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## Consolidated Financial Results for the Three Months Ended June 30, 2023 [Under Japanese GAAP]



August 8, 2023

Company name: STELLA CHEMIFA CORPORATION

Listing: Tokyo Stock Exchange

Securities code: 4109

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Scheduled date to file quarterly securities report: August 10, 2023

Scheduled date to commence dividend payments: —

Preparation of supplementary material on quarterly financial results: Yes

Holding of quarterly 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, 2023 (April 1, 2023 - June 30, 2023)

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

	Sales revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2023	7,298	(25.3)	582	(54.9)	865	(51.5)	694	(46.4)
June 30, 2022	9,764	9.8	1,291	(0.0)	1,783	39.1	1,295	61.4

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

For three months ended June 30, 2022: ¥1,738 million [73.0%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	57.79	—
June 30, 2022	103.55	—

(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, 2023	56,548	43,714	76.8	3,610.69
As of March 31, 2023	55,471	43,162	77.3	3,568.67

(Reference) Equity: As of June 30, 2023: ¥43,429 million

As of March 31, 2023: ¥42,875 million

## 2. Cash Dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended March 31, 2023	Yen —	Yen 30.00	Yen —	Yen 30.00	Yen 60.00
Fiscal year ending March 31, 2024	—				
Fiscal year ending March 31, 2024 (Forecast)		60.00	—	—	—

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

(Note) The year-end dividend for the fiscal year ending March 31, 2024 is undecided because it will be determined based on the future outlook and consideration of the shareholder return method.

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 - March 31, 2024)

(% 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	32,300	(8.7)	2,800	(20.3)	2,450	(43.7)	1,650	(27.7)	137.33

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

### \* Notes:

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): 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 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

(4) Total 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, 2023: 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 June 30, 2023: 1,185,106 shares

As of March 31, 2023: 1,198,814 shares

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

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

Three months ended June 30, 2022: 12,513,797 shares

\* These quarterly consolidated financial results are exempt from quarterly review 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. Qualitative Information on Quarterly Financial Results for the Period under Review, (3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Information" on page 2 of the Attachments of quarterly consolidated financial results.

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## 1. Qualitative Information on Quarterly Financial Results for the Period under Review

### (1) Explanation of Operating Results

The Japanese economy demonstrated progress toward normalization of economic activities as behavioral restrictions in place to counter COVID-19 have generally eased. However, the economic outlook remains uncertain due to concerns of an economic slowdown against a backdrop of global monetary tightening, rapid depreciation of the yen, persistently high raw material prices and other factors.

In this environment, the Group continued to supply a diverse range of fluoride products in line with the needs of customers mainly in the information and communication industry in Japan and overseas, 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 three months ended June 30, 2023, in the Semiconductors, shipment volume declined due to deterioration in the semiconductor market, and shipment volume also fell in the Energy and the Industrial Hydrofluoric Acid. As a result, sales revenue decreased to 7,298 millions of yen (down 25.3% year on year).

In terms of profits, having been buffeted by a decline in sales revenue, operating profit amounted to 582 millions of yen (down 54.9% year on year), ordinary profit amounted to 865 millions of yen (down 51.5% year on year), and profit attributable to owners of parent amounted to 694 millions of yen (down 46.4% year on year).

### (2) Explanation of Financial Position

#### (Assets)

Current assets at the end of the first quarter of the fiscal year under review increased by 1,075 millions of yen (3.8%) from the end of the previous fiscal year to 29,690 millions of yen. The main reasons for this increase included an increase of 1,717 millions of yen in cash and deposits, and a decrease of 509 millions of yen in notes and accounts receivable - trade. Non-current assets increased by 0 millions of yen (0.0%) from the end of the previous fiscal year to 26,857 millions of yen. The main reasons for this increase included an increase of 79 millions of yen in investments and other assets, and decreases of 49 millions of yen in property, plant and equipment and 29 millions of yen in intangible assets.

Consequently, total assets at the end of the first quarter of the fiscal year under review increased by 1,076 millions of yen from the end of the previous fiscal year to 56,548 millions of yen.

#### (Liabilities)

Current liabilities at the end of the first quarter of the fiscal year under review decreased by 622 millions of yen (7.0%) from the end of the previous fiscal year to 8,271 millions of yen. The main reason for this decline included a decrease of 582 millions of yen in accounts payable - other. Non-current liabilities increased by 1,147 millions of yen (33.6%) from the end of the previous fiscal year to 4,562 millions of yen. The main reason for this increase included an increase of 792 millions of yen in long-term borrowings.

Consequently, total liabilities at the end of the first quarter of the fiscal year under review increased by 524 millions of yen from the end of the previous fiscal year to 12,834 millions of yen.

