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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (Under Japanese GAAP)



November 8, 2024

Company name: Yushiro Chemical Industry Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 5013
 URL: <https://www.yushiro.co.jp/en/>
 Representative: Masanori Arisaka, President and Representative Director
 Contact: Hironori Yokoi, General Manager, Financing Department, Corporate Division
 Phone: +81-3-3750-6793
 Scheduled date of filing semi-annual securities report: November 11, 2024
 Scheduled date to commence dividend payments: December 10, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2024 (April 1, 2024–September 30, 2024)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2024	27,811	9.1	2,613	47.5	3,130	30.4	2,486	37.7
September 30, 2023	25,495	17.1	1,771	384.1	2,401	298.3	1,805	–

(Note) Comprehensive income: Six months ended September 30, 2024: ¥4,825 million [1.4%]

Six months ended September 30, 2023: ¥4,761 million [21.3%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	182.66	–
September 30, 2023	132.67	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2024	65,266	45,792	65.9	3,158.73
As of March 31, 2024	62,169	42,633	64.7	2,953.54

(Reference) Equity: As of September 30, 2024: ¥42,988 million

As of March 31, 2024: ¥40,196 million

2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	–	20.00	–	50.00	70.00
Fiscal year ending March 31, 2025	–	30.00			
Fiscal year ending March 31, 2025 (Forecast)			–	68.00	98.00

(Note) Revisions to the forecast of cash dividends most recently announced: Yes

3. Consolidated financial results forecast for the fiscal year ending March 31, 2025 (April 1, 2024–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
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	55,500	4.7	4,740	31.0	5,640	21.8	4,100	36.2	301.25

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

Notes:

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements:
Yes
- (3) 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
- (4) Number of issued shares (common shares)
- (i) Total number of issued shares at the end of the period (including treasury shares)

September 30, 2024:	13,900,065 shares
March 31, 2024:	13,900,065 shares
 - (ii) Number of treasury shares at the end of the period

September 30, 2024:	290,525 shares
March 31, 2024:	290,464 shares
 - (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2024:	13,609,572 shares
Six months ended September 30, 2023:	13,609,680 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The financial results forecast and other forward-looking information presented herein are based on the information available to the Company and certain assumptions deemed reasonable at the present time. Actual results may differ significantly from these forecasts due to various factors.

Semi-annual Consolidated Financial Statements

(1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	12,338	13,847
Notes and accounts receivable - trade	10,020	11,091
Merchandise and finished goods	2,549	2,629
Raw materials and supplies	4,530	4,902
Other	732	1,740
Allowance for doubtful accounts	(21)	(26)
Total current assets	30,150	34,185
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,871	3,972
Machinery, equipment and vehicles, net	1,432	1,587
Tools, furniture and fixtures, net	289	293
Land	5,141	5,170
Leased assets, net	36	42
Construction in progress	129	159
Total property, plant and equipment	10,900	11,224
Intangible assets		
Goodwill	1,843	1,957
Customer relationship	1,995	2,189
Technical assets	593	638
Trademark right	520	560
Other	938	1,082
Total intangible assets	5,892	6,428
Investments and other assets		
Investment securities	5,683	5,386
Shares of subsidiaries and associates	7,522	5,935
Insurance funds	715	666
Long-term time deposits	2	2
Retirement benefit asset	480	502
Deferred tax assets	88	90
Other	747	856
Allowance for doubtful accounts	(13)	(13)
Total investments and other assets	15,226	13,426
Total non-current assets	32,019	31,080
Total assets	62,169	65,266

