

Financial Results for FYE 3/2022

May 10th, 2022
STELLA CHEMIFA CORPORATION
Securities code: 4109

Index



(Financial Results)

[Reference Material]

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Performance Highlights



[FYE 3/2022 Results]

- ◆ Both domestic and overseas sales of Semiconductors and LCDs increased year on year.
- ◆ The price of anhydrous hydrofluoric acid(AHF), a key raw material, rose year on year.
- ◆ A gain on sale of shares of subsidiaries and affiliates was recorded from the transfer of shares of Fect Co., Ltd. (an equity method affiliate) and the sale of some shares of Stella Pharma Corporation.

[FYE 3/2023 Forecast]

- Semiconductors and LCDs are expected to remain strong.
- Since equity method affiliates in China are expected to continue posting strong sales of electrolytes for lithium-ion rechargeable batteries, equity method investment income is expected to be recorded.

Financial Summary



Though the revenue recognition standard has been adopted from FYE3/2022, this standard was not applied to FYE3/2021. *The same also applies to pages 5 to 8.

	21. The same also applies to pages 5 to 6.			
(million yen)	FYE 3/2021	FYE 3/2022	Increase/ Decrease	Percentage Increase/ Decrease
Sales Revenue	32,893	37,296	4,403	13.4
Gross Profit	8,213	8,902	689	8.4
Operating Profit	4,081	4,583	502	12.3
Ordinary Profit	4,020	5,707	1,686	42.0
Profit Attributable to Owners of Parent	2,959	5,364	2,405	81.3
Earnings Per Share (yen)	230.70	422.97		
Dividend (yen)	47	60		
ROE (%)	8.4	13.7		

Sales Revenue and Operating Profit by Business Segment



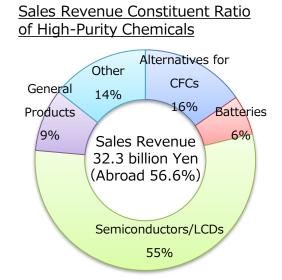
		Sales Rever	nue		Operating Profit				
	FYE 3/2021	FYE 3/2022 -	Increa Decre		FYE3/2021	FYE3/2022	Increa Decre		
(million yen)	111 3/2021	112 3/2022	Amount	%	1112/2021		11LJ/2022	Amount	%
High-Purity Chemical Business	28,404	32,330	3,925	13.8	4,201	4,776	575	13.7	
Transportation Business	4,069	4,676	607	14.9	593	764	170	28.8	
Medical Business	205	100	-105	-51.4	-644	-729	-84	-	
Other	213	189	-23	-11.1	26	20	-5	-22.0	
Eliminations and Corporate	-	-	-	-	-95	-248	-153	-	
Total	32,893	37,296	4,403	13.4	4,081	4,583	502	12.3	

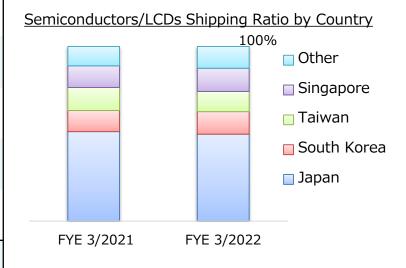
Beyond the Chemical

Sales Revenue of High-Purity Chemical Business (Breakdown)



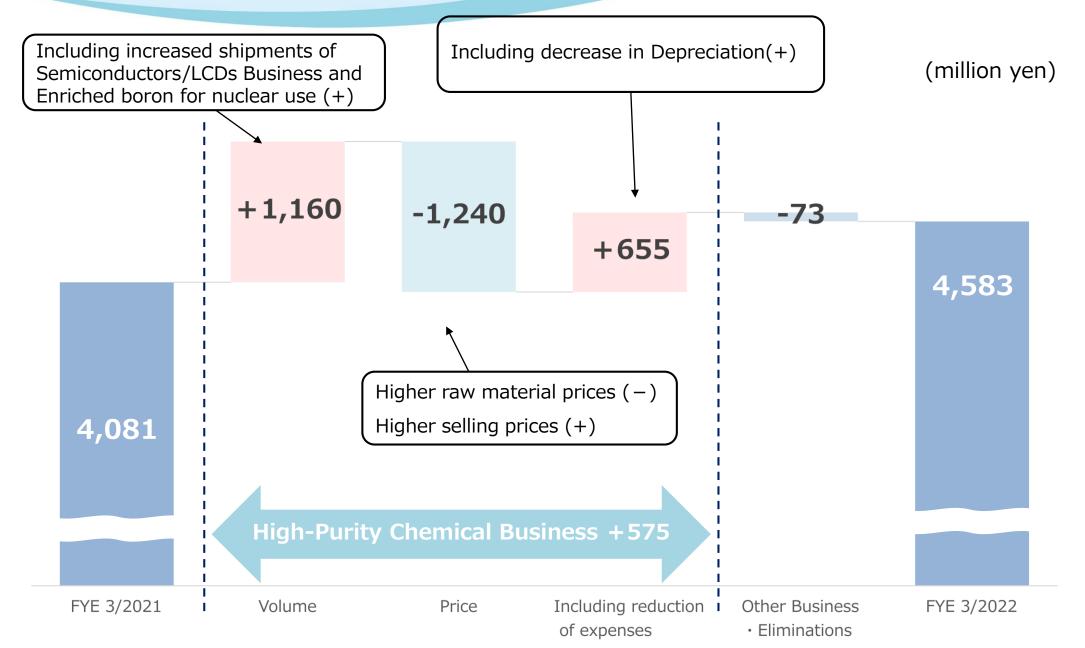
(million yen)	FYE 3/2021	FYE 3/2022	Increase/ Decrease	Percentage Increase/ Decrease
Surface Treatment	947	827	-120	-12.7
Alternatives for CFCs	4,099	4,972	873	21.3
Batteries	2,364	1,874	-489	-20.7
Semiconductors/ LCDs	16,283	17,859	1,576	9.7
Semiconductor Devices	696	832	136	19.6
Catalysts	852	959	107	12.6
Gypsum	175	149	-25	-14.7
General Products	2,067	2,980	913	44.2
Other	918	1,873	955	104.0
Total	28,404	32,330	3,925	13.8





