

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



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

January 31, 2025

Company name: ISHIHARA CHEMICAL CO., LTD.
 Stock exchange listing: Tokyo
 Code number: 4462
 URL: <https://www.unicon.co.jp/english/>
 Representative: Akihiko Fujimoto President and Representative Director
 Contact: Yasumasa Yamaguchi Director, General Manager of Administration Department and Administrative Manager
 Telephone: +81-78-681-4801
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on financial results: No
 Schedule of financial results briefing session: No

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2024 (April 1, 2024 to December 31, 2024)

(1) Consolidated Operating Results (cumulative) (% indicates changes from the previous corresponding period.)

	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	18,008	16.8	2,656	56.8	2,754	53.7	2,001	44.2
December 31, 2023	15,419	(0.9)	1,694	(4.5)	1,792	(4.4)	1,388	6.1

(Note) Comprehensive income: Nine months ended December 31, 2024: ¥ 1,972 million [37.1%]
 Nine months ended December 31, 2023: ¥ 1,438 million [19.8%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	138.99	-
December 31, 2023	92.82	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	26,376	21,442	81.3
March 31, 2024	27,917	23,106	82.8

(Reference) Equity: As of December 31, 2024: ¥ 21,442 million
 As of March 31, 2024: ¥ 23,106 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	18.00	-	18.00	36.00
Fiscal year ending March 31, 2025	-	20.00	-		
Fiscal year ending March 31, 2025 (Forecast)				20.00	40.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	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
Full year	23,100	11.6	3,060	31.4	3,100	26.2	2,230	16.9	156.87

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Significant changes in the scope of consolidation during the nine months ended December 31, 2024: No

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

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

1) Changes in accounting policies due to revisions to accounting standards and other regulations: No

2) Changes in accounting policies due to other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

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

December 31, 2024: 15,603,680 shares

March 31, 2024: 15,973,680 shares

2) Number of treasury shares at the end of the period:

December 31, 2024: 1,946,159 shares

March 31, 2024: 1,047,259 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2024: 14,402,154 shares

Nine months ended December 31, 2023: 14,957,614 shares

*Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: No

*Explanation for the appropriate use of performance forecast and other special notes:

The statements regarding forecast of financial results in this report are based on the information that is available to the Company, as well as certain assumptions that are deemed to be reasonable by management, and are not intended to guarantee the achievement of the forecasts. Therefore, there might be cases in which actual results differ materially from forecast values due to various factors. For the suppositions that form the assumptions for earnings forecast and cautions concerning the use thereof, please refer to "1. Overview of Business Results (3) Explanation of Forecast of Consolidated Financial Results and Other Forward-Looking Information "on page 3 of this report.

○Table of Contents for Attached Materials

1. Overview of Business Results	2
(1) Overview of Business Results for the Nine Months Ended December 31, 2024	2
(2) Overview of Financial Position for the Nine Months Ended December 31, 2024	3
(3) Explanation of Forecast of Consolidated Financial Results and Other Forward-Looking Information	3
2. Quarterly Consolidated Financial Statements and Principal Notes	4
(1) Quarterly Consolidated Balance Sheets	4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	6
Quarterly Consolidated Statements of Income	6
(For the nine months ended December 31, 2024)	6
Quarterly Consolidated Statements of Comprehensive Income	7
(For the nine months ended December 31, 2024)	7
(3) Notes to Quarterly Consolidated Financial Statements	8
(Notes to Going Concern Assumptions)	8
(Notes to Significant Changes in the Amount of Shareholders' Equity)	8
(Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements)	8
(Notes to Segment Information, etc.)	8
(Notes to Statements of Cash Flows)	9

1. Overview of Business Results

(1) Overview of Business Results for the Nine Months Ended December 31, 2024

For the nine months ended December 31, 2024, Japanese economy continues to recover moderately. However, the outlook is uncertain due to price hikes, increase in interest rates and concerns about a downturn in overseas economies such as Europe, the United States and China, and future policy trend in the United States.

Under such circumstances, the group has been working on the development of high value-added products, conducting sales activities in Japan and abroad, and striving to expand the market.

As a result, net sales for the nine months ended December 31, 2024 were 18,008 million yen (up 16.8% year on year), operating profit was 2,656 million yen (up 56.8% year on year), ordinary profit was 2,754 million yen (up 53.7% year on year), and profit attributable to owners of parent was 2,001 million yen (up 44.2% year on year).

Overview of financial results by segment are as follows.

<Plating chemicals & Automated chemical analyzer>

Although demand for electronic components for PCs and smartphones showed only a moderate recovery, demand for AI server and data center remained strong due to increase the demand of generative AI.

