Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2024 (Based on Japanese GAAP)

August 9, 2024

Company name: Hodogaya Chemical Co., Ltd.

Stock exchange listing: Tokyo

Stock code: 4112 URL https://www.hodogaya.co.jp/

Representative: President Yuto Matsumoto

General Manager, Corporate Planning Inquiries:

Yasuhiro Mohri TEL 03-6852-0327

Department Department

Scheduled date to commence dividend payments:

Preparation of supplementary material on financial results:

Yes
Holding of financial results meeting:

No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(1) Consolidated operating results (cumulative)

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	%
Three months ended June 30, 2024	14,489	44.3	2,842	742.8	3,218	318.5	1,708	362.0
Three months ended June 30, 2023	10,041	0.8	337	(66.3)	768	(45.2)	369	(44.4)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	215.12	=
Three months ended June 30, 2023	46.63	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	84,213	60,737	59.1
As of March 31, 2024	81,157	57,443	58.8

2. Cash dividends

		Annual dividends per share					
	1st quarter-end	1st quarter-end 2nd quarter-end 3rd quarter-end Fiscal year-end Total					
	Yen	Yen	Yen	Yen	Yen		
Year ended March 31, 2024	=	37.50	_	37.50	75.00		
Year ending March 31, 2025	_						
Year ending March 31, 2025 (Forecast)		42.50	-	42.50	85.00		

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating pr	ofit	Ordinary pro	ofit	Profit attributa owners of pa		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	48,000	8.4	4,500	13.9	4,800	1.9	2,700	8.8	340.27

4. Notes

(1) Significant changes in the scope of consolidation during the three months ended June 30, 2024:

No

(2) Application of special accounting methods for preparing quarterly consolidated financial statements:

Yes

(3) 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 No Changes in accounting estimates: No

Restatement of prior period financial statements:

(4) Number of issued shares (common shares)

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

8,413,726 shares	As of March 31, 2024	 	8,413,726 shares
period			
469,343 shares	As of March 31, 2024	1	477,374 shares
d (cumulative from the beg	ginning of the fiscal year)		
7,942,438 shares	Three months ended June 30, 2023	1	7,930,533 shares
	period 469,343 shares d (cumulative from the beg	8,413,726 shares As of March 31, 2024 e period 469,343 shares As of March 31, 2024 d (cumulative from the beginning of the fiscal year) 7,942,438 shares Three months ended June 30, 2023	d (cumulative from the beginning of the fiscal year)

Quarterly consolidated financial statements Consolidated balance sheets

		(Millions of yen)
	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	12,965	13,659
Notes and accounts receivable - trade, and contract assets	12,266	11,891
Merchandise and finished goods	7,708	7,413
Work in process	2,190	2,453
Raw materials and supplies	2,736	3,246
Other	827	1,158
Allowance for doubtful accounts	(18)	(23)
Total current assets	38,675	39,800
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,542	9,675
Land	11,733	11,752
Other, net	8,390	8,437
Total property, plant and equipment	28,665	29,865
Intangible assets		
Goodwill	22	19
Software	225	209
Other	310	587
Total intangible assets	558	815
Investments and other assets		
Investment securities	10,885	11,142
Long-term loans receivable	145	156
Deferred tax assets	364	519
Other	1,881	1,930
Allowance for doubtful accounts	(17)	(17)
Total investments and other assets	13,258	13,731
Total non-current assets	42,482	44,412
Total assets	81,157	84,213
-		

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,130	4,910
Short-term borrowings	5,040	5,185
Income taxes payable	883	786
Provisions	592	354
Contract liabilities	57	8
Other	3,065	3,570
Total current liabilities	14,770	14,815
Non-current liabilities		
Long-term borrowings	4,346	4,005
Provisions	235	226
Deferred tax liabilities	2,253	2,341
Deferred tax liabilities for land revaluation	1,228	1,228
Retirement benefit liability	94	79
Asset retirement obligations	138	153
Other	646	624
Total non-current liabilities	8,943	8,659
Total liabilities	23,714	23,475
Net assets		
Shareholders' equity		
Share capital	11,196	11,196
Capital surplus	7,933	7,933
Retained earnings	20,660	22,063
Treasury shares	(1,593)	(1,567)
Total shareholders' equity	38,197	39,626
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,415	4,587
Revaluation reserve for land	2,784	2,784
Foreign currency translation adjustment	2,337	2,774
Total accumulated other comprehensive income	9,537	10,146
Non-controlling interests	9,708	10,964
Total net assets	57,443	60,737
Total liabilities and net assets	81,157	84,213

