

Disclaimer: This document is an English translation of the original document in Japanese and has been prepared solely for reference purposes. In the event of any discrepancy between this English translation and the original in Japanese, the original shall prevail in all respects.

## Consolidated Financial Results for the Three Months Ended June 30, 2024 [Under Japanese GAAP]



August 7, 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 to commence dividend payments: —

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: No

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

### 1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 – June 30, 2024)

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

	Sales revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2024	8,755	20.0	869	49.3	890	2.9	824	18.7
June 30, 2023	7,298	(25.3)	582	(54.9)	865	(51.5)	694	(46.4)

(Note) Comprehensive income: For three months ended June 30, 2024: ¥1,232 million [40.4%]

For three months ended June 30, 2023: ¥878 million [(49.5)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2024	68.20	—
June 30, 2023	57.79	—

### (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 June 30, 2024	58,010	44,649	76.5	3,686.72
As of March 31, 2024	58,618	44,501	75.5	3,679.90

(Reference) Equity: As of June 30, 2024: ¥44,397 million

As of March 31, 2024: ¥44,261 million

## 2. Cash Dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	60.00	—	94.00	154.00
Fiscal year ending March 31, 2025	—				
Fiscal year ending March 31, 2025 (Forecast)		85.00	—	85.00	170.00

(Note) Revision to the forecast for dividends announced most recently: None

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

(% indicates changes from the previous corresponding period.)

	Sales revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	Yen
Full year	34,500	13.3	3,650	34.1	3,550	15.8	2,600	216.16

(Note) Revision to the financial results forecast announced most recently: None

### \* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: – (Company name: –)

Excluded: – (Company name: –)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

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

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

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

As of June 30, 2024: 13,213,248 shares

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

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

As of June 30, 2024: 1,170,747 shares

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

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

Three months ended June 30, 2024: 12,086,937 shares

Three months ended June 30, 2023: 12,014,570 shares

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

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

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

## Table of Contents - Attachments

1. Overview of Operating Results, etc. ....	2
(1) Overview of Operating Results for the Period under Review .....	2
(2) Overview of Financial Position for the Period under Review .....	2
(3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Information .....	2
2. Quarterly Consolidated Financial Statements and Principal Notes .....	3
(1) Quarterly Consolidated Balance Sheet .....	3
(2) Quarterly Consolidated Statements of Income and Comprehensive Income .....	5
Quarterly Consolidated Statement of Income	
Three Months Ended June 30 .....	5
Quarterly Consolidated Statement of Comprehensive Income	
Three Months Ended June 30 .....	6
(3) Notes to Quarterly Consolidated Financial Statements .....	7
(Notes on going concern assumption) .....	7
(Notes on Significant Changes to Shareholders' Equity) .....	7
(Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements) .....	7
(Notes on segment information, etc.) .....	8
(Notes on Quarterly Consolidated Statement of Cash Flows) .....	9

## 1. Overview of Operating Results, etc.

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

During the three months ended June 30, 2024, the Japanese economy showed signs of a gradual recovery thanks to normalization of economic activity, improvement in the employment and income conditions, increased inbound tourism demand, and other factors. However, the economic outlook remains uncertain because of the risk of an economic slowdown due to inflation, the negative impact of the depreciation of the yen on the economy, and other factors.

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

In regard to sales revenue for the three months ended June 30, 2024, in the Semiconductors, shipment volume increased compared to the previous corresponding period due to recovery in the semiconductor market, and shipment volume also increased in the General Products. As a result, sales revenue increased to 8,755 millions of yen (up 20.0% year on year).

In terms of profits, thanks to increased sales revenue, operating profit amounted to 869 millions of yen (up 49.3% year on year), ordinary profit amounted to 890 millions of yen (up 2.9% year on year), and profit attributable to owners of parent amounted to 824 millions of yen (up 18.7% year on year).

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

#### (Assets)

Current assets at the end of the first quarter of the fiscal year under review decreased by 923 millions of yen (3.2%) from the end of the previous fiscal year to 28,079 millions of yen. The main reasons for this decrease were a decrease of 1,789 millions of yen in cash and deposits, and an increase of 587 millions of yen in notes and accounts receivable - trade. Non-current assets increased by 315 millions of yen (1.1%) from the end of the previous fiscal year to 29,931 millions of yen. The main reasons for this increase were an increase of 114 millions of yen in property, plant and equipment, and an increase of 229 millions of yen in investments and other assets.

Consequently, total assets at the end of the first quarter of the fiscal year under review decreased by 607 millions of yen from the end of the previous fiscal year to 58,010 millions of yen.

#### (Liabilities)

Current liabilities at the end of the first quarter of the fiscal year under review decreased by 646 millions of yen (7.3%) from the end of the previous fiscal year to 8,243 millions of yen. The main reason for this decline was a decrease of 445 millions of yen in electronically recorded obligations facilities. Non-current liabilities decreased by 108 millions of yen (2.1%) from the end of the previous fiscal year to 5,118 millions of yen. The main reason for this decrease was a decrease of 203 millions of yen in long-term borrowings.

Consequently, total liabilities at the end of the first quarter of the fiscal year under review decreased by 755 millions of yen from the end of the previous fiscal year to 13,361 millions of yen.

#### (Net assets)

Total net assets at the end of the first quarter of the fiscal year under review amounted to 44,649 millions of yen, an increase of 147 millions of yen from the end of the previous fiscal year. The main reasons for this growth were an increase of 396 millions of yen in foreign currency translation adjustment and a decrease of 319 millions of yen in retained earnings due to a dividend increase.

Consequently, the equity-to-asset ratio was 76.5% (75.5% at the end of the previous fiscal year).

