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Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 [Under Japanese GAAP]



May 9, 2023

Company name: STELLA CHEMIFA CORPORATION

Listing: Tokyo Stock Exchange

Securities code: 4109

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

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Scheduled date of annual general meeting of shareholders: June 27, 2023

Scheduled date to commence dividend payments: June 2, 2023

Scheduled date to file annual securities report: June 28, 2023

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes (for institutional investors)

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

1. Consolidated financial results for the fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Sales revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2023	35,382	(5.1)	3,514	(23.3)	4,347	(23.8)	2,280	(57.5)
March 31, 2022	37,296	13.4	4,583	12.3	5,707	42.0	5,364	81.3

(Note) Comprehensive income: For the fiscal year ended March 31, 2023: ¥2,609 million [(54.0)%]

For the fiscal year ended March 31, 2022: ¥5,671 million [112.9%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to sales revenue
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2023	186.03	–	5.4	7.8	9.9
March 31, 2022	422.97	–	13.7	10.4	12.3

(Reference) Share of profit (loss) of entities accounted for using equity method:

For the fiscal year ended March 31, 2023: ¥329 million

For the fiscal year ended March 31, 2022: ¥994 million

(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 March 31, 2023	55,471	43,162	77.3	3,568.67
As of March 31, 2022	56,598	42,728	74.5	3,369.93

(Reference) Equity: As of March 31, 2023: ¥42,875 million

As of March 31, 2022: ¥42,170 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2023	5,634	(3,281)	(3,717)	14,728
March 31, 2022	5,403	(5,674)	94	15,538

2. Cash dividends

	Annual dividends					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2022	–	24.00	–	36.00	60.00	766	14.2	1.9
Fiscal year ended March 31, 2023	–	30.00	–	30.00	60.00	735	32.3	1.7
Fiscal year ending March 31, 2024 (Forecast)	–	60.00	–	–	–		–	

(Note) The year-end dividend for the fiscal year ending March 31, 2024 is undecided because it will be determined based on the future outlook and consideration of the shareholder return method.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 - March 31, 2024)

(Percentages indicates changes from the previous corresponding period.)

	Sales revenue		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	32,300	(8.7)	2,800	(20.3)	2,450	(43.7)	1,650	(27.7)	137.33

* Notes:

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Newly included: – (Company name: –)

Excluded: – (Company name: –)

(2) Changes in accounting policies, changes in accounting estimates and retrospective 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

(3) Number of issued shares (common shares)

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

As of March 31, 2023: 13,213,248 shares

As of March 31, 2022: 13,213,248 shares

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

As of March 31, 2023: 1,198,814 shares

As of March 31, 2022: 699,457 shares

3) Average number of shares outstanding during the period

Fiscal year ended March 31, 2023: 12,260,466 shares

Fiscal year ended March 31, 2022: 12,683,891 shares

(Reference) Overview of non-consolidated financial results**1. Non-consolidated financial results for the fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)****(1) Non-consolidated Operating Results**

(Percentages indicate year-on-year changes.)

	Sales revenue		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	20,482	(12.1)	2,509	(41.4)	3,591	(28.6)	1,801	(57.9)
March 31, 2022	23,307	10.4	4,284	21.9	5,029	21.9	4,280	44.9

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2023	146.97	—
March 31, 2022	337.46	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	38,505	30,716	79.6	2,552.61
As of March 31, 2022	40,113	31,145	77.5	2,484.99

(Reference) Equity: As of March 31, 2023: ¥30,668 million

As of March 31, 2022: ¥31,096 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.* 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. (4) Future Outlook" on page 4 of the Attachments.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

Despite the gradual easing of economic restrictions associated with the COVID-19 pandemic, the outlook for the Japanese economy for the fiscal year under review still remains uncertain owing to a variety of factors, including the sharp rise in prices of raw materials resulting from the prolonged Russia-Ukraine conflict and the sudden fluctuations in exchange rates in response to global monetary tightening policies.

In this environment, the Group continued to supply a diverse range of fluoride products in line with the needs of customers mainly in the information and communication industry in Japan and overseas, 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 the performance for the fiscal year under review, despite a decrease in the shipment volume in the Semiconductors, revenue increased owing to efforts to pass through the rise in prices of raw materials; however, there was also a decrease in the shipment volume in the Energy and the Industrial Hydrofluoric Acid. As a result, sales revenue decreased to 35,382 millions of yen (down 5.1% year on year).

