

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (Based on Japanese GAAP)

November 13, 2024

Company name: Hodogaya Chemical Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 4112 URL <https://www.hodogaya.co.jp/>  
 Representative: President Yuto Matsumoto  
 Inquiries: General Manager, Corporate Planning Yasuhiro Mohri TEL 03-6852-0327  
 Department  
 Scheduled date to file Semi-annual Securities Report: November 14, 2024  
 Scheduled date to commence dividend payments: December 16, 2024  
 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 six months ended September 30, 2024 (from April 1, 2024 to September 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                         | %      |
| Six months ended September 30, 2024 | 26,607          | 30.1  | 4,354            | 249.7  | 4,413           | 143.2  | 2,549                                   | 180.3  |
| Six months ended September 30, 2023 | 20,451          | (0.6) | 1,245            | (36.6) | 1,814           | (28.2) | 909                                     | (35.0) |

|                                     | Earnings per share |  | Diluted earnings per share |  |
|-------------------------------------|--------------------|--|----------------------------|--|
|                                     | Yen                |  | Yen                        |  |
| Six months ended September 30, 2024 | 320.89             |  | -                          |  |
| Six months ended September 30, 2023 | 114.63             |  | -                          |  |

(2) Consolidated financial position

|                          | Total assets    | Net assets      | Equity ratio |
|--------------------------|-----------------|-----------------|--------------|
|                          | Millions of yen | Millions of yen | %            |
| As of September 30, 2024 | 82,662          | 59,929          | 59.6         |
| 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                        |                 |                 |                 |       |
| Year ended March 31, 2024             | -                          | 37.50           | -               | 37.50           | 75.00 |
| Year ending March 31, 2025            | -                          | 45.00           | -               | -               | -     |
| Year ending March 31, 2025 (Forecast) | -                          | -               | -               | 45.00           | 90.00 |

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 | 50,000          | 13.0 | 5,500            | 39.2 | 5,500           | 16.7 | 3,300                                   | 33.0 | 415.89             |

4. Notes

- (1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: No
- (2) Application of special accounting methods for preparing semi-annual 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 September 30, 2024 | 8,413,726 shares | As of March 31, 2024 | 8,413,726 shares |
|--------------------------|------------------|----------------------|------------------|

Number of treasury shares at the end of the period

|                          |                |                      |                |
|--------------------------|----------------|----------------------|----------------|
| As of September 30, 2024 | 466,573 shares | As of March 31, 2024 | 477,374 shares |
|--------------------------|----------------|----------------------|----------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

|                                     |                  |                                     |                  |
|-------------------------------------|------------------|-------------------------------------|------------------|
| Six months ended September 30, 2024 | 7,944,490 shares | Six months ended September 30, 2023 | 7,933,264 shares |
|-------------------------------------|------------------|-------------------------------------|------------------|

**Semi-annual consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

|  | As of March 31, 2024 | As of September 30, 2024 |
|--|----------------------|--------------------------|
| <b>Assets</b>  |                      |                          |
| Current assets   |                      |                          |
| Cash and deposits  | 12,965               | 13,715                   |
| Notes and accounts receivable - trade, and contract assets | 12,266               | 10,467                   |
| Merchandise and finished goods                             | 7,708                | 8,099                    |
| Work in process  | 2,190                | 2,183                    |
| Raw materials and supplies                                 | 2,736                | 3,240                    |
| Other  | 827                  | 1,172                    |
| Allowance for doubtful accounts                            | (18)                 | (15)                     |
| Total current assets                                       | 38,675               | 38,863                   |
| Non-current assets   |                      |                          |
| Property, plant and equipment                              |                      |                          |
| Buildings and structures, net                              | 8,542                | 11,446                   |
| Land   | 11,733               | 11,734                   |
| Other, net   | 8,390                | 6,871                    |
| Total property, plant and equipment                        | 28,665               | 30,052                   |
| Intangible assets  |                      |                          |
| Goodwill   | 22                   | 14                       |
| Software   | 225                  | 204                      |
| Other  | 310                  | 583                      |
| Total intangible assets                                    | 558                  | 803                      |
| Investments and other assets                               |                      |                          |
| Investment securities                                      | 10,885               | 10,358                   |
| Long-term loans receivable                                 | 145                  | 181                      |
| Deferred tax assets  | 364                  | 519                      |
| Other  | 1,881                | 1,901                    |
| Allowance for doubtful accounts                            | (17)                 | (18)                     |
| Total investments and other assets                         | 13,258               | 12,942                   |
| Total non-current assets                                   | 42,482               | 43,798                   |
| Total assets   | 81,157               | 82,662                   |

