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Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 [Under Japanese GAAP]



May 10, 2024

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 of annual general meeting of shareholders: June 27, 2024

Scheduled date to commence dividend payments: June 6, 2024

Scheduled date to file annual securities report: June 28, 2024

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, 2024 (April 1, 2023 - March 31, 2024)

(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, 2024	30,446	(14.0)	2,722	(22.5)	3,064	(29.5)	1,845	(19.1)
March 31, 2023	35,382	(5.1)	3,514	(23.3)	4,347	(23.8)	2,280	(57.5)

(Note) Comprehensive income: For the fiscal year ended March 31, 2024: ¥2,444 million [(6.3)%]

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

	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, 2024	153.48	—	4.2	5.4	8.9
March 31, 2023	186.03	—	5.4	7.8	9.9

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

For the fiscal year ended March 31, 2024: ¥(302) million

For the fiscal year ended March 31, 2023: ¥329 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, 2024	58,618	44,501	75.5	3,679.90
As of March 31, 2023	55,471	43,162	77.3	3,568.67

(Reference) Equity: As of March 31, 2024: ¥44,261 million

As of March 31, 2023: ¥42,875 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, 2024	6,542	(5,831)	(141)	15,846
March 31, 2023	5,634	(3,281)	(3,717)	14,728

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, 2023	—	30	—	30	60	735	32.3	1.7
Fiscal year ended March 31, 2024	—	60	—	94	154	1,873	100.3	4.2
Fiscal year ending March 31, 2025 (Forecast)	—	85	—	85	170		78.6	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 - March 31, 2025)

(Percentages 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	34,500	13.3	3,650	34.1	3,550	15.8	2,600	40.9	216.16

* 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, 2024:	13,213,248 shares
As of March 31, 2023:	13,213,248 shares
 - 2) Number of treasury shares at the end of the period

As of March 31, 2024:	1,185,297 shares
As of March 31, 2023:	1,198,814 shares
 - 3) Average number of shares outstanding during the period

Fiscal year ended March 31, 2024:	12,024,712 shares
Fiscal year ended March 31, 2023:	12,260,466 shares

(Reference) Overview of Non-consolidated Financial Results**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 - March 31, 2024)****(1) Non-consolidated Operating Results**

(Percentages indicate year-on-year changes.)

Fiscal year ended	Sales revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	19,065	(6.9)	1,733	(30.9)	2,519	(29.9)	1,571	(12.8)
March 31, 2023	20,482	(12.1)	2,509	(41.4)	3,591	(28.6)	1,801	(57.9)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2024	130.70	—
March 31, 2023	146.97	—

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2024	40,282	31,182	77.4	2,592.54
March 31, 2023	38,505	30,716	79.6	2,552.61

(Reference) Equity: As of March 31, 2024: ¥31,182 million

As of March 31, 2023: ¥30,668 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 3 of the Attachments.

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1. Overview of Operating Results, etc.

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

During the fiscal year under review, the Japanese economy showed signs of a gradual recovery amid the normalization of economic activity associated with the reclassification of COVID-19 as Class 5 and improving employment and income conditions. However, the outlook remains uncertain due to concerns of the risk of a downturn in overseas economies, rising prices, the continued depreciation of the yen 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 the performance for the fiscal year under review, in the Semiconductors, shipment volume declined due to deterioration in the semiconductor market, and shipment volume also fell in the Industrial Hydrofluoric Acid and the General Products. As a result, sales revenue decreased to 30,446 millions of yen (down 14.0% year on year).

In terms of profits, having been buffeted by a decline in sales revenue, operating profit amounted to 2,722 millions of yen (down 22.5% year on year), ordinary profit amounted to 3,064 millions of yen (down 29.5% year on year), profit attributable to owners of parent amounted to 1,845 millions of yen (down 19.1% year on year), mainly as a result of impairment losses that were recorded as extraordinary losses in relation to production facilities for additives for lithium-ion secondary batteries in the High-purity Chemical Business.