In terms of profits, operating profit amounted to 3,514 millions of yen (down 23.3% year on year), in addition to a reduction in sales revenue, the impact of supply and demand in the Chinese market and the weakening yen led to a year-on-year increase in the price of anhydrous hydrofluoric acid, a key raw material. Ordinary profit amounted to 4,347 millions of yen (down 23.8% year on year) due to a decline in operating profit despite recording share of profit of entities accounted for using equity method for Quzhou BDX New Chemical Materials Co., Ltd., an equity method affiliate. Moreover, while recording gain on sale of investment securities as extraordinary income due to sale of an unlisted security, impairment loss in property, plant and equipment (construction in progress), which is held for the purpose of raising the production, was recorded as extraordinary losses regarding additives for lithium-ion secondary batteries in the Energy under the High-purity Chemical Business. As a result, profit attributable to owners of parent amounted to 2,280 millions of yen (down 57.5% year on year).

<High-purity Chemical>

In the High-purity Chemical Business, despite the shipment volumes in the Semiconductors, a mainstay of the business, decreasing from the previous fiscal year due to the impact of a gradual decline in production centered on memory manufacturers, the Company's major purchasers, sales revenue in the Semiconductors amounted to 19,049 millions of yen (up 6.7% year on year) owing to efforts to pass through the rise in prices of raw materials. However, sales revenue for the High-purity Chemical Business amounted to 30,707 millions of yen (down 5.0% year on year) owing to a decrease in the shipment volumes in the Energy and the Industrial Hydrofluoric Acid.

In terms of profits, operating profit amounted to 2,961 millions of yen (down 38.0% year on year) due to a reduction in sales revenue, as well as the effects of an increase in the price of anhydrous hydrofluoric acid, a key raw material, from the previous fiscal year.

<Transportation>

In the Transportation Business, sales revenue amounted to 4,504 millions of yen (down 3.7% year on year), as a result of the decreased transportation-related transaction volume from the previous fiscal year.

In terms of profits, operating profit amounted to 533 millions of yen (down 30.2% year on year) due to an increase in transportation-related costs such as rises in diesel prices.

<Medical>

As Stella Pharma Corporation, which operates as a medical business, was changed from a consolidated subsidiary to an equity method affiliate, no actual results for this segment were recorded during the fiscal year under review.

In the previous fiscal year, sales revenue amounted to 100 millions of yen and operating loss amounted to 729 millions of yen.

<Other>

In other business lines, sales revenue amounted to 170 millions of yen (down 10.0% year on year) and operating profit amounted to 30 millions of yen (up 46.8% year on year), as a result of a decrease in revenue from the insurance agency business from the previous fiscal year.

(2) Overview of Financial Position for the Fiscal Year under Review

(Assets)

Current assets at the end of the fiscal year under review decreased by 1,966 millions of yen (6.4%) from the end of the previous fiscal year to 28,615 millions of yen. The main reasons for this decline included a decrease of 798 millions of yen in cash and deposits and of 1,504 millions of yen in accounts receivable - trade. Non-current assets increased by 839 millions of yen (3.2%) from the end of the previous fiscal year to 26,856 millions of yen. The main reasons for this increase included an increase of 957 millions of yen in property, plant and equipment.

Consequently, total assets at the end of the fiscal year under review decreased by 1,126 millions of yen from the end of the previous fiscal year to 55,471 millions of yen.

(Liabilities)

Current liabilities at the end of the fiscal year under review decreased by 909 millions of yen (9.3%) from the end of the previous fiscal year to 8,894 millions of yen. The main reason for this decline included a decrease of 985 millions of yen in income taxes payable. Non-current liabilities decreased by 651 millions of yen (16.0%) from the end of the previous fiscal year to 3,414 millions of yen. The main reason for this decline included a decrease of 932 millions of yen in long-term borrowings.

Consequently, total liabilities at the end of the fiscal year under review decreased by 1,560 millions of yen from the end of the previous fiscal year to 12,309 millions of yen.

(Net assets)

Total net assets at the end of the fiscal year under review amounted to 43,162 millions of yen, an increase of 434 millions of yen from the end of the previous fiscal year. The main reasons for this growth included increases of 1,454 millions of yen in retained earnings, 653 millions of yen in foreign currency translation adjustment, and 1,348 millions of yen in treasury shares, which is a deduction.

Consequently, the equity-to-asset ratio was 77.3% (74.5% at the end of the previous fiscal year).

