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



February 12, 2025

Company name: STELLA CHEMIFA CORPORATION

Listing: Tokyo Stock Exchange

Securities code: 4109

URL: <https://www.stella-chemifa.co.jp>

Representative: Aki Hashimoto, Representative Director, President and Chief Executive Officer

Inquiries: Yasuhiko Nakashima, Director, Executive Officer and General Manager, Accounting Department

Telephone: +81-6-4707-1512

Scheduled date to commence dividend payments: —

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: No

(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 – December 31, 2024)

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

	Sales revenue		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	26,652	14.3	3,331	45.8	3,347	31.9	2,735	60.3
December 31, 2023	23,311	(17.5)	2,284	(25.6)	2,537	(32.3)	1,707	2.9

(Note) Comprehensive income: For nine months ended December 31, 2024: ¥2,986 million [8.3%]

For nine months ended December 31, 2023: ¥2,756 million [16.4%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	227.26	—
December 31, 2023	141.98	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2024	60,458	45,368	74.7	3,748.79
As of March 31, 2024	58,618	44,501	75.5	3,679.90

(Reference) Equity: As of December 31, 2024: ¥45,144 million

As of March 31, 2024: ¥44,261 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	—	60.00	—	94.00	154.00
Fiscal year ending March 31, 2025	—	85.00	—		
Fiscal year ending March 31, 2025 (Forecast)				85.00	170.00

(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 - March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Sales revenue		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	35,500	16.6	4,200	54.3	4,100	33.8	3,000	249.85

(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: Yes

(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: None

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

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

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

As of December 31, 2024: 13,213,248 shares

As of March 31, 2024: 13,213,248 shares

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

As of December 31, 2024: 1,170,946 shares

As of March 31, 2024: 1,185,297 shares

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

Nine months ended December 31, 2024: 12,037,745 shares

Nine months ended December 31, 2023: 12,023,615 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Explanation of the proper use of financial results forecast and other notes

The forward-looking statements in this document, including financial results forecasts, are based on the information in current possession of the Company and the assumptions it believes are reasonable. They are not intended as the Company's promise to achieve them. Note also that actual financial results may differ significantly from them. For the assumptions that form the basis of financial results forecasts and notes on their use, see "1. Overview of Operating Results, etc., (3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Information" on page 2 of the Attachments.

Table of Contents - Attachments

1. Overview of Operating Results, etc.	2
(1) Overview of Operating Results for the Period under Review	2
(2) Overview of Financial Position for the Period under Review	2
(3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Information	2
2. Quarterly Consolidated Financial Statements and Principal Notes	4
(1) Quarterly Consolidated Balance Sheet	4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	6
Quarterly Consolidated Statement of Income	
Nine Months Ended December 31	6
Quarterly Consolidated Statement of Comprehensive Income	
Nine Months Ended December 31	7
(3) Notes to Quarterly Consolidated Financial Statements	8
(Notes on going concern assumption)	8
(Notes on Significant Changes to Shareholders' Equity)	8
(Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements)	8
(Notes on segment information, etc.)	9
(Notes on Quarterly Consolidated Statement of Cash Flows).....	11
(Notes on significant subsequent events)	11

1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Period under Review

During the nine months ended December 31, 2024, the Japanese economy showed signs of a gradual recovery thanks to increased personal consumption due to improved employment and income conditions. However, the economic outlook remains uncertain because of concerns about the impact of high raw material and energy prices on consumption, fluctuations in the foreign exchange market, the trends of the new administration in the US, and other factors.

In this environment, the Group continued to supply a diverse range of fluoride products in line with the needs of customers, as well as developing the chemical product distribution business based on the unique know-how acquired in the transportation of special cargo.

In regard to sales revenue for the nine months ended December 31, 2024, in the Semiconductors, shipment volume increased compared to the previous corresponding period due to recovery in certain parts of the semiconductor market, and shipment volume also increased in the General Products. As a result, sales revenue increased to 26,652 millions of yen (up 14.3 % year on year).

In terms of profits, thanks to increased sales revenue, operating profit amounted to 3,331 millions of yen (up 45.8% year on year), ordinary profit amounted to 3,347 millions of yen (up 31.9% year on year), and profit attributable to owners of parent amounted to 2,735 millions of yen (up 60.3% year on year).

(2) Overview of Financial Position for the Period under Review

(Assets)

Current assets at the end of the third quarter of the fiscal year under review increased by 1,527 millions of yen (5.3%) from the end of the previous fiscal year to 30,530 millions of yen. The main reason for this increase was an increase of 1,277 millions of yen in notes and accounts receivable - trade. Non-current assets increased by 312 millions of yen (1.1%) from the end of the previous fiscal year to 29,928 millions of yen. The main reason for this increase was an increase of 270 millions of yen in property, plant and equipment.