(Millions of yen)

|   | As of March 31, 2024 | As of September 30, 2024 |
|---|----------------------|--------------------------|
| <b>Liabilities</b>                                    |                      |                          |
| Current liabilities                                   |                      |                          |
| Notes and accounts payable - trade                    | 5,130                | 4,532                    |
| Short-term borrowings                                 | 5,040                | 5,330                    |
| Income taxes payable                                  | 883                  | 822                      |
| Provisions  | 592                  | 587                      |
| Contract liabilities                                  | 57                   | 8                        |
| Other   | 3,065                | 3,341                    |
| Total current liabilities                             | 14,770               | 14,622                   |
| Non-current liabilities                               |                      |                          |
| Long-term borrowings                                  | 4,346                | 3,664                    |
| Provisions  | 235                  | 237                      |
| Deferred tax liabilities                              | 2,253                | 2,147                    |
| Deferred tax liabilities for land revaluation         | 1,228                | 1,228                    |
| Retirement benefit liability                          | 94                   | 85                       |
| Asset retirement obligations                          | 138                  | 153                      |
| Other   | 646                  | 592                      |
| Total non-current liabilities                         | 8,943                | 8,110                    |
| <b>Total liabilities</b>                              | <b>23,714</b>        | <b>22,732</b>            |
| <b>Net assets</b>                                     |                      |                          |
| Shareholders' equity                                  |                      |                          |
| Share capital   | 11,196               | 11,196                   |
| Capital surplus                                       | 7,933                | 7,933                    |
| Retained earnings                                     | 20,660               | 22,904                   |
| Treasury shares                                       | (1,593)              | (1,558)                  |
| Total shareholders' equity                            | 38,197               | 40,476                   |
| Accumulated other comprehensive income                |                      |                          |
| Valuation difference on available-for-sale securities | 4,415                | 4,053                    |
| Revaluation reserve for land                          | 2,784                | 2,784                    |
| Foreign currency translation adjustment               | 2,337                | 1,992                    |
| Total accumulated other comprehensive income          | 9,537                | 8,829                    |
| Non-controlling interests                             | 9,708                | 10,623                   |
| <b>Total net assets</b>                               | <b>57,443</b>        | <b>59,929</b>            |
| <b>Total liabilities and net assets</b>               | <b>81,157</b>        | <b>82,662</b>            |

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

### Consolidated statements of income (cumulative)

(Millions of yen)

|  | Six months ended<br>September 30, 2023 | Six months ended<br>September 30, 2024 |
|--|--|--|
| Net sales  | 20,451                                 | 26,607                                 |
| Cost of sales                                    | 12,974                                 | 14,889                                 |
| Gross profit                                     | 7,476                                  | 11,718                                 |
| Selling, general and administrative expenses     | 6,231                                  | 7,363                                  |
| Operating profit                                 | 1,245                                  | 4,354                                  |
| Non-operating income                             |  |  |
| Interest income                                  | 90                                     | 96                                     |
| Dividend income                                  | 161                                    | 165                                    |
| Rental income from non-current assets            | 28                                     | 28                                     |
| Foreign exchange gains                           | 269                                    | –                                      |
| Miscellaneous income                             | 102                                    | 71                                     |
| Total non-operating income                       | 652                                    | 361                                    |
| Non-operating expenses                           |  |  |
| Interest expenses                                | 39                                     | 38                                     |
| Foreign exchange losses                          | –                                      | 202                                    |
| Environmental maintenance expenses               | 38                                     | 57                                     |
| Miscellaneous losses                             | 5                                      | 3                                      |
| Total non-operating expenses                     | 83                                     | 302                                    |
| Ordinary profit                                  | 1,814                                  | 4,413                                  |
| Extraordinary income                             |  |  |
| Gain on sale of non-current assets               | 0                                      | 5                                      |
| Gain on sale of investment securities            | –                                      | 136                                    |
| Total extraordinary income                       | 0                                      | 142                                    |
| Extraordinary losses                             |  |  |
| Loss on retirement of non-current assets         | 11                                     | 14                                     |
| Impairment losses                                | –                                      | 51                                     |
| Loss on valuation of investment securities       | 34                                     | –                                      |
| Total extraordinary losses                       | 46                                     | 65                                     |
| Profit before income taxes                       | 1,768                                  | 4,489                                  |
| Income taxes                                     | 412                                    | 549                                    |
| Profit   | 1,355                                  | 3,940                                  |
| Profit attributable to non-controlling interests | 446                                    | 1,391                                  |
| Profit attributable to owners of parent          | 909                                    | 2,549                                  |