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents (hereafter “funds”) for the fiscal year under review decreased by 810 millions of yen from the end of the previous fiscal year and amounted to 14,728 millions of yen at the end of the fiscal year under review.

The status of cash flows and their contributing factors for the fiscal year under review are as follows.

[Cash flows from operating activities]

Funds provided by operating activities amounted to 5,634 millions of yen (up 231 millions of yen year on year).

The major components included profit before income taxes of 3,366 millions of yen, depreciation of 2,593 millions of yen, impairment losses of 1,926 millions of yen, gain on sale of investment securities of 1,258 millions of yen, decrease in trade receivables of 1,688 millions of yen, and income taxes paid of 2,369 millions of yen.

[Cash flows from investing activities]

Funds used in investing activities amounted to 3,281 millions of yen (down 2,393 millions of yen year on year).

The major components included purchase of property, plant and equipment of 4,586 millions of yen and proceeds from sale of investment securities of 1,295 millions of yen.

[Cash flows from financing activities]

Funds used in financing activities amounted to 3,717 millions of yen (funds provided of 94 millions of yen for the previous fiscal year).

The major components included repayments of long-term borrowings of 1,494 millions of yen, purchase of treasury shares of 1,348 millions of yen, and dividends paid of 825 millions of yen.

(4) Future Outlook

For the consolidated results forecast for the next fiscal year, although an increase in sales of enriched boron (boron-10) used in nuclear energy-related facilities is expected in the Energy under the High-purity Chemical Business, sales in the Semiconductors, which is a mainstay of the business, are expected to be weak due to the slowdown in the semiconductor market. Accordingly, the Group forecasts sales revenue of 32,300 millions of yen (down 8.7% year on year), operating profit of 2,800 millions of yen (down 20.3% year on year), ordinary profit of 2,450 millions of yen (down 43.7% year on year), and profit attributable to owners of parent of 1,650 millions of yen (down 27.7% year on year).

<Consolidated Results Forecast of the Group>

	For the fiscal year ended March 31, 2023 (Actual results)	For the fiscal year ending March 31, 2024 (Forecast)	Increase/Decrease
	Millions of yen	Millions of yen	%
Sales revenue	35,382	32,300	(8.7)
Operating profit	3,514	2,800	(20.3)
Ordinary profit	4,347	2,450	(43.7)
Profit attributable to owners of parent	2,280	1,650	(27.7)

(5) Significant Events Relating to Going Concern Assumption

Not applicable.

2. Basic Policy on Selection of Accounting Standards

The Group uses accounting principles generally accepted in Japan, in reflection of the fact that most parties with interests in the Group are shareholders, creditors, and business partners within Japan and there is little need for procurement of funds from outside Japan.

The Group's policy with regard to the adoption of international accounting standards is to formulate appropriate responses in light of conditions in Japan and overseas going forward.

3. Consolidated Financial Statements and Principal Notes
(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	15,895	15,097
Notes receivable - trade	35	31
Accounts receivable - trade	8,542	7,038
Electronically recorded monetary claims - operating	65	41
Merchandise and finished goods	2,175	2,124
Work in process	1,510	1,701
Raw materials and supplies	1,584	1,671
Other	789	924
Allowance for doubtful accounts	(17)	(14)
Total current assets	30,581	28,615
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,147	22,593
Accumulated depreciation	(13,612)	(14,026)
Buildings and structures, net	6,535	8,567
Machinery, equipment and vehicles	29,090	28,955
Accumulated depreciation	(24,317)	(24,427)
Machinery, equipment and vehicles, net	4,772	4,527
Land	5,467	5,467
Leased assets	132	165
Construction in progress	3,147	1,833
Other	8,759	9,738
Accumulated depreciation	(7,148)	(7,675)
Other, net	1,611	2,063
Total property, plant and equipment	21,667	22,625
Intangible assets		
Other	375	261
Total intangible assets	375	261
Investments and other assets		
Investment securities	3,206	3,055
Deferred tax assets	330	457
Other	437	458
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	3,973	3,970
Total non-current assets	26,016	26,856
Total assets	56,598	55,471