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

Consolidated statements of income (cumulative)

		(Millions of yen)
	Three months ended	Three months ended
	June 30, 2023	June 30, 2024
Net sales	10,041	14,489
Cost of sales	6,577	7,783
Gross profit	3,463	6,705
Selling, general and administrative expenses	3,126	3,863
Operating profit	337	2,842
Non-operating income		
Interest income	46	40
Dividend income	155	158
Rental income from non-current assets	14	13
Foreign exchange gains	227	209
Miscellaneous income	32	9
Total non-operating income	475	431
Non-operating expenses		
Interest expenses	19	19
Environmental maintenance expenses	18	34
Miscellaneous losses	6	1
Total non-operating expenses	43	55
Ordinary profit	768	3,218
Extraordinary income		
Gain on sale of non-current assets	0	0
Total extraordinary income	0	0
Extraordinary losses	-	
Loss on retirement of non-current assets	8	11
Impairment losses	_	52
Total extraordinary losses	8	64
Profit before income taxes	760	3,154
Income taxes	228	322
Profit	532	2,831
Profit attributable to non-controlling interests	162	1,123
Profit attributable to owners of parent	369	1,708

Consolidated statements of comprehensive income (cumulative)

		(without or year)
	Three months ended	Three months ended
	June 30, 2023	June 30, 2024
Profit	532	2,831
Other comprehensive income		
Valuation difference on available-for-sale securities	328	171
Foreign currency translation adjustment	1,167	762
Total other comprehensive income	1,495	934
Comprehensive income	2,027	3,766
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,364	2,316
Comprehensive income attributable to non-controlling	663	1,449
interests	003	1,449

