

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 Department Yasuhiro Mohri TEL 03-6852-0327  
 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	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 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	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
  - Changes in accounting estimates: No
  - Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of June 30, 2024	8,413,726 shares	As of March 31, 2024	8,413,726 shares
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Number of treasury shares at the end of the period

As of June 30, 2024	469,343 shares	As of March 31, 2024	477,374 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2024	7,942,438 shares	Three months ended June 30, 2023	7,930,533 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Assets</b>		
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

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Liabilities</b>		
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
<b>Total liabilities</b>	<b>23,714</b>	<b>23,475</b>
<b>Net assets</b>		
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
<b>Total net assets</b>	<b>57,443</b>	<b>60,737</b>
<b>Total liabilities and net assets</b>	<b>81,157</b>	<b>84,213</b>

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2023	Three months ended 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)**

(Millions of yen)

	Three months ended June 30, 2023	Three months ended 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 interests	663	1,449

## Consolidated statements of cash flows

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	760	3,154
Depreciation	523	613
Impairment losses	–	52
Amortization of goodwill	3	3
Increase (decrease) in provisions	(238)	(216)
Increase (decrease) in retirement benefit liability	3	(15)
Interest and dividend income	(201)	(199)
Interest expenses	19	19
Foreign exchange losses (gains)	(28)	(62)
Loss on retirement of property, plant and equipment	8	11
Loss (gain) on sale of property, plant and equipment	(0)	(0)
Decrease (increase) in trade receivables	2,222	442
Decrease (increase) in inventories	(308)	(270)
Increase (decrease) in trade payables	117	(296)
Increase/decrease in other assets/liabilities	60	(111)
Increase (decrease) in accrued consumption taxes	(17)	(332)
Other, net	(115)	(113)
Subtotal	2,808	2,679
Interest and dividends received	187	180
Interest paid	(21)	(19)
Income taxes paid	(261)	(568)
Net cash provided by (used in) operating activities	2,713	2,272
Cash flows from investing activities		
Payments into time deposits	(105)	(2,750)
Proceeds from withdrawal of time deposits	1,078	458
Purchase of property, plant and equipment and intangible assets	(1,175)	(1,605)
Payments for retirement of property, plant and equipment	(0)	(6)
Proceeds from sale of property, plant and equipment and intangible assets	0	0
Purchase of investment securities	(0)	(0)
Loan advances	(16)	(34)
Proceeds from collection of loans receivable	8	16
Payments of guarantee deposits	(31)	(14)
Proceeds from refund of guarantee deposits	20	13
Purchase of long-term prepaid expenses	–	(4)
Other, net	(0)	–
Net cash provided by (used in) investing activities	(222)	(3,926)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended 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 change in scope of consolidation	1,280	–
Cash and cash equivalents at end of period	10,426	8,957