

May 14, 2025

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

Company name: Nippon Chemical Industrial CO., LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 4092
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 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: Yes (for analysts)

(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	38,843	0.8	3,342	47.6	3,199	34.3	2,559	60.9
March 31, 2024	38,538	1.2	2,264	75.2	2,383	68.8	1,590	85.9

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥2,258 million [(33.7)%]
 For the fiscal year ended March 31, 2024: ¥3,404 million [208.9%]

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	290.62	-	5.6	4.2	8.6
March 31, 2024	180.35	-	3.6	3.2	5.9

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2025: ¥11 million
 For the fiscal year ended March 31, 2024: ¥22 million

(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	75,105	46,395	61.8	5,311.05
March 31, 2024	76,503	45,047	58.9	5,106.27

Reference: Equity
 As of March 31, 2025: ¥46,395 million
 As of March 31, 2024: ¥45,047 million

(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	6,367	(5,070)	(2,419)	7,628
March 31, 2024	6,152	(4,414)	(870)	8,731

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	-	35.00	-	35.00	70.00	617	38.8	1.4
Fiscal year ended March 31, 2025	-	46.00	-	46.00	92.00	808	31.7	1.8
Fiscal year ending March 31, 2026 (Forecast)		53.00		53.00	106.00		84.2	

Note: 1. Revision from the most recently published dividend forecast: None

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	39,000	0.4	1,400	(58.1)	1,400	(56.2)	1,100	(57.0)	125.92

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: Yes
- (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	8,922,775 shares
As of March 31, 2024	8,922,775 shares

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

As of March 31, 2025	187,076 shares
As of March 31, 2024	100,710 shares

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

Fiscal year ended March 31, 2025	8,806,470 shares
Fiscal year ended March 31, 2024	8,819,144 shares

[Reference] Overview of non-consolidated financial results

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

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2025	36,940	0.5	3,204	52.2	3,135	38.7	2,552	67.5
March 31, 2024	36,763	2.3	2,105	99.6	2,261	87.0	1,524	108.2

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	289.83	-
March 31, 2024	172.83	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	69,780	42,008	60.2	4,808.79
March 31, 2024	72,691	41,331	56.9	4,685.03

Reference: Equity

As of March 31, 2025: ¥42,008 million

As of March 31, 2024: ¥41,331 million

* 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 above forecasts are based on information available as of the date of this release, and actual results may differ from these forecasts due to various uncertainties such as economic conditions. For matters related to the above earnings forecasts, please refer to "1. Please refer to "Summary of Business Results (4) Future Outlook".

Consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	8,741	7,927
Notes receivable - trade	1,268	1,228
Accounts receivable - trade	12,034	8,987
Merchandise and finished goods	4,633	5,470
Work in process	3,289	3,377
Raw materials and supplies	3,395	3,530
Consumption taxes refund receivable	-	124
Other	628	813
Allowance for doubtful accounts	(15)	(12)
Total current assets	33,975	31,448
Non-current assets		
Property, plant and equipment		
Buildings and structures	38,444	39,532
Accumulated depreciation	(24,939)	(25,702)
Buildings and structures, net	13,505	13,830
Machinery, equipment and vehicles	21,193	22,686
Accumulated depreciation	(12,813)	(14,712)
Machinery, equipment and vehicles, net	8,380	7,973
Land	7,459	7,459
Construction in progress	2,698	3,928
Other	6,856	6,996
Accumulated depreciation	(5,878)	(5,888)
Other, net	978	1,107
Total property, plant and equipment	33,021	34,300
Intangible assets		
Other	462	429
Total intangible assets	462	429
Investments and other assets		
Investment securities	5,898	4,548
Long-term loans receivable	35	25
Deferred tax assets	101	101
Retirement benefit asset	2,776	4,039
Other	254	234
Allowance for doubtful accounts	(22)	(21)
Total investments and other assets	9,043	8,926
Total non-current assets	42,527	43,656
Total assets	76,503	75,105

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,154	3,555
Short-term borrowings	9,156	10,575
Income taxes payable	706	178
Accrued consumption taxes	479	31
Provision for bonuses	437	480
Accounts payable - facilities	2,623	2,570
Other	2,544	2,716
Total current liabilities	20,102	20,106
Non-current liabilities		
Long-term borrowings	7,375	4,500
Deferred tax liabilities	1,768	1,914
Retirement benefit liability	199	200
Other	2,010	1,987
Total non-current liabilities	11,352	8,602
Total liabilities	31,455	28,709
Net assets		
Shareholders' equity		
Share capital	5,757	5,757
Capital surplus	2,267	2,267
Retained earnings	31,875	33,719
Treasury shares	(280)	(476)
Total shareholders' equity	39,618	41,267
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,082	2,105
Foreign currency translation adjustment	110	135
Remeasurements of defined benefit plans	2,235	2,887
Total accumulated other comprehensive income	5,429	5,128
Total net assets	45,047	46,395
Total liabilities and net assets	76,503	75,105