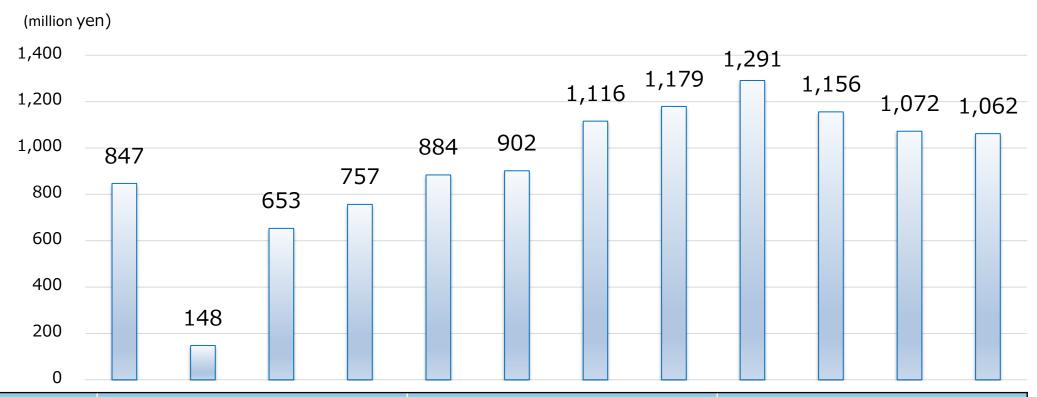
Analysis of Operating Profit (Year on year)





Change of Quarterly Operating Profit

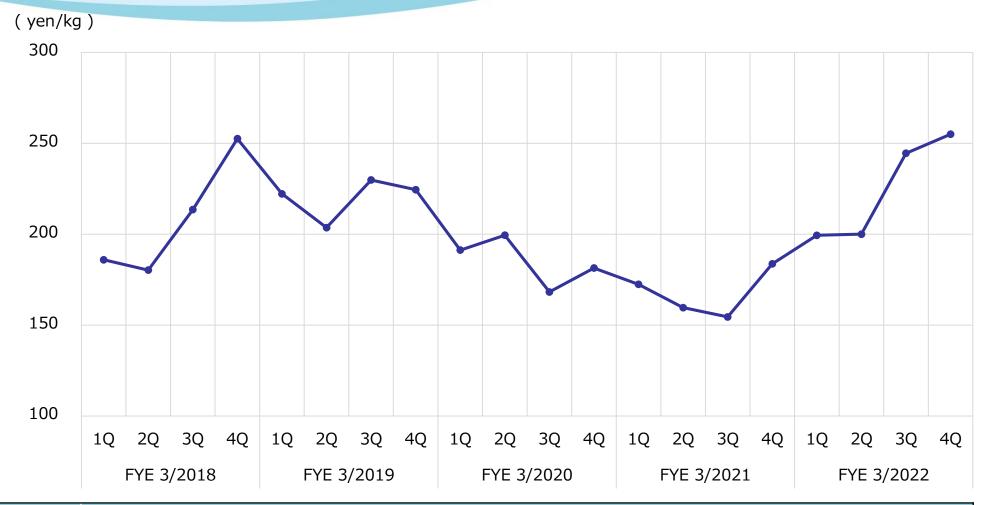




	FYE 3/2020				FYE 3/2021			FYE 3/2022				
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Sales Revenue	9,733	7,406	7,591	8,998	8,222	8,389	8,315	7,965	8,896	9,212	9,015	10,171
Operating Profit	847	148	653	757	884	902	1,116	1,179	1,291	1,156	1,072	1,062
Operating Profit Margin	8.7%	2.0%	8.6%	8.4%	10.8%	10.8%	13.4%	14.8%	14.5%	12.5%	11.9%	10.4%

Transitions in Trade Statistics Value of Anhydrous Hydrofluoric Acid(AHF)