<High-purity Chemical>

In the High-purity Chemical Business, despite higher sales prices, as a result of a decrease from the previous fiscal year in the shipment volumes in the Semiconductors, a mainstay of the business, due to a decline in the semiconductor market, sales revenue in the Semiconductors amounted to 18,341 millions of yen (down 3.7% year on year). In addition, owing to a decrease in the shipment volumes in the Industrial Hydrofluoric Acid and the General Products, sales revenue for the High-purity Chemical Business amounted to 26,019 millions of yen (down 15.3% year on year).

In terms of profits, operating profit amounted to 2,167 millions of yen (down 26.8% year on year) due to the reduction in sales revenue.

<Transportation>

In the Transportation Business, sales revenue amounted to 4,252 millions of yen (down 5.6% 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 548 millions of yen (up 2.9% year on year) due to a decrease in transportation-related costs.

<Other>

In other business lines, sales revenue amounted to 174 millions of yen (up 2.1% year on year) as a result of an increase in revenue from the insurance agency business from the previous fiscal year. However, operating profit amounted to 18 millions of yen (down 39.3% year on year).

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

(Assets)

Current assets at the end of the fiscal year under review increased by 387 millions of yen (1.4%) from the end of the previous fiscal year to 29,002 millions of yen. The main reason for this increase included an increase of 1,127 millions of yen in cash and deposits, despite decreases of 301 millions of yen in accounts receivable - trade and of 304 millions of yen in raw materials and supplies. Non-current assets increased by 2,759 millions of yen (10.3%) from the end of the previous fiscal year to 29,615 millions of yen. The main reasons for this increase included an increase of 2,801 millions of yen in property, plant and equipment.

Consequently, total assets at the end of the fiscal year under review increased by 3,146 millions of yen from

the end of the previous fiscal year to 58,618 millions of yen.

(Liabilities)

Current liabilities at the end of the fiscal year under review decreased by 4 millions of yen (0.1%) from the end of the previous fiscal year to 8,890 millions of yen. The main reason for this decline included decreases of 232 millions of yen in income taxes payable and of 196 millions of yen in accounts payable - other. Non-current liabilities increased by 1,812 millions of yen (53.1%) from the end of the previous fiscal year to 5,226 millions of yen. The main reason for this increase included an increase of 878 millions of yen in long-term borrowings.

Consequently, total liabilities at the end of the fiscal year under review increased by 1,807 millions of yen from the end of the previous fiscal year to 14,116 millions of yen.

(Net assets)

Total net assets at the end of the fiscal year under review amounted to 44,501 millions of yen, an increase of 1,339 millions of yen from the end of the previous fiscal year. The main reasons for this growth included increases of 751 millions of yen in retained earnings and 529 millions of yen in foreign currency translation adjustment.

Consequently, the equity-to-asset ratio was 75.5% (77.3% 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 increased by 1,118 millions of yen from the end of the previous fiscal year and amounted to 15,846 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 6,542 millions of yen (up 907 millions of yen year on year).

The major components included profit before income taxes of 2,613 millions of yen, depreciation of 2,768 millions of yen, impairment losses of 447 millions of yen, decrease in trade receivables of 410 millions of yen, decrease in trade payables of 357 millions of yen, decrease in consumption taxes refund receivable of 480 millions of yen, and income taxes paid of 1,010 millions of yen.

[Cash flows from investing activities]

Funds used in investing activities amounted to 5,831 millions of yen (up 2,550 millions of yen year on year).

The major components included purchase of property, plant and equipment of 5,701 millions of yen and payments for retirement of property, plant and equipment of 155 millions of yen.

[Cash flows from financing activities]

Funds used in financing activities amounted to 141 millions of yen (a decrease of 3,575 millions of yen from the previous fiscal year).

The major components included proceeds from long-term borrowings of 2,100 millions of yen, repayments of long-term borrowings of 1,175 millions of yen, and dividends paid of 1,092 millions of yen.

(4) Future Outlook

Sales in the Semiconductors, which is a mainstay of the business, are expected to increase as a result of the effects of the gradual recovery of the semiconductor market, and 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. Accordingly, for the consolidated results of the next fiscal year, the Group forecasts sales revenue of 34,500 millions of yen (up 13.3% year on year), operating profit of 3,650 millions of yen (up 34.1% year on year), ordinary profit of 3,550 millions of yen (up 15.8% year on year), and profit attributable to owners of parent of

2,600 millions of yen (up 40.9% year on year).

