

Consolidated Financial Results for the Year Ended March 31, 2025 (JPGAAP)



May 15, 2025

Name of listed company: Nissan Chemical Corporation
Code Number: 4021

Stock Exchange: Tokyo
URL: <https://www.nissanchem.co.jp/>

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Scheduled date of annual shareholders' meeting

: June 26, 2025

Scheduled dividend payment date

: June 27, 2025

Scheduled date of submitting the Annual Securities Report

: June 25, 2025

Supplemental information

: Yes

Financial results meeting

: Yes (for institutional investors and analysts)

(Amounts rounded down to the nearest million yen)

1. Consolidated Financial Results for the Year Ended March 31, 2025 (From April 01, 2024 to March 31, 2025)

(1) Consolidated Operating Results

(% indicates the rate of increase/decrease year on year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 31, 2025	251,365	10.9	56,833	17.9	58,018	12.4	43,043	13.2
Year ended March 31, 2024	226,705	(0.6)	48,201	(7.8)	51,629	(7.5)	38,033	(7.4)

(Note) Comprehensive income: Year ended March 31, 2025 : 39,366 million yen, (7.3)%
Year ended March 31, 2024 : 42,461 million yen, 1.8%

	Basic earnings per share	Diluted net income per share	Ratio of net income to shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Year ended March 31, 2025	313.26	—	18.7	17.7	22.6
Year ended March 31, 2024	272.82	—	17.1	16.6	21.3

(Reference) Equity in earnings of affiliates : Year ended March 31, 2025 : 1,061 million yen
: Year ended March 31, 2024 : 536 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	330,763	236,180	70.5	1,711.83
As of March 31, 2024	323,458	230,952	70.3	1,641.40

(Reference) Shareholders' equity: As of March 31, 2025 : 233,291 million yen
As of March 31, 2024 : 227,520 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Year ended March 31, 2025	59,178	(17,612)	(35,650)	27,454
Year ended March 31, 2024	33,701	(18,741)	(22,101)	22,738

2. Cash Dividends

	Cash dividends per share					Total cash dividends (annual)	Dividend payout ratio (consolidated)	Ratio of dividend to net assets (consolidated)
	First quarter	Second quarter	Third quarter	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended March 31, 2024	—	70.00	—	94.00	164.00	22,816	60.1	10.3
Year ended March 31, 2025	—	70.00	—	104.00	174.00	23,826	55.5	10.4
Year ending March 31, 2026 (Outlook)	—	70.00	—	106.00	176.00		55.1	

3. Outlook of Consolidated Financial Results for the Fiscal Year Ending March 31, 2026 (From April 1, 2025 to March 31, 2026)

(% indicates the rate of increase/decrease against the same period of the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ending September 30, 2025	121,900	3.1	28,300	(0.2)	27,100	(3.0)	20,600	0.4	152.52
Year ending March 31, 2026	262,200	4.3	57,600	1.3	57,300	(1.2)	43,100	0.1	319.43

4. Notes

- (1) Changes in significant consolidated subsidiaries
(Changes in specified subsidiaries involving changes in scope of consolidation) : Yes
Newly Included: 2 company (Company name: NC Agro Hakodate Corporation, Nippon Polytech Corp.)

- (2) Changes of accounting policies and accounting estimates, and restatement
1. Changes of accounting policies due to revisions of accounting standards : Yes
2. Changes of accounting policies other than the above : None
3. Changes in accounting estimates : None
4. Restatements : None

(Note) Please refer to [3. Consolidated Financial Statements (5) Notes to Consolidated Financial Statements (Changes in Accounting Policies)] on page 16 for further details

(3) Number of shares outstanding (common shares)

1. Number of shares outstanding (including treasury shares)

As of March 31, 2025	: 136,800,000	shares
As of March 31, 2024	: 138,800,000	shares

2. Number of treasury shares

As of March 31, 2025	: 517,787	shares
As of March 31, 2024	: 186,649	shares

3. Average number of shares outstanding over the year

As of March 31, 2025	: 137,404,538	shares
As of March 31, 2024	: 139,407,930	shares

(Note) The Company has introduced "Board Benefit Trust (BBT)" based on the resolution of Board of Directors' meeting held on July 30, 2019. The shares held by the Trust are included in the number of treasury shares at the end of the period, and they are included in the number of treasury shares deducted in calculating the average number of shares outstanding over the period.

The number of shares held by the Trust (included in treasury shares) at the end of the period was 139,400 shares.

In addition, the average number of shares held by the Trust during the period was 139,592 shares.

This is not included in the average number of shares outstanding.

* Presentation regarding implementation status of audit procedures

This financial release is not subject to audit procedures based on Financial Instruments and Exchange Law in Japan.

Audit procedures of financial statements based on Financial Instruments and Exchange have not been completed at the time of disclosure.

* Explanations regarding appropriate use of business outlook and other special notes

The business outlook contained in this report is based on information available at the time of disclosure.

Actual operating results may differ materially from the outlook due to various factors.

The prerequisite information of outlook and other items are on page 6 to page 7.

* For supplemental information, please refer to our website.

The transcript of financial results briefing will be released on our website as well.

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1. Analysis of Business Performance and Financial Position

(1) Analysis of Business Performance

(Operating results for the fiscal year)

During the current fiscal year (April 01, 2024 to March 31, 2025), the domestic economy showed only a moderate recovery because of persistently high food and raw material prices, while inbound demand expanded and the income environment improved. Under these circumstances, in the Chemicals Segment, sales of both Basic Chemicals and Fine Chemicals increased. In the Performance Materials Segment, sales of Semiconductor Materials were strong and sales of Inorganic Materials and Display Materials increased. In the Agricultural Chemicals Segment, sales increased. In the Healthcare Segment, sales decreased.

