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For Immediate Release

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Notice Concerning Recognition of Extraordinary Loss (Impairment Loss) and Revision of Consolidated Earnings Forecast and Dividend Forecast (Increase)

The Company will record an extraordinary loss (impairment loss) in the third quarter of the fiscal year ending March 31, 2026. Accordingly, the Company hereby announces that it has revised, as set forth below, the full-year consolidated earnings forecast for the fiscal year ending March 31, 2026, released on May 14, 2025, and has also revised upward the forecast for the year-end dividend.

1. Recognition of extraordinary loss (impairment loss)

The Company and its consolidated subsidiaries recognized signs of impairment in certain fixed assets. As a result of examining the recoverability of these assets, impairment accounting was conducted in accordance with the Accounting Standard for Impairment of Fixed Assets and related standards, and an impairment loss of 2,433 million yen was recorded as an extraordinary loss in the third quarter of the current fiscal year on a consolidated basis.

The main segments in which impairment losses were recognized are as follows.

- Cosmetic Materials segment

The Company has made business investments in cosmetic ingredient manufacturing facilities; however, as profits have deteriorated due to factors such as the slowdown in the Chinese economy, it has revised earnings forecasts for certain facilities. As a result, the book value of the cosmetic ingredient manufacturing facilities was reduced to their recoverable amount, and the resulting decrease of 2,413 million yen was recorded as an impairment loss under extraordinary losses.

2. Revision of the consolidated earnings forecast

Revision of the full-year consolidated earnings forecast for the fiscal year ending March 31, 2026

(April 1, 2025–March 31, 2026)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(yen)
Previous forecast (A)	86,000	6,500	6,500	5,500	350.54

Revised forecast (B)	86,000	6,500	6,500	3,000	191.20
Difference (B–A)	—	—	—	(2,500)	
Change (%)	—	—	—	(45.5)	
(Ref) Previous year results (fiscal year ended March 31, 2025)	84,409	6,093	6,279	5,013	309.21

Reasons for revision

Net sales, operating profit, and ordinary profit are expected to progress in line with the plan; however, as described in “1. Recognition of extraordinary loss (impairment loss)” above, as a result of recording an extraordinary loss of 2,433 million yen, profit attributable to owners of parent is expected to fall below the previously announced forecast, and the forecast has therefore been revised as described above.

3. Revision of the dividend forecast

	Annual dividends				
	End-Q1	End-Q2	End-Q3	Fiscal year-end	Total
	(yen)	(yen)	(yen)	(yen)	(yen)
Previous forecast (May 14, 2025)	—	—	—	65.00	130.00
Revised forecast	—	—	—	80.00	145.00
Dividends paid in the current fiscal year	—	65.00	—		
Dividends paid in the previous fiscal year ended March 31, 2025	—	62.50	—	72.50	135.00

Reasons for revision

In the medium-term management plan “Transformation: BEYOND 2030” (covering the fiscal years from the year ending March 2025 to the year ending March 2027), released on May 13, 2024, the Company set forth a shareholder return policy of paying stable and consistent dividends, with a target DOE of 3%.

Based on this policy, the Company has revised the most recent year-end dividend forecast for the fiscal year ending March 31, 2026 upward to 80.00 yen, taking into comprehensive consideration the fact that, although the Cosmetic Materials segment recorded an impairment loss as described above, other segments have continued to perform steadily.

※ The forward-looking statements, including the earnings forecast, included in this document are based on information currently available to the Company and certain assumptions it deems reasonable. Actual results may differ significantly due to various factors.

Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.