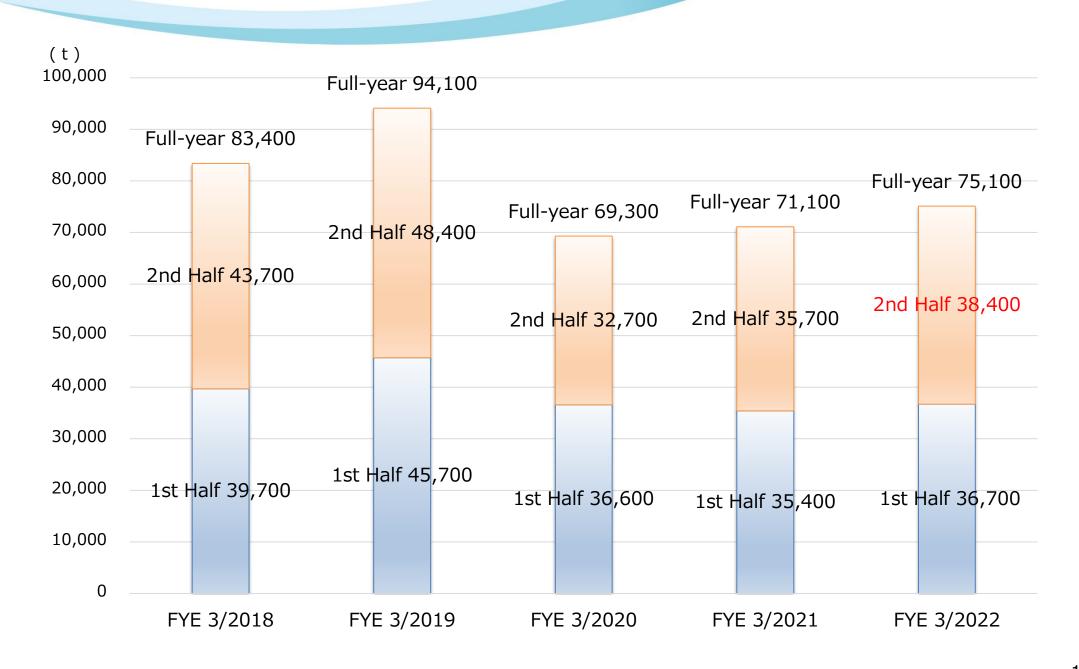


(yen/kg)	FYE 3/2018	FYE 3/2019	FYE 3/2020	FYE 3/2021	FYE 3/2022
Average Price	209	220	186	168	225

Source: Prepared by our company based on the Ministry of Finance's "Trade Statistics of Japan" (http://www.customs.go.jp/toukei/info/)

Change of Shipping Volume of High-Purity Hydrofluoric Acid (Semiconductors and LCDs)





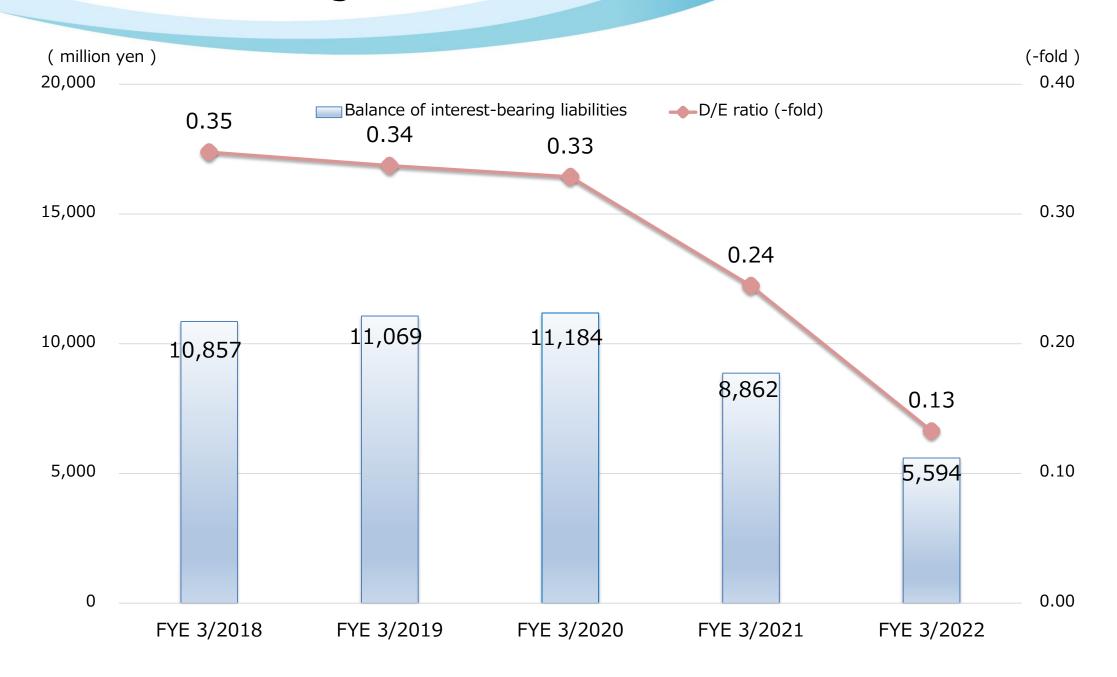
Balance Sheet



(million yen)	FYE 3/2021 End-of-Year	FYE 3/2022 End-of-Year	Increase/ Decrease	Percentage Increase/ Decrease
Assets	52,933	56,598	3,664	6.9
Cash and deposits	15,568	15,895	327	2.1
Operating receivables	8,483	8,642	159	1.9
Inventory assets	4,872	5,271	398	8.2
Property, plant, and equipment	21,564	21,667	103	0.5
Intangible assets	516	375	-141	-27.3
Liabilities	16,175	13,869	-2,305	-14.3
Operating liabilities	3,026	3,522	495	16.4
Interest-bearing liabilities	8,862	5,594	-3,267	-36.9
Net Assets	36,758	42,728	5,969	16.2
Equity capital	36,220	42,170	5,949	16.4
Liabilities and Net Assets	52,933	56,598	3,664	6.9

