Translation

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

February 7, 2025

Company name: FUSO CHEMICAL CO., LTD.
Stock exchange listing: Tokyo
Stock code: 4368 URL https://fusokk.co.jp
Representative: Representative Director & President Shinichi Sugita
Inquiries: Senior Executive Officer, Division Manager of Administration Division Hiroyuki Ito TEL 03-3639-6311
Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: No
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	52,420	21.5	12,595	53.1	13,156	51.2	9,169	50.2
Nine months ended December 31, 2023	43,135	(18.0)	8,226	(44.1)	8,698	(43.5)	6,106	(44.5)

Note: Comprehensive income Nine months ended December 31, 2024 ¥9,892 million [47.6%]
Nine months ended December 31, 2023 ¥6,701 million [(39.1)%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	260.10	–
Nine months ended December 31, 2023	173.25	–

Reference: Operating profit before depreciation and amortization (Consolidated operating profit + depreciation and amortization)
Nine months ended December 31, 2024 ¥18,250 million
Nine months ended December 31, 2023 ¥13,160 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2024	135,224	102,542	75.8	2,908.42
As of March 31, 2024	133,740	95,025	71.1	2,695.77

Reference: Equity As of December 31, 2024 ¥102,542 million
As of March 31, 2024 ¥95,025 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
Year ended March 31, 2024	–	33.00	–	33.00	66.00
Year ending March 31, 2025	–	35.00	–		
Year ending March 31, 2025 (Forecast)				35.00	70.00

Note: Revisions to the cash dividend forecast most recently announced: No

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	68,000	15.3	13,500	21.8	13,700	15.3	9,150	9.7	259.57

Note: Revisions to the financial results forecasts most recently announced: No

Reference: Operating profit before depreciation and amortization (Consolidated operating profit + depreciation and amortization)

Full year ¥21,850 million [19.8%]

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

Note: Simple accounting procedures and accounting procedures specific for the preparation of quarterly consolidated financial statements.

(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	35,511,000 shares	As of March 31, 2024	35,511,000 shares

Number of treasury shares at the end of the period

As of December 31, 2024	254,043 shares	As of March 31, 2024	261,338 shares

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

Nine months ended December 31, 2024	35,253,323 shares	Nine months ended December 31, 2023	35,246,582 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: Yes (voluntary)

* Explanation of proper use of financial results forecast, and other special matters

(Caution concerning forward-looking statements)

The forward-looking statements, including the financial results forecast shown in this document, are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. As such, they do not constitute guarantees by the Company of future performance. Actual performance and other results may also differ materially due to various factors.

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	31,471,999	27,729,773
Notes and accounts receivable - trade	16,457,710	18,239,641
Merchandise and finished goods	13,292,218	13,021,470
Work in process	730,821	641,877
Raw materials and supplies	3,393,316	3,987,232
Other	2,800,893	1,269,781
Allowance for doubtful accounts	(12,964)	(14,544)
Total current assets	68,133,995	64,875,233
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	15,818,609	16,383,783
Machinery, equipment and vehicles, net	15,090,477	13,679,202
Land	6,930,343	8,441,203
Construction in progress	20,145,092	24,745,875
Other, net	1,042,104	1,053,049
Total property, plant and equipment	59,026,627	64,303,114
Intangible assets	3,129,865	2,537,491
Investments and other assets		
Investment securities	885,432	764,888
Long-term prepaid expenses	224,916	582,458
Deferred tax assets	1,892,733	1,737,459
Retirement benefit asset	171,023	148,229
Other	275,588	275,467
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	3,449,694	3,508,503
Total non-current assets	65,606,187	70,349,109
Total assets	133,740,183	135,224,342

(Thousands of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,359,211	3,273,424
Current portion of long-term borrowings	–	2,000,000
Accounts payable - other	1,992,235	2,078,749
Accounts payable - facilities	9,281,400	1,711,716
Income taxes payable	1,309,195	1,500,344
Provision for bonuses	572,659	396,909
Provision for bonuses for directors (and other officers)	35,700	90,960
Provision for repairs	374,078	275,733
Other	532,548	1,046,676
Total current liabilities	16,457,028	12,374,514
Non-current liabilities		
Long-term borrowings	20,000,000	18,000,000
Deferred tax liabilities	298,524	313,921
Retirement benefit liability	1,691,884	1,699,643
Long-term accounts payable - facilities	152,636	141,557
Asset retirement obligations	17,924	17,924
Other	97,167	134,440
Total non-current liabilities	22,258,137	20,307,487
Total liabilities	38,715,166	32,682,002
Net assets		
Shareholders' equity		
Share capital	4,334,047	4,334,047
Capital surplus	4,820,722	4,820,722
Retained earnings	82,188,150	88,951,936
Treasury shares	(1,087,246)	(1,056,875)
Total shareholders' equity	90,255,674	97,049,830
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	288,741	229,455
Deferred gains or losses on hedges	17,351	40,496
Foreign currency translation adjustment	4,463,249	5,222,557
Total accumulated other comprehensive income	4,769,341	5,492,509
Total net assets	95,025,016	102,542,340
Total liabilities and net assets	133,740,183	135,224,342