As a result, both sales and each income exceeded the same period of previous fiscal year and the outlook announced in February.

(Million yen, amounts rounded down to the nearest million yen)

	FY2023 (Actual)	FY2024 (Actual)	Year on year change	FY2024 (Outlook)	Change from Outlook
Sales	226,705	251,365	+24,659	247,600	+3,765
Operating income	48,201	56,833	+8,631	55,000	+1,833
Ordinary income	51,629	58,018	+6,389	55,900	+2,118
Net income attributable to owners of parent	38,033	43,043	+5,009	40,900	+2,143

Explanations by segments are as below.

The Chemicals Segment

In Basic Chemicals, sales of high purity sulfuric acid (agent used for cleaning semiconductor) increased. In Fine Chemicals, sales of environmental related products (sterilizing and disinfecting agents for pools and septic tanks, etc.) and "FINEOXOCOL" (cosmetics, etc.) increased.

As a result, sales of this segment were 37,835 million yen (an increase of 2,272 million yen) and operating income was 179 million yen (an increase of 131 million yen). Compared to the outlook, sales were below 0.7 billion yen and operating income was above 0.1 billion yen.

The Performance Materials Segment

In Display Materials, sales of "SUNEVER" (LCD alignment coating) increased. In Semiconductor Materials, sales of antireflective coating for semiconductors (ARC®) and multi-layer process materials (OptiStack®) increased significantly due to recovery in customer utilization. In Inorganic Materials, sales of "SNOWTEX" for polishing electronic materials and hard coating, and Organo / Monomer sol (various coatings and resin additives) increased.

As a result, sales of this segment were 100,098 million yen (an increase of 15,530 million yen) and operating income was 28,980 million yen (an increase of 6,449 million yen). Compared to the outlook, sales were above 2.7 billion yen and operating income was above 0.7 billion yen.

* ARC® and OptiStack® are registered trademarks of Brewer Science, Inc.

The Agricultural Chemicals Segment

Sales of Fluralaner (active ingredients for veterinary pharmaceuticals) increased. In Japanese domestic market, sales of "VERDAD" (herbicide for paddy rice) which started sales in February 2025, "ALTAIR"(herbicide for paddy rice) and "GRACIA"(insecticide) were firm, but sales of "ROUNDUP" (non-selective foliar application herbicide) decreased. In the overseas market, although sales of "LEIMAY" (fungicide) and "GRACIA" grew, sales of "TARGA" (herbicide) decreased.

As a result, sales of this segment were 86,226 million yen (an increase of 4,112 million yen) and operating income was 25,571 million yen (an increase of 2,173 million yen). Compared to the outlook, sales were below 0.1 billion yen and operating income was below 0.1 billion yen.

The Healthcare Segment

Sales of "LIVALO" (anti-cholesterol drug) declined in Japanese domestic market and overseas markets. Sales of "Custom Chemicals"(solution proposal business and joint development business) increased.

As a result, sales of this segment were 5,993 million yen (a decrease of 306 million yen) and operating income was 1,893 million yen (a decrease of 921 million yen). Compared to the outlook, sales were below 0.2 billion yen and operating income was below 0.4 billion yen.

Trading

Sales of this segment were 117,155 million yen (an increase of 13,360 million yen) and operating income was 4,089 million yen (an increase of 388 million yen). Compared to the outlook, sales were above 4.8 billion yen and operating income was above 0.4 billion yen.

Others

Sales of this segment were 29,175 million yen (a decrease of 992 million yen) and operating income was 594 million yen (an increase of 22 million yen).

(Medium-and Long-term Management Strategies and Issues to be addressed)

In FY2022, we, Nissan Chemical Corporation and our group companies launched the six-year medium-term management plan "Vista2027". During Stage I, the first three years (FY2022-FY2024) of the medium-term management plan "Vista2027", we achieved a record operating profit of 56.8 billion yen in the final year, FY2024. However, we fell short of our numerical targets. Upon analyzing the factors, we identified the main challenges as the creation of new products and businesses, appropriate allocation of management resources, and improvement of profitability in the Chemicals Segment. To address these issues, by active strategic investments including M&A (mergers and acquisitions), we will enhance the business portfolio, extend the existing businesses and also shorten the product development periods. In addition, in FY2024, fixed assets of Fine Chemicals, a sub-segment of the Chemicals Segment, were impaired. From FY2025, we will identify unprofitable products and then implement various cost reductions in the Segment to ensure an operating profit margin of over 5% by FY2027.

In April 2025, we started Stage II, the latter three years (FY2025-FY2027) of the medium-term management plan "Vista2027". We set numerical targets for the final year (FY2027) at 293 billion yen in sales and 65 billion yen in operating profit, with the creation of new products as the most critical issue. We established the following three basic strategies.

1. Expanding Profits in Existing Businesses
2. Developing New Products Looking Toward 2030
3. Strengthening Business Foundation

Regarding the first strategy of "Expanding Profits in Existing Businesses", we will focus management resources, including M&A, on the Performance Materials Segment and the Agricultural Chemicals Segment, which are expected to grow. We will advance the sales and development of existing and new products to maximize profits.

As a specific measure, in the Performance Materials Segment, we reorganized in April 2025 to respond to the creation of next-generation semiconductor materials. Moving forward, we will gradually increase personnel and evaluation equipment, and expand research and development functions for semiconductors, providing products and services with high customer satisfaction.

