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January 31,2025

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

Company name: Fujibo Holdings, Inc.
Listing: Tokyo Stock Exchange
Securities code: 3104
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Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: None
Holding of financial results briefing: None

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

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	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31,2024	32,192	20.5	4,987	149.2	5,195	116.2	3,644	120.5
December 31,2023	26,707	(7.9)	2,001	(55.0)	2,403	(47.1)	1,653	(46.3)

Note: Comprehensive income For the nine months ended December 31,2024: ¥3,658 million [78.8%]
For the nine months ended December 31,2023: ¥2,045 million [(40.7)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31,2024	321.37	—
December 31,2023	144.24	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31,2024	65,816	46,351	70.4
March 31,2024	62,512	43,973	70.3

Reference: Equity
As of December 31,2024: ¥46,351 million
As of March 31,2024: ¥43,973 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31,2024	—	55.00	—	55.00	110.00
Fiscal year ending March 31,2025	—	60.00	—		
Fiscal year ending March 31,2025 (Forecast)				70.00	130.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

3. Forecast of consolidated financial results for the 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		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31,2025	44,300	22.7	6,400	127.1	6,600	101.4	4,300	103.1	379.12

Note: Revisions to the forecasts of financial results most recently announced: Yes

* Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

Note: For details, please refer to “2. Quarterly Consolidated Financial Statements and Principal Notes (3) Notes to Quarterly Consolidated Financial Statements” on page 8 of the Attachments.

- (3) 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
- (4) Number of issued shares (common shares)

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

As of December 31,2024	11,720,000 shares
As of March 31,2024	11,720,000 shares

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

As of December 31,2024	376,569 shares
As of March 31,2024	381,226 shares

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

Nine months ended December 31,2024	11,341,649 shares
Nine months ended December 31,2023	11,461,220 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

The earnings forecasts and other forward-looking statements herein are based on information currently available and certain assumptions deemed reasonable by the Company, and actual results may differ significantly from these forecasts due to various factors.

Please refer to “1. Qualitative Information on Quarterly Financial Results (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 3 of the Attachments for cautionary notes regarding underlying assumptions for and the use of the forecasts of financial results.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

For the nine months ended December 31, 2024, the Japanese economy recovered at a moderate pace, mainly due to an increase in capital investment and improvements in the employment and income environment. However, the economic outlook remains uncertain, resulting from various variables in the economy both at home and abroad, including geopolitical risks, the U.S. policy trends in the future, declining consumption due to the increases in commodity prices, and supply constraints caused by labor shortages.

In this economic environment, the Fujibo Group is implementing business portfolio reforms and reinforcing individual businesses, which are basic strategies of its Medium-term Management Plan, “Zokyo 21-25,” for the five-year period from 2021 to 2025. During this period, which marks the fourth year of the plan, the Polishing Pad Business which is the mainstay of our business, has shown an increasing trend, driven by such factors as increasing demand for advanced semiconductors for AI applications and a cyclical recovery in semiconductor demand. The Industrial Chemicals Business was on a path to recovery as the serious deterioration in market sentiment, particularly for electronic materials, bottomed out after the prolonged challenging market condition. In the Lifestyle Apparel Business, clothing sales to overseas remained strong in response to the rising demand in overseas markets despite sluggish domestic sales.

As a result, for the nine months ended December 31, 2024, net sales amounted to ¥32,192 million, a year-on-year increase of ¥5,484 million (20.5%), operating profit amounted to ¥4,987 million, a year-on-year increase of ¥2,986 million (149.2%), and ordinary profit amounted to ¥5,195 million, a year-on-year increase of ¥2,792 million (116.2%). Adjusting results by adding or subtracting extraordinary income and losses, income taxes, etc., profit attributable to owners of parent amounted to ¥3,644 million, a year-on-year increase of ¥1,991 million (120.5%).

Results by segment are as described below.