<Consolidated Results Forecast of the Group>

	For the fiscal year ended March 31, 2024 (Actual results)	For the fiscal year ending March 31, 2025 (Forecast)	Increase/Decrease
	Millions of yen	Millions of yen	%
Sales revenue	30,446	34,500	13.3
Operating profit	2,722	3,650	34.1
Ordinary profit	3,064	3,550	15.8
Profit attributable to owners of parent	1,845	2,600	40.9

- (5) Basic Policy on Profit Distribution and Dividends for the Fiscal Year under Review and the Next Fiscal Year
The Company's basic policy for dividends of surplus is to make stable and continuous payments based on a comprehensive consideration of factors including the Company's financial condition and profit level. In addition, as disclosed in the Notice Concerning Formulation of Shareholder Return Policy dated May 9, 2023, for the fiscal year ended March 31, 2024 and the fiscal year ending March 31, 2025, the Company's new shareholder return policy is to achieve a total return ratio of 100%.

With regard to the dividend for the fiscal year under review, based on the consolidated financial results, the Company has determined an annual dividend of 154 yen per share comprising a year-end dividend of 94 yen in addition to the interim dividend of 60 yen that has already been paid.

With regard to the dividend for the next fiscal year, the Company plans to declare an annual dividend of 170 yen per share comprising an interim dividend of 85 yen and a year-end dividend of 85 yen. Based on the abovementioned shareholder return policy, we aim to achieve a total return ratio of 100% through dividends and share repurchases, but the specific amounts and allocations will be determined based on future business forecasts, stock price trends, and other factors.

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, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	15,097	16,225
Notes receivable - trade	31	38
Accounts receivable - trade	7,038	6,736
Electronically recorded monetary claims - operating	41	25
Merchandise and finished goods	2,124	2,322
Work in process	1,701	1,787
Raw materials and supplies	1,671	1,366
Other	924	513
Allowance for doubtful accounts	(14)	(14)
Total current assets	28,615	29,002
Non-current assets		
Property, plant and equipment		
Buildings and structures	22,593	23,328
Accumulated depreciation	(14,026)	(14,644)
Buildings and structures, net	8,567	8,684
Machinery, equipment and vehicles	28,955	28,848
Accumulated depreciation	(24,427)	(24,265)
Machinery, equipment and vehicles, net	4,527	4,583
Land	5,467	5,467
Leased assets	165	138
Construction in progress	1,833	4,308
Other	9,738	10,504
Accumulated depreciation	(7,675)	(8,259)
Other, net	2,063	2,245
Total property, plant and equipment	22,625	25,426
Intangible assets		
Other	261	149
Total intangible assets	261	149
Investments and other assets		
Investment securities	3,055	3,019
Deferred tax assets	457	593
Other	458	426
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	3,970	4,039
Total non-current assets	26,856	29,615
Total assets	55,471	58,618

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,469	1,278
Electronically recorded obligations - operating	799	688
Short-term borrowings	1,920	2,000
Current portion of long-term borrowings	932	978
Accounts payable - other	1,322	1,126
Income taxes payable	384	151
Provision for bonuses	387	390
Provision for bonuses for directors (and other officers)	36	41
Electronically recorded obligations facilities	1,069	1,186
Other	573	1,047
Total current liabilities	8,894	8,890
Non-current liabilities		
Long-term borrowings	1,070	1,949
Provision for retirement benefits for directors (and other officers)	34	27
Provision for share awards	121	143
Retirement benefit liability	950	972
Asset retirement obligations	689	719
Other	548	1,413
Total non-current liabilities	3,414	5,226
Total liabilities	12,309	14,116
Net assets		
Shareholders' equity		
Share capital	4,829	4,829
Capital surplus	8,793	8,797
Retained earnings	30,904	31,655
Treasury shares	(2,991)	(2,957)
Total shareholders' equity	41,536	42,324
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	42	110
Foreign currency translation adjustment	1,296	1,826
Total accumulated other comprehensive income	1,339	1,936
Share acquisition rights	48	—
Non-controlling interests	238	240
Total net assets	43,162	44,501
Total liabilities and net assets	55,471	58,618