In the Agricultural Chemicals Segment, we will launch new pesticide products (two herbicides, one acaricide, and one insecticide) including our developed active ingredients by 2027, maintaining the top domestic market share and further expanding overseas sales.

In the Chemicals Segment, in addition to the aforementioned measures, we will expand the dissemination of high-profitability products, and the Healthcare Segment, we will work on increasing sales of active pharmaceutical ingredients and contract manufacturing and sales of new active pharmaceutical ingredients in the Custom Chemicals (custom manufacturing and solution proposal business for pharmaceutical companies).

Regarding the second strategy of "Developing New Products Looking Toward 2030", we aim to create products that will become new growth pillars from FY2028 onwards.

In the Environment & Energy field, we will focus on creating materials for secondary batteries, hydrogen energy materials, and perovskite solar cell materials.

In the Information & Communication field, we will clarify target materials and accelerate the development of packaging materials for semiconductors, optical waveguide materials, electronic device heat dissipation materials, and alignment materials for CIS (CMOS image sensors) and photo alignment layers for retardation films.

In drug discovery research of the Life Sciences field, we will increase the number of organic synthesis researchers to accelerate the creation of new animal health products and have agreed to joint research and development with partners with whom we have good relationships. We will also focus on advancing the development stages of new pesticide active ingredients and nucleic acid medicines, and promote the acquisition of new core technologies and collaboration with foreign companies in promising bio fields.

Regarding the third strategy of "Strengthening Business Foundation", we will promote human resource development and expand the research and development infrastructure and functions to realize our group's corporate philosophy and ideal state.

In human resource development, we recognize that the essence of human resource development is "each employee voluntarily engages in self-improvement and strives for personal growth," and we will support employees by enhancing training systems. We will also strengthen and accelerate research and development functions that support business through the training of data scientists, exploration of materials using materials informatics (data-driven research), and analysis techniques utilizing advanced technologies. Additionally, we will support business expansion from the perspective of intellectual property through market analysis using IP landscapes and implement patent strategies to enhance business competitiveness.

In Stage II, in addition to executing the aforementioned strategies, we have raised the FY2027 targets for the key performance indicators (KPIs) of our materiality elements (important issues) to contribute to a sustainable society. We aim to increase the ratio of consolidated sales of "Nissan Chemical Sustainable Agenda (products and services that contribute to solving social issues)" to over 60% and the contribution to food issues by over 25% compared to FY2021. In terms of reducing greenhouse gas emissions to mitigate climate change, we will complete the reduction equipment for nitrous oxide emissions from the nitric acid plant within the Stage II period and achieve a 30% reduction compared to FY2018 by FY2027.

We recognize that we have received a certain level of evaluation from the market due to stable performance and proactive shareholder returns. We will draw up growth strategies to become a more highly anticipated company, aim to establish a solid business portfolio, and work with all our might to realize a corporate group trusted by all stakeholders through improving management soundness and transparency, speeding up decision-making, strengthening risk

management and internal control systems, ensuring compliance, and promoting business activities that consider society and the environment.

(2) Analysis of Financial Position

Total assets as of March 31, 2025 were 330,763 million yen (an increase of 7,305 million yen from the previous year). It is mainly due to the increase of cash and deposits and Intangible assets.

Total liabilities as of March 31, 2025 were 94,582 million yen (an increase of 2,077 million yen). It is mainly due to the increase of bonds payable and commercial papers.

Net assets as of March 31, 2025 were 236,180 million yen (an increase of 5,227 million yen).

As a result of these factors, equity ratio was 70.5% (an increase of 0.2% from March 31, 2024).

(3) Position of Cash Flow

Deducting income taxes paid from income before income taxes and non-controlling interests, depreciation and gain and loss in working capital, net cash provided by operating activities for the consolidated fiscal year ended March 31, 2025 was 59,178 million yen (33,701 million yen for the previous year).

Due to investment on plant and equipment, net cash used in investing activities for the consolidated fiscal year ended March 31, 2025 was 17,612 million yen (18,741 million yen for the previous year).

Due to payment for dividends and of long-term loans payable, share repurchase, net cash used in financing activities for the consolidated fiscal year ended March 31, 2025 was 35,650 million yen (22,101 million yen for the previous year).

Cash and cash equivalents for the consolidated fiscal year ended March 31, 2025 increased 4,699 million yen from March 31, 2024 after adjusting for (1,215) million yen effect of exchange rate. Moreover, after adding the 17 million yen increase in cash and cash equivalents resulting from change in scope of consolidation, the balance stood at 27,454 million yen (22,738 million yen for the previous year).

<Reference> The transit of Cash Flow indices

	For the year ended				
	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
Shareholders' equity ratio (%)	74.9	73.6	73.1	70.3	70.5
Shareholders' equity ratio based on market value (%)	299.0	366.1	282.0	245.3	183.1
Debt repayment ratio (year)	0.6	0.5	0.8	1.2	0.7
Interest coverage ratio (times)	573.3	571.5	139.6	64.0	90.3

Shareholders' equity ratio : shareholders' equity/total assets

Shareholders' equity ratio based on market value : market capitalization/total assets

Debt repayment ratio : interest-bearing liabilities/cash flows from operating activities

Interest coverage ratio : cash flows from operating activities/interest payments

Notes: (1) All indicators are calculated based on consolidated financial figures.

(2) Market capitalization is calculated based on the number of shares outstanding, excluding treasury shares.