1) Polishing Pad Business

After bottoming out in the first half of 2023, the global semiconductor market has been recovering at a moderate pace since the beginning of 2024. Against this backdrop, orders for polishing pads for semiconductor devices (CMP) increased, as demands increased for semiconductors for use in memory and state-of-art logic, fueled by the adoption of generative AI, as well as the raising of inventory levels among some users. The issue of excess market inventory for silicon wafers is also gradually resolving, but business has yet to fully rebound. Demand for hard disks by data centers is also recovering. Meanwhile, due to the continued slump in the LCD panel market, orders for products for LCD glass were sluggish.

As a result, net sales amounted to ¥14,336 million, a year-on-year increase of ¥4,898 million (51.9%), and operating profit amounted to ¥3,558 million, a year-on-year increase of ¥2,970 million (505.6%).

2) Industrial Chemicals Business

Demand for contract manufacturing of functional materials, pharmaceutical intermediates, agricultural chemical intermediates, etc., has been on a recovery path due to the gradual expansion of the electronic materials market, including semiconductors, and inventory adjustments having been settled, despite the ongoing weakness of the Chinese economy which began in 2023. In addition, initiatives related to new products have been successful, and plant operation levels have improved.

As a result, net sales amounted to ¥10,089 million, a year-on-year increase of ¥722 million (7.7%), and operating profit amounted to ¥944 million, a year-on-year increase of ¥297 million (46.0%).

3) Lifestyle Apparel Business

A difficult environment persisted for textile materials due to the weak yen, as well as surging logistics and energy costs. Textile products struggled due to the impact of increased consumer frugality as well as a decline in the number of mass merchandisers. In the area of e-commerce sales, on the other hand, we sought to more effectively showcase our products by reinforcing our web marketing, including social media and search advertisements, and expanding our lineup of exclusive e-commerce products. The high quality of Japanese products gained recognition, and sales to overseas were strong. In terms of profit, however, prices of raw materials and supplies continued to soar due to the ongoing weakness in the yen, and the gross margin ratio fell.

As a result, net sales amounted to ¥5,378 million, a year-on-year decrease of ¥24 million (0.4%), and operating profit amounted to ¥509 million, a year-on-year decrease of ¥145 million (22.3%).

4) Other

In our molded products division, sales increased year on year as orders for medical device parts and molded products for digital cameras have been firm since the third quarter of the fiscal year ending March 31, 2025. In our molding division, on the other hand, the business situation remained uncertain due to issues such as quality frauds by auto manufacturers and a proposed merger of leading auto manufacturers. In addition, the business situation remained harsh for office equipment molding due to a changeover period in development projects and a decline in demand for hot runners for automobile connectors and smartphones. In the trading division, we are working to improve our transactions by focusing on profitability.

As a result, net sales amounted to ¥2,387 million, a year-on-year decrease of ¥111 million (4.5%), and operating profit amounted to a loss of ¥24 million, a year-on-year decrease of ¥135 million (121.9%).

(2) Explanation of Financial Position

(Assets)

Total assets increased ¥3,303 million from the end of the previous fiscal year to ¥65,816 million.

Current assets increased ¥758 million to ¥24,448 million. This was mainly due to an increase in accounts receivables, despite decreases in cash and deposits and inventories.

Non-current assets increased ¥2,545 million to ¥41,368 million. This was due to an increase in property, plant and equipment as a result of capital investments in the Polishing Pad Business and the Industrial Chemicals Business.

(Liabilities)

Total liabilities increased ¥925 million from the end of the previous fiscal year to ¥19,464 million.

Current liabilities increased ¥984 million to ¥12,741 million, while non-current liabilities decreased ¥59 million to ¥6,723 million. This was mainly due to an increase in other current liabilities, including accounts payables, income taxes payable, and notes payable - facilities, despite a decrease in long-term and short-term borrowings.