Interest-Bearing Liabilities and D/E Ratio





Statement of Cash Flows Capital Expenditures, Depreciation & Amortization, Research & Development Expenses



(million yen)

(1) Consolidated Statement of Cash Flows	FYE 3/2021	FYE 3/2022
Cash Flows from Operating Activities	7,352	5,403
Cash Flows from Investing Activities	-2,464	-5,674
Free Cash Flows (Operating CF + Investment CF)	4,887	-271
Cash Flows from Financing Activities	-3,004	94
Net Increase (Decrease) in Cash and Cash Equivalents	1,954	292
Cash and Cash Equivalents, Beginning of Period	13,291	15,254
Cash and Cash Equivalents, End of Period	15,245	15,538

(2) Capital Expenditures, Depreciation & Amortization, Research & Development Expenses	FYE 3/2021	FYE 3/2022
Capital Expenditures	1,818	2,648
Depreciation & Amortization	3,039	2,713
Research & Development Expenses	793	744

Financial Forecast



(million yen)	FYE 3/2022 Actual	FYE 3/2023 Forecast	Increase/ Decrease	Percentage Increase/ Decrease
Sales Revenue	37,296	37,500	203	0.5
Operating Profit	4,583	4,600	16	0.4
Ordinary Profit	5,707	5,800	92	1.6
Profit Attributable to Owners of Parent	5,364	4,200	-1,164	-21.7
Earnings Per Share (yen)	422.97	335.63		
Dividend (yen)	60	60		
ROE (%)	13.7	9.6		
Capital Expenditures	2,648	4,900	2,251	85.0
Depreciation & Amortization	2,713	2,500	-213	-7.9
Research & Development Expenses	744	600	-144	19.4

Beyond the Chemical 14

Forecast on Sales Revenue and Operating Profit by Business Segment



		Sales Rever	nue		Operating P	rofit		
	FYE 3/2022	FYE 3/2023	Increa Decre		FYE 3/2022	FYE 3/2023	Incre Decre	
(million yen)	Actual	Forecast	Amount	%	Actual	Forecast	Amount	%
High-Purity Chemical Business	32,330	32,930	599	1.9	4,776	3,990	-786	-16.5
Transportation Business	4,676	4,370	-306	-6.6	764	570	-194	-25.5
Medical Business	100	-	-100	-	-729	-	729	-
Other	189	200	10	5.6	20	30	9	43.2
Eliminations and Corporate	-	-	-	-	-248	10	258	-
Total	37,296	37,500	203	0.5	4,583	4,600	16	0.4

Change in Classification of High-Purity Chemical Business



In the High-Purity Chemical Business, we have used nine categories for presentation. However, in light of the current business strategy and business scale, we will change the number of categories to six as shown in the following table from the fiscal year ending March 2023.

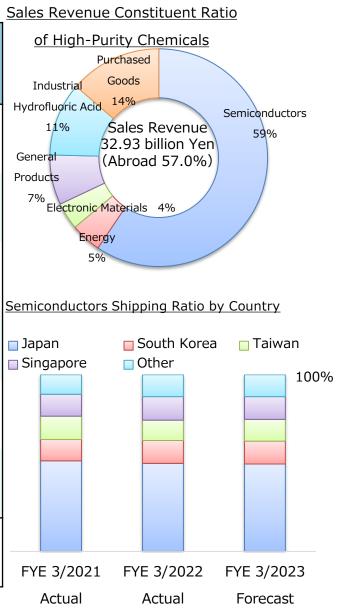
New categories in High-Purity Chemical Business (from the fiscal year ending March 2023)

New categories (six)	New categories in detail	(Reference) Old categories
Semiconductors	High-purity Hydrofluoric Acid for Semiconol Semiconductors/LCDs LCDs	
Energy	Fluoride materials for batteries	Batteries
Lifergy	Enriched Boron	General Products
Electronic Materials	Fluoride materials for raw materials used for semiconductor devices/capacitors	Semiconductor Devices
Electronic Materials	R&D Products (Phosphor materials etc)	General Products
	Fluoride materials for catalysts	Catalysts
General Products	Fluoride materials for toothpaste (Tin Fluoride)	General Products
	Other Fluoride materials	General Products
	Hydrofluoric Acid for surface treatment	Surface Treatment
Industrial Hydrofluoric Acid	Anhydrous Hydrofluoric Acid for alternatives for CFCs	Alternatives for CFCs
	Gypsum	Gypsum
Purchased Goods	Anhydrous Hydrofluoric Acid for alternatives for CFCs(Purchase & Sale)	Alternatives for CFCs
	Purchased Goods	Other