(3) Cash flows represents operating cash flow.

(4) Interest-bearing liabilities refer to all liabilities recorded in the consolidated balance sheets that incur interest.

(4) Future Outlook

(Outlook of business result for the next term)

Outlook of Financial Results

(Billion yen)

	FY2024 Actual (A)	FY2025 Outlook (B)	Increase or decrease (B-A)	Rate of change (%)
Sales	251.4	262.2	+10.8	+4.3%
Operating income	56.8	57.6	+0.8	+1.3%
Ordinary income	58.0	57.3	(0.7)	(1.2)%
Net income attributable to owners of parent	43.0	43.1	+0.1	+0.1%
Basic earnings per share	313.26 yen	319.43 yen	+6.17 yen	+2.0%
Average U.S. dollar exchange rate	153 yen	145 yen	-	-

Segment Sales and Operating Income

(Billion yen)

	Sales		Operating income	
	FY2024 Actual	FY2025 Outlook	FY2024 Actual	FY2025 Outlook
Chemicals	37.8	40.1	0.2	1.2
Performance Materials	100.1	106.0	29.0	30.9
Agricultural Chemicals	86.2	92.0	25.6	25.3
Healthcare	6.0	5.2	1.9	1.4
Trading	117.2	121.0	4.1	3.4
Other	29.2	31.5	0.6	1.2
Adjustment	(125.1)	(133.6)	(4.6)	(5.8)
Total	251.4	262.2	56.8	57.6

We estimate that sales will be 262.2 billion yen, operating income will be 57.6 billion yen, ordinary income will be 57.3 billion yen and net income attributable to owners of parent will be 43.1 billion yen. The outlook is calculated based on the assumption that the exchange rate will be 145 yen per U.S. dollar. The direct impact of the U.S. tariff policy is recognized to be limited. The indirect impact is not included due to the difficulty of reasonable assessment at this time. If any significant indirect impact is recognized, it will be promptly disclosed.

(Basic Policy on Distribution of Earnings and Dividends for current and next term)

The Company's basic policy of profit allocation is returning to shareholders by improving company value through increasing revenue in the medium and long terms.

In medium-term business plan "Vista2027 Stage I" launched from April 2022, the company aimed to realize dividend payout ratio to be 55% and total payout ratio to be 75% from FY2022 onward, and they were 55.5% and 82.0% in FY2024. In medium-term business plan "Vista2027 Stage II" launched from April 2025, the company aims to realize dividend payout ratio to be 55% and total payout ratio to be 75%.

The year-end dividend is scheduled to be 104 yen per share. The total annual dividend per share for the current year ended March 31, 2025 will be as follows:

Annual dividend for FY2024	174yen
Annual dividend for FY2023	164yen

Total annual dividends per share for the year ending March 31, 2026 is planned to be 176 yen (second quarter: 70 yen, year-end: 106 yen).

(Target Management Indicator)

Our most important objectives are "Return on Equity (ROE)" which represents the efficiency of managing shareholders' equity and "Operating Profit Margin" which leads to a high-value added company. We will expand our business to increase our revenue.

In addition, the medium-term management plan "Vista2027 Stage II", which started in April 2025, defines indicators as follows.

Non-financial indicators

Climate change mitigation	Reduction of greenhouse gas (GHG) emissions by 30% or more compared to FY2018
Promotion of diversity	18% or more of female career-track employee proportion
Provision of new value for helping to enrich people's life	60% or more of consolidated net sales from products and services that contribute to solving social issues
Human resource development	65% or more of positive response rate in survey of employee attitude on human resource development

Financial indicators

OP margin	ROE	Dividend payout ratio	Total payout ratio
20% or more	18% or more	55% or more	75% or more

2. Basic Approach to the Selection of Accounting Standards

The Company will research on trend of IFRS in the country and overseas and correspond properly when applying IFRS.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	22,738	27,454
Notes and accounts receivable - trade	88,800	89,131
Merchandise and finished goods	56,804	57,505
Work in process	5	19
Raw materials and supplies	21,370	22,624
Accounts receivable - other	2,956	2,146
Short-term loans receivable	2,152	2,257
Other	7,189	9,277
Allowance for doubtful accounts	(48)	(64)
Total current assets	201,968	210,352
Non-current assets		
Property, plant and equipment		
Buildings and structures	85,860	89,171
Accumulated depreciation and impairment loss	(50,898)	(55,383)
Buildings and structures, net	34,962	33,788
Machinery, equipment and vehicles	170,309	176,436
Accumulated depreciation and impairment loss	(145,729)	(155,323)
Machinery, equipment and vehicles, net	24,579	21,113
Tools, furniture and fixtures	44,084	45,732
Accumulated depreciation and impairment loss	(39,457)	(41,561)
Tools, furniture and fixtures, net	4,626	4,170
Land	9,064	8,867
Leased assets	160	123
Accumulated depreciation	(24)	(10)
Leased assets, net	135	113
Construction in progress	4,004	4,370
Total property, plant and equipment	77,372	72,424
Intangible assets		
Software	2,444	3,511
Other	8,302	9,951
Total intangible assets	10,747	13,463
Investments and other assets		
Investment securities	26,119	24,353
Long-term loans receivable	50	133
Deferred tax assets	519	567
Net defined benefit asset	3,737	4,782
Other	3,054	4,742
Allowance for doubtful accounts	(111)	(56)
Total investments and other assets	33,370	34,523
Total non-current assets	121,489	120,411
Total assets	323,458	330,763