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

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Sales revenue	35,382	30,446
Cost of sales	27,972	23,999
Gross profit	7,410	6,446
Selling, general and administrative expenses	3,896	3,724
Operating profit	3,514	2,722
Non-operating income		
Interest income	34	79
Dividend income	3	2
Gain on valuation of derivatives	—	134
Share of profit of entities accounted for using equity method	329	—
Rental income from land and buildings	29	29
Subsidy income	129	49
Foreign exchange gains	283	337
Other	197	50
Total non-operating income	1,008	683
Non-operating expenses		
Interest expenses	32	30
Share of loss of entities accounted for using equity method	—	302
Loss on valuation of derivatives	130	—
Other	11	8
Total non-operating expenses	175	341
Ordinary profit	4,347	3,064
Extraordinary income		
Gain on sale of non-current assets	13	17
Gain on sale of investment securities	1,258	—
Gain on change in equity	129	104
Gain on reversal of share acquisition rights	—	48
Total extraordinary income	1,401	170
Extraordinary losses		
Loss on abandonment of non-current assets	453	174
Loss on sale of non-current assets	1	—
Impairment losses	1,926	447
Total extraordinary losses	2,382	621
Profit before income taxes	3,366	2,613
Income taxes - current	1,426	741
Income taxes - deferred	(43)	36
Total income taxes	1,383	777
Profit	1,983	1,836
Loss attributable to non-controlling interests	(297)	(9)
Profit attributable to owners of parent	2,280	1,845

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit	1,983	1,836
Other comprehensive income		
Valuation difference on available-for-sale securities	(7)	67
Deferred gains or losses on hedges	(46)	—
Foreign currency translation adjustment	574	437
Share of other comprehensive income of entities accounted for using equity method	105	103
Total other comprehensive income	626	608
Comprehensive income	2,609	2,444
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,880	2,442
Comprehensive income attributable to non-controlling interests	(270)	1

(3) Consolidated Statement of Changes in Net Assets

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
Restricted stock payment					—
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
Restricted stock payment							—
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

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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	30,904	(2,991)	41,536
Changes during period					
Dividends of surplus			(1,094)		(1,094)
Profit attributable to owners of parent			1,845		1,845
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares by stocks payment trust				—	—
Restricted stock payment		3		34	38
Net changes in items other than shareholders' equity					
Total changes during period	—	3	751	33	788
Balance at end of period	4,829	8,797	31,655	(2,957)	42,324

	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	—	1,296	1,339	48	238	43,162
Changes during period							
Dividends of surplus							(1,094)
Profit attributable to owners of parent							1,845
Purchase of treasury shares							(0)
Disposal of treasury shares by stocks payment trust							—
Restricted stock payment							38
Net changes in items other than shareholders' equity	67	—	529	597	(48)	1	550
Total changes during period	67	—	529	597	(48)	1	1,339
Balance at end of period	110	—	1,826	1,936	—	240	44,501

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	3,366	2,613
Depreciation	2,593	2,768
Impairment losses	1,926	447
Increase (decrease) in allowance for doubtful accounts	(3)	(0)
Increase (decrease) in provision for bonuses for directors (and other officers)	(18)	5
Increase (decrease) in provision for bonuses	7	3
Increase (decrease) in retirement benefit liability	(6)	22
Increase (decrease) in provision for retirement benefits for directors (and other officers)	3	(6)
Increase (decrease) in provision for share awards	21	22
Interest and dividend income	(38)	(81)
Interest expenses	32	30
Subsidy income	(129)	(49)
Loss (gain) on sale and retirement of property, plant and equipment	441	156
Loss (gain) on sale of investment securities	(1,258)	—
Loss (gain) on valuation of derivatives	130	(134)
Share of loss (profit) of entities accounted for using equity method	(329)	302
Loss (gain) on change in equity	(129)	(104)
Foreign exchange losses (gains)	(354)	(334)
Decrease (increase) in trade receivables	1,688	410
Decrease (increase) in inventories	(130)	95
Increase (decrease) in trade payables	(446)	(357)
Decrease (increase) in other current assets	328	40
Increase (decrease) in other current liabilities	143	(116)
Decrease (increase) in consumption taxes refund receivable	(480)	480
Increase (decrease) in accrued consumption taxes	(219)	359
Other, net	84	876
Subtotal	7,225	7,451
Interest and dividends received	682	81
Interest paid	(32)	(30)
Subsidies received	129	49
Income taxes refund (paid)	(2,369)	(1,010)
Net cash provided by (used in) operating activities	5,634	6,542
Cash flows from investing activities		
Payments into time deposits	(333)	(378)
Proceeds from withdrawal of time deposits	332	378
Purchase of property, plant and equipment	(4,586)	(5,701)
Proceeds from sale of property, plant and equipment	19	16
Payments for retirement of property, plant and equipment	—	(155)
Purchase of intangible assets	(2)	(3)
Purchase of investment securities	(2)	(2)
Proceeds from sale of investment securities	1,295	—
Other payments	(34)	(2)
Other proceeds	30	17
Net cash provided by (used in) investing activities	(3,281)	(5,831)

