

Translation

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Summary of Consolidated Financial Results for the Year Ended September 30, 2025 (Based on Japanese GAAP)

November 7, 2025

Company name: T. HASEGAWA CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 4958 URL <https://www.t-hasegawa.co.jp/>
 Representative: President & COO Kenji Hasegawa
 Inquiries: Senior Vice President Jun Takizawa TEL 03-3241-1151
 Scheduled date of ordinary general meeting of shareholders: December 18, 2025
 Scheduled date to file Securities Report: December 16, 2025
 Scheduled date to commence dividend payments: December 2, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended September 30, 2025 (from October 1, 2024 to September 30, 2025)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended September 30, 2025	73,495	2.6	8,515	(9.1)	9,288	(4.5)	6,921	(3.9)
Year ended September 30, 2024	71,645	10.4	9,371	24.8	9,723	18.8	7,201	7.9

Note: Comprehensive income Year ended September 30, 2025 ¥8,909 million [52.4%]
 Year ended September 30, 2024 ¥5,846 million [(25.0)%]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended September 30, 2025	169.50	168.63	5.7	6.4	11.6
Year ended September 30, 2024	175.04	174.27	6.1	6.9	13.1

Reference: Share of profit (loss) of entities accounted for using equity method Year ended September 30, 2025 ¥— million
 Year ended September 30, 2024 ¥— million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2025	147,151	123,324	83.5	3,038.39
As of September 30, 2024	144,504	119,681	82.6	2,899.96

Reference: Equity As of September 30, 2025 ¥122,900 million
 As of September 30, 2024 ¥119,319 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended September 30, 2025	11,247	(6,914)	(5,489)	31,267
Year ended September 30, 2024	13,947	(9,386)	(2,699)	31,952

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended September 30, 2024	—	31.00	—	39.00	70.00	2,879	40.0	2.4
Year ended September 30, 2025	—	37.00	—	37.00	74.00	3,008	43.7	2.4
Year ending September 30, 2026 (Forecast)	—	50.00	—	50.00	100.00		55.3	

Note: The Company's basic dividend policy had been to target a payout ratio of 40% on a consolidated basis, but we have reviewed this policy and decided to make it our policy to pay dividends of surplus twice a year, an interim dividend and a year-end dividend, based on a consolidated dividend on equity ratio (DOE) of 3% or more starting from the fiscal year ending September 30, 2026.

3. Forecast of consolidated financial results for the year ending September 30, 2026 (from October 1, 2025 to September 30, 2026)

Percentages indicate year-on-year changes									
	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
Full year	76,500	4.1	9,430	10.7	10,050	8.2	7,320	5.8	180.97

4. Notes

(1) Significant changes in the scope of consolidation during the year ended September 30, 2025: Yes

Newly included: 1 company [Company name] T. HASEGAWA FLAVOURS (PINGHU) CO., LTD.

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of September 30, 2025	42,708,154 shares	As of September 30, 2024	42,708,154 shares
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Number of treasury shares at the end of the period

As of September 30, 2025	2,258,828 shares	As of September 30, 2024	1,563,008 shares
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Average number of shares during the period

Year ended September 30, 2025	40,836,440 shares	Year ended September 30, 2024	41,145,243 shares
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Note: For further details about the number of shares as a basis for calculation of earnings per share (consolidated), please refer to "Notes to per share information" under "3. Consolidated financial statements and significant notes thereto, (5) Notes to consolidated financial statements" on page 22 of the Attached Material.

Reference: Summary of non-consolidated financial results

1. Non-consolidated financial results for the year ended September 30, 2025 (from October 1, 2024 to September 30, 2025)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended September 30, 2025	42,543	0.4	3,937	(19.9)	9,656	1.2	8,453	5.6
Year ended September 30, 2024	42,366	6.7	4,915	8.3	9,541	86.2	8,003	71.0

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended September 30, 2025	207.02	205.96
Year ended September 30, 2024	194.51	193.66

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2025	119,351	99,239	82.8	2,442.94
As of September 30, 2024	117,213	96,916	82.4	2,346.67

Reference: Equity As of September 30, 2025 ¥98,815 million
As of September 30, 2024 ¥96,553 million

2. Forecast of non-consolidated financial results for the year ending September 30, 2026 (from October 1, 2025 to September 30, 2026)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	43,900	3.2	4,530	15.0	4,860	(49.7)	3,850	(54.5)	95.18

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of the forecast of financial results, and other special matters

(Caution regarding forward-looking statements and others)

The forward-looking statements, including the earnings forecast, shown in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to realize such statements. Actual results may differ substantially due to various factors. For the suppositions that form the assumptions for financial results forecast and cautions concerning the use thereof, please refer to “1. Overview of operating results and others, (4) Future outlook” on page 4 of the Attached Material.

(How to obtain supplementary material on financial results)

The Company plans to hold a financial results meeting for institutional investors and analysts through live streaming on Thursday, November 20, 2025.

Materials for the financial results meeting will be disclosed on TDnet and posted on the Company’s website.

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1. Overview of operating results and others

(1) Overview of operating results for the fiscal year

The Japanese economy in the fiscal year ended September 30, 2025 showed signs of a gradual recovery, under the improving employment and income environment. On the other hand, amid the unstable international situation centered on the USA and China, and unstable raw material and resource prices, there were continuing concerns over the impacts of rising commodity prices and strong fluctuations in foreign exchange rates, etc. on domestic and overseas economic activities. Thus, the outlook for the economy remained uncertain.

The flavor and fragrance industry remained in a severe situation due largely to maturation of the domestic market, fiercer competition among peers, and growing demand for quality assurance.