In addition, sales of Automated chemical analyzer increased from the previous year due to demand recovery of semiconductor mainly smartphone and PC-related.

As a result, net sales in this segment were 9,992 million yen (up 30.0% year on year), operating profit was 2,021 million yen (up 104.5% year on year).

<Electronic materials>

As for processed functional materials, the semiconductor market was recovering, and sales of ceramics and engineering plastics for semiconductor manufacturing equipment increased.

As a result, net sales in this segment were 605 million yen (up 23.8% year on year), operating profit was 9 million yen (Operating loss was 7 million yen for the same period last year.).

<Automotive chemicals>

Sales of air conditioner cleaners and coating agents increased from the previous year due to the expansion of the number of car dealers that deal with our products. On the other hand, sales of products for the Chinese market decreased from the previous year due to the low tone in sales of new Japanese car.

As a result, net sales in this segment were 2,836 million yen (up 3.1% year on year), operating profit was 676 million yen (down 9.6% year on year).

<Industrial chemicals>

Although demand of chemicals such as hydrofluoric acid and caustic soda for steel companies remained sluggish, the sales of catalysts for chemical companies and aluminum ingots for building materials recovered. In addition, sales of Industrial chemicals increased from the previous year due to the acquisition of new projects for water treatment chemicals.

As a result, net sales in this segment were 4,573 million yen (up 1.8% year on year), operating profit was 197 million yen (down 3.0% year on year).

(2) Overview of Financial Position for the Nine Months Ended December 31, 2024

Current assets at the end of the current quarterly consolidated fiscal period decreased by 885 million yen from the end of the previous consolidated fiscal year to 13,858 million yen. The main change was a decrease of 948 million yen in cash and deposits. Non-current assets decreased by 656 million yen from the end of the previous consolidated fiscal year to 12,517 million yen. The main change was a 760 million yen decrease in investment securities. Total liabilities increased by 122 million yen to 4,933 million yen, and total net assets decreased by 1,664 million yen to 21,442 million yen from the end of the previous consolidated fiscal year.

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

There is no change to the consolidated earnings forecast for the full-year earnings of the fiscal year ending March 31, 2025, which were announced on October 31, 2024.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	6,440,187	5,491,988
Notes and accounts receivable - trade	4,559,546	4,728,447
Electronically recorded monetary claims - operating	1,094,124	1,135,557
Securities	100,100	-
Merchandise and finished goods	1,156,253	1,009,444
Work in process	260,426	305,000
Raw materials and supplies	1,035,735	922,342
Other	97,842	266,114
Total current assets	14,744,216	13,858,895
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,979,223	3,071,170
Other, net	2,804,983	2,769,317
Total property, plant and equipment	5,784,206	5,840,487
Intangible assets	51,607	65,501
Investments and other assets		
Investment securities	6,265,468	5,504,907
Other	1,077,340	1,111,510
Allowance for doubtful accounts	(5,250)	(5,250)
Total investments and other assets	7,337,558	6,611,168
Total non-current assets	13,173,373	12,517,158
Total assets	27,917,590	26,376,053
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,967,623	2,040,197
Electronically recorded obligations - operating	788,745	897,181
Income taxes payable	405,017	441,949
Provision for bonuses	225,923	122,473
Provision for bonuses for directors (and other officers)	39,600	38,400
Other	654,627	641,594
Total current liabilities	4,081,535	4,181,795
Non-current liabilities		
Retirement benefit liability	47,974	51,756
Asset retirement obligations	68,750	69,208
Other	612,768	631,165
Total non-current liabilities	729,493	752,131
Total liabilities	4,811,029	4,933,927

(Thousands of yen)

	As of March 31, 2024	As of December 31, 2024
Net assets		
Shareholders' equity		
Share capital	1,980,874	1,980,874
Capital surplus	2,254,875	2,254,875
Retained earnings	19,280,444	19,866,015
Treasury shares	(1,191,111)	(3,411,881)
Total shareholders' equity	22,325,081	20,689,883
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	772,060	739,013
Foreign currency translation adjustment	9,417	13,229
Total accumulated other comprehensive income	781,478	752,242
Total net assets	23,106,560	21,442,126
Total liabilities and net assets	27,917,590	26,376,053

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

(For the nine months ended December 31, 2024)