Consequently, total assets at the end of the third quarter of the fiscal year under review increased by 1,840 millions of yen from the end of the previous fiscal year to 60,458 millions of yen.

(Liabilities)

Current liabilities at the end of the third quarter of the fiscal year under review increased by 164 millions of yen (1.9%) from the end of the previous fiscal year to 9,055 millions of yen. The main reason for this increase was a decrease of 627 millions of yen in electronically recorded obligations facilities, despite increases of 380 millions of yen in accounts payable – trade and 400 millions of yen in electronically recorded obligations - operating. Non-current liabilities increased by 808 millions of yen (15.5%) from the end of the previous fiscal year to 6,035 millions of yen. The main reason for this increase was an increase of 698 millions of yen in long-term borrowings.

Consequently, total liabilities at the end of the third quarter of the fiscal year under review increased by 973 millions of yen from the end of the previous fiscal year to 15,090 millions of yen.

(Net assets)

Total net assets at the end of the third quarter of the fiscal year under review amounted to 45,368 millions of yen, an increase of 866 millions of yen from the end of the previous fiscal year. The main reasons for this growth were increases of 556 millions of yen in retained earnings and 276 millions of yen in foreign currency translation adjustment.

Consequently, the equity-to-asset ratio was 74.7% (75.5% at the end of the previous fiscal year).

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

Considering the recent trends in financial results, the consolidated financial results forecast for the fiscal year ending March 31, 2025 and the numerical targets of the Medium-Term Management Plan (FYE 3/2023-FYE

3/2025), announced on May 10, 2024, have been revised.

For details, please refer to “Notice Regarding Revision to Financial Results Forecast for the Fiscal Year and Revision to Numerical Targets of Medium-Term Management Plan (FYE 3/2023-FYE 3/2025),” announced on December 26, 2024.

Moreover, financial results forecasts are based on the information currently available on the day of announcement of this document. Actual financial results may differ from the numbers in the forecasts due to various factors in the future.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	16,225	16,235
Notes and accounts receivable - trade	6,775	8,052
Electronically recorded monetary claims - operating	25	10
Merchandise and finished goods	2,322	2,950
Work in process	1,787	1,178
Raw materials and supplies	1,366	1,609
Other	513	510
Allowance for doubtful accounts	(14)	(17)
Total current assets	29,002	30,530
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,684	8,476
Machinery, equipment and vehicles, net	4,583	5,357
Land	5,467	5,467
Leased assets	138	139
Construction in progress	4,308	3,875
Other, net	2,245	2,381
Total property, plant and equipment	25,426	25,697
Intangible assets		
Other	149	76
Total intangible assets	149	76
Investments and other assets		
Other	4,039	4,155
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	4,039	4,155
Total non-current assets	29,615	29,928
Total assets	58,618	60,458

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	1,278	1,659
Electronically recorded obligations - operating	688	1,088
Short-term borrowings	2,000	2,000
Current portion of long-term borrowings	978	1,037
Accounts payable - other	1,126	956
Income taxes payable	151	529
Provision for bonuses	390	189
Provision for bonuses for directors (and other officers)	41	31
Electronically recorded obligations facilities	1,186	559
Other	1,047	1,002
Total current liabilities	8,890	9,055
Non-current liabilities		
Long-term borrowings	1,949	2,648
Provision for retirement benefits for directors (and other officers)	27	30
Provision for share awards	143	164
Retirement benefit liability	972	977
Asset retirement obligations	719	733
Other	1,413	1,480
Total non-current liabilities	5,226	6,035
Total liabilities	14,116	15,090
Net assets		
Shareholders' equity		
Share capital	4,829	4,829
Capital surplus	8,797	8,818
Retained earnings	31,655	32,212
Treasury shares	(2,957)	(2,920)
Total shareholders' equity	42,324	42,940
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	110	100
Foreign currency translation adjustment	1,826	2,102
Total accumulated other comprehensive income	1,936	2,203
Non-controlling interests	240	224
Total net assets	44,501	45,368
Total liabilities and net assets	58,618	60,458

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

Nine Months Ended December 31

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Sales revenue	23,311	26,652
Cost of sales	18,200	20,427
Gross profit	5,110	6,224
Selling, general and administrative expenses	2,826	2,892
Operating profit	2,284	3,331
Non-operating income		
Interest income	54	63
Dividend income	1	2
Gain on valuation of derivatives	74	—
Foreign exchange gains	221	158
Other	72	76
Total non-operating income	425	300
Non-operating expenses		
Interest expenses	17	21
Share of loss of entities accounted for using equity method	148	222
Loss on valuation of derivatives	—	6
Other	6	34
Total non-operating expenses	172	285
Ordinary profit	2,537	3,347
Extraordinary income		
Gain on sale of non-current assets	14	5
Gain on change in equity	104	263
Gain on reversal of share acquisition rights	48	—
Total extraordinary income	167	269
Extraordinary losses		
Loss on abandonment of non-current assets	172	15
Impairment losses	426	—
Total extraordinary losses	598	15
Profit before income taxes	2,106	3,602
Income taxes	408	888
Profit	1,698	2,713
Loss attributable to non-controlling interests	(8)	(22)
Profit attributable to owners of parent	1,707	2,735