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,743	1,469
Electronically recorded obligations - operating	876	799
Short-term borrowings	1,920	1,920
Current portion of long-term borrowings	1,494	932
Accounts payable - other	902	1,322
Income taxes payable	1,370	384
Provision for bonuses	379	387
Provision for bonuses for directors (and other officers)	55	36
Electronically recorded obligations facilities	401	1,069
Other	660	573
Total current liabilities	9,804	8,894
Non-current liabilities		
Long-term borrowings	2,003	1,070
Provision for retirement benefits for directors (and other officers)	31	34
Provision for share awards	99	121
Retirement benefit liability	956	950
Asset retirement obligations	645	689
Other	329	548
Total non-current liabilities	4,065	3,414
Total liabilities	13,869	12,309
Net assets		
Shareholders' equity		
Share capital	4,829	4,829
Capital surplus	8,793	8,793
Retained earnings	29,450	30,904
Treasury shares	(1,642)	(2,991)
Total shareholders' equity	41,430	41,536
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	50	42
Deferred gains or losses on hedges	46	—
Foreign currency translation adjustment	643	1,296
Total accumulated other comprehensive income	739	1,339
Share acquisition rights	49	48
Non-controlling interests	508	238
Total net assets	42,728	43,162
Total liabilities and net assets	56,598	55,471

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statement of Income

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Sales revenue	37,296	35,382
Cost of sales	28,394	27,972
Gross profit	8,902	7,410
Selling, general and administrative expenses	4,318	3,896
Operating profit	4,583	3,514
Non-operating income		
Interest income	10	34
Dividend income	3	3
Share of profit of entities accounted for using equity method	994	329
Rental income from land and buildings	27	29
Subsidy income	44	129
Foreign exchange gains	102	283
Consignment income from research and development	17	—
Other	39	197
Total non-operating income	1,240	1,008
Non-operating expenses		
Interest expenses	35	32
Depreciation	6	—
Share issuance costs	37	—
Loss on valuation of derivatives	3	130
Loss on cancellation of insurance policies	16	—
Other	18	11
Total non-operating expenses	116	175
Ordinary profit	5,707	4,347
Extraordinary income		
Gain on sale of non-current assets	21	13
Gain on sale of shares of subsidiaries and associates	1,182	—
Gain on sale of investment securities	—	1,258
Gain on change in equity	—	129
Total extraordinary income	1,203	1,401
Extraordinary losses		
Loss on abandonment of non-current assets	70	453
Loss on sale of non-current assets	0	1
Impairment losses	—	1,926
Total extraordinary losses	70	2,382
Profit before income taxes	6,840	3,366
Income taxes - current	1,786	1,426
Income taxes - deferred	28	(43)
Total income taxes	1,814	1,383
Profit	5,026	1,983
Loss attributable to non-controlling interests	(338)	(297)
Profit attributable to owners of parent	5,364	2,280

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit	5,026	1,983
Other comprehensive income		
Valuation difference on available-for-sale securities	7	(7)
Deferred gains or losses on hedges	35	(46)
Foreign currency translation adjustment	541	574
Share of other comprehensive income of entities accounted for using equity method	60	105
Total other comprehensive income	645	626
Comprehensive income	5,671	2,609
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,949	2,880
Comprehensive income attributable to non-controlling interests	(278)	(270)

(3) Consolidated Statement of Changes in Net Assets

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,829	7,311	24,719	(795)	36,065
Changes during period					
Dividends of surplus			(634)		(634)
Profit attributable to owners of parent			5,364		5,364
Purchase of treasury shares				(847)	(847)
Disposal of treasury shares by stocks payment trust				0	0
Capital increase of consolidated subsidiaries		1,605			1,605
Sale of shares of consolidated subsidiaries		(123)			(123)
Net changes in items other than shareholders' equity					
Total changes during period	—	1,481	4,730	(847)	5,364
Balance at end of period	4,829	8,793	29,450	(1,642)	41,430

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	42	11	101	155	50	486	36,758
Changes during period							
Dividends of surplus							(634)
Profit attributable to owners of parent							5,364
Purchase of treasury shares							(847)
Disposal of treasury shares by stocks payment trust							0
Capital increase of consolidated subsidiaries							1,605
Sale of shares of consolidated subsidiaries							(123)
Net changes in items other than shareholders' equity	7	35	542	584	(1)	21	605
Total changes during period	7	35	542	584	(1)	21	5,969
Balance at end of period	50	46	643	739	49	508	42,728