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	38,538	38,843
Cost of sales	31,222	30,089
Gross profit	7,316	8,753
Selling, general and administrative expenses	5,052	5,410
Operating profit	2,264	3,342
Non-operating income		
Interest and dividend income	139	145
Share of profit of entities accounted for using equity method	22	11
Foreign exchange gains	38	-
Other	141	145
Total non-operating income	341	302
Non-operating expenses		
Interest expenses	104	124
Commission expenses	32	103
Depreciation of inactive non-current assets	30	75
Other	53	140
Total non-operating expenses	221	444
Ordinary profit	2,383	3,199
Extraordinary income		
Gain on sale of non-current assets	12	-
Gain on sale of investment securities	646	487
Total extraordinary income	658	487
Extraordinary losses		
Loss on retirement of non-current assets	459	354
Impairment losses	-	33
Loss on valuation of shares of subsidiaries and associates	323	-
Loss on valuation of investment securities	33	-
Total extraordinary losses	816	387
Profit before income taxes	2,225	3,299
Income taxes - current	695	493
Income taxes - deferred	(61)	246
Total income taxes	634	740
Profit	1,590	2,559
Profit attributable to owners of parent	1,590	2,559

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	1,590	2,559
Other comprehensive income		
Valuation difference on available-for-sale securities	112	(977)
Deferred gains or losses on hedges	(0)	-
Foreign currency translation adjustment	31	25
Remeasurements of defined benefit plans, net of tax	1,670	651
Total other comprehensive income	1,814	(300)
Comprehensive income	3,404	2,258
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,404	2,258

Consolidated statement of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,757	2,267	30,910	(307)	38,627
Dividends of surplus			(617)		(617)
Profit attributable to owners of parent			1,590		1,590
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares			(8)	26	18
Net changes in items other than shareholders' equity					
Total changes during period	-	-	964	26	991
Balance at end of period	5,757	2,267	31,875	(280)	39,618

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	2,970	0	78	565	3,614	42,241
Dividends of surplus						(617)
Profit attributable to owners of parent						1,590
Purchase of treasury shares						(0)
Disposal of treasury shares						18
Net changes in items other than shareholders' equity	112	(0)	31	1,670	1,814	1,814
Total changes during period	112	(0)	31	1,670	1,814	2,805
Balance at end of period	3,082	-	110	2,235	5,429	45,047

Consolidated statement of changes in equity

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,757	2,267	31,875	(280)	39,618
Dividends of surplus			(715)		(715)
Profit attributable to owners of parent			2,559		2,559
Purchase of treasury shares				(235)	(235)
Disposal of treasury shares		0		39	39
Net changes in items other than shareholders' equity					
Total changes during period	-	0	1,844	(196)	1,648
Balance at end of period	5,757	2,267	33,719	(476)	41,267

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	3,082	-	110	2,235	5,429	45,047
Dividends of surplus						(715)
Profit attributable to owners of parent						2,559
Purchase of treasury shares						(235)
Disposal of treasury shares						39

Net changes in items other than shareholders' equity	(977)		25	651	(300)	(300)
Total changes during period	(977)		25	651	(300)	1,347
Balance at end of period	2,105	-	135	2,887	5,128	46,395

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	2,225	3,299
Depreciation	3,683	3,582
Increase (decrease) in allowance for doubtful accounts	1	(3)
Increase (decrease) in provision for bonuses	36	43
Increase (decrease) in retirement benefit liability	57	23
Interest and dividend income	(139)	(145)
Share of loss (profit) of entities accounted for using equity method	(22)	(11)
Interest expenses	104	124
Foreign exchange losses (gains)	(9)	6
Loss on valuation of shares of subsidiaries and associates	323	-
Loss (gain) on sale of investment securities	(646)	(487)
Loss (gain) on valuation of investment securities	33	-
Loss on retirement of non-current assets	459	354
Impairment losses	-	33
Decrease (increase) in trade receivables	(2,503)	3,100
Decrease (increase) in inventories	1,603	(1,056)
Increase (decrease) in trade payables	663	(607)
Increase (decrease) in accrued consumption taxes	567	(572)
Other, net	(275)	(337)
Subtotal	6,163	7,346
Interest and dividends received	139	145
Interest paid	(101)	(122)
Income taxes paid	(102)	(1,002)
Income taxes refund	54	1
Net cash provided by (used in) operating activities	6,152	6,367

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,198)	(4,819)
Payments for retirement of property, plant and equipment	(856)	(360)
Proceeds from sale of property, plant and equipment	28	2
Purchase of intangible assets	(201)	(118)
Purchase of investment securities	(4)	(138)
Proceeds from sale of investment securities	874	623
Payments into time deposits	-	(683)
Proceeds from withdrawal of time deposits	-	389
Loan advances	(50)	(0)
Proceeds from collection of loans receivable	6	50
Other, net	(11)	(15)
Net cash provided by (used in) investing activities	(4,414)	(5,070)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	2,457
Proceeds from long-term borrowings	2,000	-
Repayments of long-term borrowings	(2,244)	(3,914)
Repayments of finance lease liabilities	(9)	(15)
Purchase of treasury shares	(0)	(235)
Dividends paid	(615)	(711)
Net cash provided by (used in) financing activities	(870)	(2,419)
Effect of exchange rate change on cash and cash equivalents	31	19
Net increase (decrease) in cash and cash equivalents	900	(1,102)
Cash and cash equivalents at beginning of period	7,831	8,731
Cash and cash equivalents at end of period	8,731	7,628

(Notes on segment information, etc.)