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	20,427	19,877
Short-term loans payable	39,062	19,987
Commercial papers	—	8,996
Current portion of long-term loans payable	634	514
Income taxes payable	4,940	9,957
Provision for bonuses	2,548	2,576
Provision for loss on business of subsidiaries and affiliates	310	213
Provision for business structure improvement	2	—
Other	18,638	17,096
Total current liabilities	86,563	79,218
Non-current liabilities		
Bonds payable	—	10,000
Long-term loans payable	1,284	977
Deferred tax liabilities	1,381	1,063
Provision for loss on business of subsidiaries and affiliates	143	—
Provision for share-based remuneration for directors (and other officers)	272	264
Net defined benefit liability	467	542
Other	2,392	2,515
Total non-current liabilities	5,941	15,363
Total liabilities	92,505	94,582
Net assets		
Shareholders' equity		
Capital stock	18,942	18,942
Capital surplus	13,613	13,613
Retained earnings	182,376	192,928
Treasury shares	(943)	(2,590)
Total shareholders' equity	213,989	222,893
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,238	7,035
Foreign currency translation adjustment	4,226	1,788
Remeasurements of defined benefit plans	1,066	1,573
Total accumulated other comprehensive income	13,531	10,397
Non-controlling interests	3,432	2,889
Total net assets	230,952	236,180
Total liabilities and net assets	323,458	330,763

(2) Consolidated Statements of Income / Consolidated Statements of Comprehensive Income

- Consolidated Statements of Income

(Million yen)

	Year Ended March 31, 2024	Year Ended March 31, 2025
Net sales	226,705	251,365
Cost of sales	121,930	134,823
Gross profit	104,774	116,541
Selling, general and administrative expenses	56,572	59,708
Operating income	48,201	56,833
Non-operating income		
Interest income	161	217
Dividend income	1,560	1,724
Equity in earnings of affiliates	536	1,061
Foreign exchange gains	2,210	—
Other	810	1,301
Total non-operating income	5,280	4,304
Non-operating expenses		
Interest expenses	526	654
Bond issuance costs	—	55
Loss on disposal of non-current assets	935	836
Loss on sales of non-current assets	10	37
Plant stop losses	169	583
Foreign exchange losses	—	153
Other	211	797
Total non- operating expenses	1,853	3,118
Ordinary income	51,629	58,018
Extraordinary income		
Gain on sales of investment securities	1,332	1,247
Gain on receipt of donated beneficial interests in trust	—	3,258
Gain on receipt from contingent consideration	—	821
Total extraordinary income	1,332	5,328
Extraordinary losses		
Impairment losses	823	3,876
Loss on valuation of investment securities	353	—
Total extraordinary losses	1,176	3,876
Income before income taxes and non-controlling interests	51,785	59,470
Income taxes - current	12,847	17,348
Income taxes - deferred	730	(828)
Total income taxes	13,578	16,520
Net income	38,206	42,950
Net income (loss) attributable to non-controlling interests	172	(92)
Net income attributable to owners of parent	38,033	43,043

- Consolidated Statements of Comprehensive Income

(Million yen)

	Year Ended March 31, 2024	Year Ended March 31, 2025
Net income	38,206	42,950
Other comprehensive income		
Valuation difference on available-for-sale securities	559	(1,201)
Foreign currency translation adjustment	2,788	(2,888)
Remeasurements of defined benefit plans, net of tax	907	506
Share of other comprehensive income of entities accounted for using equity method	0	(0)
Total other comprehensive income	4,254	(3,583)
Comprehensive income	42,461	39,366
(Comprehensive income attributable to)		
Owners of parent	41,990	39,909
Non-controlling interests	470	(543)

(3) Consolidated Statements of Changes in Net Assets

For the Year Ended March 31, 2024(From April 01, 2023 to March 31, 2024)

(Million yen)

	Total shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	18,942	13,613	182,400	(6,111)	208,844
Cumulative effects of changes in accounting policies			49		49
Restated balance	18,942	13,613	182,449	(6,111)	208,894
Changes of items during period					
Dividends of surplus			(22,973)		(22,973)
Net income attributable to owners of parent			38,033		38,033
Change in scope of consolidation					—
Share repurchase				(10,006)	(10,006)
Disposal of treasury shares				40	40
Cancellation of treasury shares			(15,133)	15,133	—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	(73)	5,167	5,094
Balance at end of current period	18,942	13,613	182,376	(943)	213,989

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	7,678	1,735	159	9,574	3,107	221,526
Cumulative effects of changes in accounting policies						49
Restated balance	7,678	1,735	159	9,574	3,107	221,575
Changes of items during period						
Dividends of surplus						(22,973)
Net income attributable to owners of parent						38,033
Change in scope of consolidation						—
Share repurchase						(10,006)
Disposal of treasury shares						40
Cancellation of treasury shares						—
Net changes of items other than shareholders' equity	559	2,490	907	3,956	325	4,282
Total changes of items during period	559	2,490	907	3,956	325	9,376
Balance at end of current period	8,238	4,226	1,066	13,531	3,432	230,952

For the Year Ended March 31, 2025 (From April 01, 2024 to March 31, 2025)

(Million yen)

	Total shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	18,942	13,613	182,376	(943)	213,989
Cumulative effects of changes in accounting policies					—
Restated balance	18,942	13,613	182,376	(943)	213,989
Changes of items during period					
Dividends of surplus			(22,681)		(22,681)
Net income attributable to owners of parent			43,043		43,043
Change in scope of consolidation			23		23
Share repurchase				(11,502)	(11,502)
Disposal of treasury shares				22	22
Cancellation of treasury shares			(9,832)	9,832	—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	10,551	(1,647)	8,904
Balance at end of current period	18,942	13,613	192,928	(2,590)	222,893