Forecast on Sales Revenue of High-Purity Chemical Business (Breakdown)



(million yen)	FYE 3/2021 Actual	FYE 3/2022 Actual	FYE 3/2022 Forecast	Increase/ Decrease (23/3Forecast- 22/3Actual)	Percentage Increase/ Decrease
Semiconductors	16,283	17,859	19,570	1,710	9.6
Energy	2,860	3,121	1,500	△1,621	△51.9
Electronic Materials	813	1,280	1,320	39	3.1
General Products	2,305	2,246	2,440	193	8.6
Industrial Hydrofluoric Acid	3,175	3,919	3,600	∆319	△8.1
Purchased Goods	2,966	3,904	4,500	595	15.3
合計	28,404	32,330	32,930	599	1.9

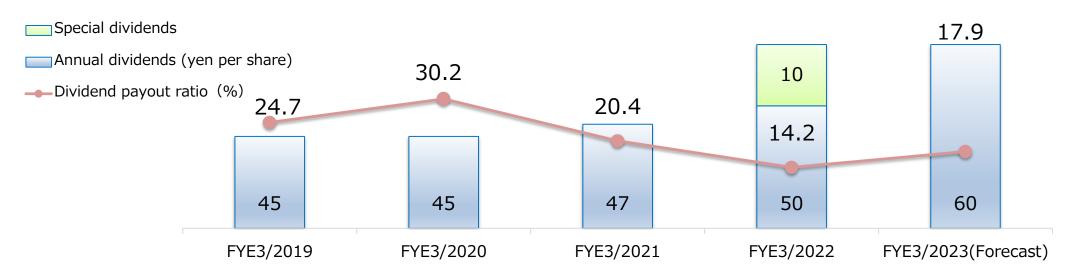


Shareholder Return



Stella Chemifa's basic policy is to provide stable and continuous dividend payments, giving comprehensive consideration to factors including its financial condition and profit level. Retained earnings will be allocated to capital investment and R&D investment, and will be proactively utilized for future business development to enhance corporate value.

- ◆ FYE3/2022 Annual dividend: 60 yen per share (Annual dividends 50yen, Special dividends 10yen)
 - The Company repurchased 300,000 of its own shares, worth 840 million yen.
- ◆ FYE3/2023 Annual dividend forecast: 60 yen per share





Reference Material

(Corporate Profile • Introduction of Our Business)

Corporate Profile



(as of March 31, 2022)

Corporate Name	STELLA CHEMIFA CORPORATION		
Head Office	Meiji Yasuda Seimei Osaka Midosuji Bldg. 10F, 4-1-1 Fushimi-machi, Chuo-ku, Osaka City, Osaka		
Founded/Established	February 1916 / February 1944		
Capital Fund	4,829,782,512 yen		
Representatives	Representative Director, President and Chief Executive Officer: Aki Hashimoto Representative Director, Senior Managing Director (Products Management Group): Kiyonori Saka		
U R L	https://www.stella-chemifa.co.jp/english/		
Number of Employees	286		
Sales Department	Osaka Sales Department (Chuo-ku, Osaka city, Osaka) Tokyo Sales Department (Chiyoda-ku, Tokyo)		
Factory	Sanpo Factory (Sakai-ku, Sakai City, Osaka) Izumi Factory (Izumiotsu City, Osaka) Kitakyushu Factory (Yahatanishi-ku, Kitakyushu City, Fukuoka)		

Subsidiaries & Associates



At home (3 companies)

Transportation Business	BLUE EXPRESS, Inc.	Sakai-ku, Sakai City, Osaka
Other Business	BLUE AUTO TRUST Co., Ltd.	Sakai-ku, Sakai City, Osaka
Medical Business	STELLA PHARMA CORPORATION*	Chuo-ku, Osaka city, Osaka

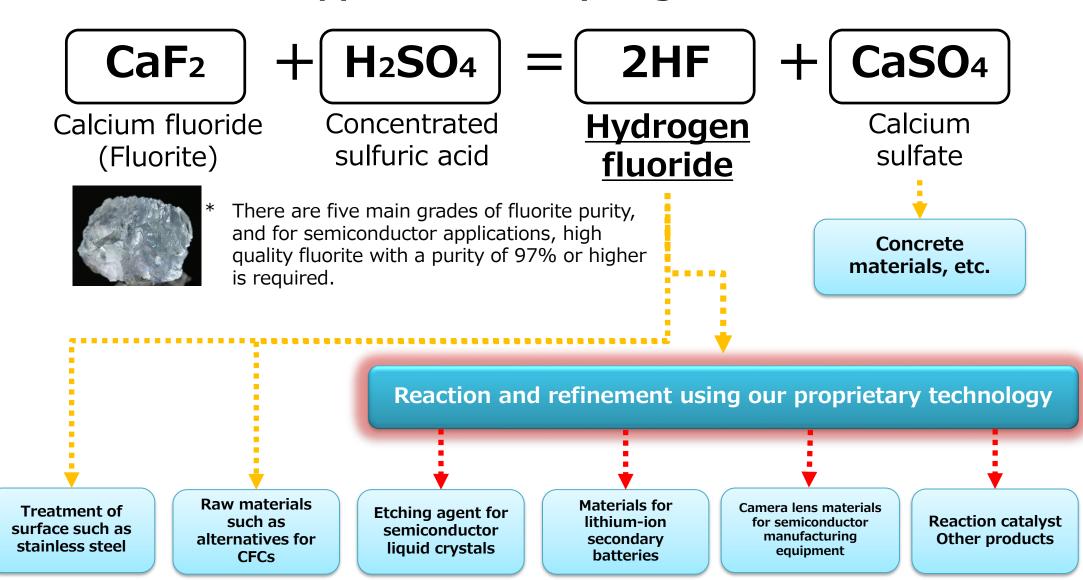
Abroad (6 companies)