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,829	8,793	29,450	(1,642)	41,430
Changes during period					
Dividends of surplus			(826)		(826)
Profit attributable to owners of parent			2,280		2,280
Purchase of treasury shares				(1,350)	(1,350)
Disposal of treasury shares by stocks payment trust				1	1
Capital increase of consolidated subsidiaries		—			—
Sale of shares of consolidated subsidiaries		—			—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	1,454	(1,348)	105
Balance at end of period	4,829	8,793	30,904	(2,991)	41,536

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	50	46	643	739	49	508	42,728
Changes during period							
Dividends of surplus							(826)
Profit attributable to owners of parent							2,280
Purchase of treasury shares							(1,350)
Disposal of treasury shares by stocks payment trust							1
Capital increase of consolidated subsidiaries							—
Sale of shares of consolidated subsidiaries							—
Net changes in items other than shareholders' equity	(7)	(46)	653	599	(0)	(270)	328
Total changes during period	(7)	(46)	653	599	(0)	(270)	434
Balance at end of period	42	—	1,296	1,339	48	238	43,162

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	6,840	3,366
Depreciation	2,713	2,593
Impairment losses	—	1,926
Increase (decrease) in allowance for doubtful accounts	0	(3)
Increase (decrease) in provision for bonuses for directors (and other officers)	7	(18)
Increase (decrease) in provision for bonuses	3	7
Increase (decrease) in retirement benefit liability	52	(6)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(1)	3
Increase (decrease) in provision for share awards	24	21
Interest and dividend income	(14)	(38)
Interest expenses	35	32
Subsidy income	(44)	(129)
Loss (gain) on sale and retirement of property, plant and equipment	49	441
Loss (gain) on sale of shares of subsidiaries and associates	(1,182)	—
Loss (gain) on sale of investment securities	—	(1,258)
Loss (gain) on valuation of derivatives	3	130
Share of loss (profit) of entities accounted for using equity method	(994)	(329)
Loss (gain) on change in equity	—	(129)
Foreign exchange losses (gains)	(237)	(354)
Decrease (increase) in trade receivables	10	1,688
Decrease (increase) in inventories	(1,128)	(130)
Increase (decrease) in trade payables	482	(446)
Decrease (increase) in other current assets	(139)	328
Increase (decrease) in other current liabilities	(35)	143
Decrease (increase) in consumption taxes refund receivable	(40)	(480)
Increase (decrease) in accrued consumption taxes	(73)	(219)
Other, net	402	84
Subtotal	6,731	7,225
Interest and dividends received	14	682
Interest paid	(35)	(32)
Subsidies received	44	129
Income taxes refund (paid)	(1,351)	(2,369)
Net cash provided by (used in) operating activities	5,403	5,634
Cash flows from investing activities		
Payments into time deposits	(399)	(333)
Proceeds from withdrawal of time deposits	389	332
Purchase of property, plant and equipment	(2,702)	(4,586)
Proceeds from sale of property, plant and equipment	66	19
Purchase of intangible assets	(18)	(2)
Purchase of investment securities	(306)	(2)
Proceeds from sale of investment securities	—	1,295
Purchase of shares of subsidiaries and associates	(516)	—
Proceeds from sale of shares of subsidiaries and associates	243	—
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(2,511)	—
Other payments	(15)	(34)
Other proceeds	96	30
Net cash provided by (used in) investing activities	(5,674)	(3,281)

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from financing activities		
Repayments of long-term borrowings	(2,004)	(1,494)
Proceeds from share issuance to non-controlling shareholders	3,616	—
Purchase of treasury shares	(847)	(1,348)
Repayments of lease liabilities	(36)	(48)
Dividends paid	(633)	(825)
Net cash provided by (used in) financing activities	94	(3,717)
Effect of exchange rate change on cash and cash equivalents	469	554
Net increase (decrease) in cash and cash equivalents	292	(810)
Cash and cash equivalents at beginning of period	15,245	15,538
Cash and cash equivalents at end of period	15,538	14,728

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

The reportable segments of the Company are individual units for which separate financial information is available and which are subject to periodical review by the Board of Directors to determine the allocation of management resources and to evaluate performance.

The Board of Directors and Management Meeting comprehensively assess the Group as a whole, formulate strategies for each line of business based on reports from each subsidiary, and pursue business activities accordingly.

The Company is thus composed of segments organized by business element and has two reportable segments: High-purity Chemical, and Transportation.

The High-purity Chemical Business is engaged in the manufacture and sale of high-purity chemical products; the Transportation Business is engaged in the transportation, storage, and customs clearance of chemical agents.