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	8,238	4,226	1,066	13,531	3,432	230,952
Cumulative effects of changes in accounting policies						—
Restated balance	8,238	4,226	1,066	13,531	3,432	230,952
Changes of items during period						
Dividends of surplus						(22,681)
Net income attributable to owners of parent						43,043
Change in scope of consolidation						23
Share repurchase						(11,502)
Disposal of treasury shares						22
Cancellation of treasury shares						—
Net changes of items other than shareholders' equity	(1,202)	(2,437)	506	(3,133)	(543)	(3,676)
Total changes of items during period	(1,202)	(2,437)	506	(3,133)	(543)	5,227
Balance at end of current period	7,035	1,788	1,573	10,397	2,889	236,180

(4) Consolidated Statements of Cash Flows

(Million yen)

	Year Ended March 31, 2024	Year Ended March 31, 2025
Cash flows from operating activities		
Income before income taxes and non-controlling interests	51,785	59,470
Depreciation and amortization	13,700	14,319
Impairment losses	823	3,876
Loss on valuation of investment securities	353	—
Gain on receipt of contingent consideration	—	(821)
Gain on receipt of donated beneficial interests in trust	—	(3,258)
Amortization of goodwill	101	53
Interest and dividend income	(1,722)	(1,942)
Loss (gain) on sales of investment securities	(1,332)	(1,247)
Interest expenses	526	654
Loss (gain) on disposal of non-current assets	935	836
Decrease (increase) in notes and accounts receivable - trade	(4,911)	(217)
Decrease (increase) in inventories	(12,424)	(2,195)
Increase (decrease) in notes and accounts payable - trade	(437)	(1,181)
Other	477	(691)
Subtotal	47,875	67,655
Proceeds from delivery of trust property	—	1,629
Interest and dividend income received	2,242	3,161
Interest expenses paid	(525)	(635)
Income taxes paid	(15,891)	(12,632)
Net cash provided by (used in) operating activities	33,701	59,178
Cash flows from investing activities		
Purchase of investment securities	(125)	(216)
Proceeds from sales of investment securities	1,742	1
Purchase of shares of subsidiaries	(10)	—
Proceeds from sale of shares of subsidiaries	—	276
Purchase of property, plant and equipment	(18,591)	(15,411)
Payments for retirement of property, plant and equipment	(820)	(762)
Purchase of intangible assets	(1,587)	(2,195)
Proceeds from contingent consideration	—	2,633
Proceeds from sale of shares of subsidiaries and associates	—	1,533
Payments of long-term loans receivable	(0)	—
Net decrease (increase) in short-term loans receivable	1,070	(55)
Purchase of long-term prepaid expenses	(225)	(771)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(2,921)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	93	—
Other	(288)	277
Net cash provided by (used in) investing activities	(18,741)	(17,612)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	10,924	(19,799)
Net increase (decrease) in commercial papers	—	8,996
Proceeds from long-term loans payable	580	—
Repayments of long-term loans payable	(624)	(652)
Proceeds from issuance of bonds	—	10,000
Cash dividends paid	(22,973)	(22,681)
Share repurchase	(10,006)	(11,502)
Other	(2)	(10)
Net cash provided by (used in) financing activities	(22,101)	(35,650)
Effect of exchange rate change on cash and cash equivalents	231	(1,215)
Net increase (decrease) in cash and cash equivalents	(6,909)	4,699

Cash and cash equivalents at beginning of period	29,647	22,738
Increase in cash and cash equivalents from newly consolidated subsidiary	—	17
Cash and cash equivalents at end of period	22,738	27,454

(5) Notes to Consolidated Financial Statements

(Notes on Assumption of Going Concern)

Not applicable.

(Changes in Accounting Policies)

(Application of the Accounting Standard for Current Income Taxes)

The Accounting Standard for Current Income Taxes (ASBJ Statement No.27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard 2022"), etc. have been adopted from the beginning of the fiscal year ended March 31, 2025. The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No.28, October 28, 2022; hereinafter referred to as the "Revised Implementation Guidance 2022"). This change in accounting policies has no impact on the consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of the fiscal year ended March 31, 2025. This change in accounting policies was applied retrospectively. Hence, the consolidated financial statements for the same period of the previous fiscal year and the consolidated financial statements for the previous fiscal year have been modified retrospectively. As a result, deferred tax liabilities decreased by 49 million yen and retained earnings increased by 49 million yen in the consolidated balance sheets for the fiscal year ended March 31, 2024. In the per-share information, it should be noted that the "Net Assets per Share" for the previous consolidated fiscal year increased by 0.35 yen.

(Segment and Related Information)

Segment Information

1. General Information about reportable segments

The Company's reportable segments are components of the Group that engage in business activities, whose operating results are regularly reviewed by the Board of Directors when making resource allocation and performance assessment decisions, and for which discrete financial information is available.

Divisions by products and services are located in the headquarters, and each division works out a comprehensive strategy applicable to their products and services and carries out their business activities.

