

Summary of Consolidated Financial Results for the Second Quarter of Fiscal Year 2024 (Japanese GAAP)

October 31, 2024

Company name: Nippon Chemiphar Co., Ltd. Listing: Tokyo Stock Exchange
 Securities code: 4539 URL: <https://www.chemiphar.co.jp/english/>
 Representative: Kazushiro Yamaguchi, President & CEO
 Contact: Shinji Nakajima, Corporate Officer and Senior Manager of Accounts & Finance Department
 Phone: 03-3863-1211
 Scheduled date of dividend payout: –
 Supplementary documents for financial results: Yes
 Financial results briefing: None

*Amounts less than one million yen are rounded down

1. Consolidated Financial Results for the Second Quarter of FY2024 (from April 1, 2024 to September 30, 2024)

(1) Business Results

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended								
September 30, 2024	15,626	5.3	76	–	(62)	–	(44)	–
September 30, 2023	14,837	(8.6)	(298)	–	10	(98.6)	31	(96.5)

(Note) Comprehensive income: Six months ended September 30, 2024: 274 million yen (28.3%)
 Six months ended September 30, 2023: 213 million yen (down 67.4%)

	Earnings per share		Diluted earnings per share	
	Yen	Yen	Yen	Yen
Six months ended				
September 30, 2024	(12.26)	–	–	–
September 30, 2023	8.72	–	–	–

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of				
September 30, 2024	52,026	18,552	35.7	5,141.81
March 31, 2024	49,548	18,460	37.3	5,116.02

(Reference) Equity: As of September 30, 2024: 18,552 million yen As of March 31, 2024: 18,460 million yen

2. Dividends

	Dividend per share				
	End of Q1	End of Q2	End of Q3	End of fiscal year	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	–	0.00	–	50.00	50.00
Year ending March 31, 2025	–	0.00			
Year ending March 31, 2025 (forecast)			–	50.00	50.00

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

3. Forecast of Consolidated Financial Results for the FY2024 (from April 1, 2024 to March 31, 2025)

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	31,500	2.4	200	–	100	–	60	–	16.63

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

* Notes

(1) Significant changes in the scope of consolidation during the period: No

(2) Accounting methods adopted particularly for the preparation of semi-annual consolidated financial statements: No

(3) Changes in accounting policies and changes or restatement of accounting estimates

(i) Changes in accounting policies accompanying amendments to accounting standards, etc.: No

(ii) Changes in accounting policies other than (i): No

(iii) Changes in accounting estimates: No

(iv) Restatement: No

(4) Number of shares outstanding (common stock)

(i) Number of shares outstanding at the end of the period (including treasury shares)

As of September 30, 2024:	4,261,420 shares	As of March 31, 2024:	4,261,420 shares
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(ii) Number of treasury shares at the end of the period

As of September 30, 2024:	653,296 shares	As of March 31, 2024:	652,976 shares
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(iii) Average number of outstanding shares during the period (cumulative from the beginning of the period)

Six months ended September 30, 2024:	3,608,220 shares	Six months ended September 30, 2023:	3,609,019 shares
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4. Semi-annual Consolidated Financial Statements

(1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	FY2023 (As of March 31, 2024)	Q2 of FY2024 (As of September 30, 2024)
Assets		
Current assets		
Cash and deposits	9,200	10,805
Notes and accounts receivable—trade, and contract assets	7,736	6,974
Electronically recorded monetary claims—operating	3,790	3,578
Merchandise and finished goods	5,785	6,032
Work in process	1,476	1,364
Raw materials and supplies	3,461	3,563
Income taxes refund receivable	20	5
Others	364	608
Total current assets	31,836	32,933
Non-current assets		
Property, plant, and equipment		
Buildings and structures, net	4,541	7,716
Machinery, equipment, and vehicles, net	1,337	1,426
Tools, furniture and fixtures, net	387	379
Land	4,344	4,344
Leased assets, net	171	773
Construction in progress	2,442	29
Total property, plant and equipment	13,224	14,670
Intangible assets		
Patent rights	10	8
Trademark rights	47	43
Sales rights	100	25
Leased assets	73	79
Software	40	30
Telephone subscription rights	9	9
Total intangible assets	281	197
Investments and other assets		
Investment securities	2,066	1,862
Long-term prepaid expenses	492	525
Retirement benefit assets	967	1,043
Leasehold and guarantee deposits	52	50
Deferred tax assets	267	382
Others	420	420
Allowance for doubtful accounts	(61)	(61)
Total investments and other assets	4,206	4,223
Total non-current assets	17,712	19,091
Total assets	49,548	52,024

(Millions of yen)