High-Purity Chemical Business	STELLA CHEMIFA SINGAPORE PTE LTD	Singapore
Transportation Business	STELLA EXPRESS (Singapore) PTE LTD	Singapore
High-Purity Chemical Business	Blue Express (Shanghai) International Trade Inc.	China
Transportation Business	Blue Express (Shanghai) International Freight Forwarding Co., Ltd.	China
High-Purity Chemical Business	Zhejiang Blue Star Chemical Co., Ltd.	China
High-Purity Chemical Business	Quzhou BDX New Chemical Materials Co., Ltd.	China

^{*} On March 9, 2022, Stella Pharma Corporation, which was our consolidated subsidiary, became an equity method affiliate of the Company due to sale of some of its shares.



Manufacture and applications of hydrogen fluoride



Beyond the Chemical 22



High-Purity Chemical Business

Surface Treatment	Manufacture and sale of chemicals used for acid cleaning of stainless steel and slimming of LCD panels		
Alternatives for CFCs	Manufacture and sale of hydrofluoric anhydride, raw materials for CFCs and fluoropolymers		
Batteries	Manufacture and sale of additives to improve the performance of lithium-ion secondary batteries		
Semiconductors/LCDs	Manufacture and sale of chemicals for etching and cleaning in the semiconductor and LCD panel manufacturing processes		
Semiconductor Devices	Manufacture and sale of raw materials for camera and stepper lenses, tantalum production aids for tantalum capacitors, etc.		
C a t a l y s t s Manufacture and sale of a range of chemicals and catalysts for the manufacture pharmaceutical intermediates, etc.			
G y p s u m	Sale as raw material for concrete, etc. (Byproduct of hydrofluoric acid production)		
General Products	Manufacture and sale of Enriched Boron (Boron-10), fluorine compounds for toothpaste, etc.		
O t h e r	Sales of purchased goods, etc.		



Semiconductors/LCDs -

* This will be a new category called "Semiconductors" from the fiscal year ending March 2023.

Ultra-High Purification Technology

- Impurity levels of less than 1 ppt (1×10⁻¹²) are controlled by ultra-purification and ultra-cleaning technologies
- Mass production of ultra-pure chemicals for ultra-high integrated circuit

Ultra High Purity	 Hydrofluoric acid (HF) is the only chemical capable of etching out silicon oxide film Chemical solutions are indispensable to the semiconductor manufacturing process and
Hydrofluoric Acid	require ultra-high purity
	In particular, dilute hydrofluoric acid is used in a number of semiconductor processes
Ultra High Purity Buffered	 Mixed aqueous solution of hydrofluoric acid (HF) and ammonium fluoride (NH₄F)
Hydrofluoric Acid	Mainly used in processes such as etching and cleaning of insulation films
Trydrondone Acid	Chemicals with etch rates ranging from tens of A/min to thousands of A/min can be produced

(1) Photoresist coating on silicon wafer (heat drying) (2) Exposure (3) Development (4) Etching (Dissolve silicon oxide film with hydrofluoric acid chemicals) (5) Photoresist stripping



- Semiconductors/LCDs -

* This will be a new category called "Semiconductors" from the fiscal year ending March 2023.

Production capacity of High Purity Hydrofluoric Acid for Semiconductors

Kitakyushu Factory



30,000 t /year

Sanpo Factory



65,000 t /year

STELLA CHEMIFA SINGAPORE



10,000 t /year

105,000 t /year

* As a comprehensive manufacturer of fluorine compounds, we use our own technology to do everything from manufacturing to filling.

- Batteries -

* This will be a new category called "Energy" from the fiscal year ending March 2023.

Additives

- Additive for electrolytic solution to improve the performance of lithium-ion secondary batteries
- High-temperature endurance High conductivity •
 Increased capacity Low resistance Flame retardance

Lithium Hexafluorophosphate

High-purity electrolytes for lithium-ion secondary batteries

building (Izumiotsu City, Osaka)

Izumi Factory's manufacturing

* Manufacture and sale at our affiliate company in China (Quzhou BDX New Chemical Materials Co., Ltd.)

Example of materials used in lithium-ion secondary batteries Additives Positive and negative electrode Separator Current collector Current collector Protective IC PTC element

Action on the Development of Materials for the Next-Generation Battery



Quzhou BDX New Chemical Materials Co., Ltd. (China)

[Metal-ion secondary batteries] High-purity electrolytes for sodium-ion secondary batteries

(sodium hexafluorophosphate)

[All-solid secondary batteries] Fluoride materials for all solid-state batteries

[Fluoride-ion secondary batteries] Fluoride-ion conductor material

Beyond the Chemical



- Enriched Boron -

* This will be a new category called "Energy" from the fiscal year ending March 2023.