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

(Millions of yen)

|  | Six months ended<br>September 30, 2023 | Six months ended<br>September 30, 2024 |
|--|--|--|
| Profit   | 1,355                                  | 3,940                                  |
| Other comprehensive income                                     |  |  |
| Valuation difference on available-for-sale securities          | 981                                    | (362)                                  |
| Foreign currency translation adjustment                        | 1,369                                  | (628)                                  |
| Total other comprehensive income                               | 2,351                                  | (991)                                  |
| Comprehensive income   | 3,707                                  | 2,948                                  |
| Comprehensive income attributable to                           |  |  |
| Comprehensive income attributable to owners of parent          | 2,677                                  | 1,841                                  |
| Comprehensive income attributable to non-controlling interests | 1,030                                  | 1,107                                  |

## Consolidated statements of cash flows

(Millions of yen)

|   | Six months ended<br>September 30, 2023 | Six months ended<br>September 30, 2024 |
|---|--|--|
| Cash flows from operating activities                                      |  |  |
| Profit before income taxes  | 1,768                                  | 4,489                                  |
| Depreciation  | 1,087                                  | 1,316                                  |
| Impairment losses   | –                                      | 51                                     |
| Amortization of goodwill  | 6                                      | 6                                      |
| Increase (decrease) in provisions   | 155                                    | (5)                                    |
| Increase (decrease) in retirement benefit liability                       | 6                                      | (9)                                    |
| Interest and dividend income  | (252)                                  | (262)                                  |
| Interest expenses   | 39                                     | 38                                     |
| Foreign exchange losses (gains)   | (39)                                   | 40                                     |
| Loss on retirement of property, plant and equipment                       | 11                                     | 14                                     |
| Loss (gain) on sale of property, plant and equipment                      | (0)                                    | (5)                                    |
| Loss (gain) on valuation of investment securities                         | 34                                     | –                                      |
| Loss (gain) on sale of investment securities                              | –                                      | (136)                                  |
| Decrease (increase) in trade receivables                                  | 2,566                                  | 1,756                                  |
| Decrease (increase) in inventories  | 255                                    | (1,004)                                |
| Increase (decrease) in trade payables                                     | 77                                     | (561)                                  |
| Increase/decrease in other assets/liabilities                             | (253)                                  | (142)                                  |
| Increase (decrease) in accrued consumption taxes                          | 405                                    | (414)                                  |
| Other, net  | (180)                                  | 159                                    |
| Subtotal  | 5,687                                  | 5,332                                  |
| Interest and dividends received   | 198                                    | 205                                    |
| Interest paid   | (40)                                   | (39)                                   |
| Income taxes paid   | (376)                                  | (782)                                  |
| Income taxes refund   | 262                                    | 11                                     |
| Net cash provided by (used in) operating activities                       | 5,732                                  | 4,728                                  |
| Cash flows from investing activities                                      |  |  |
| Payments into time deposits   | (127)                                  | (2,897)                                |
| Proceeds from withdrawal of time deposits                                 | 1,125                                  | 612                                    |
| Purchase of property, plant and equipment and intangible assets           | (2,272)                                | (2,817)                                |
| Payments for retirement of property, plant and equipment                  | (7)                                    | (11)                                   |
| Proceeds from sale of property, plant and equipment and intangible assets | 0                                      | 11                                     |
| Purchase of investment securities   | (0)                                    | (0)                                    |
| Proceeds from sale of investment securities                               | –                                      | 165                                    |
| Loan advances   | (27)                                   | (96)                                   |
| Proceeds from collection of loans receivable                              | 18                                     | 37                                     |
| Payments of guarantee deposits  | (234)                                  | (58)                                   |
| Proceeds from refund of guarantee deposits                                | 63                                     | 15                                     |
| Other, net  | (0)                                    | (42)                                   |
| Net cash provided by (used in) investing activities                       | (1,462)                                | (5,080)                                |

(Millions of yen)

|  | Six months ended<br>September 30, 2023 | Six months ended<br>September 30, 2024 |
|--|--|--|
| Cash flows from financing activities   |  |  |
| Repayments of long-term borrowings   | (502)                                  | (392)                                  |
| Dividends paid   | (260)                                  | (305)                                  |
| Dividends paid to non-controlling interests  | (174)                                  | (193)                                  |
| Purchase of treasury shares  | (1)                                    | (2)                                    |
| Repayments of lease liabilities  | (69)                                   | (65)                                   |
| Redemption of bonds  | (54)                                   | –                                      |
| Net cash provided by (used in) financing activities  | (1,061)                                | (958)                                  |
| Effect of exchange rate change on cash and cash equivalents                                      | 305                                    | (106)                                  |
| Net increase (decrease) in cash and cash equivalents   | 3,514                                  | (1,417)                                |
| 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   | 11,502                                 | 9,247                                  |