In this environment, giving primary consideration to quality control of products and securing of safety, the Group worked to further improve research and technology development capabilities and focused on development of the Company's unique high quality and high value-added products.

In the fiscal year ended September 30, 2025, net sales increased by ¥1,849 million (2.6%) year on year, amounting to ¥73,495 million. The Company's non-consolidated net sales increased by 0.4% year on year. As for net sales of major overseas consolidated subsidiaries, net sales of subsidiaries in the USA increased by 5.0% year on year (up 5.8% on a local currency basis), those of subsidiaries in China increased by 4.8% year on year (up 5.6% on a local currency basis), and those of a subsidiary in Malaysia increased by 7.6% (up 1.3% on a local currency basis).

By division, net sales of the Flavor Division increased by 3.4% year on year, amounting to ¥65,828 million, due mainly to increased net sales of our subsidiaries in the USA, subsidiaries in China, and the Company on a non-consolidated basis.

Net sales of the Fragrance Division decreased by 3.9% year on year, amounting to ¥7,666 million due mainly to a decrease in non-consolidated sales of the Company.

As for profit, operating profit decreased by ¥856 million (9.1%) year on year to ¥8,515 million due largely to an increase in selling, general and administrative expenses including personnel expenses. Ordinary profit decreased by ¥435 million (4.5%) year on year to ¥9,288 million, due largely to a decrease in operating profit, despite the recording of foreign exchange gains of ¥98 million (the recording of foreign exchange losses of ¥171 million in the previous fiscal year). Profit attributable to owners of parent decreased by ¥280 million (3.9%) year on year to ¥6,921 million due largely to a decrease in ordinary profit.

Furthermore, the yen exchange rates for major currencies (average rate for the period) applied for translation in the statements of income for the fiscal year ended September 30, 2025 are as follows.

1 USD=149.28 JPY (150.44 JPY in the previous fiscal year, 0.8% yen appreciation YoY)

1 RMB=20.68 JPY (20.84 JPY in the previous fiscal year, 0.8% yen appreciation YoY)

1 RM=34.38 JPY (32.37 JPY in the previous fiscal year, 6.2% yen depreciation YoY)

(2) Overview of financial position for the fiscal year

(Current assets)

Current assets increased by ¥2,755 million compared to the fiscal year ended September 30, 2024 to ¥74,997 million, due largely to increases in cash and deposits, and merchandise and finished goods by ¥7,458 million and ¥696 million, respectively, but a decrease in securities by ¥4,997 million.

(Non-current assets)

Property, plant and equipment increased by ¥627 million compared to the fiscal year ended September 30, 2024 to ¥36,994 million, due largely to increases in buildings and structures, net, and construction in progress by ¥170 million and ¥407 million, respectively.

Intangible assets increased by ¥793 million to ¥23,517 million, mainly due an increase in software in progress included in others by ¥1,017 million and an increase in leasehold interests in land by ¥572 million, despite respective decreases of ¥843 million in goodwill and ¥280 million in customer relationship as a result of the progress of amortization.

With the finalization of provisional accounting treatment related to business combinations, the initially allocated acquisition costs were revised, and the amounts presented for the previous fiscal year reflect the revision. For details, please refer to “3. Consolidated financial statements and significant notes thereto (5) Notes to consolidated financial statements (Notes to business combinations).”

(Current liabilities)

Current liabilities decreased by ¥159 million compared to the fiscal year ended September 30, 2024 to ¥14,611 million, due largely to decreases in accounts payable - trade and income taxes payable by ¥512 million and ¥491 million, respectively, despite the recording of provision for settlement payments and provision for loss on abandonment of inventories.

(Non-current liabilities)

Non-current liabilities decreased by ¥836 million compared to the fiscal year ended September 30, 2024 to ¥9,215 million, due largely to a decrease in retirement benefit liability by ¥902 million.

(Net assets)

Total net assets increased by ¥3,643 million compared to the fiscal year ended September 30, 2024 to ¥123,324 million, due largely to increases in retained earnings and foreign currency translation adjustment by ¥3,805 million and ¥2,223 million, respectively, despite an increase in treasury shares by ¥2,217 million (net assets decreased) and a decrease in valuation difference on available-for-sale securities by ¥864 million.

Furthermore, the yen exchange rates for major currencies (at the end of the period) applied for translation in the balance sheets at the end of the fiscal year ended September 30, 2025 are as follows.

1 USD=148.88 JPY (142.73 JPY at the end of the previous fiscal year, 4.3% yen depreciation YoY)

1 RMB=20.88 JPY (20.46 JPY at the end of the previous fiscal year, 2.1% yen depreciation YoY)

1 RM=35.35 JPY (34.79 JPY at the end of the previous fiscal year, 1.6% yen depreciation YoY)

(3) Overview of cash flows for the fiscal year

Cash and cash equivalents (“cash”) in the fiscal year ended September 30, 2025 decreased by ¥ 684 million (an increase by ¥1,995 million in the fiscal year ended September 30, 2024) compared to September 30, 2024 to ¥31,267 million.

The respective cash flow positions for the fiscal year ended September 30, 2025, and the factors thereof are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was ¥11,247 million (compared with ¥13,947 million provided for the previous fiscal year). The main factors were income taxes paid of ¥3,184 million and loss (gain) on sale and valuation of investment securities of ¥714 million while there were profit before income taxes of ¥9,794 million, depreciation of ¥4,226 million, and amortization of goodwill of ¥1,195 million.