Enrichment plant (Izumiotsu City, Osaka)

Enriched Boron (Boron-10) and its features

- Natural boron is made up of two isotopes, boron-10(20%) and boron-11(80%)
- Developed technology to enrich boron-10 to over 99%
- Established mass production technology of enriched boron for the first time in Japan(2000)
- Boron-10 has an extremely high capacity to absorb neutrons, and further enriching it can increase its ability to absorb neutrons.

Production capacity

Products	Production Capacity	
Enriched Boron	¹⁰ B	6,000kg
Enriched Boric Acid	H ₃ ¹⁰ BO ₃	36,000kg
Enriched Potassium tetrafluoroborate	K ¹⁰ BF ₄	75,000kg



- Enriched Boric Acid - * This will be a new category called "Energy" from the fiscal year ending March 2023.

Applications of Enriched Boron Compounds

- Neutron-absorbing material of spent nuclear fuel transportation and storage containers
- Material of control rods of nuclear reactors and rack material of spent nuclear fuel pools
- Excess reaction control of pressurized-water reactors by dissolving into primary cooling water
- Water source for facilities responding to specific major accidents, etc.
- Raw material for cancer treatment drugs (BNCT: Boron Neutron Capture Therapy)

Advantages of Using Enriched Boric Acid

- (1) Improvement of corrosive environment in nuclear reactors

 Required ¹⁰B concentration can be secured at 1/5 of natural products.

 Operation at low concentration is possible, and corrosion in facilities can be reduced.
- (2) Reduction of storage costs
 Heating and heat retention are required to maintain the dissolution of boric acid water.
 Enriched boric acid realizes the reduction in concentration, and reduces the problem of heat retention.
 - In addition, the storage tank can be made smaller.
- (3) More reliable control
 In the event of an emergency stop, more reliable control is possible, and since boric acid is harmful to the human body and the environment, the reduction of overall amount of boric acid is an advantage.

- GMP-related -



Tin Fluoride

2017

The GMP inspection by USFDA for tin fluoride, an active ingredient of OTC anticaries drugs, was completed, and obtained official approval.

2018

Started marketing of "tin fluoride" as a GMP-compliant product.



Izumi Factory's manufacturing building (Izumiotsu City, Osaka)

<Actions of fluorine on teeth>

- To suppress Streptococcus mutans from producing acid (Cavity prevention)
- To promote tooth remineralization
- To form acid-resistant teeth (to form fluorapatite)
- * We expect to see big demand mainly in Europe and the US, where there is strong interest in dental health and beauty.

* What is FDA?

FDA stands for Food and Drug Administration in the U.S. (A public agency, similar in function to the Ministry of Health, Labour and Welfare in Japan)

* What is GMP?

It stands for "Good Manufacturing Practice", which refers to a common standard for manufacturing and quality control of drugs and quasi-drugs.

- New Initiatives -



Chemicals for semiconductors

- DRAM is increasingly being miniaturized
- Flash memory is becoming multi-layered and undergoing a process change to reduce costs, such as CUA (CMOS Under Array)

 We will propose and develop highly functional chemicals tailored to customers, such as CMOS image sensors that are becoming increasingly sophisticated.



Development and proposal of highly functional chemicals



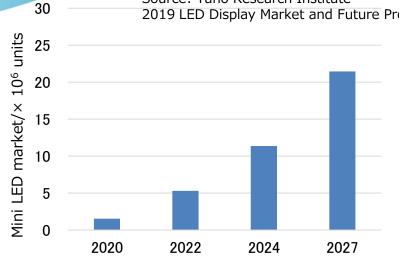
- New Initiatives -

Source: Yano Research Institute 2019 LED Display Market and Future Prospects

Phosphor-related Materials

- Development of highly efficient and long-life fluoride phosphor materials using our core technologies
- Research on the use of mini LEDs for automotive display applications is attracting attention.

> Red phosphor materials	LSA-61A
Phosphor materials	NSM, PBFS
> Filler for LED sealant	MgF2, CaF2 nanoparticles



