

May 15, 2025

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

Company name: Hodogaya Chemical Co.,Ltd.
 Listing: Prime Market of Tokyo Stock Exchange
 Securities code: 4112
 URL: <https://www.hodogaya.co.jp/>
 Representative: Yuto Matsumoto, President
 Inquiries: Hideaki Hashizume, Executive Officer & General Manager, Corporate Planning Department
 Telephone: +81-3-6852-0327
 Scheduled date of annual general meeting of shareholders: June 26, 2025
 Scheduled date to commence dividend payments: June 27, 2025
 Scheduled date to file annual securities report: June 25, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	48,578	9.8	4,875	23.4	4,770	1.3	3,178	28.1
March 31, 2024	44,261	2.2	3,951	6.8	4,711	11.9	2,480	11.6

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥1,918 million [(73.6)%]
 For the fiscal year ended March 31, 2024: ¥7,255 million [96.1%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2025	200.04	-	6.6	5.9	10.0
March 31, 2024	156.32	-	5.5	6.1	8.9

Note: The Company has conducted a stock split with an effective date of April 1, 2025 at the ratio of two shares for every one common share. Net income per share will be calculated in the stock split at the beginning of the previous fiscal year. It is calculated on the assumption that it has been done.

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2025	79,858	58,530	60.9	3,057.98
March 31, 2024	81,157	57,443	58.8	3,007.36

Reference: Equity
 As of March 31, 2025: ¥48,601 million
 As of March 31, 2024: ¥47,734 million

Note: The Company has conducted a stock split with an effective date of April 1, 2025 at the ratio of two shares for every one common share. Net assets per share will be calculated at the beginning of the previous fiscal year when the stock split took place. It is calculated on the assumption that it was.

(3) Consolidated cash flows

Fiscal year ended	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
March 31, 2025	5,669	(6,548)	(1,882)	7,602
March 31, 2024	8,343	(3,950)	(2,067)	10,664

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	-	37.50	-	37.50	75.00	610	24.0	1.3
Fiscal year ended March 31, 2025	-	45.00	-	45.00	90.00	732	22.5	1.5
Fiscal year ending March 31, 2026 (Forecast)		25.00		25.00	50.00		26.5	

Note: The Company has conducted a stock split with an effective date of April 1, 2025 at the ratio of two shares for every one common share. For the fiscal years ending March 31, 2024 and March 31, 2025, the actual period before the stock split
The amount of dividends is listed. The fiscal year ending March 31, 2026 (Forecast) is described after the stock split.

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2026	50,000	2.9	5,000	2.6	5,000	4.8	3,000	(5.6)	188.79

Note: The Company has conducted a stock split with an effective date of April 1, 2025 at the ratio of two shares for every one common share. Net income per share in the consolidated earnings forecast for the fiscal year ending March 31, 2026 is as follows:
The impact of the stock split is taken into account.

*Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None
- (3) Number of issued shares (common shares)

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

As of March 31, 2025	16,827,452 shares
As of March 31, 2024	16,827,452 shares

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

As of March 31, 2025	934,182 shares
As of March 31, 2024	954,748 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	15,891,086 shares
Fiscal year ended March 31, 2024	15,869,582 shares

Note: The Company has conducted a stock split with an effective date of April 1, 2025 at the ratio of two shares for every one common share. period
The number of shares outstanding at the end of the fiscal year, the number of treasury shares at the end of the fiscal year, and the average number of shares during the period are calculated based on the assumption that the stock split occurred at the beginning of the previous fiscal year.

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

* Proper use of earnings forecasts, and other special matters

The earnings forecasts described in this material are calculated based on information available at the time of publication.

It is not intended to be a promise for the Company to achieve this.

In addition, actual results may differ in the future due to various factors.

For matters related to earnings forecasts, please refer to "Future Outlook" on page 5 of the Financial Results Summary (Appendix).

Consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	12,965	10,774
Notes receivable - trade	1,151	1,138
Accounts receivable - trade	11,114	10,585
Merchandise and finished goods	7,708	9,406
Work in process	2,190	950
Raw materials and supplies	2,736	2,681
Other	827	863
Allowance for doubtful accounts	(18)	(19)
Total current assets	38,675	36,381
Non-current assets		
Property, plant and equipment		
Buildings and structures	25,622	<u>28,438</u>
Accumulated depreciation	(17,080)	<u>(17,745)</u>
Buildings and structures, net	8,542	10,692
Machinery, equipment and vehicles	32,704	<u>34,113</u>
Accumulated depreciation	(28,896)	<u>(29,718)</u>
Machinery, equipment and vehicles, net	3,808	4,395
Tools, furniture and fixtures	4,078	4,134
Accumulated depreciation	(3,510)	<u>(3,563)</u>
Tools, furniture and fixtures, net	567	571
Land	11,733	11,717
Leased assets	917	866
Accumulated depreciation	(539)	(624)
Leased assets, net	378	241
Construction in progress	3,635	1,893
Total property, plant and equipment	28,665	29,511
Intangible assets		
Goodwill	22	7
Software	225	169
Other	310	790
Total intangible assets	558	967
Investments and other assets		
Investment securities	10,885	10,223
Long-term loans receivable	145	145
Deferred tax assets	364	873
Guarantee deposits	1,511	1,427
Other	369	347
Allowance for doubtful accounts	(17)	(18)
Total investments and other assets	13,258	12,998
Total non-current assets	42,482	43,477
Total assets	81,157	79,858

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,130	4,761
Short-term borrowings	4,155	4,155
Current portion of long-term borrowings	885	1,256
Lease liabilities	132	110
Income taxes payable	883	540
Accrued consumption taxes	411	187
Contract liabilities	57	29
Provision for bonuses	485	475
Allowance for construction repair	106	94
Other provisions	0	0
Other	2,521	2,269
Total current liabilities	14,770	13,880
Non-current liabilities		
Long-term borrowings	4,346	3,089
Lease liabilities	293	177
Deferred tax liabilities	2,253	2,016
Deferred tax liabilities for land revaluation	1,228	1,264
Provision for share awards for directors (and other officers)	203	222
Provision for share awards	32	59
Retirement benefit liability	94	92
Asset retirement obligations	138	155
Other	353	369
Total non-current liabilities	8,943	7,447
Total liabilities	23,714	21,328
Net assets		
Shareholders' equity		
Share capital	11,196	11,196
Capital surplus	7,933	7,933
Retained earnings	20,660	23,167
Treasury shares	(1,593)	(1,560)
Total shareholders' equity	38,197	40,737
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,415	3,932
Revaluation reserve for land	2,784	2,748
Foreign currency translation adjustment	2,337	1,182
Total accumulated other comprehensive income	9,537	7,863
Non-controlling interests	9,708	9,929
Total net assets	57,443	58,530
Total liabilities and net assets	81,157	79,858

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	44,261	48,578
Cost of sales	27,162	29,378
Gross profit	17,099	19,200
Selling, general and administrative expenses		
Shipment expenses	1,696	1,823
Remuneration for directors (and other officers)	409	436
Personnel expenses	2,606	2,759
Provision for bonuses	192	203
Provision for share awards for directors (and other officers)	24	56
Provision for share awards	19	17
Retirement benefit expenses	164	177
Travel and transportation expenses	220	212
Rent expenses	487	475
Depreciation	216	283
Research and development expenses	5,011	5,638
Amortization of goodwill	12	12
Other	2,085	2,225
Total selling, general and administrative expenses	13,147	14,324
Operating profit	3,951	4,875
Non-operating income		
Interest income	169	181
Dividend income	299	324
Foreign exchange gains	276	-
Rental income from non-current assets	57	58
Miscellaneous income	127	91
Total non-operating income	931	656
Non-operating expenses		
Interest expenses	75	81
Foreign exchange losses	-	437
Environmental maintenance expenses	85	233
Miscellaneous losses	10	9
Total non-operating expenses	171	761
Ordinary profit	4,711	4,770

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Extraordinary income		
Gain on sale of non-current assets	0	6
Gain on sale of investment securities	-	139
Total extraordinary income	0	146
Extraordinary losses		
Loss on retirement of non-current assets	18	33
Impairment losses	-	50
Loss on sale of investment securities	0	-
Total extraordinary losses	18	83
Profit before income taxes	4,693	4,832
Income taxes - current	1,203	959
Income taxes - deferred	(247)	(704)
Total income taxes	956	254
Profit	3,737	4,577
Profit attributable to non-controlling interests	1,256	1,399
Profit attributable to owners of parent	2,480	3,178

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	3,737	4,577
Other comprehensive income		
Valuation difference on available-for-sale securities	1,871	(482)
Revaluation reserve for land	-	(36)
Foreign currency translation adjustment	1,646	(2,140)
Total other comprehensive income	3,517	(2,659)
Comprehensive income	7,255	1,918
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,294	1,504
Comprehensive income attributable to non-controlling interests	1,960	413