(Thousands of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net sales	15,419,268	18,008,401
Cost of sales	10,480,987	11,942,799
Gross profit	4,938,280	6,065,602
Selling, general and administrative expenses	3,243,581	3,408,736
Operating profit	1,694,698	2,656,865
Non-operating income		
Interest income	5,351	5,246
Dividend income	43,189	53,879
Other	52,055	61,902
Total non-operating income	100,596	121,028
Non-operating expenses		
Interest expenses	558	438
Loss on sale of securities	-	3,145
Commission for purchase of treasury shares	846	6,374
Loss on fire	-	11,168
Other	1,640	1,838
Total non-operating expenses	3,045	22,963
Ordinary profit	1,792,249	2,754,930
Extraordinary income		
Gain on sale of non-current assets	0	-
Gain on sale of investment securities	167,204	46,461
Total extraordinary income	167,204	46,461
Extraordinary losses		
Loss on retirement of non-current assets	1,488	997
Total extraordinary losses	1,488	997
Profit before income taxes	1,957,965	2,800,394
Income taxes	569,667	798,658
Profit	1,388,297	2,001,735
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	1,388,297	2,001,735

Quarterly Consolidated Statements of Comprehensive Income

(For the nine months ended December 31, 2024)

(Thousands of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit	1,388,297	2,001,735
Other comprehensive income		
Valuation difference on available-for-sale securities	36,123	(33,047)
Foreign currency translation adjustment	14,441	3,811
Total other comprehensive income	50,565	(29,236)
Comprehensive income	1,438,862	1,972,499
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,438,862	1,972,499
Comprehensive income attributable to non-controlling interests	-	-

(3) Notes to Quarterly Consolidated Financial Statements

(Notes to Going Concern Assumptions)

Not applicable.

(Notes to Significant Changes in the Amount of Shareholders' Equity)

Not applicable.

(Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements)

	For the nine months ended December 31, 2024
Calculation of tax expenses	Tax expenses are calculated by multiplying the income before income taxes by the forecasted effective tax rate, which is computed by matching the forecasted yearly income taxes with the forecasted yearly income before taxes.

(Notes to Segment Information, etc.)

【Segment Information】

I For the nine months ended December 31, 2023

1.Information regarding net sales and operating profit or loss by the reportable segments

(Thousands of yen)

	Reportable segments				Total	Adjustment (Note) 1	Amount on consolidated financial statements (Note) 2
	Plating chemicals & Automated chemical analyzer	Electronic materials	Automotive chemicals	Industrial chemicals			
Net sales							
Net sales to external customers	7,684,299	488,890	2,751,436	4,494,642	15,419,268	—	15,419,268
Intersegment net sales and transfer	—	—	—	—	—	—	—
Total	7,684,299	488,890	2,751,436	4,494,642	15,419,268	—	15,419,268
Segment profit (loss)	988,294	(7,058)	748,228	204,042	1,933,509	(238,810)	1,694,698

Note1: Segment profit or loss adjustments of (238,810) thousand yen are corporate expenses that are not allocated to each reportable segment. Corporate expenses are mainly selling, general and administrative expenses that do not belong to any reportable segment.

Note2: Segment profit or loss is adjusted to operating profit in the quarterly consolidated statements of income.

2.Information regarding impairment loss of non-current assets and goodwill by the reportable segments

Not applicable.

II For the nine months ended December 31, 2024

1.Information regarding net sales and operating profit or loss by the reportable segments

(Thousands of yen)

	Reportable segments				Total	Adjustment (Note) 1	Amount on consolidated financial statements (Note) 2
	Plating chemicals & Automated chemical analyzer	Electronic materials	Automotive chemicals	Industrial chemicals			
Net sales							
Net sales to external customers	9,992,301	605,455	2,836,673	4,573,971	18,008,401	—	18,008,401
Intersegment net sales and transfer	—	—	—	—	—	—	—
Total	9,992,301	605,455	2,836,673	4,573,971	18,008,401	—	18,008,401
Segment profit (loss)	2,021,282	9,681	676,083	197,985	2,905,031	(248,166)	2,656,865

Note1: Segment profit or loss adjustments of (248,166) thousand yen are corporate expenses that are not allocated to each reportable segment. Corporate expenses are mainly selling, general and administrative expenses that do not belong to any reportable segment.

Note2: Segment profit or loss is adjusted to operating profit in the quarterly consolidated statements of income.

2.Information regarding impairment loss of non-current assets and goodwill by the reportable segments

Not applicable.

(Notes to Statements of Cash Flows)

These quarterly consolidated statements of cash flows have not been prepared for the nine months ended December 31, 2024. And depreciation (including amortization related to intangible assets and long-term prepaid expenses) for the nine months ended December 31, 2024 is as follows.

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
	Thousands of yen	Thousands of yen
Depreciation	374,890	393,127