

Translation

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**Summary of Consolidated Financial Results
for the Nine Months Ended December 31, 2024
(Based on Japanese GAAP)**

February 13, 2025

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 nine months ended December 31, 2024 (from April 1, 2024 to December 31, 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	%
Nine months ended December 31, 2024	37,239	17.7	4,584	90.0	4,682	55.4	2,883	84.4
Nine months ended December 31, 2023	31,642	(0.6)	2,412	(23.0)	3,012	(15.9)	1,563	(9.9)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	362.95	–
Nine months ended December 31, 2023	197.09	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	82,506	59,856	59.9
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	–	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 nine months ended December 31, 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 December 31, 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 December 31, 2024	466,899 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)

Nine months ended December 31, 2024	7,945,198 shares	Nine months ended December 31, 2023	7,934,301 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	12,965	11,858
Notes and accounts receivable - trade, and contract assets	12,266	11,230
Merchandise and finished goods	7,708	9,718
Work in process	2,190	1,525
Raw materials and supplies	2,736	3,152
Other	827	1,000
Allowance for doubtful accounts	(18)	(16)
Total current assets	38,675	38,470
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,542	11,298
Land	11,733	11,730
Other, net	8,390	6,764
Total property, plant and equipment	28,665	29,793
Intangible assets		
Goodwill	22	11
Software	225	186
Other	310	609
Total intangible assets	558	807
Investments and other assets		
Investment securities	10,885	10,766
Long-term loans receivable	145	173
Deferred tax assets	364	658
Other	1,881	1,854
Allowance for doubtful accounts	(17)	(18)
Total investments and other assets	13,258	13,434
Total non-current assets	42,482	44,036
Total assets	81,157	82,506

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,130	5,198
Short-term borrowings	5,040	5,494
Income taxes payable	883	513
Provisions	592	373
Contract liabilities	57	30
Other	3,065	3,177
Total current liabilities	14,770	14,787
Non-current liabilities		
Long-term borrowings	4,346	3,304
Provisions	235	259
Deferred tax liabilities	2,253	2,247
Deferred tax liabilities for land revaluation	1,228	1,228
Retirement benefit liability	94	89
Asset retirement obligations	138	154
Other	646	577
Total non-current liabilities	8,943	7,862
Total liabilities	23,714	22,649
Net assets		
Shareholders' equity		
Share capital	11,196	11,196
Capital surplus	7,933	7,933
Retained earnings	20,660	22,872
Treasury shares	(1,593)	(1,559)
Total shareholders' equity	38,197	40,443
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,415	4,340
Revaluation reserve for land	2,784	2,784
Foreign currency translation adjustment	2,337	1,860
Total accumulated other comprehensive income	9,537	8,985
Non-controlling interests	9,708	10,428
Total net assets	57,443	59,856
Total liabilities and net assets	81,157	82,506

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	31,642	37,239
Cost of sales	19,515	21,771
Gross profit	12,127	15,468
Selling, general and administrative expenses	9,714	10,883
Operating profit	2,412	4,584
Non-operating income		
Interest income	126	143
Dividend income	290	315
Foreign exchange gains	146	–
Rental income from non-current assets	42	43
Miscellaneous income	121	82
Total non-operating income	727	585
Non-operating expenses		
Interest expenses	57	59
Foreign exchange losses	–	146
Environmental maintenance expenses	62	273
Miscellaneous losses	8	6
Total non-operating expenses	127	486
Ordinary profit	3,012	4,682
Extraordinary income		
Gain on sale of investment securities	–	136
Gain on sale of non-current assets	0	5
Total extraordinary income	0	142
Extraordinary losses		
Loss on retirement of non-current assets	12	16
Impairment losses	–	50
Loss on valuation of investment securities	37	–
Total extraordinary losses	50	67
Profit before income taxes	2,962	4,757
Income taxes	666	528
Profit	2,295	4,229
Profit attributable to non-controlling interests	732	1,345
Profit attributable to owners of parent	1,563	2,883

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	2,295	4,229
Other comprehensive income		
Valuation difference on available-for-sale securities	1,249	(75)
Foreign currency translation adjustment	1,228	(909)
Total other comprehensive income	2,477	(985)
Comprehensive income	4,773	3,243
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,513	2,330
Comprehensive income attributable to non-controlling interests	1,260	912

Consolidated statements of cash flows

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Cash flows from operating activities		
Profit before income taxes	2,962	4,757
Depreciation	1,729	2,169
Impairment losses	–	50
Amortization of goodwill	9	9
Increase (decrease) in provisions	(25)	(196)
Increase (decrease) in retirement benefit liability	10	(5)
Interest and dividend income	(417)	(459)
Interest expenses	57	59
Foreign exchange losses (gains)	(11)	17
Loss (gain) on sale of property, plant and equipment	(0)	(5)
Loss on retirement of property, plant and equipment	12	16
Loss (gain) on valuation of investment securities	37	–
Loss (gain) on sale of investment securities	–	(136)
Decrease (increase) in trade receivables	2,005	1,005
Decrease (increase) in inventories	146	(1,888)
Increase (decrease) in trade payables	(19)	74
Increase/decrease in other assets/liabilities	(263)	139
Increase (decrease) in accrued consumption taxes	437	(303)
Other, net	(95)	290
Subtotal	6,575	5,596
Interest and dividends received	478	457
Interest paid	(58)	(60)
Income taxes paid	(714)	(1,321)
Income taxes refund	262	15
Net cash provided by (used in) operating activities	6,542	4,687
Cash flows from investing activities		
Payments into time deposits	(2,235)	(4,903)
Proceeds from withdrawal of time deposits	4,009	3,715
Purchase of property, plant and equipment and intangible assets	(3,866)	(4,380)
Proceeds from sale of property, plant and equipment and intangible assets	0	11
Payments for retirement of property, plant and equipment	(8)	(12)
Purchase of investment securities	(1)	(1)
Proceeds from sale of investment securities	–	165
Loan advances	(56)	(147)
Proceeds from collection of loans receivable	32	80
Payments of guarantee deposits	(268)	(61)
Proceeds from refund of guarantee deposits	106	37
Purchase of long-term prepaid expenses	(1)	(15)
Other, net	(87)	(31)
Net cash provided by (used in) investing activities	(2,377)	(5,542)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Cash flows from financing activities		
Repayments of long-term borrowings	(793)	(588)
Dividends paid	(261)	(306)
Dividends paid to non-controlling interests	(174)	(193)
Purchase of treasury shares	(1)	(3)
Repayments of lease liabilities	(103)	(97)
Redemption of bonds	(54)	–
Net cash provided by (used in) financing activities	(1,388)	(1,188)
Effect of exchange rate change on cash and cash equivalents	227	(117)
Net increase (decrease) in cash and cash equivalents	3,004	(2,160)
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	10,993	8,504