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]

February 4, 2025

Company name: Chubu Steel Plate Co.,Ltd.
Listing: Tokyo, Nagoya
Securities code: 5461
URL: https://www.chubukohan.co.jp/en/
Representative: Kumio Shigematsu, Representative Director and President
Inquiries: Susumu Matsuda, Director and General Manager of General Affairs Div.
Telephone: +81-52-661-3811

Scheduled date to commence dividend payments: -
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 Nine Months Ended December 31, 2024 (April 1, 2024 to December 31, 2024)

(1) Consolidated Operating Results (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	42,732	(15.3)	3,649	(51.7)	3,531	(52.7)	2,513	(51.4)
December 31, 2023	50,438	(13.1)	7,549	(17.7)	7,472	(19.3)	5,168	(18.9)

(Note) Comprehensive income: Nine months ended December 31, 2024: ¥ 2,250 million [(60.1) %]
Nine months ended December 31, 2023: ¥ 5,641 million [(13.7) %]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	92.81	-
December 31, 2023	187.19	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
December 31, 2024	87,891	76,758	86.5
March 31, 2024	93,548	77,494	82.1

(Reference) Equity: As of December 31, 2024: ¥ 76,023 million
As of March 31, 2024: ¥ 76,796 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	-	30.00	-	61.00	91.00
Fiscal year ending March 31, 2025	-	50.00	-		
Fiscal year ending March 31, 2025 (Forecast)				51.00	101.00

(Note) Revision to the forecast for dividends announced most recently: None

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
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	50,000	(26.2)	1,800	(82.7)	1,700	(83.4)	1,200	(83.2)	44.31

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name:)

Excluded: - (Company name:)

(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: Yes

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

3) Changes in accounting estimates: None

4) Restatement: None

(Note) Regarding the details, please refer to "2.Quarterly Consolidated Financial Statements and Notes (3) Notes to Quarterly Consolidated Financial Statements (Changes in Accounting Policies)"

(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: 30,200,000 shares

March 31, 2024: 30,200,000 shares

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

December 31, 2024: 3,117,716 shares

March 31, 2024: 3,124,421 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2024: 27,079,599 shares

Nine months ended December 31, 2023: 27,608,645 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 forward-looking statements, including financial results forecast, in this document are based on information available to the Company at the time of this disclosure and on certain assumptions deemed reasonable by the Company. As such, actual results may differ greatly from those indicated in these forward-looking statements due to various factors. Regarding the conditions that serve as the basis for financial results forecast and precautions for using the financial results forecast, please refer to "1.Qualitative Information on Quarterly Results (3) Overview of Consolidated Earnings Forecasts and Other Forward-Looking Statements"

○Index of Attached Documents

1. Qualitative Information on Quarterly Results …… 2
(1) Overview of Operating Results …… 2
(2) Overview of Financial Position …… 2
(3) Overview of Consolidated Earnings Forecasts and Other Forward-Looking Statements …… 3
2. Quarterly Consolidated Financial Statements and Notes …… 4
(1) Quarterly Consolidated Balance Sheets …… 4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income …… 6
(3) Notes to Quarterly Consolidated Financial Statements …… 8
(Notes on Going Concern Assumptions) …… 8
(Notes on Significant Changes in the Amount of Shareholders' Equity) …… 8
(Changes in Accounting Policies) …… 8
(Notes to Cash Flow Statements) …… 8
(Segment Information, etc.) …… 9
(Significant events after reporting period) …… 10

1. Qualitative Information on Quarterly Results

(1) Overview of Operating Results

During the nine months ended December 31, 2024, domestic steel demand in Japan remained sluggish overall. Demand for industrial and construction machinery sector, which are our main customers, declined due to the slowdown of overseas economies, including China, and demand for construction and civil engineering was also weak, due to the delay and prolongation of construction periods becoming normalized by labor shortages on construction site and rising material.

In this environment, our group has made steady efforts to implement various measures, including the construction of new electric arc furnace, based on the 24 Medium-Term Management Plan that started this fiscal year, but we were forced to suppress orders, by supply constraints associated with construction.

As a result, consolidated net sales for the nine months ended December 31, 2024 decreased by 7,705 million yen year on year to 42,732 million yen, consolidated ordinary profit decreased by 3,940 million yen year on year to 3,531 million yen, and profit attributable to owners of parent decreased by 2,654 million yen year on year to 2,513 million yen.

Operating results by segment are as follows.

(Steel related business)

Regarding the steel related business, due to the sluggish steel market and the suspension of production associated with the upgrade construction to new electric arc furnace, the sales price and sales volume of our main product, steel plates, fell below the same period last year. Additionally, manufacturing costs increased due to the effect of decrease in production and so on.