Consolidated statements of cash flows

June 30, 2023 June 30, 2024 Cash flows from operating activities 760 3 Profit before income taxes 760 3 Depreciation 523 - Impairment losses - - Amortization of goodwill 3 - Increase (decrease) in provisions (238) - Increase (decrease) in retirement benefit liability 3 - Interest and dividend income (201) - Interest expenses 19 - Foreign exchange losses (gains) (28) - Loss (gain) on sale of property, plant and equipment 8 - Loss (gain) on sale of property, plant and equipment (0) - Decrease (increase) in trade receivables 2,222 - Decrease (increase) in trade payables 117 - Increase (decrease) in trade payables 117 - Increase (decrease) in accrued consumption taxes (17) - Other, net (115) - Subtotal 2,808 2			(Millions of yen)
Profit before income taxes		Three months ended	Three months ended
Profit before income taxes 760 Depreciation 523 Impairment losses - Amortization of goodwill 3 Increase (decrease) in provisions (238) Increase (decrease) in retirement benefit liability 3 Interest and dividend income (201) Interest and dividend income (201) Interest expenses 19 Foreign exchange losses (gains) (28) Loss on retirement of property, plant and equipment 8 Loss (gain) on sale of property, plant and equipment (0) Decrease (increase) in trade receivables 2,222 Decrease (increase) in inventories (308) Increase (decrease) in inventories (308) Increase (decrease) in accrued consumption taxes (17) Other, net (115) Subtotal 2,808 Interest paid (21) Increase (decrease) in accrued consumption taxes (115) Subtotal 2,808 Interest paid (21) Increase (decrease) in ecrued consumption taxes (261) <td< th=""><th></th><th>June 30, 2023</th><th>June 30, 2024</th></td<>		June 30, 2023	June 30, 2024
Depreciation 523 Impairment losses -	Cash flows from operating activities		
Impairment losses Amortization of goodwill Increase (decrease) in provisions Increase (decrease) in retirement benefit liability Increase (decrease) in retirement benefit liability Interest and dividend income Interest expenses Interest and dividend income Interest expenses Interest of property, plant and equipment Interest expenses Interease (increase) in trade receivables Increase (increase) in trade receivables Increase (increase) in trade payables Increase (decrease) in trade payables Increase (decrease) in accrued consumption taxes Interest (Intreest (Intreest) Interest (Intreest) Interest (Intreest) Interest (Intreest) Interest and dividends received Interest and dividends received Interest paid	Profit before income taxes	760	3,154
Amortization of goodwill Increase (decrease) in provisions Increase (decrease) in retirement benefit liability Interest and dividend income Interest expenses Interest and event of property, plant and equipment Loss (gain) on sale of property, plant and equipment Loss (gain) on sale of property, plant and equipment Loss (gain) on sale of property, plant and equipment Loss (gain) on sale of property, plant and equipment Loss (gain) on sale of property, plant and equipment Lose (gain) on sale of property, plant and equipment Lose (gain) on sale of property, plant and equipment Lose (increase) in trade receivables Lose (increase) in inventories (308) Increase (decrease) in inventories (308) Increase (decrease) in accrued consumption taxes (117) Other, net Increase (decrease) in accrued consumption taxes (118) Subtotal Lose (4115) Subtotal Lose (421) Income taxes paid Lose from investing activities Payments into time deposits Payments into time deposits (105) Proceeds from withdrawal of time deposits Proceeds from withdrawal of time deposits (1,175) Increases (1,175) Increase (1,175)	Depreciation	523	613
Increase (decrease) in provisions	Impairment losses	_	52
Increase (decrease) in retirement benefit liability	Amortization of goodwill	3	3
Interest and dividend income	Increase (decrease) in provisions	(238)	(216
Interest expenses 19	Increase (decrease) in retirement benefit liability	3	(15
Foreign exchange losses (gains)	Interest and dividend income	(201)	(199
Loss on retirement of property, plant and equipment Loss (gain) on sale of property, plant and equipment (0) Decrease (increase) in trade receivables 2,222 Decrease (increase) in inventories (308) Increase (decrease) in trade payables Increase (decrease) in trade payables Increase (decrease) in other assets/liabilities Increase (decrease) in accrued consumption taxes (17) Other, net (115) Subtotal Interest and dividends received Interest and dividends received Interest paid (21) Income taxes paid (261) Net cash provided by (used in) operating activities Payments into time deposits Payments into time deposits Purchase of property, plant and equipment and intangible assets Payments for retirement of property, plant and equipment and intangible assets Purchase of investment securities (0) Loan advances (166) Proceeds from collection of loans receivable Payments of guarantee deposits (31)	Interest expenses	19	19
Loss (gain) on sale of property, plant and equipment Decrease (increase) in trade receivables Decrease (increase) in inventories Increase (decrease) in inventories Increase (decrease) in trade payables Increase (decrease) in other assets/liabilities Increase (decrease) in accrued consumption taxes Other, net Subtotal Interest and dividends received Interest and dividends received Interest paid Interest paid Income taxes paid Net cash provided by (used in) operating activities Payments into time deposits Payments into time deposits Proceeds from withdrawal of time deposits Payments for retirement of property, plant and equipment Proceeds from sale of property, plant and equipment and intangible assets Purchase of investment securities Outper taxes paid (1,175) (1	Foreign exchange losses (gains)	(28)	(62
Decrease (increase) in trade receivables	Loss on retirement of property, plant and equipment	8	11