(Net assets)

Total net assets increased ¥2,377 million from the end of the previous fiscal year to ¥46,351 million. This was mainly due to an increase of ¥3,644 million as a result of posting profit attributable to owners of parent, despite a decrease of ¥1,304 million due to dividends of surplus.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

Forecasts of the financial results for the fiscal year ending March 31, 2025 have been revised from those announced on October 31, 2024, in light of factors such as the results for the nine months ended December 31, 2024, the anticipated increase in demand for advanced semiconductors for AI applications, and the cyclical recovery in semiconductor demand. The financial results forecast is based on information available at the present time. However, actual results may differ from forecast figures depending on various factors.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	8,262	7,938
Notes and accounts receivable - trade	8,554	9,439
Electronically recorded monetary claims - operating	605	733
Merchandise and finished goods	1,071	1,061
Work in process	2,702	2,445
Raw materials and supplies	1,664	1,859
Other	837	977
Allowance for doubtful accounts	(7)	(7)
Total current assets	23,689	24,448
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,806	11,785
Machinery, equipment and vehicles, net	6,563	6,905
Land	13,858	14,983
Other, net	2,732	2,964
Total property, plant and equipment	33,962	36,639
Intangible assets		
Goodwill	1,002	897
Other	214	221
Total intangible assets	1,217	1,119
Investments and other assets	3,643	3,609
Total non-current assets	38,822	41,368
Total assets	62,512	65,816

(Millions of yen)

	As of March 31,2024	As of December 31,2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,156	4,251
Electronically recorded obligations - operating	1,095	1,329
Short-term borrowings	1,223	380
Income taxes payable	497	1,160
Provisions	734	437
Other	4,048	5,181
Total current liabilities	11,756	12,741
Non-current liabilities		
Long-term borrowings	210	150
Retirement benefit liability	4,170	4,065
Asset retirement obligations	500	519
Other	1,900	1,988
Total non-current liabilities	6,782	6,723
Total liabilities	18,539	19,464
Net assets		
Shareholders' equity		
Share capital	6,673	6,673
Capital surplus	2,213	2,225
Retained earnings	32,684	35,024
Treasury shares	(1,002)	(990)
Total shareholders' equity	40,569	42,933
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,204	1,283
Deferred gains or losses on hedges	(4)	8
Revaluation reserve for land	1,527	1,527
Foreign currency translation adjustment	742	660
Remeasurements of defined benefit plans	(67)	(62)
Total accumulated other comprehensive income	3,403	3,417
Non-controlling interests	0	0
Total net assets	43,973	46,351
Total liabilities and net assets	62,512	65,816

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Nine Months Ended December 31

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net sales	26,707	32,192
Cost of sales	18,885	20,915
Gross profit	7,822	11,277
Selling, general and administrative expenses		
Salaries and wages	1,158	1,181
Retirement benefit expenses	105	113
Provision for bonuses	89	93
Technical research expenses	1,062	1,312
Other	3,404	3,588
Total selling, general and administrative expenses	5,820	6,289
Operating profit	2,001	4,987
Non-operating income		
Interest income	0	1
Dividend income	66	73
Rental income from non-current assets	232	224
Subsidy income	200	—
Other	80	49
Total non-operating income	581	349
Non-operating expenses		
Interest expenses	18	16
Rental expenses on non-current assets	63	47
Other	97	76
Total non-operating expenses	179	140
Ordinary profit	2,403	5,195
Extraordinary income		
Gain on sale of non-current assets	14	0
Gain on sale of investment securities	128	208
Total extraordinary income	142	209
Extraordinary losses		
Loss on disposal of non-current assets	54	84
Impairment losses	6	0
Other	0	—
Total extraordinary losses	61	84
Profit before income taxes	2,484	5,320
Income taxes - current	660	1,546
Income taxes - deferred	170	129
Total income taxes	831	1,675
Profit	1,653	3,644
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	1,653	3,644

Quarterly Consolidated Statements of Comprehensive Income
Nine Months Ended December 31

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit	1,653	3,644
Other comprehensive income		
Valuation difference on available-for-sale securities	183	78
Deferred gains or losses on hedges	(3)	13
Foreign currency translation adjustment	214	(82)
Remeasurements of defined benefit plans, net of tax	(1)	4
Total other comprehensive income	392	13
Comprehensive income	2,045	3,658
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,045	3,658
Comprehensive income attributable to non-controlling interests	0	0

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements)

Deferred accounting of cost differences

The cost differences arising from periodic repairs that are performed in a particular quarter are deferred because costs are planned on an annual basis and are expected to be eliminated by the end of the cost calculation period.