As a result, net sales decreased by 7,861 million yen year on year to 40,554 million yen, segment profit (operating profit) decreased by 3,916 million yen year on year to 3,325 million yen.

(Rental business)

Regarding the rental business, due to an increase in the number of orders for kitchen equipment maintenance and production of advertising signs, net sales increased by 55 million yen year on year to 566 million yen, and segment profit (operating profit) increased by 12 million yen year on year to 62 million yen.

(Logistics business)

Regarding the logistics business, the handling volume in hazardous materials warehouses remained at the same level as the same period last year, due to the increase in various costs associated with storage, net sales decreased by 3 million yen year on year to 433 million yen, and segment profit (operating profit) decreased by 20 million yen year on year to 143 million yen.

(Engineering business)

Regarding the engineering business, due to steady accumulation of construction projects and continuous efforts to improve profitability, net sales increased by 103 million yen year on year to 1,178 million yen, segment profit (operating profit) increased by 45 million yen year on year to 76 million yen.

(2) Overview of Financial Position

Assets, liabilities and net assets status

(Assets)

Current assets decreased by 9,977 million yen from the end of the previous fiscal year to 51,315 million yen. This was mainly due to decrease in notes and accounts receivable-trade, work in process, while increase in securities.

Non-current assets increased by 4,319 million yen from the end of the previous fiscal year to 36,576 million yen. This was mainly due to increase in investment securities, construction in progress.

(Liabilities)

Current liabilities decreased by 4,947 million yen from the end of the previous fiscal year to 10,042 million yen. This was mainly due to reduction in notes and accounts payable-trade, income taxes payable.

Non-current liabilities increased by 27 million yen from the end of the previous fiscal year to 1,090 million yen.

(Net assets)

Net assets decreased by 736 million yen from the end of the previous fiscal year to 76,758 million yen. This was mainly due to decrease in retained earnings by payment of dividends, and decrease in valuation difference on available-for-sale securities.

(3) Overview of Consolidated Earnings Forecasts and Other Forward-Looking Statements

Regarding the performance forecast for the current fiscal year, there is no change from the consolidated financial results forecast for the full year that was announced on January 28, 2025, but we will announce promptly in the case of necessary of revision.

Additionally, we plan to distribute a year-end dividend of 51 yen per share.

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	13,516	11,956
Notes and accounts receivable - trade	22,109	15,610
Electronically recorded monetary claims - operating	4,973	3,852
Securities	6,998	12,193
Merchandise and finished goods	4,309	3,325
Work in process	5,903	880
Raw materials and supplies	3,362	3,183
Other	118	312
Allowance for doubtful accounts	(0)	(0)
Total current assets	61,292	51,315
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,457	6,571
Machinery, vehicles, tools, furniture and fixtures, net	11,662	12,408
Land	2,154	2,154
Construction in progress	1,104	2,704
Other, net	2	1
Total property, plant and equipment	21,382	23,841
Intangible assets	224	187
Investments and other assets		
Investment securities	9,629	11,623
Retirement benefit asset	424	369
Deferred tax assets	140	127
Other	458	430
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	10,649	12,547
Total non-current assets	32,256	36,576
Total assets	93,548	87,891

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,071	4,979
Accounts payable - other	3,291	3,746
Income taxes payable	1,944	34
Accrued consumption taxes	639	512
Provision for bonuses	609	243
Provision for bonuses for directors (and other officers)	15	8
Other	417	517
Total current liabilities	14,990	10,042
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	19	15
Retirement benefit liability	739	703
Deferred tax liabilities	133	211
Other	170	160
Total non-current liabilities	1,063	1,090
Total liabilities	16,053	11,133
Net assets		
Shareholders' equity		
Share capital	5,907	5,907
Capital surplus	4,713	4,727
Retained earnings	66,463	65,970
Treasury shares	(2,638)	(2,633)
Total shareholders' equity	74,444	73,972
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,114	1,831
Remeasurements of defined benefit plans	237	219
Total accumulated other comprehensive income	2,351	2,050
Non-controlling interests	698	734
Total net assets	77,494	76,758
Total liabilities and net assets	93,548	87,891

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	50,438	42,732
Cost of sales	38,966	35,439
Gross profit	11,472	7,292
Selling, general and administrative expenses		
Freight and incidental costs	2,048	1,789
Remuneration, salaries and allowances for directors (and other officers)	887	916
Provision for bonuses	109	84
Retirement benefit expenses	60	50
Other	815	801
Total selling, general and administrative expenses	3,922	3,642
Operating profit	7,549	3,649
Non-operating income		
Interest income	14	36
Dividend income	138	166
Rental income	54	54
Miscellaneous income	49	39
Total non-operating income	257	297
Non-operating expenses		
Interest expenses	4	6
Loss on disposal of non-current assets	307	387
Foreign exchange losses	0	-
Miscellaneous losses	22	22
Total non-operating expenses	334	416
Ordinary profit	7,472	3,531
Extraordinary income		
Gain on sale of investment securities	79	105
Gain on sale of non-current assets	0	50
Total extraordinary income	79	155
Extraordinary losses		
Loss on sale of investment securities	0	-
Total extraordinary losses	0	-
Profit before income taxes	7,551	3,687
Income taxes	2,340	1,136
Profit	5,210	2,550
Profit attributable to non-controlling interests	42	37
Profit attributable to owners of parent	5,168	2,513

