



First Half of Fiscal Year March 2025

# Summary of Financial Results

## 1 Consolidated Results for First Half of FY March 2025

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# 1

## **Consolidated Results for First Half of FY March 2025**



## Points of Financial Statements

**Outlook remains uncertain primarily owing to the persistently high raw material and fuel prices, unstable currency fluctuations, and a deteriorated international situation.**

**◆ Net sales increased by 10.7% YoY and operation profit increased by 199.0% YoY**

- A gradual recovery trend in products for LCDs and semiconductors, communication, and general industry that remained weak in the previous fiscal year
- Increase in revenues and profits due to price revisions and proactive business strategy shifts focused on profitability and reduced inventory write-downs



# Consolidated results for first half of FY March 2025 (Overview)

(Millions of yen)	FY March 2024 2Q	FY March 2025 2Q	Change	Change rate
<b>Net sales</b>	18,672	20,678	2,005	10.7%
<b>Operating profit</b>	803	2,401	1,598	199.0%
Operating profit percentage	4.3%	11.6%	7.3pt	
<b>Ordinary profit</b>	909	2,393	1,484	163.2%
<b>Profit</b>	611	1,633	1,022	167.3%
<b>EBITDA *</b>	2,620	4,192	1,572	60.0%
<b>Earnings per share (Yen)</b>	69.33	185.09	-	-

※ Brief version of EBITDA (operating profit + depreciation) is used



# Consolidated results for first half of FY March 2025

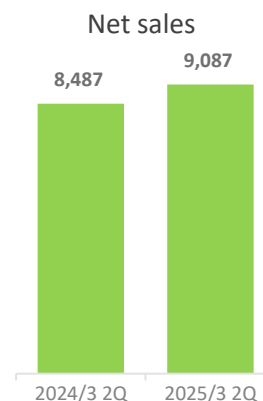
## (Performance by segment)

(Millions of yen)		FY March 2024 2Q	FY March 2025 2Q	Change	Change rate
Inorganic Chemicals	Net sales	8,487	9,087	599	7.1%
	Operating profit	307	842	535	174.3%
Specialty Chemicals	Net sales	9,365	10,744	1,378	14.7%
	Operating profit	233	1,258	1,025	439.9%
Leasing Business	Net sales	457	457	(0)	(0.0%)
	Operating profit	266	274	8	3.0%
Other	Net sales	361	389	27	7.8%
	Operating profit	0	11	11	-
Total	Net sales	18,672	20,678	2,005	10.7%
	Operating profit	803	2,401	1,598	199.0%



# Consolidated results for first half of FY March 2025 (Inorganic chemicals)

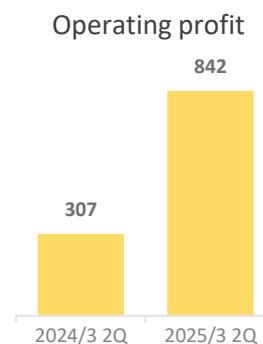
(Millions of yen)	FY March 2024 2Q	FY March 2025 2Q	Change	Change rate
Chromium Compounds	2,432	2,668	236	9.7%
Silicates and silica	1,210	1,128	(82)	(6.8%)
Inorganic Phosphorus Compounds	3,335	3,423	88	2.6%
Other	1,509	1,866	357	23.7%
<b>Total</b>	<b>8,487</b>	<b>9,087</b>	<b>599</b>	<b>7.1%</b>



◆ **Chromium Compounds:** Strong growth for plating

◆ **Silicates and Silica:** Weakness due to declining demand

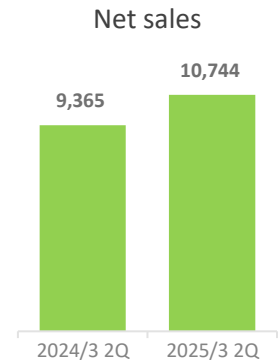
◆ **Inorganic Phosphorus Compounds:**  
Demand recovery and strongness for LCDs and semiconductors





# Consolidated results for first half of FY March 2025 (Specialty chemicals)

(Millions of yen)	FY March 2024 2Q	FY March 2025 2Q	Change	Change rate
Electronic Ceramic Materials	3,989	4,826	837	21.0%
Organic Functional Materials	2,410	2,630	220	9.1%
Battery and Electronic Device Materials	2,258	2,636	378	16.7%
Other	708	650	(58)	(8.2%)
<b>Total</b>	<b>9,365</b>	<b>10,744</b>	<b>1,378</b>	<b>14.7%</b>