Decrease (increase) in inventories Increase (decrease) in trade payables Increase (decrease) in trade payables Increase (decrease) in trade payables Increase (decrease) in accrued consumption taxes Increase (decrease) in accrued consumption taxes Other, net Subtotal Interest and dividends received Interest paid Interest paid Income taxes paid Net cash provided by (used in) operating activities Payments into time deposits Payments into time deposits Purchase of property, plant and equipment and intangible assets Payments for retirement of property, plant and equipment and intangible assets Purchase of investment securities Other, net Interest and dividends received Interest paid	Loss (gain) on sale of property, plant and equipment	(0)	(0
Increase (decrease) in trade payables Increase/decrease in other assets/liabilities Increase (decrease) in accrued consumption taxes Increase (decrease) in accrued consumption taxes Other, net Subtotal Subtotal Interest and dividends received Interest paid Interest paid Income taxes paid Income taxes paid Net cash provided by (used in) operating activities Payments into time deposits Payments into time deposits Proceeds from withdrawal of time deposits Purchase of property, plant and equipment and intangible assets Payments for retirement of property, plant and equipment and intangible assets Purchase of investment securities Other proceeds from collection of loans receivable Payments of guarantee deposits (117) (115) (126) (127) (137) (147) (158) (169) (160) (175) (17	Decrease (increase) in trade receivables	2,222	442
Increase/decrease in other assets/liabilities Increase (decrease) in accrued consumption taxes Increase (decrease) in accrued consumption taxes Other, net Subtotal Interest and dividends received Interest paid Interest paid Income taxes paid Interest provided by (used in) operating activities Cash flows from investing activities Payments into time deposits Proceeds from withdrawal of time deposits Purchase of property, plant and equipment and intangible assets Payments for retirement of property, plant and equipment and intangible assets Purchase of investment securities Purchase of investment and intangible and intangible and intangible and intangible and intangible	Decrease (increase) in inventories	(308)	(270
Increase (decrease) in accrued consumption taxes Other, net Subtotal Subtotal Interest and dividends received Interest paid Interest paid Income taxes paid Net eash provided by (used in) operating activities Payments into time deposits Payments into time deposits Purchase of property, plant and equipment and intangible assets Payments for retirement of property, plant and equipment and intangible assets Purchase of investment securities Purchase of inve	Increase (decrease) in trade payables	117	(296
Other, net (115) Subtotal 2,808 2 Interest and dividends received 187 Interest paid (21) Income taxes paid (261) Net cash provided by (used in) operating activities 2,713 2 Cash flows from investing activities Payments into time deposits (105) (2 Proceeds from withdrawal of time deposits 1,078 Purchase of property, plant and equipment and intangible assets Payments for retirement of property, plant and equipment (0) Proceeds from sale of property, plant and equipment and intangible assets Purchase of investment securities (0) Loan advances (16) Proceeds from collection of loans receivable 8 Payments of guarantee deposits (31)	Increase/decrease in other assets/liabilities	60	(111
Subtotal 2,808 2 Interest and dividends received 187 Interest paid (21) Income taxes paid (261) Net cash provided by (used in) operating activities 2,713 2 Cash flows from investing activities Payments into time deposits (105) (2 Proceeds from withdrawal of time deposits 1,078 Purchase of property, plant and equipment and intangible assets Payments for retirement of property, plant and equipment (0) Proceeds from sale of property, plant and equipment and intangible assets Purchase of investment securities (0) Loan advances (16) Proceeds from collection of loans receivable 8 Payments of guarantee deposits (31)	Increase (decrease) in accrued consumption taxes	(17)	(332
Interest and dividends received Interest paid Interest paid Income taxes paid (21) Income taxes paid (261) Net cash provided by (used in) operating activities Cash flows from investing activities Payments into time deposits Proceeds from withdrawal of time deposits Purchase of property, plant and equipment and intangible assets Payments for retirement of property, plant and equipment Proceeds from sale of property, plant and equipment and intangible assets Purchase of investment securities Loan advances Payments of guarantee deposits (16) Proceeds from collection of loans receivable Payments of guarantee deposits (21) (21) (26) (27) (27) (27) (27) (27) (27) (27) (27	Other, net	(115)	(113
Interest paid (21) Income taxes paid (261) Net cash provided by (used in) operating activities 2,713 2 Cash flows from investing activities Payments into time deposits Proceeds from withdrawal of time deposits Purchase of property, plant and equipment and intangible assets Payments for retirement of property, plant and equipment and intangible assets Purchase of investment securities Purchase of investment securities Loan advances Payments of guarantee deposits (1) (2) (2) (2) (3) (4) (5) (6) (7) (7) (8) (8) (9) (9) (1) (1) (1) (1) (1) (1) (1) (1) (2) (2) (1) (2) (1) (2) (1) (2) (1) (2) (1) (2) (1) (2) (1) (2) (1) (2) (1) (2) (2) (1) (2) (2) (1) (2) (2) (1) (2) (2) (1) (2) (2) (1) (2) (2) (1) (2) (2) (1) (2) (2) (1) (2) (2) (1) (2) (2) (1) (2) (2) (1) (2) (2) (2) (1) (2) (2) (1) (2) (2) (2) (2) (1) (2) (2) (2) (1) (2) (2) (2) (2) (2) (2) (1) (2) (2) (2) (2) (2) (2) (2) (2) (2) (2	Subtotal	2,808	2,679