(Cash flows from investing activities)

Net cash used in investing activities was ¥6,914 million (compared with ¥9,386 million used for the previous fiscal year). The main factors were payments into time deposits of ¥4,398 million, proceeds from withdrawal of time deposits of ¥1,333 million, purchase of property, plant and equipment of ¥2,932 million, purchase of intangible assets of ¥1,700 million, and proceeds from sale of investment securities of ¥879 million.

(Cash flows from financing activities)

Net cash used in financing activities was ¥5,489 million (compared with ¥2,699 million used for the previous fiscal year). The main factors were purchase of treasury shares of ¥2,238 million and dividends paid of ¥3,113 million.

(Reference) Trends in cash flow indicators

	Fiscal year ended September 30, 2022	Fiscal year ended September 30, 2023	Fiscal year ended September 30, 2024	Fiscal year ended September 30, 2025
Equity ratio (%)	82.9	83.4	82.6	83.5
Market value equity ratio (%)	92.4	90.2	93.2	80.1
Ratio of cash flow to interest-bearing debt (%)	3.9	18.5	10.0	11.5
Interest coverage ratio (times)	1,826.6	1,153.2	571.0	508.3

Equity ratio : Equity / Total assets
Market value equity ratio : Market capitalization / Total assets
Ratio of cash flow to interest-bearing debt : Interest-bearing debt / Cash flow
Interest coverage ratio : Cash flow / Interest payments

Notes: 1. All indicators are calculated using consolidated financial data.
2. Market capitalization is based on number of shares issued excluding treasury shares.
3. Operating cash flow is used for cash flow.
4. Interest-bearing debt includes all liabilities on the consolidated balance sheets on which interest is being paid. Interest payments are equal to interest paid as stated in the consolidated statements of cash flows.

(4) Future outlook

The outlook for the Japanese economy is expected to continue to recover moderately as the employment and income environment improves. On the other hand, the outlook is expected to remain uncertain due to continuing concerns over the impacts of fluctuations in international situation centered on the USA and China, unstable raw material and resource prices, rising commodity prices, and strong fluctuations in foreign exchange rates, etc.

The flavor and fragrance industry is also anticipated to remain in a severe situation due to further intensifying competition among companies for market share, increasing demand for quality assurance, and other factors.

Under this situation, the Group will conduct distinctive and differentiated product development by further improving research and technology development capabilities, and strive to reduce cost through an increase in productivity and promotion of streamlining of all aspects of operations.

Moreover, the Group will aim to contribute to more enriching lifestyles by creating new value and inspiration through not only flavors and fragrances, but also a wide range of other technologies. In order to seek future growth of the Group, it is essential to further strengthen the global expansion while building a resilient organization that can flexibly respond to the changes in the business environment and unforeseen circumstances and working to increase the share in the Japanese market where maturation is progressing in step with the falling birthrate and the aging population. The Group will efficiently invest managerial resources into the USA as our priority region as well as the Asian region, centering on China and Southeast Asia, to accurately capture the growth potential of the markets, consumer palatability, etc. and plan and promote a business strategy in line with changes in the business environment. In addition, the Group will implement investments to achieve sustainable growth into the future, aiming to enhance the business performance in overseas markets.

The Group plans to achieve consolidated net sales at ¥76,500 million (up 4.1% year on year), operating profit at ¥9,430 million (up 10.7% year on year), ordinary profit at ¥10,050 million (up 8.2% year on year), and profit attributable to owners of parent at ¥7,320 million (up 5.8% year on year) for the fiscal year ending September 30, 2026.

(5) Basic policy on profit distribution and dividends for the fiscal year and next fiscal year

The Company pays dividends of surplus twice a year, interim dividend and year-end dividend, on the basic policy of targeting the payout ratio of 40% on a consolidated basis, to return profit to shareholders based on its business performance, while securing internal reserves necessary for further strengthening of the Group's management base and future business expansion.

The Company stipulates in the Articles of Incorporation that dividends of surplus, etc. shall be determined by a resolution of the Board of Directors in accordance with the provision of Article 459, paragraph (1) of the Companies Act, and the Board of Directors is the decision-making body for dividends of surplus.

With regard to the dividend for the fiscal year ended September 30, 2025, the Company decided to pay an annual dividend of ¥74 per share (of which, interim dividend of ¥37). As a result, the payout ratio on a consolidated basis for the fiscal year ended September 30, 2025 is 43.7%.

Internal reserves will be used for capital expenditures and effective investments to implement the globalization strategy.

Dividends of surplus for the fiscal year are as follows.

Date of resolution	Total amount of dividends (Millions of yen)	Dividends per share (Yen)
Resolution at a Board of Directors meeting held on May 9, 2025	1,511	37
Resolution at a Board of Directors meeting held on November 7, 2025	1,496	37

As disclosed in the “Notice Concerning Change in Dividend Policy and Dividend Forecast (Increase)” on November 7, 2025, the Company’s Board of Directors resolved at its meeting held on November 7, 2025, to provide stable profit returns based on a consolidated dividend on equity (DOE) ratio of 3% or more beginning in the fiscal year ending September 30, 2026. Based on this policy, the Company plans to pay a dividend of ¥100 per share for the next fiscal year (ending September 30, 2026).

2. Basic concept regarding selection of accounting standards

The Group plans to continue using the Japanese GAAP to prepare its consolidated financial statements for the time being, as they facilitate comparison with previous consolidated financial statements and with other companies. The Group's policy on applying the International Financial Reporting Standards (IFRS) is to take action as appropriate based on considerations of various conditions in Japan and overseas.

3. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheets

(Millions of yen)

	As of September 30, 2024	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	27,396	34,854
Notes receivable - trade	2,819	2,372
Accounts receivable - trade	17,653	17,651
Securities	6,997	2,000
Merchandise and finished goods	8,053	8,750
Work in process	161	216
Raw materials and supplies	8,200	8,048
Other	989	1,128
Allowance for doubtful accounts	(30)	(26)
Total current assets	72,241	74,997
Non-current assets		
Property, plant and equipment		
Buildings and structures	49,885	51,460
Accumulated depreciation	(28,421)	(29,826)
Buildings and structures, net	21,463	21,633
Machinery, equipment and vehicles	38,382	39,400
Accumulated depreciation	(33,623)	(34,572)
Machinery, equipment and vehicles, net	4,758	4,827
Tools, furniture and fixtures	9,382	9,765
Accumulated depreciation	(7,932)	(8,372)
Tools, furniture and fixtures, net	1,450	1,393
Land	7,615	7,653
Construction in progress	1,078	1,486
Total property, plant and equipment	36,367	36,994
Intangible assets		
Goodwill	8,150	7,306
Customer relationship	12,381	12,101
Other	2,192	4,109
Total intangible assets	22,723	23,517
Investments and other assets		
Investment securities	11,997	10,743
Deferred tax assets	749	661
Retirement benefit asset	18	16
Other	473	290
Allowance for doubtful accounts	(67)	(69)
Total investments and other assets	13,171	11,642
Total non-current assets	72,262	72,154
Total assets	144,504	147,151

(Millions of yen)

	As of September 30, 2024	As of September 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	6,324	5,812
Income taxes payable	1,498	1,006
Provision for bonuses	2,004	1,981
Provision for bonuses for directors (and other officers)	85	52
Provision for removal cost	204	204
Provision for settlement payments	—	148
Provision for loss on abandonment of inventories	—	345
Other	4,654	5,061
Total current liabilities	14,771	14,611
Non-current liabilities		
Deferred tax liabilities	840	964
Retirement benefit liability	7,480	6,578
Asset retirement obligations	69	69
Long-term accounts payable - other	178	167
Other	1,481	1,436
Total non-current liabilities	10,051	9,215
Total liabilities	24,822	23,826
Net assets		
Shareholders' equity		
Share capital	5,364	5,364
Capital surplus	7,513	7,518
Retained earnings	90,670	94,475
Treasury shares	(2,556)	(4,774)
Total shareholders' equity	100,991	102,585
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,304	5,439
Foreign currency translation adjustment	12,171	14,394
Remeasurements of defined benefit plans	(148)	480
Total accumulated other comprehensive income	18,327	20,315
Share acquisition rights	362	424
Total net assets	119,681	123,324
Total liabilities and net assets	144,504	147,151

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

Consolidated statements of income

(Millions of yen)

	Fiscal year ended September 30, 2024	Fiscal year ended September 30, 2025
Net sales	71,645	73,495
Cost of sales	42,001	43,147
Gross profit	29,643	30,347
Selling, general and administrative expenses		
Packing and transportation costs	1,359	1,470
Salaries and allowances	7,941	8,502
Provision for bonuses	1,377	1,340
Provision for bonuses for directors (and other officers)	85	52
Retirement benefit expenses	636	628
Welfare expenses	1,669	1,870
Depreciation	1,711	1,832
Amortization of goodwill	982	1,195
Other	4,509	4,938
Total selling, general and administrative expenses	20,272	21,832
Operating profit	9,371	8,515
Non-operating income		
Interest income	282	364
Dividend income	256	249
Foreign exchange gains	—	98
Other	91	146
Total non-operating income	630	859
Non-operating expenses		
Interest expenses	24	22
Foreign exchange losses	171	—
Provision of allowance for doubtful accounts	42	—
Compensation expenses	—	41
Other	39	22
Total non-operating expenses	277	85
Ordinary profit	9,723	9,288
Extraordinary income		
Gain on sale of investment securities	800	814
Total extraordinary income	800	814
Extraordinary losses		
Loss on rebuilding	293	—
Loss on abandonment of non-current assets	59	59
Loss on valuation of investment securities	—	100
Provision for settlement payments	—	149
Total extraordinary losses	353	308
Profit before income taxes	10,170	9,794
Income taxes - current	3,526	2,926
Income taxes - deferred	(557)	(53)
Total income taxes	2,968	2,873
Profit	7,201	6,921
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	7,201	6,921

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended September 30, 2024	Fiscal year ended September 30, 2025
Profit	7,201	6,921
Other comprehensive income		
Valuation difference on available-for-sale securities	(249)	(864)
Foreign currency translation adjustment	(1,180)	2,223
Remeasurements of defined benefit plans, net of tax	75	628
Total other comprehensive income	(1,355)	1,987
Comprehensive income	5,846	8,909
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,846	8,909
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated statements of changes in equity

Fiscal year ended September 30, 2024 (from October 1, 2023 to September 30, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,364	7,513	86,019	(2,556)	96,341
Changes during period					
Change in scope of consolidation					—
Dividends of surplus			(2,551)		(2,551)
Profit attributable to owners of parent			7,201		7,201
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares					—
Change in ownership interest of parent due to transactions with non-controlling interests					—
Net changes in items other than shareholders' equity					—
Total changes during period	—	—	4,650	(0)	4,650
Balance at end of period	5,364	7,513	90,670	(2,556)	100,991

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	6,554	13,352	(223)	19,682	295	116,319
Changes during period						
Change in scope of consolidation						—
Dividends of surplus						(2,551)
Profit attributable to owners of parent						7,201
Purchase of treasury shares						(0)
Disposal of treasury shares						—
Change in ownership interest of parent due to transactions with non-controlling interests						—
Net changes in items other than shareholders' equity	(249)	(1,180)	75	(1,355)	67	(1,287)
Total changes during period	(249)	(1,180)	75	(1,355)	67	3,362
Balance at end of period	6,304	12,171	(148)	18,327	362	119,681