Consolidated statement of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Share capital	Capital surplus	Retained earnings	Treasury shares	Shareholders' equity
Balance at beginning of period	11,196	7,943	18,612	(1,640)	36,111
Dividends of surplus			(565)		(565)
Profit attributable to owners of parent			2,480		2,480
Purchase of treasury shares				(410)	(410)
Disposal of treasury shares		(10)		457	447
Change in scope of consolidation			133		133
Net changes in items other than shareholders' equity					
Total changes during period	-	(10)	2,048	47	2,085
Balance at end of period	11,196	7,933	20,660	(1,593)	38,197

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	2,544	2,784	1,395	6,723	7,061	49,897
Dividends of surplus						(565)
Profit attributable to owners of parent						2,480
Purchase of treasury shares						(410)
Disposal of treasury shares						447
Change in scope of consolidation						133
Net changes in items other than shareholders' equity	1,871	-	942	2,813	2,646	5,460
Total changes during period	1,871	-	942	2,813	2,646	7,546
Balance at end of period	4,415	2,784	2,337	9,537	9,708	57,443

Consolidated statement of changes in equity

Fiscal year ended March 31, 2025

(Millions of yen)

	Share capital	Capital surplus	Retained earnings	Treasury shares	Shareholders' equity
Balance at beginning of period	11,196	7,933	20,660	(1,593)	38,197
Dividends of surplus			(671)		(671)
Profit attributable to owners of parent			3,178		3,178
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares		(0)		37	37
Change in scope of consolidation					
Net changes in items other than shareholders' equity					
Total changes during period	-	(0)	2,507	33	2,540
Balance at end of period	11,196	7,933	23,167	(1,560)	40,737

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	4,415	2,784	2,337	9,537	9,708	57,443
Dividends of surplus						(671)
Profit attributable to owners of parent						3,178
Purchase of treasury shares						(4)
Disposal of treasury shares						37
Change in scope of consolidation						
Net changes in items other than shareholders' equity	(482)	(36)	(1,154)	(1,673)	220	(1,453)
Total changes during period	(482)	(36)	(1,154)	(1,673)	220	1,086
Balance at end of period	3,932	2,748	1,182	7,863	9,929	58,530

Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	4,693	4,832
Depreciation	2,387	3,005
Impairment losses	-	50
Amortization of goodwill	12	12
Increase (decrease) in provisions	220	27
Increase (decrease) in retirement benefit liability	13	(2)
Interest and dividend income	(469)	(505)
Interest expenses	75	81
Foreign exchange losses (gains)	(32)	43
Loss (gain) on sale of property, plant and equipment	(0)	(6)
Loss on retirement of property, plant and equipment	18	33
Loss (gain) on sale of investment securities	0	(139)
Decrease (increase) in trade receivables	1,000	393
Decrease (increase) in inventories	(146)	(999)
Increase (decrease) in trade payables	360	(280)
Increase/decrease in other assets/liabilities	(155)	(242)
Increase (decrease) in accrued consumption taxes	529	(202)
Other, net	(116)	427
Subtotal	8,391	6,529
Interest and dividends received	510	477
Interest paid	(76)	(81)
Income taxes paid	(743)	(1,344)
Income taxes refund	262	87
Net cash provided by (used in) operating activities	8,343	5,669

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from investing activities		
Payments into time deposits	(2,283)	(4,823)
Proceeds from withdrawal of time deposits	4,068	3,655
Purchase of property, plant and equipment and intangible assets	(5,347)	(5,407)
Proceeds from sale of property, plant and equipment and intangible assets	3	13
Payments for retirement of property, plant and equipment	(8)	(14)
Purchase of investment securities	(1)	(1)
Proceeds from sale of investment securities	1	168
Loan advances	(84)	(154)
Proceeds from collection of loans receivable	56	97
Payments of guarantee deposits	(319)	(120)
Proceeds from refund of guarantee deposits	132	84
Purchase of long-term prepaid expenses	(78)	(15)
Other, net	(88)	(30)
Net cash provided by (used in) investing activities	(3,950)	(6,548)
Cash flows from financing activities		
Repayments of long-term borrowings	(1,134)	(885)
Dividends paid	(564)	(670)
Dividends paid to non-controlling interests	(174)	(193)
Proceeds from sale of treasury shares	-	0
Purchase of treasury shares	(2)	(4)
Repayments of lease liabilities	(136)	(128)
Redemption of bonds	(54)	-
Net cash provided by (used in) financing activities	(2,067)	(1,882)
Effect of exchange rate change on cash and cash equivalents	349	(300)
Net increase (decrease) in cash and cash equivalents	2,676	(3,061)
Cash and cash equivalents at beginning of period	6,708	10,664
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	1,280	-
Cash and cash equivalents at end of period	10,664	7,602