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	5,210	2,550
Other comprehensive income		
Valuation difference on available-for-sale securities	432	(282)
Remeasurements of defined benefit plans, net of tax	(2)	(17)
Total other comprehensive income	430	(300)
Comprehensive income	5,641	2,250
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,598	2,213
Comprehensive income attributable to non-controlling interests	42	37

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumptions)

Nine months ended December 31,2024 (from April 1, 2024 to December 31, 2024)

Not applicable

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

Nine months ended December 31,2024 (from April 1, 2024 to December 31, 2024)

Not applicable

(Changes in Accounting Policies)

The Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard 2022"), etc. have been applied from the beginning of the three months ended June 30, 2024.

The amendment to categories in which current income taxes should be recorded (taxation on other comprehensive income) 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 (2) of paragraph 65-2 of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No.28, October 28, 2022; hereinafter referred to as the "Revised Guidance 2022"). These changes in accounting policies have no impact on the quarterly consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Guidance 2022 has been applied from the beginning of the three months ended June 30, 2024. This change in accounting policies has been 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 been prepared reflecting the retrospective application. This change in accounting policies has no impact on the quarterly consolidated financial statements for the same period of the previous fiscal year and the consolidated financial statements for the previous fiscal year.

(Notes to Cash Flow Statements)

Consolidated cash flow statements for nine months ended December 31,2024 has not been prepared. Depreciation expenses (including amortization expenses related to intangible assets) for nine months ended December 31,2024 are as follows.

	Nine months ended December 31,2023 (from April 1,2023 to December 31,2023)	Nine months ended December 31,2024 (from April 1,2024 to December 31,2024)
Depreciation expenses	1,584 million yen	1,521 million yen

(Segment Information, etc.)

【Segment information】

I. Nine months ended December 31,2023 (from April 1, 2023 to December 31, 2023)

1. Information related to net sales and profit/loss for each reportable segment and information on disaggregation of revenue

(Millions of yen)

	Reportable segment				Total
	Steel related business	Rental business	Logistics business	Engineering business	
Net sales					
Revenue from contracts with customers	48,415	510	437	1,074	50,438
Other revenue	—	—	—	—	—
(1)Sales to external customers	48,415	510	437	1,074	50,438
(2)Inter-segment sales and transfers	5	5	184	353	548
Total	48,421	515	622	1,427	50,986
Segment profit (loss)	7,242	49	164	31	7,487

2. Difference between the total amount of profit or loss for each reportable segment and the amount recorded in the quarterly Consolidated Statements of Income and the main details of the difference (information regarding difference adjustment)

profit	Millions of yen
Total of reportable segment	7,487
Inter-segment eliminations	62
Operating profit of quarterly consolidated statements of income	7,549

II. Nine months ended December 31,2024 (from April 1, 2024 to December 31, 2024)

1. Information related to net sales and profit/loss for each reportable segment and information on disaggregation of revenue

(Millions of yen)

	Reportable segment				Total
	Steel related business	Rental business	Logistics business	Engineering business	
Net sales					
Revenue from contracts with customers	40,554	566	433	1,178	42,732
Other revenue	—	—	—	—	—
(1)Sales to external customers	40,554	566	433	1,178	42,732
(2)Inter-segment sales and transfers	2	11	184	460	658
Total	40,557	577	617	1,638	43,391
Segment profit (loss)	3,325	62	143	76	3,608

2. Difference between the total amount of profit or loss for each reportable segment and the amount recorded in the quarterly consolidated statements of income and the main details of the difference (information regarding difference adjustment)

profit	Millions of yen
Total of reportable segment	3,608
Inter-segment eliminations	41
Operating profit of quarterly Consolidated Statements of Income	3,649

(Significant events after reporting period)

On January 21, 2025, molten steel leakage outside the electric arc furnace and steam explosion accident occurred at our steelmaking plant of our manufacturing base. As a result of this incident, the electric arc furnace equipment, surrounding facilities, and part of the building were damaged, and the steelmaking plant is currently suspended from operations. Due to the suspension of core equipment, a significant decrease in production and shipments is expected for the fourth quarter. An investigation is currently underway regarding the losses and other impacts caused by this accident.