The Company consists of segments based on divisions as follows:

Segment	Main Products
Chemicals	Basic chemicals (melamine※production terminated in June 2022, sulfuric acid, nitric acid, ammonia, etc.) Fine chemicals (epoxy compound for LED sealants, solder resist and painting, flame retardants, chlorinated cyanuric acid for sterilizing, etc.)
Performance Materials	Display materials (LCD alignment coating, etc.) Semiconductor materials (bottom anti-reflective coating for semiconductors, etc.) Inorganic materials (hard coating materials, electronic information materials, polishing materials, etc.)
Agricultural Chemicals	Agrochemicals (herbicides, insecticides, fungicides, combination fungicide and insecticide, and plant growth regulators) Animal health products
Healthcare	LIVALO (anti-cholesterol drug), etc. Custom Chemicals (custom manufacturing and solution proposal business for pharmaceutical companies)
Trading	Trading, etc.
Others	Fertilizer, landscaping, Transportation, Engineering, Production of sulfuric acid, Manufacturing and Sales of Electronic Materials, etc.

2. Basis of measurement of reported segment income or loss, segment assets and other material items

The accounting policies for the reportable segments are consistent with the Company's accounting policies used in the preparation of its consolidated financial statements. Intersegment sales and income (loss) are recognized based on current market prices.

3. Information Regarding Sales, Income (Loss), and Segment Assets of Reportable Segments

1) For the Year Ended March 31, 2024 (From April 01, 2023 to March 31, 2024)

(Million yen)

	Chemicals	Performance Materials	Agricultural Chemicals	Healthcare	Trading	Others	Total	Adjustment (Note 2)	Consolidated Total
Net Sales									
Sales to outside customers (Note 1)	23,486	67,205	67,414	6,228	78,296	11,216	253,846	(27,140)	226,705
Intersegment Sales	12,076	17,362	14,699	71	25,498	18,951	88,660	(88,660)	—
Total Sales	35,562	84,567	82,113	6,300	103,794	30,167	342,506	(115,801)	226,705
Segment Income or Loss (Operating Income or Loss)	48	22,530	23,398	2,814	3,701	572	53,065	(4,863)	48,201
Segment assets	33,178	70,645	119,462	8,612	40,001	21,118	293,017	30,440	323,458
Other items									
Depreciation and amortization	2,731	5,986	3,319	367	77	748	13,229	471	13,700
Amortization of goodwill	—	—	101	—	—	—	101	—	101
Increase of property, plant and equipment and intangible assets	4,194	9,441	6,831	473	39	1,757	22,736	468	23,204

Notes:

1. Sales to outside customers in reportable segments are calculated on a gross basis, including sales that are agent transactions. A reconciliation of gross sales to net sales as agent transactions is made in the Adjustment section.
2. The adjustments are as follows.
 - (1) (27,140) million yen adjustments in sales to outside customers includes (27,159) million yen elimination of agent transactions, and 18 million yen sales not allocated to any reporting segments.
 - (2) (4,863) million yen adjustment in segment income includes 478 million yen in intersegment eliminations, 21 million yen sales not attributable to any reporting segment, and (5,363) million yen corporate expenses not attributable to any reportable segment. The corporate expenses are mainly group administrative expenses which do not belong to segments.
 - (3) 30,440 million yen adjustment in segment assets includes (25,284) million yen in intersegment eliminations and 55,725 million yen in corporate assets not attributable to any reportable segment. The corporate assets are mainly group administrative assets which do not belong to segments.
 - (4) 471 million yen adjustment in depreciation and amortization is corporation expenses.
 - (5) 468 million yen adjustment in increase of property, plant and equipment and intangible assets is corporate assets. The corporate assets are mainly group administrative assets which do not belong to segments.

2) For the Year Ended March 31, 2025 (From April 01, 2024 to March 31, 2025)

(Million yen)

	Chemicals	Performance Materials	Agricultural Chemicals	Healthcare	Trading	Others	Total	Adjustment (Note 2)	Consolidated Total
Net Sales									
Sales to outside customers (Note 1)	25,158	73,614	70,711	5,901	90,428	11,450	277,265	(25,900)	251,365
Intersegment Sales	12,676	26,483	15,514	92	26,726	17,724	99,218	(99,218)	—
Total Sales	37,835	100,098	86,226	5,993	117,155	29,175	376,483	(125,118)	251,365
Segment Income or Loss (Operating Income or Loss)	179	28,980	25,571	1,893	4,089	594	61,308	(4,475)	56,833
Segment assets	33,821	66,418	115,709	8,592	44,729	20,544	289,814	40,948	330,763
Other items									
Depreciation and amortization	2,944	6,551	2,872	409	86	1,020	13,884	435	14,319
Amortization of goodwill	—	—	36	—	—	16	53	—	53
Increase of property, plant and equipment and intangible assets	5,744	4,024	1,939	446	292	1,875	14,323	364	14,688

Notes:

1. Sales to outside customers in reportable segments are calculated on a gross basis, including sales that are agent transactions. A reconciliation of gross sales to net sales as agent transactions is made in the Adjustment section.
2. The adjustments are as follows.
 - (1) (25,900) million yen adjustments in sales to outside customers includes (26,240) million yen elimination of agent transactions, and 340 million yen sales not allocated to any reporting segments.
 - (2) (4,475) million yen adjustment in segment income includes 212 million yen in intersegment eliminations, 341 million yen sales not attributable to any reporting segment, and (5,030) million yen corporate expenses not attributable to any reportable segment. The corporate expenses are mainly group administrative expenses which do not belong to any segment.
 - (3) 40,948 million yen adjustment in segment assets includes (29,918) million yen in intersegment eliminations and 70,866 million yen in corporate assets not attributable to any reportable segment. The corporate assets are mainly group administrative assets which do not belong to segments.
 - (4) 435 million yen adjustment in depreciation and amortization is corporation expenses.
 - (5) 364 million yen adjustment in increase of property, plant and equipment and intangible assets is corporate assets. The corporate assets are mainly group administrative assets which do not belong to segments.

