Yushi Indonesia	65%	Indonesia
Lissom Chemical Industry, Ltd.	55%	Taiwan

21.Revenues from contracts with customers

(1)Disaggregation of revenue from customer contracts
The disaggregation of revenue from contracts with customers is as described in Notes18 (Segment and Related Information).

(2)Revenues from contracts with customers
Information for understanding revenues is provided in Note 2(i), "Summary of Significant Accounting Policies– Standards for Recognizing Revenues and Expenses"

(3)Revenue in the current and subsequent consolidated fiscal years
(a) Receivables from contracts with customers and contract liabilities
Contract liabilities relate mainly to advances received from customers from the obligation to transfer goods or products to customers.
They are included in "Other current liabilities" under current liabilities in the accompanying consolidated financial statements.
The contractual liability balances recorded at the beginning of the period are generally recognized as revenue within 1 year.
The balances of receivables from contracts with customers and contract liabilities were as follows.

	Millions of yen		Thousands of U.S. dollars(Note 1)	
	2025		2025	
Receivables from contracts with customers (opening balance)				
Notes and accounts receivable	¥	9,435	$	63,320
Electronically recorded monetary claims		327		2,193
Total	¥	9,762	$	80,016
Receivables from contracts with customers (closing balance)				
Notes and accounts receivable	¥	9,188	$	61,662
Electronically recorded monetary claims		373		2,501
Total	¥	9,561	$	64,163
Contract liabilities (opening balance)	¥	105	$	704
Contract liabilities (closing balance)	¥	36	$	239

	Millions of yen		Thousands of U.S. dollars(Note 1)	
	2024		2024	
Receivables from contracts with customers (opening balance)				
Notes and accounts receivable	¥	9,070	$	60,872
Electronically recorded monetary claims		249		1,671
Total	¥	9,319	$	76,385
Receivables from contracts with customers (closing balance)				
Notes and accounts receivable	¥	9,435	$	63,320
Electronically recorded monetary claims		327		2,193
Total	¥	9,762	$	80,016
Contract liabilities (opening balance)	¥	75	$	502
Contract liabilities (closing balance)	¥	105	$	704

(b)The transaction prices allocated to remaining performance obligations
The total amount of the transaction price allocated to the remaining performance obligation is 36 million yen, and expected to be recognized within 1 year.