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	43,135,033	52,420,635
Cost of sales	27,801,449	32,443,598
Gross profit	15,333,584	19,977,036
Selling, general and administrative expenses	7,107,216	7,381,275
Operating profit	8,226,367	12,595,760
Non-operating income		
Interest income	185,740	247,232
Dividend income	12,440	13,592
Foreign exchange gains	350,250	382,717
Other	30,927	30,565
Total non-operating income	579,359	674,107
Non-operating expenses		
Interest expenses	88,888	99,090
Depreciation	829	853
Loss on investments in investment partnerships	13,284	12,557
Other	3,780	874
Total non-operating expenses	106,781	113,375
Ordinary profit	8,698,944	13,156,493
Extraordinary income		
Gain on sale of non-current assets	2,249	60,928
Gain on sale of investment securities	12,100	–
Subsidy income	36,563	20,257
Total extraordinary income	50,913	81,185
Extraordinary losses		
Loss on sale of non-current assets	–	8,387
Loss on retirement of non-current assets	67,614	31,879
Total extraordinary losses	67,614	40,267
Profit before income taxes	8,682,243	13,197,410
Income taxes - current	2,440,177	3,855,054
Income taxes - deferred	135,384	172,626
Total income taxes	2,575,562	4,027,681
Profit	6,106,681	9,169,729
Profit attributable to owners of parent	6,106,681	9,169,729

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	6,106,681	9,169,729
Other comprehensive income		
Valuation difference on available-for-sale securities	52,042	(59,285)
Deferred gains or losses on hedges	(9,090)	23,145
Foreign currency translation adjustment	551,990	759,307
Total other comprehensive income	594,942	723,167
Comprehensive income	6,701,624	9,892,896
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,701,624	9,892,896
Comprehensive income attributable to non-controlling interests	–	–

Consolidated statements of cash flows

(Thousands of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Cash flows from operating activities		
Profit before income taxes	8,682,243	13,197,410
Depreciation	4,934,499	5,654,523
Increase (decrease) in allowance for doubtful accounts	(3,653)	1,047
Increase (decrease) in provision for bonuses	(333,537)	(179,669)
Increase (decrease) in provision for bonuses for directors (and other officers)	(4,190)	55,260
Increase (decrease) in retirement benefit liability	74,211	30,010
Increase (decrease) in provision for repairs	(104,406)	(98,344)
Interest and dividend income	(198,181)	(260,824)
Interest expenses	88,888	99,090
Foreign exchange losses (gains)	(347,930)	(241,556)
Loss (gain) on sale of non-current assets	(2,249)	(52,540)
Loss on retirement of non-current assets	67,614	31,879
Loss (gain) on sale of investment securities	(12,100)	–
Loss (gain) on investments in investment partnerships	13,284	12,557
Subsidy income	(36,563)	(20,257)
Decrease (increase) in trade receivables	(756,511)	(1,654,953)
Decrease (increase) in inventories	(1,956,142)	(19,737)
Increase (decrease) in trade payables	(798,782)	857,991
Increase (decrease) in accounts payable - other	(400,869)	119,629
Other, net	(1,734,025)	1,884,294
Subtotal	7,171,596	19,415,811
Interest and dividends received	197,172	263,071
Interest paid	(70,799)	(98,686)
Subsidies received	36,563	20,257
Income taxes paid	(6,205,303)	(3,502,707)
Net cash provided by (used in) operating activities	1,129,229	16,097,745
Cash flows from investing activities		
Payments into time deposits	(4,418,911)	(3,077,367)
Proceeds from withdrawal of time deposits	1,423,773	2,900,189
Purchase of property, plant and equipment	(14,422,208)	(17,630,331)
Proceeds from sale of property, plant and equipment	2,323	16,473
Payments for retirement of property, plant and equipment	(10,050)	–
Purchase of intangible assets	(2,629,060)	(26,809)
Proceeds from sale of intangible assets	–	67,189
Purchase of investment securities	(105,291)	(5,404)
Proceeds from sale of investment securities	22,994	–
Proceeds from collection of long-term loans receivable	0	0
Proceeds from distributions from investment partnerships	20,254	27,990
Other, net	(147,445)	(493,064)
Net cash provided by (used in) investing activities	(20,263,620)	(18,221,134)

(Thousands of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Cash flows from financing activities		
Proceeds from long-term borrowings	20,000,000	–
Purchase of treasury shares	(703)	(473)
Dividends paid	(2,314,361)	(2,394,691)
Repayments of lease liabilities	(7,526)	(9,188)
Net cash provided by (used in) financing activities	17,677,408	(2,404,353)
Effect of exchange rate change on cash and cash equivalents	534,429	466,153
Net increase (decrease) in cash and cash equivalents	(922,552)	(4,061,588)
Cash and cash equivalents at beginning of period	22,350,871	29,483,756
Cash and cash equivalents at end of period	21,428,319	25,422,167