(Changes in accounting policies)

(Application of the "Accounting Standard for Current Income Taxes," etc.)

The Company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard 2022"), etc. from the beginning of the first quarter of the fiscal year ending March 31, 2025.

With regard to the amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income), the Company follows the transitional treatment prescribed in the proviso to Paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso to Paragraph 65-2 (2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "Revised Implementation Guidance 2022"). This change in accounting policies has no impact on the quarterly consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gain or loss on sale of shares in subsidiaries resulting from transactions between consolidated companies is deferred for tax purposes, the Company has applied the Revised Implementation Guidance 2022 from the beginning of the first quarter of the fiscal year ending March 31, 2025. This change in accounting policies was applied retrospectively, and the quarterly consolidated financial statements for the same period of the previous fiscal year and the consolidated financial statements for the previous fiscal year have accordingly been restated. This change in accounting policies has no impact on the quarterly consolidated financial statements for the same period of the previous fiscal year or the consolidated financial statements for the previous fiscal year.

(Segment information, etc.)

[Segment information]

I. For the nine months ended December 31,2023 (from April 1,2023 to December 31,2023)

Information on net sales and income and information on breakdown of revenue by reportable segment

(Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Quarterly Consolidated Statements of Income (Note 3)
	Polishing Pad Business	Industrial Chemicals Business	Lifestyle Apparel Business	Total				
Net sales								
Revenue from contracts with customers	9,438	9,367	5,402	24,208	2,499	26,707	—	26,707
Other revenue	—	—	—	—	—	—	—	—
Net sales to outside customers	9,438	9,367	5,402	24,208	2,499	26,707	—	26,707
Inter-segment net sales or transfers	0	—	0	0	—	0	(0)	—
Total	9,438	9,367	5,402	24,208	2,499	26,708	(0)	26,707
Segment income	587	647	654	1,889	111	2,001	0	2,001

Notes: 1. The “Other” category represents business segments that are not included in the reportable segments. It includes the automotive-related business and the molded products business.

2. Segment income adjustments include inter-segment transaction eliminations.

3. Segment income is adjusted with operating profit in the Quarterly Consolidated Statements of Income.

II. For the nine months ended December 31,2024 (from April 1,2024 to December 31,2024)

Information on net sales and income or loss and information on breakdown of revenue by reportable segment

(Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Quarterly Consolidated Statements of Income (Note 3)
	Polishing Pad Business	Industrial Chemicals Business	Lifestyle Apparel Business	Total				
Net sales								
Revenue from contracts with customers	14,336	10,089	5,378	29,804	2,387	32,192	—	32,192
Other revenue	—	—	—	—	—	—	—	—
Net sales to outside customers	14,336	10,089	5,378	29,804	2,387	32,192	—	32,192
Inter-segment net sales or transfers	0	—	2	3	—	3	(3)	—
Total	14,337	10,089	5,380	29,807	2,387	32,195	(3)	32,192
Segment income (loss)	3,558	944	509	5,012	(24)	4,987	(0)	4,987

Notes: 1. The “Other” category represents business segments that are not included in the reportable segments. It includes the automotive-related business and the molded products business.

2. Segment income (loss) adjustments include or loss inter-segment transaction eliminations.

3. Segment income (loss) is adjusted with operating profit in the Quarterly Consolidated Statements of income.

(Notes on statements of cash flows)

The Company has not prepared quarterly consolidated statements of cash flows for the nine months ended December 31,2024. Depreciation (including amortization related to intangible assets other than goodwill) and amortization of goodwill for the nine months ended December 31,2023 and 2024 were as follows:

(Millions of yen)

	For the nine months ended December 31,2023	For the nine months ended December 31,2024
Depreciation	2,415	2,460
Amortization of goodwill	105	105