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	—	80
Proceeds from long-term borrowings	—	2,100
Repayments of long-term borrowings	(1,494)	(1,175)
Purchase of treasury shares	(1,348)	(0)
Repayments of lease liabilities	(48)	(53)
Dividends paid	(825)	(1,092)
Net cash provided by (used in) financing activities	(3,717)	(141)
Effect of exchange rate change on cash and cash equivalents	554	549
Net increase (decrease) in cash and cash equivalents	(810)	1,118
Cash and cash equivalents at beginning of period	15,538	14,728
Cash and cash equivalents at end of period	14,728	15,846

(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 method used in preparing the consolidated financial statements.

Reportable segment profit consists of figures based on operating profit.

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

3. Information on sales revenue, profit or loss, assets, and other components by reportable segment
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	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.

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment			Other (Note)	Total
	High-purity Chemical	Transportation	Total		
Sales revenue					
Sales revenue to outside customers	26,019	4,252	30,271	174	30,446
Inter-segment sales revenue or transfers	0	3,098	3,098	245	3,344
Total	26,019	7,350	33,370	420	33,790
Segment profit	2,167	548	2,716	18	2,735
Segment assets	48,598	10,091	58,689	269	58,959
Other					
Depreciation	2,355	412	2,767	0	2,768
Impairment losses	426	20	447	—	447
Investment in entities accounted for using equity method	2,784	—	2,784	—	2,784
Increase in property, plant and equipment and intangible assets	5,057	649	5,707	0	5,708

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

4. 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, 2023	For the fiscal year ended March 31, 2024
Reportable segment total	38,487	33,370
Sales revenue in “Other” category	399	420
Inter-segment elimination	(3,504)	(3,344)
Sales revenue in the consolidated financial statements	35,382	30,446

(Millions of yen)

Profit	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Reportable segment total	3,494	2,716
Profit in “Other” category	30	18
Inter-segment elimination	(11)	(13)
Operating profit in the consolidated financial statements	3,514	2,722

(Millions of yen)

Assets	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Reportable segment total	55,462	58,689
Assets in “Other” category	290	269
Corporate assets (Note)	8	8
Other adjustments	(290)	(349)
Total assets in the consolidated financial statements	55,471	58,618

(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, 2023	For the fiscal year ended March 31, 2024
Net assets per share	3,568.67 yen	3,679.90 yen
Earnings per share	186.03 yen	153.48 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 137,900 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, 2023	For the fiscal year ended March 31, 2024
Total net assets (Millions of yen)	43,162	44,501
Deduction from total net assets (Millions of yen)	286	240
[Share acquisition rights (Millions of yen)]	(48)	(—)
[Non-controlling interests (Millions of yen)]	(238)	(240)
Net assets relating to common shares (Millions of yen)	42,875	44,261
Number of common shares at end of period used in the calculation of net assets per share (Thousand shares)	12,014	12,027

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

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit attributable to owners of parent (Millions of yen)	2,280	1,845
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent relating to common shares (Millions of yen)	2,280	1,845
Average number of common shares during the period (Thousand shares)	12,260	12,024

(Significant subsequent events)

Not applicable.