Related Information

For the Year Ended March 31, 2024(From April 01, 2023 to March 31, 2024)

(1) Sales by region

(Million yen)

Japan	China	Korea	Other Asia	Europe and the United States	Consolidated Total
103,027	36,730	21,023	30,579	35,343	226,705

Note: Sales are classified to either countries or regions based on customers are located.

(2) Property, plant and equipment by region

(Million yen)

Japan	Korea	India	Europe and the United States	Consolidated Total
57,559	11,800	7,504	508	77,372

For the Year Ended March 31, 2025 (From April 01, 2024 to March 31, 2025)

(1) Sales by region

(Million yen)

Japan	China	Korea	Other Asia	Europe and the United States	Consolidated Total
105,907	47,641	24,424	33,503	39,887	251,365

Note: Sales are classified to either countries or regions based on customers are located.

(2) Property, plant and equipment by region

(Million yen)

Japan	Korea	India	Europe and the United States	Consolidated Total
56,938	8,245	6,733	507	72,424

Information regarding impairment loss on non-current assets by reportable segments

For the Year Ended March 31, 2024 (From April 01, 2023 to March 31, 2024)

(Million yen)

	Chemicals	Performance Materials	Agricultural Chemicals	Healthcare	Trading	Others	Total	Adjustment	Consolidated Total
Impairment loss	—	—	823	—	—	3	826	—	826

For the Year Ended March 31, 2025 (From April 01, 2024 to March 31, 2025)

(Million yen)

	Chemicals	Performance Materials	Agricultural Chemicals	Healthcare	Trading	Others	Total	Adjustment	Consolidated Total
Impairment loss	2,761	—	—	—	—	1,114	3,876	—	3,876

Information regarding amortization and unamortized balance on goodwill by reportable segments

For the Year Ended March 31, 2024 (From April 01, 2023 to March 31, 2024)

(Million yen)

	Chemicals	Performance Materials	Agricultural Chemicals	Healthcare	Trading	Others	Total	Adjustment	Consolidated Total
Balance as of March 31, 2024	—	—	61	—	—	—	61	—	61

For the Year Ended March 31, 2025 (From April 01, 2024 to March 31, 2025)

(Million yen)

	Chemicals	Performance Materials	Agricultural Chemicals	Healthcare	Trading	Others	Total	Adjustment	Consolidated Total
Balance as of March 31, 2025	—	—	24	—	—	925	949	—	949

(Per Share Information)

(Yen)

	Year Ended March 31, 2024	Year Ended March 31, 2025
Net assets per share	1,641.40	1,711.83
Net income per share	272.82	313.26

Notes:

1. Since residual securities do not exist, diluted net income per share is not presented.
2. The Company has introduced "Board Benefit Trust (BBT)" from the second quarter of 2019, and has recorded the shares held by the Trust as treasury shares in the consolidated financial statements. Accordingly, for the purpose of calculating net assets per share, the shares held by the Trust (included in treasury shares) are deducted from the number of shares outstanding at the end of the period. In addition, for the purpose of calculating net income per share, the shares held by the Trust are deducted in calculating the average number of shares outstanding during the period. The number of shares held by the Trust at the end of the current fiscal year was 139,400 shares, and the average number of shares held by the Trust during the current fiscal year was 139,592 shares. (Trust at the end of the previous fiscal year was 144,000 shares, and the average number of shares held by the Trust during the previous fiscal year was 144,354 shares.)
3. Net income per share is calculated on the following basis.

	Year Ended March 31, 2024	Year Ended March 31, 2025
Net income per share		
Net income attributable to owners of parent (Million yen)	38,033	43,043
Amounts not allocated to ordinary shares (Million yen)	—	—
Net income allocated to ordinary shares (Million yen)	38,033	43,043
Average number of ordinary shares outstanding during each year (shares)	139,407,930	137,404,538

4. Net assets per share is calculated on the following basis.

	Year Ended March 31, 2024	Year Ended March 31, 2025
Net asset (Million yen)	230,952	236,180
Amount deducted from net asset (Million yen)	3,432	2,889
(Non-controlling interest) (Million yen)	3,432	2,889
Net asset as of year end allocated to ordinary shares (Million yen)	227,520	233,291
Number of ordinary shares as of year end used to calculate net asset per share	138,613,351	136,282,213

(Significant Subsequent Events)

1. This is to notify that the company, at the Board of Directors' meeting, has decided to repurchase its shares in the market under Article 156 of the Companies Act, as applied pursuant to Article 165, Paragraph 3 of the same Act, on May 15, 2025.

(1) Purpose of repurchase

To facilitate flexible implementation of capital policy in response to changes in the business environment.

(2) Details of repurchase

- | | |
|----------------------------|-----------------------------------------------------------------------------------------------------------|
| 1) Class of shares: | Common shares of the company |
| 2) Total number of shares: | Up to 2,500,000 shares (Rate of the maximum shares to be acquired to the total outstanding shares: 1.84%) |
| 3) Total amount | Up to 9,000,000,000 yen |
| 4) Period of repurchase | From May 16, 2025 to March 31, 2026 |

Reference

Number of treasury shares as of May 15, 2025

Total number of shares issued (excluding treasury shares): 136,056,203 shares

Number of treasury shares : 743,797 shares

* Not including 135,300 shares of treasury shares which the Board Benefit Trust (BBT) has hold.