Quarterly Consolidated Statement of Comprehensive Income
Nine Months Ended December 31

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit	1,698	2,713
Other comprehensive income		
Valuation difference on available-for-sale securities	39	(9)
Foreign currency translation adjustment	854	223
Share of other comprehensive income of entities accounted for using equity method	163	58
Total other comprehensive income	1,058	273
Comprehensive income	2,756	2,986
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,747	3,002
Comprehensive income attributable to non-controlling interests	9	(15)

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes on Significant Changes to Shareholders' Equity)

Not applicable.

(Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements)

(Calculation of tax expenses)

The Company has calculated tax expenses by reasonably estimating the effective tax rate after the application of tax effect accounting to profit before income taxes for the fiscal year including the third quarter of the fiscal year under review and multiplying profit before income taxes by the estimated effective tax rate.

(Notes on segment information, etc.)

I. For the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

1. Information on sales revenue and profit or loss by reportable segment

(Millions of yen)

	Reportable segment			Other (Note)	Total
	High-purity Chemical	Transportation	Total		
Sales revenue					
Sales revenue to outside customers	20,059	3,127	23,186	124	23,311
Inter-segment sales revenue or transfers	0	2,342	2,342	193	2,535
Total	20,059	5,469	25,528	318	25,847
Segment profit	1,964	317	2,281	13	2,294

(Note) The “Other” category is for non-reportable business segments, including insurance agency business and automobile maintenance business.

2. Difference between the total amount of reportable segment profit or loss and the amount in the quarterly consolidated statement of income and main details of this difference (matters relating to difference adjustments)

(Millions of yen)

Profit	Amount
Reportable segment total	2,281
Profit in “Other” category	13
Inter-segment elimination	(10)
Operating profit in the quarterly consolidated statement of income	2,284

3. Matters relating to changes in reportable segments, etc.

Not applicable.

4. Information on impairment losses on non-current assets or goodwill, etc. by reportable segment

(Significant impairment losses on non-current assets)

In the High-purity Chemical segment, impairment losses of 426 millions of yen were recorded as extraordinary losses for the nine months ended December 31, 2023, as existing production facilities for additives for lithium-ion secondary batteries were treated as idle assets due to a significant decrease in the immediate operations outlook, as a result of taking into consideration the current market environment and production status.

II. For the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

1. Information on sales revenue and profit or loss by reportable segment

(Millions of yen)

	Reportable segment			Other (Note)	Total
	High-purity Chemical	Transportation	Total		
Sales revenue					
Sales revenue to outside customers	23,059	3,505	26,564	87	26,652
Inter-segment sales revenue or transfers	32	2,627	2,660	183	2,843
Total	23,091	6,133	29,225	270	29,495
Segment profit	2,736	596	3,332	12	3,345

(Note) The “Other” category is for non-reportable business segments, including insurance agency business and automobile maintenance business.

2. Difference between the total amount of reportable segment profit or loss and the amount in the quarterly consolidated statement of income and main details of this difference (matters relating to difference adjustments)

(Millions of yen)

Profit	Amount
Reportable segment total	3,332
Profit in “Other” category	12
Inter-segment elimination	(13)
Operating profit in the quarterly consolidated statement of income	3,331

3. Matters relating to changes in reportable segments, etc.

Not applicable.

4. Information on impairment losses on non-current assets or goodwill, etc. by reportable segment

Not applicable.

(Notes on Quarterly Consolidated Statement of Cash Flows)

There is no quarterly consolidated statement of cash flows for the nine months ended December 31, 2024.

Depreciation (including amortization of intangible assets) is as follows for the nine months ended December 31, 2023 and the nine months ended December 31, 2024.

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Depreciation	¥2,100 million	¥1,985 million

(Notes on significant subsequent events)

(Acquisition of own shares)

The Company, based on the resolution of the Board of Directors meeting held on December 26, 2024, acquired its own shares. The status of the Company's own shares acquired after the reporting date is as follows.

1. Reason for the acquisition of own shares

To enable the execution of flexible capital policies for the purpose of improving capital efficiency and enhancing shareholder returns.

2. Details of the acquisition of own shares

(1) Type of shares acquired:	Common stock of the Company
(2) Total number of shares acquired:	98,300 shares
(3) Total value of shares acquired:	434,923,500 yen
(4) Share acquisition period:	From January 6, 2025 to January 31, 2025 (transaction date basis)
(5) Acquisition method:	Market purchase on the Tokyo Stock Exchange (through discretionary trading by a securities company)