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Consolidated Financial Results for the Nine Months Ended December 31, 2024 [Japanese GAAP]

January 31, 2025

Company name: TAOKA CHEMICAL COMPANY, LIMITED

Listing: Tokyo Stock Exchange

Securities code: 4113

URL: <https://www.taoka-chem.co.jp>

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: None

Holding of financial results briefing: None

President

General Manager, Business Services Office

(Yen amounts are rounded to the nearest million, unless otherwise noted.)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2024 (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	22,382	4.1	1,399	67.9	1,469	65.9	1,086	73.1
December 31, 2023	21,492	(6.0)	833	60.3	885	65.5	628	74.1

(Note) Comprehensive income: Nine months ended December 31, 2024: ¥ 1,068 million [62.3%]
 Nine months ended December 31, 2023: ¥ 658 million [90.0%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	75.82	-
December 31, 2023	43.81	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	29,670	18,021	60.7
March 31, 2024	29,720	17,211	57.9

(Reference) Equity: As of December 31, 2024: ¥ 18,021 million
 As of March 31, 2024: ¥ 17,211 million

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
Fiscal year ended March 31, 2024	-	9.00	-	9.00	18.00
Fiscal year ending March 31, 2025	-	9.00	-		
Fiscal year ending March 31, 2025 (Forecast)				18.00	27.00

(Note) Revision to the forecast for dividends announced most recently: Yes

For details of the revisions of forecasts of cash dividends, please refer to Notice Concerning Revisions to Full-Year Financial Results Forecasts and Year-End Dividend Forecasts disclosed on January 31, 2025.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(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
Full year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	30,000	5.1	1,600	48.8	1,650	44.5	1,200	46.3	83.75

(Note) Revision to the financial results forecast announced most recently: Yes

For details of the revisions of forecasts of cash dividends, please refer to Notice Concerning Revisions to Full-Year Financial Results Forecasts and Year-End Dividend Forecasts disclosed on January 31, 2025.

* 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: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

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

December 31, 2024: 14,440,000 shares

March 31, 2024: 14,440,000 shares

2) Number of treasury shares at the end of the period (cumulative from the beginning of the fiscal year):

December 31, 2024: 111,280 shares

March 31, 2024: 111,235 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2024: 14,328,743 shares

Nine months ended December 31, 2023: 14,328,860 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

(Caution regarding forward-looking statements and others)

The forward-looking statements, including financial forecasts, contained in this report are based on information currently available to the Company and certain assumptions deemed to be reasonable. Accordingly, they are not intended to be construed as assurance that they will be accomplished in the future. Note that actual results may differ materially from the forecasts for a number of reasons.

(Regarding the change in disclosure unit of the amounts and in rounding)

Amounts in quarterly consolidated financial statements and notes to them used to be stated in units of thousands of yen, but from the first quarter of the fiscal year under review, they are stated in units of millions of yen. For easy comparison, figures for the third quarter of the previous fiscal year have also been restated in units of millions of yen.

In addition, amounts used to be rounded down to millions previously, but from the first quarter of the fiscal year under review, they are rounded to the nearest million. The comparison information is also rounded off due to this change.

The Taoka Chemical Group's consolidated sales revenue for the nine months ended December 31, 2024, increased by ¥890 million compared with the same period of the previous fiscal year, to ¥22,382 million. The Group posted operating income of ¥1,399 million, ordinary income of ¥1,469 million and net income attributable to owners of the parent of ¥1,086 million.

The financial results of Taoka Chemical by business segment for the nine months period were as follows:

Division		Nine Months Ended December 31, 2023		Nine Months Ended December 31, 2024		Change	
		Millions of yen	Composition ratio (%)	Millions of yen	Composition ratio (%)	Millions of yen	Year-on-year rate (%)
	Fine Chemicals	9,816	45.7	9,947	44.4	131	1.3
	Functional Chemicals	2,527	11.8	2,622	11.7	95	3.7
	Functional Polymers and Additives	8,730	40.6	9,363	41.8	633	7.3
	Chemicals Segment	21,073	98.1	21,932	98.0	859	4.1
	Analytical Services	419	1.9	450	2.0	31	7.4
	Total	21,492	100.0	22,382	100.0	890	4.1

Chemicals Segment

Sales revenue of this segment was ¥21,932 million, a ¥859million increase compared to the same period of the previous fiscal year.

