

**Translation**

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (Based on Japanese GAAP)

October 31, 2024

Company name: FUSO CHEMICAL CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 4368 URL <https://fusokk.co.jp>  
 Representative: Representative Director & President Shinichi Sugita  
 Senior Executive Officer, Division Manager of Administration Division Hiroyuki Ito TEL 03-3639-6311  
 Inquiries: TEL 03-3639-6311  
 Scheduled date to file semi-annual securities report: November 8, 2024  
 Scheduled date to commence dividend payments: December 10, 2024  
 Preparation of supplementary material on financial results: No  
 Holding of financial results meeting: Yes (for institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2024	34,756	28.1	8,145	45.9	7,948	27.3	5,608	30.8
Six months ended September 30, 2023	27,135	(23.3)	5,581	(41.7)	6,245	(41.9)	4,287	(43.0)

Note: Comprehensive income Six months ended September 30, 2024 ¥4,989 million [(8.8)%]  
 Six months ended September 30, 2023 ¥5,472 million [(37.1)%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2024	159.09		-	
Six months ended September 30, 2023	121.64		-	

Reference: Operating profit before depreciation and amortization (Consolidated operating profit + depreciation and amortization)

Six months ended September 30, 2024 ¥11,847 million  
 Six months ended September 30, 2023 ¥8,367 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2024	134,893	98,865	73.3	2,804.13
As of March 31, 2024	133,740	95,025	71.1	2,695.77

Reference: Equity As of September 30, 2024 ¥98,865 million  
 As of March 31, 2024 ¥95,025 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2024	-	33.00	-	33.00	66.00
Year ending March 31, 2025	-	35.00	-	-	-
Year ending March 31, 2025 (Forecast)	-	-	-	35.00	70.00

Note: Revisions to the cash dividend forecast most recently announced: None

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	68,000	15.3	13,500	21.8	13,700	15.3	9,150	9.7	259.57

Note: Revisions to the financial results forecasts most recently announced: None

Reference: Operating profit before depreciation and amortization (Consolidated operating profit + depreciation and amortization)

Full year ¥21,850 million [19.8%]

4. Notes

- (1) Significant changes in the scope of consolidation during the period: No
- (2) Application of special accounting methods for preparing semi-annual consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of September 30, 2024	35,511,000 shares	As of March 31, 2024	35,511,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2024	253,983 shares	As of March 31, 2024	261,338 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2024	35,251,492 shares	Six months ended September 30, 2023	35,245,012 shares
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\* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit corporation.

\* Explanation of proper use of financial results forecast, and other special matters

(Caution concerning forward-looking statements)

The forward-looking statements, including the financial results forecast shown in this document, are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. As such, they do not constitute guarantees by the Company of future performance. Actual performance and other results may also differ materially due to various factors.

**Semi-annual consolidated financial statements**  
**Semi-annual consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	31,471,999	31,915,563
Notes and accounts receivable - trade	16,457,710	16,127,769
Merchandise and finished goods	13,292,218	12,285,391
Work in process	730,821	691,271
Raw materials and supplies	3,393,316	3,432,644
Other	2,800,893	1,043,181
Allowance for doubtful accounts	(12,964)	(16,070)
Total current assets	68,133,995	65,479,751
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	15,818,609	16,457,043
Machinery, equipment and vehicles, net	15,090,477	13,313,801
Land	6,930,343	6,922,231
Construction in progress	20,145,092	25,488,081
Other, net	1,042,104	1,009,952
Total property, plant and equipment	59,026,627	63,191,111
Intangible assets	3,129,865	2,716,630
Investments and other assets		
Investment securities	885,432	715,291
Long-term prepaid expenses	224,916	525,487
Deferred tax assets	1,892,733	1,836,534
Retirement benefit asset	171,023	155,827
Other	275,588	273,350
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	3,449,694	3,506,490
Total non-current assets	65,606,187	69,414,233
Total assets	133,740,183	134,893,985

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	2,359,211	3,238,022
Current portion of long-term borrowings	–	1,100,000
Accounts payable - other	1,992,235	2,313,219
Accounts payable - facilities	9,281,400	4,569,086
Income taxes payable	1,309,195	2,120,264
Provision for bonuses	572,659	637,241
Provision for bonuses for directors (and other officers)	35,700	58,010
Provision for repairs	374,078	164,974
Other	532,548	666,330
<b>Total current liabilities</b>	<b>16,457,028</b>	<b>14,867,148</b>
<b>Non-current liabilities</b>		
Long-term borrowings	20,000,000	18,900,000
Deferred tax liabilities	298,524	281,127
Retirement benefit liability	1,691,884	1,701,718
Long-term accounts payable - facilities	152,636	145,250
Asset retirement obligations	17,924	17,924
Other	97,167	115,448
<b>Total non-current liabilities</b>	<b>22,258,137</b>	<b>21,161,469</b>
<b>Total liabilities</b>	<b>38,715,166</b>	<b>36,028,618</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	4,334,047	4,334,047
Capital surplus	4,820,722	4,820,722
Retained earnings	82,188,150	86,617,000
Treasury shares	(1,087,246)	(1,056,638)
<b>Total shareholders' equity</b>	<b>90,255,674</b>	<b>94,715,131</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	288,741	209,676
Deferred gains or losses on hedges	17,351	(4,726)
Foreign currency translation adjustment	4,463,249	3,945,284
<b>Total accumulated other comprehensive income</b>	<b>4,769,341</b>	<b>4,150,234</b>
<b>Total net assets</b>	<b>95,025,016</b>	<b>98,865,366</b>
<b>Total liabilities and net assets</b>	<b>133,740,183</b>	<b>134,893,985</b>