Segment Information

1. Overview of Reporting Segments

The Company's reporting segments are aggregates of business segments that are generally similar in economic characteristics and other characteristics among the Company's constituent units for which separate financial statements are available and which are regularly reviewed by the Board of Directors to determine the allocation of management resources and evaluate business performance.

The Group has established headquarters for each function and conducts business activities from a company-wide perspective. In this context, we position information obtained from business segments by product and service as the basis for company-wide decision-making.

The Chemicals segment manufactures and sells chemical products such as chromium products, silica products, and phosphorus products. The Functional Products segment manufactures and sells chemical products such as electronic ceramic materials, battery and electronic device materials, and organic functional materials. The "Leasing Business" is engaged in the leasing and management of real estate.

2. Method of calculating the amount of sales, profits or losses, assets and other items for each reporting segment

The method of accounting for the reported business segments is generally the same as described in the "Fundamental Important Matters for the Preparation of Consolidated Financial Statements". Earnings for the reporting segments are based on operating income, while internal revenues and transfers between segments are primarily based on prevailing market prices.

3. Information on the amount of sales, profits or losses, assets and other items for each reporting segment

The previous fiscal year (April 1, 2023 to March 31, 2024)

(in millions of yen)

	Reportable segments				Other (Note) 1	Total	Adjustment amount (Note) 2	Amount recorded in consolidated financial statements (Note)3
	Inorganic Chemicals	Specialty Chemicals	Leasing Business	Total				
Sales								
Revenues from external customers	17,777	19,061	915	37,754	784	38,538	-	38,538
Transactions with other segments	-	59	19	79	298	377	(377)	-
Total	17,777	19,120	935	37,833	1,082	38,916	(377)	38,538
Segment Profit	1,069	589	528	2,188	49	2,237	26	2,264
Segment Assets	23,568	34,370	4,344	62,283	1,376	63,660	12,842	76,503
Other items								
Depreciation	1,030	2,360	239	3,630	52	3,683	-	3,683
Increase in property, plant and equipment and intangible assets	1,399	2,388	177	3,965	149	4,115	-	4,115

Note: 1. The "Other" category refers to business segments that are not included in the reporting segments, including the bookstore business.

2. The amount of adjustment is as follows.

(1) The adjustment of 26 million yen in segment profit was due to the elimination of inter-segment transactions.

(2) The 12,842 million yen adjustment in segment assets includes the elimination of inter-segment transactions of (413) million yen and the Company-wide assets of 13,256 million yen that have not been allocated to each reporting segment. The main assets of the Company are the Company's surplus capital management funds (cash) and long-term investment funds (investment securities).

3. Segment profit is adjusted to operating income in the consolidated statements of income.

The current fiscal year (April 1, 2024 to March 31, 2025)

(in millions of yen)

	Reportable segments				Other (Note) 1	Total	Adjustment amount (Note) 2	Amount recorded in consolidated financial statements (Note)3
	Inorganic Chemicals	Specialty Chemicals	Leasing Business	Total				
Sales								
Revenues from external customers	18,285	18,876	917	38,079	763	38,843	-	38,843
Transactions with other segments	-	72	30	103	296	400	(400)	-
Total	18,285	18,949	948	38,183	1,060	39,243	(400)	38,843
Segment Profit	1,542	1,213	545	3,301	31	3,333	8	3,342
Segment Assets	23,117	36,003	4,486	63,607	1,362	64,970	10,134	75,105
Other items								
Depreciation	999	2,282	237	3,520	62	3,582	-	3,582
Impairment losses	33	-	-	33	-	33	-	33
Increase in property, plant and equipment and intangible assets	1,185	3,294	1	4,481	485	4,966	-	4,966

Note: 1. The "Other" category refers to business segments that are not included in the reporting segments, including the bookstore business.

2. The amount of adjustment is as follows.

(1) The adjustment of 8 million yen in segment profit was due to the elimination of inter-segment transactions.

(2) The 10,134 million yen adjustment in segment assets includes the elimination of inter-segment transactions of (304) million yen and the Company-wide assets of 10,439 million yen that have not been allocated to each reporting segment. The main assets of the Company are the Company's surplus capital management funds (cash) and long-term investment funds (investment securities).

3. Segment profit is adjusted to operating income in the consolidated statements of income.