Fiscal year ended September 30, 2025 (from October 1, 2024 to September 30, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,364	7,513	90,670	(2,556)	100,991
Changes during period					
Change in scope of consolidation					–
Dividends of surplus			(3,116)		(3,116)
Profit attributable to owners of parent			6,921		6,921
Purchase of treasury shares				(2,238)	(2,238)
Disposal of treasury shares		5		20	25
Change in ownership interest of parent due to transactions with non-controlling interests					–
Net changes in items other than shareholders' equity					–
Total changes during period	–	5	3,805	(2,217)	1,593
Balance at end of period	5,364	7,518	94,475	(4,774)	102,585

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	6,304	12,171	(148)	18,327	362	119,681
Changes during period						
Change in scope of consolidation						–
Dividends of surplus						(3,116)
Profit attributable to owners of parent						6,921
Purchase of treasury shares						(2,238)
Disposal of treasury shares						25
Change in ownership interest of parent due to transactions with non-controlling interests						–
Net changes in items other than shareholders' equity	(864)	2,223	628	1,987	61	2,049
Total changes during period	(864)	2,223	628	1,987	61	3,643
Balance at end of period	5,439	14,394	480	20,315	424	123,324

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended September 30, 2024	Fiscal year ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	10,170	9,794
Depreciation	4,038	4,226
Amortization of goodwill	982	1,195
Loss on rebuilding	293	–
Increase (decrease) in long-term accounts payable - other	(16)	(11)
Share-based payment expenses	67	87
Increase (decrease) in provision for bonuses	391	(49)
Increase (decrease) in provision for bonuses for directors (and other officers)	15	(33)
Increase (decrease) in allowance for doubtful accounts	49	(2)
Increase (decrease) in retirement benefit liability	72	10
Decrease (increase) in retirement benefit asset	0	1
Interest and dividend income	(538)	(614)
Interest expenses	24	22
Foreign exchange losses (gains)	31	(34)
Loss (gain) on sale of property, plant and equipment	(2)	(3)
Loss on abandonment of non-current assets	59	59
Loss (gain) on sale and valuation of investment securities	(800)	(714)
Decrease (increase) in trade receivables	(657)	628
Decrease (increase) in inventories	383	(476)
Increase (decrease) in trade payables	885	(556)
Increase (decrease) in accrued consumption taxes	405	(367)
Other, net	559	657
Subtotal	16,415	13,819
Interest and dividends received	575	634
Interest paid	(24)	(22)
Income taxes paid	(3,018)	(3,184)
Net cash provided by (used in) operating activities	13,947	11,247
Cash flows from investing activities		
Payments into time deposits	(3,136)	(4,398)
Proceeds from withdrawal of time deposits	3,502	1,333
Purchase of securities	(4,999)	–
Proceeds from redemption of securities	5,000	–
Purchase of property, plant and equipment	(3,138)	(2,932)
Proceeds from sale of property, plant and equipment	4	4
Payments for retirement of property, plant and equipment	(20)	(48)
Purchase of intangible assets	(818)	(1,700)
Purchase of investment securities	(49)	(53)
Proceeds from sale of investment securities	907	879
Purchase of shares of subsidiaries	(6,637)	–
Net cash provided by (used in) investing activities	(9,386)	(6,914)

(Millions of yen)

	Fiscal year ended September 30, 2024	Fiscal year ended September 30, 2025
Cash flows from financing activities		
Purchase of treasury shares	(0)	(2,238)
Repayments of lease liabilities	(148)	(137)
Dividends paid	(2,549)	(3,113)
Net cash provided by (used in) financing activities	(2,699)	(5,489)
Effect of exchange rate change on cash and cash equivalents	133	470
Net increase (decrease) in cash and cash equivalents	1,995	(684)
Cash and cash equivalents at beginning of period	29,957	31,952
Cash and cash equivalents at end of period	31,952	31,267

(5) Notes to consolidated financial statements

(Uncertainties of entity's ability to continue as going concern)

Not applicable.

(Changes in significant accounting policies for preparation of consolidated financial statements)

(Significant change in scope of consolidation)

T. HASEGAWA FLAVOURS (PINGHU) CO., LTD. has been included in the scope of consolidation due to its new establishment in the fiscal year ended September 30, 2025.

(Notes on changes in accounting policies)

The Company has applied the "Accounting Standard for Current Income Taxes" (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the "Revised Accounting Standard of 2022"), etc. from the beginning of the fiscal year ended September 30, 2025. Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of paragraph 65-2 (2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; the "Revised Guidance of 2022"). This change in accounting policies has no impact on the consolidated financial statements.

In addition, for changes related to the revised treatment in consolidated financial statements when a gain or loss on sale arising from the sale of shares of subsidiaries, etc. among consolidated companies is deferred for tax purposes, the Revised Guidance of 2022 has been applied from the beginning of the fiscal year ended September 30, 2025. This change in accounting policies has been applied retrospectively, and is reflected after retrospective application in the consolidated financial statements for the previous fiscal year. There is no impact on the consolidated financial statements for the previous fiscal year as a result of this change in accounting policy.

(Notes to segment information, etc.)**[Segment information]****1. Overview of reportable segments**

The reportable segments of the Group are components of the Group for which discrete financial information is available and regularly reviewed by the Board of Directors of the Company to make decisions about allocation of managerial resources and to assess their performance.