**Semi-annual consolidated statements of income (cumulative) and semi-annual consolidated statements of comprehensive income (cumulative)**  
**Semi-annual consolidated statements of income (cumulative)**

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	27,135,141	34,756,353
Cost of sales	16,814,953	21,840,812
Gross profit	10,320,188	12,915,541
Selling, general and administrative expenses	4,739,128	4,770,497
Operating profit	5,581,060	8,145,044
Non-operating income		
Interest income	126,560	157,061
Dividend income	6,404	6,161
Foreign exchange gains	586,497	–
Other	18,615	18,716
Total non-operating income	738,078	181,939
Non-operating expenses		
Interest expenses	55,737	65,940
Depreciation	573	558
Loss on investments in investment partnerships	15,547	31,096
Foreign exchange losses	–	279,792
Other	1,319	644
Total non-operating expenses	73,178	378,033
Ordinary profit	6,245,960	7,948,950
Extraordinary income		
Gain on sale of non-current assets	1,597	60,928
Gain on sale of investment securities	12,100	–
Subsidy income	–	20,257
Total extraordinary income	13,697	81,185
Extraordinary losses		
Loss on retirement of non-current assets	51,856	21,405
Total extraordinary losses	51,856	21,405
Profit before income taxes	6,207,801	8,008,730
Income taxes - current	1,827,070	2,299,441
Income taxes - deferred	93,492	100,975
Total income taxes	1,920,563	2,400,417
Profit	4,287,238	5,608,313
Profit attributable to owners of parent	4,287,238	5,608,313

**Semi-annual consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	4,287,238	5,608,313
Other comprehensive income		
Valuation difference on available-for-sale securities	48,830	(79,064)
Deferred gains or losses on hedges	8,928	(22,077)
Foreign currency translation adjustment	1,127,439	(517,965)
Total other comprehensive income	1,185,197	(619,107)
Comprehensive income	5,472,436	4,989,206
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,472,436	4,989,206
Comprehensive income attributable to non-controlling interests	—	—

## Semi-annual consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	6,207,801	8,008,730
Depreciation	2,785,973	3,702,681
Increase (decrease) in allowance for doubtful accounts	(2,501)	4,002
Increase (decrease) in provision for bonuses	(108,837)	65,492
Increase (decrease) in provision for bonuses for directors (and other officers)	(26,960)	22,310
Increase (decrease) in retirement benefit liability	66,747	24,759
Increase (decrease) in provision for repairs	(211,600)	(209,103)
Interest and dividend income	(132,965)	(163,222)
Interest expenses	55,737	65,940
Foreign exchange losses (gains)	(497,195)	179,617
Loss (gain) on sale of non-current assets	(1,597)	(60,928)
Loss on retirement of non-current assets	51,856	21,405
Loss (gain) on sale of investment securities	(12,100)	–
Loss (gain) on investments in investment partnerships	15,547	31,096
Subsidy income	–	(20,257)
Decrease (increase) in trade receivables	368,095	224,616
Decrease (increase) in inventories	(2,988,199)	937,540
Increase (decrease) in trade payables	(72,638)	894,077
Increase (decrease) in accounts payable - other	(198,984)	386,229
Other, net	(1,740,564)	1,677,435
Subtotal	3,557,614	15,792,426
Interest and dividends received	126,709	152,743
Interest paid	(37,573)	(69,025)
Subsidies received	–	20,257
Income taxes paid	(3,527,525)	(1,330,093)
Net cash provided by (used in) operating activities	119,225	14,566,307
<b>Cash flows from investing activities</b>		
Payments into time deposits	(1,825,593)	(1,593,349)
Proceeds from withdrawal of time deposits	649,473	1,423,225
Purchase of property, plant and equipment	(11,135,072)	(12,295,950)
Proceeds from sale of property, plant and equipment	1,597	1
Purchase of intangible assets	(2,574,812)	(15,429)
Proceeds from sale of intangible assets	–	67,189
Purchase of investment securities	(52,790)	(2,839)
Proceeds from sale of investment securities	22,994	–
Proceeds from collection of long-term loans receivable	0	0
Proceeds from distributions from investment partnerships	–	27,990
Other, net	(139,838)	(388,877)
Net cash provided by (used in) investing activities	(15,054,040)	(12,778,039)
<b>Cash flows from financing activities</b>		
Proceeds from long-term borrowings	20,000,000	–
Purchase of treasury shares	(495)	(236)
Dividends paid	(1,162,587)	(1,163,171)
Repayments of lease liabilities	(5,001)	(5,432)
Net cash provided by (used in) financing activities	18,831,915	(1,168,841)
Effect of exchange rate change on cash and cash equivalents	781,287	(331,904)
Net increase (decrease) in cash and cash equivalents	4,678,387	287,522
Cash and cash equivalents at beginning of period	22,350,871	29,483,756
Cash and cash equivalents at end of period	27,029,259	29,771,278