	FY2023 (As of March 31, 2024)	Q2 of FY2024 (As of September 30, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable—trade	2,020	1,995
Electronically recorded obligations—operating	4,958	5,223
Short-term borrowings	568	302
Current portion of long-term borrowings	2,801	3,192
Lease obligations	86	165
Accounts payable—other	82	1,174
Income taxes payable	73	75
Accrued consumption taxes	301	25
Accrued expenses	2,032	1,634
Deposits received	213	175
Refund liabilities	210	190
Others	437	323
Total current liabilities	13,786	14,479
Non-current liabilities		
Long-term borrowings	13,344	14,420
Lease obligations	182	782
Provision for retirement benefits for directors	483	486
Net defined benefit liability	128	133
Deferred tax liabilities for land revaluation	915	915
Others	2,246	2,254
Total non-current liabilities	17,301	18,993
Total liabilities	31,087	33,472
Net assets		
Shareholders' equity		
Capital stock	4,304	4,304
Capital surplus	1,263	1,263
Retained earnings	13,273	13,046
Treasury shares	(3,111)	(3,111)
Total shareholders' equity	15,729	15,502
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	455	318
Revaluation reserve for land	2,072	2,072
Foreign currency translation adjustment	(95)	371
Remeasurements of defined benefit plans	298	286
Total accumulated other comprehensive income	2,731	3,049
Total net assets	18,460	18,552
Total liabilities and net assets	49,548	52,024

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statements of Income

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	14,837	15,626
Cost of sales	11,204	11,510
Gross profit	3,632	4,115
Selling, general and administrative expenses	3,931	4,039
Operating profit (loss)	(298)	76
Non-operating income		
Interest income	1	2
Dividend income	19	23
Rental income from non-current assets	3	3
Share of profit of entities accounted for using equity method	12	4
Foreign exchange gains	337	–
Dividend income of insurance	1	1
Others	12	7
Total non-operating income	388	43
Non-operating expenses		
Interest expenses	69	90
Foreign exchange losses	–	78
Commission expense	3	6
Others	6	7
Total non-operating expenses	79	182
Ordinary profit (loss)	10	(62)
Extraordinary income		
Gain on reversal of share acquisition rights	17	–
Total extraordinary income	17	–
Profit (loss) before income taxes	27	(62)
Income taxes—current	25	28
Income taxes—deferred	(29)	(46)
Total income taxes	(3)	(17)
Profit (loss)	31	(44)
Profit attributable to non-controlling interests	–	–
Profit (loss) attributable to owners of parent	31	(44)

Semi-annual Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Profit (loss)	31	(44)
Other comprehensive income		
Valuation difference on available-for-sale securities	174	(136)
Foreign currency translation adjustment	15	467
Remeasurements of defined benefit plans	(7)	(12)
Total other comprehensive income	182	318
Comprehensive income	213	274
Comprehensive income attributable to:		
Owners of parent	213	274
Non-controlling interests	–	–

(3) Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Cash flows from operating activities:		
Profit (loss) before income taxes	27	(62)
Depreciation	715	640
Increase (decrease) in refund liabilities	(23)	(20)
Increase (decrease) in provision for retirement benefits for directors	12	2
Increase (decrease) in net defined benefit liability	(1)	4
Decrease (increase) in net defined benefit asset	(93)	(92)
Interest and dividend income	(21)	(26)
Interest expenses	69	90
Foreign exchange losses (gains)	(337)	78
Gain on reversal of share acquisition rights	(17)	–
Decrease (increase) in trade receivables and contract assets	425	976
Decrease (increase) in inventories	(1,066)	(145)
Decrease (increase) in other current assets	(70)	65
Decrease (increase) in long-term prepaid expenses	24	14
Increase (decrease) in notes and accounts payable - trade	(111)	245
Increase (decrease) in accrued consumption taxes	20	(209)
Increase (decrease) in other current liabilities	138	(477)
Increase (decrease) in other non-current liabilities	601	7
Other	158	(331)
Subtotal	450	761
Interest and dividends received	32	37
Interest paid	(67)	(85)
Income taxes paid	(44)	(30)
Income taxes refund	220	20
Net cash provided by (used in) operating activities	592	702
Cash flows from investing activities:		
Purchase of property, plant and equipment	(1,413)	(90)
Purchase of intangible assets	(5)	(0)
Proceeds from refund of guarantee deposits	1	1
Other	(1)	0
Net cash provided by (used in) investing activities	(1,418)	(88)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	40	(266)
Proceeds from long-term borrowings	3,100	2,850
Repayments of long-term borrowings	(1,367)	(1,382)
Cash dividends paid	(182)	(182)
Other	(41)	(45)
Net cash provided by (used in) financing activities	1,548	974
Effect of exchange rate change on cash and cash equivalents	69	16
Net increase (decrease) in cash and cash equivalents	791	1,604
Cash and cash equivalents at beginning of period	10,529	9,200
Cash and cash equivalents at end of period	11,321	10,805