The Group manufactures and sells various fragrances and flavors. Local corporations in China, Malaysia, and the USA are in charge of their manufacturing and sales, and local corporations in Indonesia, Thailand, and Taiwan are in charge of their sales. The Company is responsible for all other countries and Japan. The local corporations are independent operation units, and based on the global strategy formulated by the Company, they draft a strategic plan for the respective region and carry out business activities. Accordingly, the Group consists of segments by the location of each company that is based on manufacturing and sales structures, and there are three reporting segments, Japan, Asia, and the USA.

2. Calculation method of net sales, profit or loss, assets, and other items for each reportable segment

The methods of accounting for reporting segments are in accordance with the accounting policies adopted to prepare the consolidated financial statements.

Profit of each reportable segment is an amount based on operating profit. Inter-segment sales or transfers are based on current market prices.

3. Information on net sales, profit or loss, assets, and other items for each reportable segment and information on disaggregation of revenue

Fiscal year ended September 30, 2024 (from October 1, 2023 to September 30, 2024)

	Reportable segment				Adjustment (Note 1) (Note 2)	Amount recorded on the consolidated financial statements (Note 3)
	Japan	Asia	USA	Total		
Net sales						
Flavor and fragrance business (Note 4)	39,543	16,971	15,130	71,645	—	71,645
Revenue from contracts with customers	39,543	16,971	15,130	71,645	—	71,645
Sales to external customers	39,543	16,971	15,130	71,645	—	71,645
Inter-segment sales or transfers	2,822	169	212	3,204	(3,204)	—
Total	42,366	17,140	15,342	74,850	(3,204)	71,645
Segment profit	4,947	4,045	332	9,324	46	9,371
Segment assets	117,579	27,614	38,614	183,807	(39,302)	144,504
Other items						
Depreciation	1,837	808	1,392	4,038	—	4,038
Interest income	39	150	124	314	(32)	282
Interest expenses	18	4	34	57	(33)	24
Increase in property, plant and equipment and intangible assets	2,051	688	919	3,658	—	3,658

- Notes: 1. The adjustments on segment profit of ¥46 million include ¥114 million of inter-segment transactions, negative ¥24 million of adjustments for inventories related to inter-segment transactions, and negative ¥42 million for others.
2. The adjustments for segment assets of negative ¥39,302 million include negative ¥38,956 million of adjustments for inter-segment transaction and corporate assets, and negative ¥346 million of adjustments for inventories related to inter-segment transactions, and ¥0 million for others.
3. Segment profit is adjusted to operating profit on the consolidated financial statements.

4. The Flavor and fragrance business is composed mainly of the manufacturing and sales of flavors and fragrances, and the net sales of the Flavor and fragrance business are composed mainly of revenue from goods transferred to customers at a specific point in time.
5. As stated in “Business combinations,” the provisional accounting treatment for a business combination was finalized in the fiscal ended September 30, 2025, and a significant revision was made to the initially allocated acquisition costs. Accordingly, the figures of the segment information for the previous fiscal year reflect that revision.

Fiscal year ended September 30, 2025 (from October 1, 2024 to September 30, 2025)

(Millions of yen)

	Reportable segment				Adjustment (Note 1) (Note 2)	Amount recorded on the consolidated financial statements (Note 3)
	Japan	Asia	USA	Total		
Net sales						
Flavor and fragrance business (Note 4)	39,783	17,826	15,885	73,495	—	73,495
Revenue from contracts with customers	39,783	17,826	15,885	73,495	—	73,495
Sales to external customers	39,783	17,826	15,885	73,495	—	73,495
Inter-segment sales or transfers	2,765	194	130	3,089	(3,089)	—
Total	42,549	18,020	16,015	76,584	(3,089)	73,495
Segment profit or loss	3,789	4,892	(286)	8,395	119	8,515
Segment assets	119,086	32,858	39,977	191,922	(44,771)	147,151
Other items						
Depreciation	1,851	802	1,572	4,226	—	4,226
Interest income	39	181	171	393	(28)	364
Interest expenses	18	3	28	50	(28)	22
Increase in property, plant and equipment and intangible assets	2,506	1,551	1,105	5,164	—	5,164

- Notes:
1. The adjustments on segment profit or loss of ¥119 million include ¥133 million of inter-segment transactions, negative ¥11 million of adjustments for inventories related to inter-segment transactions, and negative ¥2 million for others.
 2. The adjustments for segment assets of negative ¥44,771 million include negative ¥44,407 million of adjustments for inter-segment transaction and corporate assets, and negative ¥364 million of adjustments for inventories related to inter-segment transactions, and ¥0 million for others.
 3. Segment profit or loss is adjusted to operating profit on the consolidated financial statements.
 4. The Flavor and fragrance business is composed mainly of the manufacturing and sales of flavors and fragrances, and the net sales of the Flavor and fragrance business are composed mainly of revenue from goods transferred to customers at a specific point in time.

[Related information]

Fiscal year ended September 30, 2024 (from October 1, 2023 to September 30, 2024)

1. Information for each product or service

(Millions of yen)

	Fragrance	Flavor	Total
Sales to external customers	7,975	63,669	71,645

2. Information for each region

(1) Net sales

(Millions of yen)

Japan	China	Asia	USA	Others	Total
36,928	12,031	7,531	14,080	1,074	71,645

Note: Net sales are classified by country or region based on customers' location.

(2) Property, plant and equipment

(Millions of yen)

Japan	China	Asia	USA	Others	Total
18,889	7,221	1,278	8,977	—	36,367

Note: Property, plant and equipment are classified by country or region based on their location.

3. Information for each of main customers

Not applicable.