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

Consolidated financial results forecasts for the fiscal year ending March 31, 2025 have not been revised from the forecasts announced on May 10, 2024.

## 2. Quarterly Consolidated Financial Statements and Principal Notes

### (1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	16,225	14,436
Notes and accounts receivable - trade	6,775	7,362
Electronically recorded monetary claims - operating	25	26
Merchandise and finished goods	2,322	2,157
Work in process	1,787	1,952
Raw materials and supplies	1,366	1,611
Other	513	546
Allowance for doubtful accounts	(14)	(16)
Total current assets	29,002	28,079
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,684	8,710
Machinery, equipment and vehicles, net	4,583	4,761
Land	5,467	5,467
Leased assets	138	132
Construction in progress	4,308	4,294
Other, net	2,245	2,174
Total property, plant and equipment	25,426	25,541
Intangible assets		
Other	149	121
Total intangible assets	149	121
Investments and other assets		
Other	4,039	4,268
Total investments and other assets	4,039	4,268
Total non-current assets	29,615	29,931
Total assets	58,618	58,010

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	1,278	1,551
Electronically recorded obligations - operating	688	958
Short-term borrowings	2,000	2,000
Current portion of long-term borrowings	978	921
Accounts payable - other	1,126	771
Income taxes payable	151	254
Provision for bonuses	390	199
Provision for bonuses for directors (and other officers)	41	4
Electronically recorded obligations facilities	1,186	741
Other	1,047	840
Total current liabilities	8,890	8,243
Non-current liabilities		
Long-term borrowings	1,949	1,745
Provision for retirement benefits for directors (and other officers)	27	28
Provision for share awards	143	154
Retirement benefit liability	972	971
Asset retirement obligations	719	733
Other	1,413	1,484
Total non-current liabilities	5,226	5,118
Total liabilities	14,116	13,361
<b>Net assets</b>		
Shareholders' equity		
Share capital	4,829	4,829
Capital surplus	8,797	8,818
Retained earnings	31,655	31,336
Treasury shares	(2,957)	(2,921)
Total shareholders' equity	42,324	42,063
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	110	110
Foreign currency translation adjustment	1,826	2,223
Total accumulated other comprehensive income	1,936	2,333
Non-controlling interests	240	251
Total net assets	44,501	44,649
Total liabilities and net assets	58,618	58,010

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

Three Months Ended June 30

(Millions of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Sales revenue	7,298	8,755
Cost of sales	5,751	6,922
Gross profit	1,546	1,833
Selling, general and administrative expenses	964	963
Operating profit	582	869
Non-operating income		
Interest income	6	13
Gain on valuation of derivatives	156	—
Foreign exchange gains	150	101
Other	29	24
Total non-operating income	343	139
Non-operating expenses		
Interest expenses	5	6
Share of loss of entities accounted for using equity method	53	101
Loss on valuation of derivatives	—	3
Other	1	6
Total non-operating expenses	60	118
Ordinary profit	865	890
Extraordinary income		
Gain on sale of non-current assets	4	3
Gain on change in equity	70	136
Total extraordinary income	75	139
Extraordinary losses		
Loss on abandonment of non-current assets	3	0
Total extraordinary losses	3	0
Profit before income taxes	937	1,029
Income taxes	251	204
Profit	686	825
Profit (loss) attributable to non-controlling interests	(7)	0
Profit attributable to owners of parent	694	824

Quarterly Consolidated Statement of Comprehensive Income  
Three Months Ended June 30

(Millions of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Profit	686	825
Other comprehensive income		
Valuation difference on available-for-sale securities	20	0
Foreign currency translation adjustment	124	307
Share of other comprehensive income of entities accounted for using equity method	46	99
Total other comprehensive income	191	407
Comprehensive income	878	1,232
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	880	1,221
Comprehensive income attributable to non-controlling interests	(2)	11

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes on Significant Changes to Shareholders' Equity)

Not applicable.

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

(Calculation of tax expenses)

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

(Notes on segment information, etc.)

I. For the three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

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

(Millions of yen)

	Reportable segment			Other (Note)	Total
	High-purity Chemical	Transportation	Total		
Sales revenue					
Sales revenue to outside customers	6,217	1,041	7,258	39	7,298
Inter-segment sales revenue or transfers	—	728	728	63	792
Total	6,217	1,769	7,986	103	8,090
Segment profit (loss)	518	67	586	(1)	585

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

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

(Millions of yen)

Profit	Amount
Reportable segment total	586
Profit (loss) in “Other” category	(1)
Inter-segment elimination	(2)
Operating profit in the quarterly consolidated statement of income	582

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

Not applicable.

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

Not applicable.

II. For the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

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

(Millions of yen)

	Reportable segment			Other (Note)	Total
	High-purity Chemical	Transportation	Total		
Sales revenue					
Sales revenue to outside customers	7,602	1,122	8,725	29	8,755
Inter-segment sales revenue or transfers	33	897	930	56	986
Total	7,636	2,020	9,656	85	9,742
Segment profit	669	204	873	1	874

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

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

(Millions of yen)

Profit	Amount
Reportable segment total	873
Profit in “Other” category	1
Inter-segment elimination	(5)
Operating profit in the quarterly consolidated statement of income	869

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

Not applicable.

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

Not applicable.

(Notes on Quarterly Consolidated Statement of Cash Flows)

There is no quarterly consolidated statement of cash flows for the three months ended June 30, 2024.

Depreciation (including amortization of intangible assets) is as follows for the three months ended June 30, 2023 and the three months ended June 30, 2024.

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Depreciation	¥682 million	¥647 million