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,190	5,684
Short-term borrowings	4,894	4,928
Lease liabilities	95	121
Accounts payable - other	1,093	976
Income taxes payable	317	320
Provision for bonuses	445	503
Provision for bonuses for directors (and other officers)	—	7
Other	1,846	1,767
Total current liabilities	13,883	14,310
Non-current liabilities		
Long-term borrowings	1,478	1,076
Lease liabilities	128	246
Deferred tax liabilities	2,546	2,302
Provision for retirement benefits for directors (and other officers)	109	112
Retirement benefit liability	1,192	1,227
Long-term guarantee deposits	185	185
Asset retirement obligations	11	11
Total non-current liabilities	5,652	5,163
Total liabilities	19,535	19,473
Net assets		
Shareholders' equity		
Share capital	4,249	4,249
Capital surplus	3,931	3,931
Retained earnings	27,433	28,262
Treasury shares	(384)	(384)
Total shareholders' equity	35,230	36,059
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,677	2,358
Foreign currency translation adjustment	2,357	4,635
Remeasurements of defined benefit plans	(68)	(63)
Total accumulated other comprehensive income	4,966	6,929
Non-controlling interests	2,437	2,804
Total net assets	42,633	45,792
Total liabilities and net assets	62,169	65,266

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statements of Income

Six months Ended September 30

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	25,495	27,811
Cost of sales	18,424	19,168
Gross profit	7,070	8,643
Selling, general and administrative expenses	5,298	6,029
Operating profit	1,771	2,613
Non-operating income		
Interest income	39	97
Dividend income	61	74
Foreign exchange gains	136	—
Share of profit of entities accounted for using equity method	390	427
Other	61	65
Total non-operating income	690	666
Non-operating expenses		
Interest expenses	26	31
Foreign exchange losses	—	101
Other	34	16
Total non-operating expenses	60	148
Ordinary profit	2,401	3,130
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	24	133
Total extraordinary income	24	133
Profit before income taxes	2,426	3,264
Income taxes	596	654
Profit	1,829	2,609
Profit attributable to non-controlling interests	23	123
Profit attributable to owners of parent	1,805	2,486

Semi-annual Consolidated Statements of Comprehensive Income

Six months Ended September 30

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Profit	1,829	2,609
Other comprehensive income		
Valuation difference on available-for-sale securities	538	(319)
Foreign currency translation adjustment	2,019	2,375
Remeasurements of defined benefit plans, net of tax	52	4
Share of other comprehensive income of entities accounted for using equity method	321	154
Total other comprehensive income	2,931	2,215
Comprehensive income	4,761	4,825
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,610	4,449
Comprehensive income attributable to non-controlling interests	151	375

(3) Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	2,426	3,264
Depreciation	509	557
Amortization of goodwill	115	129
Share of loss (profit) of entities accounted for using equity method	(390)	(427)
Increase (decrease) in allowance for doubtful accounts	(8)	2
Increase (decrease) in provision for bonuses	50	49
Increase (decrease) in provision for bonuses for directors (and other officers)	7	7
Increase (decrease) in retirement benefit liability	(18)	19
Increase (decrease) in provision for retirement benefits for directors (and other officers)	8	2
Interest and dividend income	(101)	(172)
Interest expenses	26	31
Decrease (increase) in trade receivables	(491)	(545)
Decrease (increase) in inventories	431	(7)
Increase (decrease) in trade payables	(296)	287
Other, net	361	(514)
Subtotal	2,629	2,685
Interest and dividends received	138	203
Interest paid	(29)	(35)
Income taxes paid	(326)	(825)
Net cash provided by (used in) operating activities	2,411	2,027
Cash flows from investing activities		
Payments into time deposits	(346)	(1,102)
Proceeds from withdrawal of time deposits	32	844
Purchase of investment securities	(19)	(11)
Proceeds from sale of shares of subsidiaries and associates	961	348
Purchase of property, plant and equipment	(268)	(384)
Proceeds from sale of property, plant and equipment	28	0
Purchase of intangible assets	(152)	(134)
Other, net	117	82
Net cash provided by (used in) investing activities	353	(358)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(0)	(0)
Proceeds from long-term borrowings	—	101
Repayments of long-term borrowings	(485)	(469)
Purchase of treasury shares	(0)	(0)
Dividends paid	(136)	(680)
Dividends paid to non-controlling interests	—	(107)
Repayments of lease liabilities	(43)	(56)
Net cash provided by (used in) financing activities	(665)	(1,211)
Effect of exchange rate change on cash and cash equivalents	586	744
Net increase (decrease) in cash and cash equivalents	2,685	1,201
Cash and cash equivalents at beginning of period	7,327	10,981
Cash and cash equivalents at end of period	10,013	12,183