Fiscal year ended September 30, 2025 (from October 1, 2024 to September 30, 2025)

1. Information for each product or service

(Millions of yen)

	Fragrance	Flavor	Total
Sales to external customers	7,666	65,828	73,495

2. Information for each region

(1) Net sales

(Millions of yen)

Japan	China	Asia	USA	Others	Total
37,075	12,493	7,850	14,829	1,246	73,495

Note: Net sales are classified by country or region based on customers' location.

(2) Property, plant and equipment

(Millions of yen)

Japan	China	Asia	USA	Others	Total
18,797	6,816	1,791	9,589	—	36,994

Note: Property, plant and equipment are classified by country or region based on their location.

3. Information for each of main customers

Not applicable.

[Information on impairment losses on non-current assets for each reportable segment]

Fiscal year ended September 30, 2024 (from October 1, 2023 to September 30, 2024)

(Millions of yen)

Japan	China	Asia	USA	Others	Total
89	—	—	—	—	89

Note: Recorded as a loss on rebuilding.

Fiscal year ended September 30, 2025 (from October 1, 2024 to September 30, 2025)

(Millions of yen)

Japan	China	Asia	USA	Others	Total
—	—	—	—	—	—

[Information on amortization and unamortized balance of goodwill for each reportable segment]

Fiscal year ended September 30, 2024 (from October 1, 2023 to September 30, 2024)

(Millions of yen)

	Japan	Asia	USA	Others	Total
Amortization in the fiscal year	—	171	811	—	982
Unamortized balance at end of the fiscal year	—	46	8,104	—	8,150

Fiscal year ended September 30, 2025 (from October 1, 2024 to September 30, 2025)

(Millions of yen)

	Japan	Asia	USA	Others	Total
Amortization in the fiscal year	—	45	1,149	—	1,195
Unamortized balance at end of the fiscal year	—	—	7,306	—	7,306

[Information about gain on bargain purchase for each reportable segment]

Fiscal year ended September 30, 2024 (from October 1, 2023 to September 30, 2024)

Not applicable.

Fiscal year ended September 30, 2025 (from October 1, 2024 to September 30, 2025)

Not applicable.

(Notes to business combinations)

Finalization of provisional accounting treatment for business combinations

The Company's consolidated subsidiary T. HASEGAWA U.S.A., INC. conducted a business combination with ABELEI, INC. on September 3, 2024 (deemed acquisition date: September 30, 2024). This business combination was accounted on a provisional basis in the previous fiscal year and finalized in the fiscal year ended September 30, 2025. With the finalization of this provisional accounting treatment, a significant revision was made to the initial allocation of acquisition costs. As a result, the provisionally calculated goodwill amount of ¥4,997 million decreased by ¥1,704 million to ¥3,292 million. The decrease in goodwill due to the finalization of accounting treatment was mainly due to a ¥2,032 million increase in customer relationship.

There is no impact on the consolidated statements of income and consolidated statements of comprehensive income for the previous fiscal year.

Goodwill is amortized over a period of 10 years and customer relationship is amortized over a period of 20 years.

(Notes to per share information)

(Yen)

Fiscal year ended September 30, 2024 (from October 1, 2023 to September 30, 2024)		Fiscal year ended September 30, 2025 (from October 1, 2024 to September 30, 2025)	
Net assets per share	2,899.96	Net assets per share	3,038.39
Earnings per share	175.04	Earnings per share	169.50
Diluted earnings per share	174.27	Diluted earnings per share	168.63

Note: Basis for calculation of earnings per share and diluted earnings per share is as follows.

	Fiscal year ended September 30, 2024 (from October 1, 2023 to September 30, 2024)	Fiscal year ended September 30, 2025 (from October 1, 2024 to September 30, 2025)
Earnings per share		
Profit attributable to owners of parent (Millions of yen)	7,201	6,921
Amounts not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent pertaining to common shares (Millions of yen)	7,201	6,921
Average number of shares during the period (Shares)	41,145,243	40,836,440
Diluted earnings per share		
Adjustments to profit attributable to owners of parent (Millions of yen)	—	—
Increase in the number of common shares (Shares)	180,918	210,959
[Of the above, share acquisition rights (Shares)]	[180,918]	[210,959]

(Notes to significant subsequent event)

(Business combination by share acquisition)

The Company resolved at an extraordinary Board of Directors meeting held on August 4, 2025, to acquire shares of Hoàng Anh Flavors and Food Ingredients Joint Stock Company, which is engaged in the production and sales of flavors and food ingredients in the Socialist Republic of Vietnam (“Vietnam”). The conclusion of a share purchase agreement with existing shareholders was completed on August 15, and the necessary procedures within the Company related to this acquisition were being advanced. Having now fulfilled the prerequisites, such as obtaining acquisition approval from the Vietnamese authorities, the Company is set to formally acquire the shares of the company.

1. Outline of business combination

(i) Name of acquiree and its business content

Name of acquiree	Hoàng Anh Flavors and Food Ingredients Joint Stock Company (“Hoang Anh”)
Nature of business	Production and sales of flavors and ingredients

(ii) Main reason for business combination

Under its basic strategy of efficiently deploying management resources and steadily developing its global operations, the Group focuses on Japan, the United States, and on the Asian region, particularly China and Southeast Asia. Within Southeast Asia, Vietnam is viewed as an attractive market due to its remarkable growth. Since its establishment in 1998 as Vietnam’s first flavor company based in Ho Chi Minh City, Hoang Anh has built a strong customer base including top-tier beverage and food manufactures in Vietnam and large Japanese companies. It has steadily expanded its business by manufacturing and selling flavors and food ingredients. Their flavor products, as their main products, consisting of sweet flavors for dairy and beverages and savory flavors for instant noodles, are widely used across Vietnam as ingredients for soft drinks, dairy products, powdered soups, snacks, and other items. There is limited overlap with the Group’s existing customer network, indicating a high level of complementarity and potential for expanding our sales channels in Vietnam. Furthermore, this acquisition is expected to create synergies in our flavor business, which is a key strength of the Group. Therefore, we have decided to acquire shares in Hoang Anh to achieve further growth in the Vietnamese and Southeast Asian markets.