Income taxes paid Net cash provided by (used in) operating activities Cash flows from investing activities Payments into time deposits Proceeds from withdrawal of time deposits Purchase of property, plant and equipment and intangible assets Payments for retirement of property, plant and equipment Proceeds from sale of property, plant and equipment and intangible assets Purchase of investment securities Purchase of investment securities Loan advances Proceeds from collection of loans receivable Payments of guarantee deposits (261) (105) (105) (27) (107) (1,175) (1) (1) (1) (1) (1) (1) (1) (Interest and dividends received	187	180
Income taxes paid Net cash provided by (used in) operating activities Cash flows from investing activities Payments into time deposits Proceeds from withdrawal of time deposits Purchase of property, plant and equipment and intangible assets Payments for retirement of property, plant and equipment Proceeds from sale of property, plant and equipment and intangible assets Purchase of investment securities Purchase of investment securities Loan advances Proceeds from collection of loans receivable Payments of guarantee deposits (261) (105) (105) (27) (107) (1,175) (1) (1) (1) (1) (1) (1) (1) (Interest paid	(21)	(19
Payments into time deposits (105) (2 Proceeds from withdrawal of time deposits 1,078 Purchase of property, plant and equipment and intangible assets Payments for retirement of property, plant and equipment (0) Proceeds from sale of property, plant and equipment and intangible assets Purchase of investment securities (0) Loan advances (16) Proceeds from collection of loans receivable Payments of guarantee deposits (31)	Income taxes paid	(261)	(568
Cash flows from investing activities Payments into time deposits Proceeds from withdrawal of time deposits Purchase of property, plant and equipment and intangible assets Payments for retirement of property, plant and equipment Proceeds from sale of property, plant and equipment and intangible assets Purchase of investment securities Purchase of investment securities Proceeds from collection of loans receivable Payments of guarantee deposits (105) (105) (20) (1,175) (1) (105) (1,175) (10)	Net cash provided by (used in) operating activities	2,713	2,272
Payments into time deposits Proceeds from withdrawal of time deposits Purchase of property, plant and equipment and intangible assets Payments for retirement of property, plant and equipment Proceeds from sale of property, plant and equipment and intangible assets Purchase of investment securities Purchase of investment securities Proceeds from collection of loans receivable Payments of guarantee deposits (105) (105) (107) (107) (107) (108) (109			·
Proceeds from withdrawal of time deposits Purchase of property, plant and equipment and intangible assets Payments for retirement of property, plant and equipment Proceeds from sale of property, plant and equipment and intangible assets Purchase of investment securities Purchase of investment securities Loan advances Proceeds from collection of loans receivable Payments of guarantee deposits 1,078 (1,175) (0) (0) (16) Proceeds from collection of loans receivable 8 Payments of guarantee deposits	-	(105)	(2,750
Purchase of property, plant and equipment and intangible assets Payments for retirement of property, plant and equipment Proceeds from sale of property, plant and equipment and intangible assets Purchase of investment securities Loan advances Proceeds from collection of loans receivable Payments of guarantee deposits (1,175) (1,175) (1) (1) (1) (1) (1) (1) (1) (· · ·	458
assets Payments for retirement of property, plant and equipment Proceeds from sale of property, plant and equipment and intangible assets Purchase of investment securities Loan advances Proceeds from collection of loans receivable Payments of guarantee deposits (1,175) (0) (0) (16) (16) (17)			
Proceeds from sale of property, plant and equipment and intangible assets Purchase of investment securities (0) Loan advances (16) Proceeds from collection of loans receivable 8 Payments of guarantee deposits (31)		(1,175)	(1,605
Proceeds from sale of property, plant and equipment and intangible assets Purchase of investment securities (0) Loan advances (16) Proceeds from collection of loans receivable 8 Payments of guarantee deposits (31)	Payments for retirement of property, plant and equipment	(0)	(6
intangible assets Purchase of investment securities Loan advances Proceeds from collection of loans receivable Payments of guarantee deposits (0) 8 Payments of guarantee deposits (31)		,	(-
Purchase of investment securities (0) Loan advances (16) Proceeds from collection of loans receivable 8 Payments of guarantee deposits (31)		0	0
Loan advances (16) Proceeds from collection of loans receivable 8 Payments of guarantee deposits (31)	-	(0)	(0
Proceeds from collection of loans receivable 8 Payments of guarantee deposits (31)		* * *	(34
Payments of guarantee deposits (31)		· · ·	16
			(14
O 1	*		13
Purchase of long-term prepaid expenses			(4
Other, net (0)		(0)	_
			(3,926

		(Willions of yell)
	Three months ended	Three months ended
	June 30, 2023	June 30, 2024
Cash flows from financing activities		
Repayments of long-term borrowings	(231)	(196)
Dividends paid	(0)	(0)
Dividends paid to non-controlling interests	(54)	(60)
Purchase of treasury shares	(0)	(1)
Repayments of lease liabilities	(34)	(33)
Net cash provided by (used in) financing activities	(321)	(290)
Effect of exchange rate change on cash and cash equivalents	268	238
Net increase (decrease) in cash and cash equivalents	2,437	(1,706)
Cash and cash equivalents at beginning of period	6,708	10,664
Increase (decrease) in cash and cash equivalents resulting from	1 200	
change in scope of consolidation	1,280	_
Cash and cash equivalents at end of period	10,426	8,957