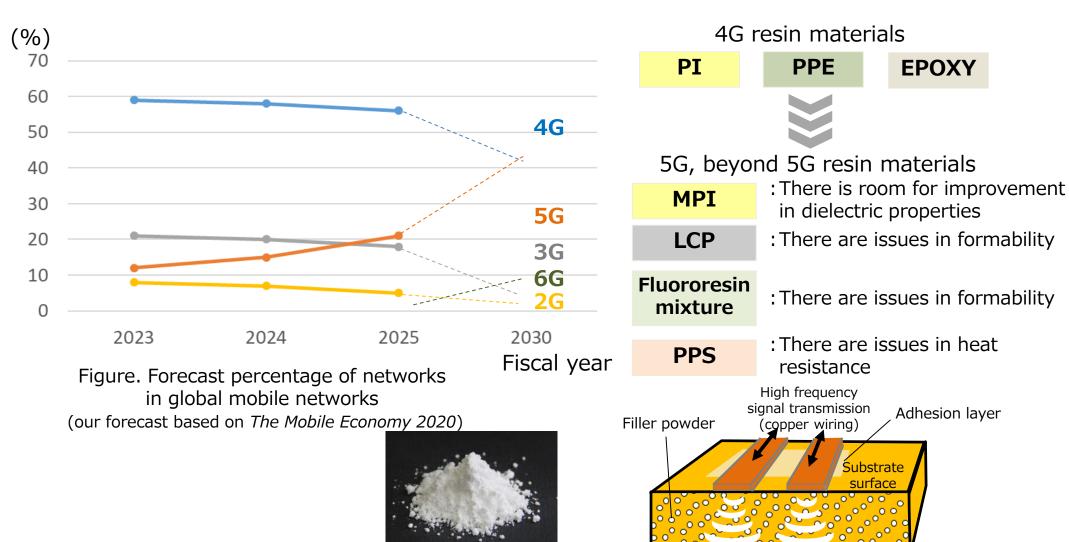
	LCD	OLED	Mini LED		Micro LED
Structural diagram	Color Liquid filter crystal Backlight	Self-light-emitting organic material	Color filter crystal Mini LED backlight	Phosphor sheet Blue LED	Micro LED
Brightness	×	\triangle	0	0	0
Life	0	×	0	0	0
Working temperature	-40 to 100°C	-30 to 80°C	-40 to 100°C	-40 to 100°C	-40 to 100°C
Status of development	Done	Done	Under development	Under development	In the future

- New Initiatives -



PCB Materials (Low Dielectric Constant Materials)

• As materials for high-frequency communication devices, used as additives (fillers) to resin and other materials for substrates.



Appearance of developed filler Filler for suppression of dielectric loss (SHF series) (transmission loss inside the substrate)

- Other product examples -





Optical Material-Related

◆Aluminum Fluoride

◆Lithium Fluoride

◆Strontium Fluoride

◆Barium Fluoride

◆Magnesium Fluoride
◆Lead Fluoride

◆Calcium Fluoride

Reactive Catalyst-Related

♦ High Purity Boron Trifluoride

◆Boron Trifluoride n-Butyl Ether

◆Boron Trifluoride Monoethyl Amine ◆Boron Trifluoride Piperidine

- ◆Boron Trifluoride Diethyl Ether
- ◆Boron Trifluoride Tetrahydrofuran

◆Boron Trifluoride Dimethyl Ether

(Product information)

- ◆Boron Trifluoride Phenol
- ◆Triethylamine 3HF

Surface Treatment, Alternatives for CFCs-Related

◆Anhydrous Hydrofluoric Acid

◆55% Hydrofluoric Acid

Nuclear Energy-Related

- ◆ ¹⁰B Enriched Potassium Fluoroborate
- ◆ ¹0B Enriched Boric Acid

Other Products

◆Fluorosilicic Acid

◆Copper Fluoroborate

◆ Potassium Fluoroborate

◆ Potassium Fluoride

◆ Potassium Hexafluorotitanate ◆ Refined Calcium Fluoride

- ◆ Potassium Fluorosilicate
- **◆**Lead Fluoroborate
- ◆Ammonium Hydrogenfluoride
- ◆Ammonium Fluoride
- ◆Fluoroboric Acid
- **◆**Zinc Fluoroborate
- ◆Sodium Fluoride
- ◆ Potassium Hexafluorozirconate
- ◆ Potassium Hexafluorophosphate

Newly-Developed Products

◆ Detergents Contributing to Increase in Chemical Lifetime

◆ Detergents Suppressing Etching of Silicon Nitride Film

- ◆ Detergents Inhibiting Silicon and Polysilicon Damage
- ◆Battery-Related (Ionic Liquids, Electrolytes for Sodium Ion Batteries Sodium Hexafluorophosphate, Additives for Lithium-Ion Batteries,)
- ◆ Various Fluoride Nanoparticles Dispersant (Magnesium, Lithium, Ytterbium, Calcium, CNP-P)

◆ Phosphor materials ♦5G/6G (Information Communication Systems), Printed Circuit Board

◆Tin Fluoroborate

♦Sodium Fluoroborate

◆ Nuclear Energy Industry

- ◆Fluorinated Carbon Nano-Tubes
- ◆ Special-Purpose Inorganic Fluorine Compounds Beyond the Chemical

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* For details, please visit the website.

街のなかでもステラケミファ



病院のなかでもステラケミファ



家のなかでもステラケミファ



学校のなかでもステラケミファ



- Transportation Business -





(HP URL)

Transportation Business

BLUE EXPRESS, Inc.

Transport	Land transport · Marine transport · Rail transport
Customs Clearance	Customs clearance · Loading and Unloading
Warehousing	Providing multi-functional warehouses fully equipped with the latest systems
Container services	Supplying large and pressurized containers that meet ISO specifications, medium-size IBC pressurized containers, as well as IBC containers with UN specifications, and also offering services for cleaning, repairing and leasing the containers

Customs clearance sites	Shipping terminals	Overseas Bases
Ohama Office	Sendai Office	Singapore
Osaka Office	Kanto Office	China(Shanghai)
Yokohama Office	Yokohama Office	
	Shimizu Office	
	Nagoya Office	
	Ohama Office	
	Kobe Office	
	Kitakyushu Office	