(iii) Date of business combination

Undetermined (Share transfer execution date is scheduled for November 2025)

(iv) Legal form of business combination

Share acquisition in consideration for cash

(v) Name of company after combination

Unchanged.

(vi) Ratio of voting rights after acquisition

100.0%

2. Acquisition cost of acquiree and breakdown by type of consideration

Consideration for acquisition	Cash and deposits	VND 725,000 million (approximately ¥4,423 million)
Acquisition cost		VND 725,000 million (approximately ¥4,423 million)

3. Details and amounts of major acquisition-related expenses

Remuneration processing fees, etc. for advisory services; not yet finalized.

4. Amount of goodwill recognized, the reason for recognition, and the method and period of amortization

Not finalized as of this time.

5. Amounts of assets received and liabilities assumed on the date of the business combination and the major components thereof

Not finalized as of this time.

(Introduction of Restricted Stock Compensation Plan)

The Company resolved at the Board of Directors' meeting held on November 7, 2025, to review the executive compensation system and introduce a Restricted Stock Compensation Plan (the "Plan"). It also resolved to submit a proposal regarding the Plan (the "Proposal") to the 64th Annual General Meeting of Shareholders scheduled to be held on December 18, 2025 (the "General Meeting of Shareholders").

1. Purpose of introducing the Plan

The Plan is being introduced with the aim of providing an incentive for the continuous enhancement of the Company's corporate value and promote value sharing between the Company's Directors and shareholders by allotting restricted shares to Directors (excluding outside Directors, hereinafter referred to as "Eligible Directors") and having them hold the Company's shares.

2. Overview of the Plan

- (1) Conditions for introducing the Plan

Under the Plan, monetary claims of compensation will be granted to the Eligible Directors for the allotment of restricted share, and the Eligible Directors will receive shares of the Company's common shares issued or disposed of by the Company by contributing such monetary claims in kind. Accordingly, the introduction of the Plan is conditional upon obtaining shareholders' approval for the provision of such compensation at the General Meeting of Shareholders. With regard to the amount of compensation for Directors of the Company, it was approved at the 60th Annual General Meeting of Shareholders held on December 22, 2021 and 56th Annual General Meeting of Shareholders held on December 21, 2017, that the annual compensation shall be not more than ¥500 million (of which no more than ¥50 million shall be paid to Outside Directors, excluding employee salaries of Directors who concurrently serve as employees). In addition, at the 54th Annual General Meeting of Shareholders that convened on December 17, 2015, separate from the aforementioned compensation framework, the compensation framework for compensation-type stock options for Eligible Directors was approved as no more than ¥140 million per annum, and no more than 2,000 share acquisition rights to be allocated (total number of shares of the intended class: 200,000 shares of common shares). At the General Meeting of Shareholders, the Company plans to request shareholders' approval to newly introduce the Plan and to establish a compensation framework for Eligible Directors under the Plan that is separate from the aforementioned compensation framework. Contingent on approval and adoption of the Proposal at the General Meeting of Shareholders, the current compensation-type stock option system will be abolished, and no new compensation-type stock options will be issued thereafter.

- (2) Overview of the compensation framework for Directors

The total amount of monetary claims to be provided to Eligible Directors under the Plan shall be no more than ¥150 million per annum (excluding the amount of employee's salaries portion for Directors who are also employees). Additionally, the total number of the Company's common shares to be issued or disposed of by the Company under the Plan will be within 170,000 shares per year. However, if, on or after the effective date of the day on which the Proposal is approved and adopted, the Company performs a share split (including allotment of shares without contribution) or a reverse share split of its common shares, the relevant total number shall be reasonably adjusted, as necessary, in accordance with the share split or reverse share split ratio, effective from the said effective date. Eligible Directors shall pay in all monetary claims provided by the Company under the Plan as assets contributed in kind and shall receive the issuance or disposition of the Company's common shares. The amount to be paid per one share of the Company's common shares to be issued or disposed of shall be determined by the Board of Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day preceding the date of the relevant Board resolution (or, if no trading occurred on that day, the closing price on the immediately preceding trading day), within the scope that does not constitute an amount particularly favorable to the Eligible Directors receiving such common shares. The specific timing and allocation for each Eligible Director shall be determined by the Board of Directors after receiving a recommendation from the Compensation Committee.

(3) Restricted share allotment agreement

In issuing or disposing of the common shares of the Company based on the Plan, a restricted share allotment agreement will be concluded between the Company and the Eligible Directors. The main contents of this agreement are as follows.

- (i) The Eligible Directors shall not transfer, create a security interest on, or otherwise dispose of the allotted shares for a certain period of time.
- (ii) In the event that certain specified circumstances arise, the Company shall acquire the allocated shares without compensation. The common shares of the Company allotted to the Eligible Directors are expected to be managed in a dedicated account opened by the Eligible Directors during the transfer restriction period, ensuring that they cannot be transferred, pledged, or otherwise disposed of during this period.

(Reference)

Contingent on approval and adoption of the Proposal at the General Meeting of Shareholders, the Company also plans to grant restricted shares with the same terms as above to the Company's Senior Vice Presidents, Group Executive Officers (residents in Japan), and fellows, based on a resolution by the Board of Directors of the Company.