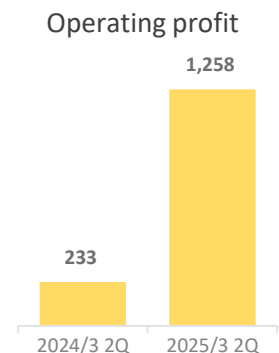


## ◆ Electronic Ceramic Materials:

Demand recovery trend for communication and strongness for automotive grade

## ◆ Organic Functional Materials

- **Phosphine Derivatives:** Sharp decline for overseas catalysts and strong growth for Quantum Dot and raw material for catalyst
- **Active Agrochemical Ingredients:** Solidness



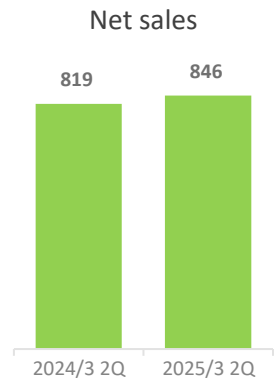
## ◆ Battery and Electronic Device Materials

- **Battery Materials:** Execution of price revisions
- **Circuit Materials:** Strong growth for anisotropic conductive materials
- **High-Purity Electronic Materials:** Demand recovery for semiconductors



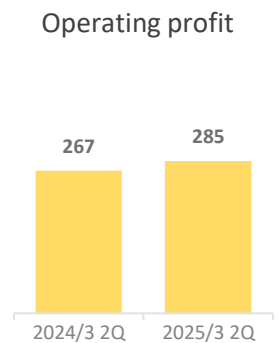
# Consolidated results for first half of FY March 2025 (Leasing)

(Millions of yen)	FY March 2024 2Q	FY March 2025 2Q	Change	Change rate
Leasing Business	457	457	(0)	(0.0%)
Book Store Operation	241	258	17	7.1%
Other	119	130	11	9.2%
Total	819	846	27	3.3%



◆ **Leasing Business:** Solidness

◆ **Book Store Operation:** Solidness





# Balance Sheet

(Millions of yen)	March End, 2024	September End, 2024	Change	Major factors of change
Current assets	33,975	32,949	(1,026)	Cash and deposits: (581), Inventory: (359)
Non-current assets	42,527	42,717	190	Property, plant and equipment: 277, Investment securities: (67)
<b>Total assets</b>	<b>76,503</b>	<b>75,667</b>	<b>(836)</b>	
Current liabilities	20,102	19,507	(595)	Notes and accounts payable-trade: (474), Short-term borrowings: 877
Non-current liabilities	11,352	9,978	(1,374)	Long-term borrowings: (1,437)
<b>Total liabilities</b>	<b>31,455</b>	<b>29,485</b>	<b>(1,970)</b>	
Shareholders' equity	39,618	40,983	1,365	Retained earnings: 1,325
Accumulated other comprehensive income	5,429	5,197	(232)	Remeasurements of defined benefit plans: (120)
<b>Total net assets</b>	<b>45,047</b>	<b>46,181</b>	<b>1,133</b>	
<b>Total liabilities and net assets</b>	<b>76,503</b>	<b>75,667</b>	<b>(836)</b>	

◆Equity ratio: 61.0%



# Cash Flows

(Millions of yen)	FY March 2024 2Q	FY March 2025 2Q	Change	Major factors of change
Operating CF	2,278	3,132	854	Profit before income taxes: 1,463
Investment CF	(2,004)	(3,078)	(1,074)	Purchase of property, plant and equipment: (1,407)
Financial CF	471	(875)	(1,346)	Repayments of long-term borrowings: (1,144)
Free CF*	(34)	(253)	(219)	
Cash at end of period	8,620	7,945	(675)	
Dividends paid	307	307	0	
Depreciation	1,817	1,791	(26)	

\* Calculated by deducting CF from investing activities and dividends from CF from operating activities



# 2

## **Forecast of Consolidated Results for FY March 2025**



# Points of Consolidated Earnings Forecast for FY 2025/3

## ◆ Revisions to the full-year financial forecast

- Maintain a cautious outlook given the uncertain external environment while upwardly revised earnings forecast to reflect progress of business results for the first half.

(Millions of yen)	Announced on May 14	This forecast	Change	Change rate
<b>Net sales</b>	40,000	40,000	0	0.0%
<b>Operating profit</b>	2,900	3,600	700	24.1%
<b>Profit</b>	2,000	2,600	600	30.0%

- Postpone some capital investment due primarily to delayed delivery of facilities.  
(Revised to 6,900 million yen, down 1,700 million yen from the previous forecast)

## ◆ Return to shareholders (Dividend and acquisition of treasury shares)

- Increased annual dividend forecast for FY 2024 from 70 yen to 92 yen (interim dividend of 46 yen and a year-end dividend forecast of 46 yen), reflecting the revised earnings forecast for FY 2024.
- Set the acquisition cost of treasury shares at 250 million yen.
- Expect payout ratio of 30% and total payout ratio of 40% for FY2024 due to the above.