Fine Chemicals Division

Though sales revenue of monomers for optical resins decreased, shipments of agrochemical intermediates and of electronic materials increased. As a result, the division sales revenue increased by ¥131 million, to ¥9,947 million.

Functional Chemicals Division

Shipments of rubber additives increased. As a result, the division sales revenue increased by ¥95 million, to ¥2,622 million.

Functional Polymers and Additives Division

Shipments of varnish increased. As a result, the division sales revenue increased by ¥633 million, to ¥9,363 million.

Analytical Services Segment

Sales of soil analysis and composition and structural analysis increased. As a result, the segment sales revenue increased by ¥31 million, to ¥450 million.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	972	1,119
Notes receivable - trade	164	62
Accounts receivable - trade	5,355	6,171
Merchandise and finished goods	5,528	4,514
Work in process	124	27
Raw materials and supplies	2,754	2,660
Other	270	795
Total current assets	15,167	15,347
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,700	9,805
Accumulated depreciation and impairment	(6,128)	(6,325)
Buildings and structures, net	3,572	3,480
Machinery, equipment and vehicles	23,835	24,128
Accumulated depreciation and impairment	(20,589)	(21,181)
Machinery, equipment and vehicles, net	3,246	2,947
Construction in progress	4,480	4,590
Other	4,308	4,539
Accumulated depreciation and impairment	(2,296)	(2,411)
Other, net	2,012	2,128
Total property, plant and equipment	13,310	13,144
Intangible assets	49	38
Investments and other assets		
Other	1,194	1,141
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	1,194	1,141
Total non-current assets	14,553	14,323
Total assets	29,720	29,670

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes payable - trade	1	-
Accounts payable - trade	4,319	4,370
Short-term borrowings	100	-
Current portion of long-term borrowings	620	620
Income taxes payable	212	219
Provision for bonuses	463	239
Provision for loss on disaster	-	8
Other	2,562	2,295
Total current liabilities	8,278	7,751
Non-current liabilities		
Long-term borrowings	1,490	1,025
Retirement benefit liability	2,519	2,562
Other	221	311
Total non-current liabilities	4,230	3,898
Total liabilities	12,509	11,649
Net assets		
Shareholders' equity		
Share capital	1,572	1,572
Capital surplus	1,009	1,009
Retained earnings	14,453	15,281
Treasury shares	(40)	(40)
Total shareholders' equity	16,994	17,823
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	48	49
Foreign currency translation adjustment	99	115
Remeasurements of defined benefit plans	70	35
Total accumulated other comprehensive income	217	199
Total net assets	17,211	18,021
Total liabilities and net assets	29,720	29,670

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net sales	21,492	22,382
Cost of sales	18,037	18,303
Gross profit	3,455	4,079
Selling, general and administrative expenses	2,621	2,680
Operating profit	833	1,399
Non-operating income		
Interest income	3	4
Dividend income	15	15
Foreign exchange gains	15	27
Other	27	29
Total non-operating income	60	75
Non-operating expenses		
Interest expenses	8	5
Other	0	1
Total non-operating expenses	8	5
Ordinary profit	885	1,469
Extraordinary income		
Disaster insurance income	-	104
Total extraordinary income	-	104
Extraordinary losses		
Loss on retirement of non-current assets	10	18
Loss on disaster	-	85
Total extraordinary losses	10	103
Profit before income taxes	875	1,470
Income taxes - current	136	324
Income taxes - deferred	112	59
Total income taxes	248	383
Profit	628	1,086
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	628	1,086

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit	628	1,086
Other comprehensive income		
Valuation difference on available-for-sale securities	7	1
Foreign currency translation adjustment	45	15
Remeasurements of defined benefit plans, net of tax	(21)	(34)
Total other comprehensive income	31	(18)
Comprehensive income	658	1,068
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	658	1,068
Comprehensive income attributable to non-controlling interests	-	-