#### (Net assets)

Total net assets at the end of the first quarter of the fiscal year under review amounted to 43,714 millions of yen, an increase of 551 millions of yen from the end of the previous fiscal year. The main reason for this growth included an increase of 329 millions of yen in retained earnings.

Consequently, the equity-to-asset ratio was 76.8% (77.3% 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, 2024 have not been revised from the forecasts announced on May 9, 2023.

2. Quarterly Consolidated Financial Statements and Principal Notes  
(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	15,097	16,815
Notes and accounts receivable - trade	7,069	6,559
Electronically recorded monetary claims - operating	41	46
Merchandise and finished goods	2,124	2,054
Work in process	1,701	1,883
Raw materials and supplies	1,671	1,625
Other	924	718
Allowance for doubtful accounts	(14)	(13)
Total current assets	28,615	29,690
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,567	8,416
Machinery, equipment and vehicles, net	4,527	4,717
Land	5,467	5,467
Leased assets	165	155
Construction in progress	1,833	1,639
Other, net	2,063	2,179
Total property, plant and equipment	22,625	22,575
Intangible assets		
Other	261	231
Total intangible assets	261	231
Investments and other assets		
Other	3,970	4,049
Total investments and other assets	3,970	4,049
Total non-current assets	26,856	26,857
Total assets	55,471	56,548

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	1,469	1,357
Electronically recorded obligations - operating	799	745
Short-term borrowings	1,920	2,000
Current portion of long-term borrowings	932	1,043
Accounts payable - other	1,322	739
Income taxes payable	384	263
Provision for bonuses	387	194
Provision for bonuses for directors (and other officers)	36	—
Electronically recorded obligations facilities	1,069	1,116
Other	573	812
Total current liabilities	8,894	8,271
Non-current liabilities		
Long-term borrowings	1,070	1,863
Provision for retirement benefits for directors (and other officers)	34	23
Provision for share awards	121	126
Retirement benefit liability	950	956
Asset retirement obligations	689	695
Other	548	897
Total non-current liabilities	3,414	4,562
Total liabilities	12,309	12,834
<b>Net assets</b>		
Shareholders' equity		
Share capital	4,829	4,829
Capital surplus	8,793	8,797
Retained earnings	30,904	31,234
Treasury shares	(2,991)	(2,957)
Total shareholders' equity	41,536	41,904
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	42	63
Foreign currency translation adjustment	1,296	1,462
Total accumulated other comprehensive income	1,339	1,525
Share acquisition rights	48	48
Non-controlling interests	238	235
Total net assets	43,162	43,714
Total liabilities and net assets	55,471	56,548

## (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, 2022	For the three months ended June 30, 2023
Sales revenue	9,764	7,298
Cost of sales	7,601	5,751
Gross profit	2,163	1,546
Selling, general and administrative expenses	871	964
Operating profit	1,291	582
Non-operating income		
Gain on valuation of derivatives	—	156
Share of profit of entities accounted for using equity method	375	—
Subsidy income	21	8
Foreign exchange gains	83	150
Other	22	27
Total non-operating income	503	343
Non-operating expenses		
Interest expenses	5	5
Share of loss of entities accounted for using equity method	—	53
Loss on valuation of derivatives	3	—
Other	3	1
Total non-operating expenses	11	60
Ordinary profit	1,783	865
Extraordinary income		
Gain on sale of non-current assets	4	4
Gain on change in equity	—	70
Total extraordinary income	4	75
Extraordinary losses		
Loss on abandonment of non-current assets	1	3
Total extraordinary losses	1	3
Profit before income taxes	1,786	937
Income taxes	517	251
Profit	1,269	686
Loss attributable to non-controlling interests	(26)	(7)
Profit attributable to owners of parent	1,295	694

Quarterly Consolidated Statement of Comprehensive Income  
Three Months Ended June 30

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Profit	1,269	686
Other comprehensive income		
Valuation difference on available-for-sale securities	(3)	20
Deferred gains or losses on hedges	(28)	—
Foreign currency translation adjustment	365	124
Share of other comprehensive income of entities accounted for using equity method	136	46
Total other comprehensive income	469	191
Comprehensive income	1,738	878
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,731	880
Comprehensive income attributable to non-controlling interests	7	(2)

(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.

(Segment information, etc.)

[Segment information]

I. For the three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

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	8,577	1,146	9,724	40	9,764
Inter-segment sales revenue or transfers	0	750	750	58	808
Total	8,577	1,897	10,474	98	10,573
Segment profit	1,135	154	1,290	3	1,293

(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	1,290
Profit in "Other" category	3
Inter-segment elimination	(2)
Operating profit in the quarterly consolidated statement of income	1,291

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, 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.