## ◆ Other

- Withdrawal from bookstore business (in FY 2024)



# Forecast of consolidated results for FY March 2025

## (Overview)

Revised earnings forecast based on progress in first half

(Millions of yen)	FY March 2024 Results	FY March 2025		vs. initial forecast	
		Announced on May 14	This forecast	Change	Change rate
<b>Net sales</b>	38,538	40,000	40,000	0	0.0%
<b>Operating profit</b>	2,264	2,900	3,600	700	24.1%
Operating profit percentage	5.9%	7.3%	9.0%	1.7pt	
<b>Ordinary profit</b>	2,383	2,900	3,600	700	24.1%
<b>Profit</b>	1,590	2,000	2,600	600	30.0%
<b>EBITDA*</b>	5,947	6,700	7,300	600	9.0%
<b>ROE</b>	3.6%	5.0%	5.6%	0.6pt	-
<b>Earnings per share (Yen)</b>	180.35	226.70	294.72	-	-
<b>Annual dividends per share (Yen)</b>	Interim:35 Year-end:35 Annual:70	Interim:35 Year-end:35 Annual:70	Interim:46 Year-end:46 Annual:92	-	-
<b>Capital expenditures</b>	4,115	8,600	6,900	(1,700)	(19.8%)
<b>Depreciation</b>	3,683	3,800	3,700	(100)	(2.6%)
<b>R &amp; D expenses</b>	1,452	1,600	1,500	(100)	(6.3%)

\* Brief version of EBITDA (operating profit + depreciation) is used



# Forecast of Consolidated results for FY March 2025

(Performance by segment)

Revised earnings forecast based on progress in first half

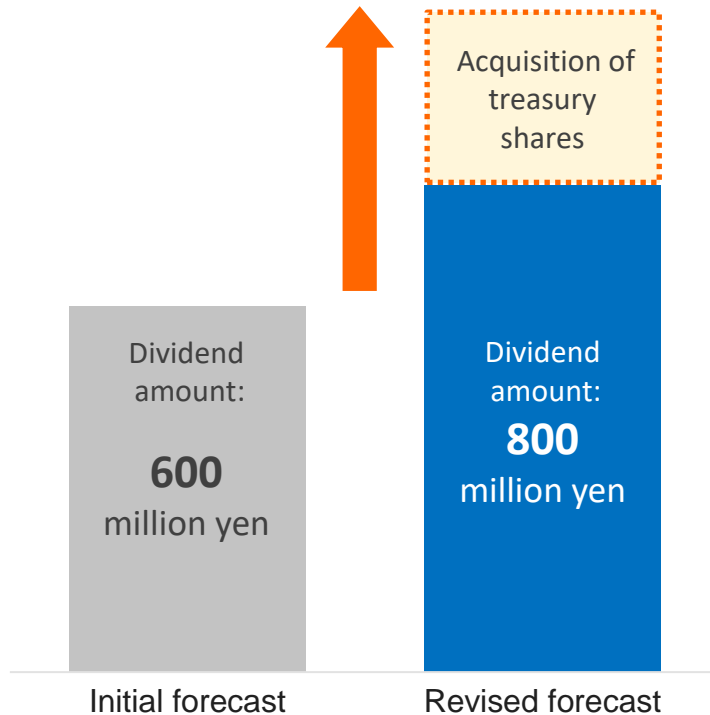
(Millions of yen)		FY March 2024 Results	FY March 2025		vs. initial forecast	
			Announced on May 14	This forecast	Change	Change rate
Inorganic Chemicals	Net sales	17,777	18,300	18,300	0	0.0%
	Operating profit	1,069	1,550	1,700	150	9.7%
Specialty Chemicals	Net sales	19,061	20,000	20,000	0	0.0%
	Operating profit	589	850	1,350	500	58.8%
Leasing Business	Net sales	915	915	915	0	0.0%
	Operating profit	528	545	545	0	0.0%
Other	Net sales	784	785	785	0	0.0%
	Operating profit	49	(45)	5	50	-
Total	Net sales	38,538	40,000	40,000	0	0.0%
	Operating profit	2,264	2,900	3,600	700	24.1%



# Shareholder Returns

Improve return to shareholders in light of revisions to the earnings forecast

<Total return to shareholders>



## Return to shareholders (FY 2024)

**800** million yen + $\alpha$

Announced acquisition of treasury shares  
in addition to dividend increase on  
November 12

Maximum acquisition: **250** million yen

Payout ratio

**30%**

Total payout ratio

**40%**





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**Cautions:**

The forecasts of financial results and business plans included in the materials were based on currently available information available and certain preconditions, and so the forecasts do not guarantee future financial results. Actual financial results may differ from the forecasts for to a variety of reasons. Please make your own decisions on investments.