2. Information on calculation methods for sales revenue, income (loss), assets, and other components by reportable segment

The accounting method applied for the reportable segments is the same as stated in “Significant Matters in Preparation of Consolidated Financial Statements.”

Reportable segment profit consists of figures based on operating profit.

Inter-segment sales and transfers are based on market prices.

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

In the previous fiscal year, the Company sold part of its shares in Stella Pharma Corporation, which became an equity method affiliate from a consolidated subsidiary. Accordingly, the “Medical” category has been excluded from reportable segments from the fiscal year under review.

4. Information on sales revenue, profit or loss, assets, and other components by reportable segment
For the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segment				Other (Note)	Total
	High-purity Chemical	Transportation	Medical	Total		
Sales revenue						
Sales revenue to outside customers	32,330	4,676	100	37,107	189	37,296
Inter-segment sales revenue or transfers	251	3,145	–	3,396	215	3,611
Total	32,581	7,822	100	40,503	404	40,908
Segment profit (loss)	4,776	764	(729)	4,811	20	4,832
Segment assets	46,595	9,992	–	56,588	268	56,856
Other						
Depreciation	2,179	504	28	2,712	0	2,713
Impairment losses	–	–	–	–	–	–
Investment in entities accounted for using equity method	1,996	–	1,032	3,028	–	3,028
Increase in property, plant and equipment and intangible assets	2,087	512	46	2,647	1	2,648

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

For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segment			Other (Note)	Total
	High-purity Chemical	Transportation	Total		
Sales revenue					
Sales revenue to outside customers	30,707	4,504	35,212	170	35,382
Inter-segment sales revenue or transfers	0	3,275	3,275	228	3,504
Total	30,707	7,780	38,487	399	38,887
Segment profit (loss)	2,961	533	3,494	30	3,525
Segment assets	45,876	9,586	55,462	290	55,753
Other					
Depreciation	2,106	486	2,592	0	2,593
Impairment losses	1,926	–	1,926	–	1,926
Investment in entities accounted for using equity method	2,921	–	2,921	–	2,921
Increase in property, plant and equipment and intangible assets	4,868	539	5,407	0	5,408

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

5. Differences between total amounts for reportable segments and amounts in the consolidated financial statements and main details of these differences (matters relating to difference adjustments)

(Millions of yen)

Sales revenue	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Reportable segment total	40,503	38,487
Sales revenue in “Other” category	404	399
Inter-segment elimination	(3,611)	(3,504)
Sales revenue in the consolidated financial statements	37,296	35,382

(Millions of yen)

Profit	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Reportable segment total	4,811	3,494
Profit in “Other” category	20	30
Inter-segment elimination	(248)	(11)
Operating profit in the consolidated financial statements	4,583	3,514

(Millions of yen)

Assets	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Reportable segment total	56,588	55,462
Assets in “Other” category	268	290
Corporate assets (Note)	59	8
Other adjustments	(317)	(290)
Total assets in the consolidated financial statements	56,598	55,471

(Note) Corporate assets are mainly long-term investment funds (investment securities and memberships) that have not been attributed to a reportable segment.

(Per share information)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net assets per share	3,369.93 yen	3,568.67 yen
Earnings per share	422.97 yen	186.03 yen

- (Notes)
1. Shares of the Company owned by Custody Bank of Japan, Ltd. (137,900 shares at the end of the fiscal year under review and average of 138,271 shares during the year) and the treasury shares are excluded from the calculation of the total number of common shares issued at the end of the fiscal year under review used in calculating net assets per share, and the calculation of the average number of common shares during the period used in calculating earnings per share.
 2. Diluted earnings per share are not provided because the Company had no potential dilutive shares.
 3. The basis for calculation of net assets per share is as follows.

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Total net assets (Millions of yen)	42,728	43,162
Deduction from total net assets (Millions of yen)	557	286
[Share acquisition rights (Millions of yen)]	(49)	(48)
[Non-controlling interests (Millions of yen)]	(508)	(238)
Net assets relating to common shares (Millions of yen)	42,170	42,875
Number of common shares at end of period used in the calculation of net assets per share (Thousand shares)	12,513	12,014

4. The basis for calculation of earnings per share is as follows.

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit attributable to owners of parent (Millions of yen)	5,364	2,280
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent relating to common shares (Millions of yen)	5,364	2,280
Average number of common shares during the period (Thousand shares)	12,683	12,260

(Significant subsequent events)

Not applicable.