

**Translation**

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

January 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  
 Inquiries: Hiroyuki Ito TEL 03-3639-6311  
 of Administration Division  
 Scheduled date to file Quarterly Securities Report: February 9, 2024  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

#### (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	%
Nine months ended December 31, 2023	43,135	(18.0)	8,226	(44.1)	8,698	(43.5)	6,106	(44.5)
Nine months ended December 31, 2022	52,634	32.7	14,703	43.3	15,392	47.1	11,008	50.2

Note: Comprehensive income Nine months ended December 31, 2023 ¥6,701 million [(39.1)%]

Nine months ended December 31, 2022 ¥10,998 million [39.3%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	173.25		–	
Nine months ended December 31, 2022	312.36		–	

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

Nine months ended December 31, 2023 ¥13,160 million

Nine months ended December 31, 2022 ¥17,885 million

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2023	125,126	91,891	73.4	2,606.88
As of March 31, 2023	113,528	87,502	77.1	2,482.80

Reference: Equity As of December 31, 2023 ¥91,891 million

As of March 31, 2023 ¥87,502 million

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2023	–	30.00	–	33.00	63.00
Year ending March 31, 2024	–	33.00	–		
Year ending March 31, 2024 (Forecast)				33.00	66.00

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

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	60,500	(11.6)	10,950	(42.2)	11,550	(41.5)	7,900	(44.1)	224.13

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 ¥18,250 million [(21.6)%]

4. Notes

(1) Changes in significant subsidiaries during the nine months ended December 31, 2023  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes  
Note: Simple accounting procedures and accounting procedures specific for the preparation of quarterly consolidated financial statements.

(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: No  
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 December 31, 2023	35,511,000 shares	As of March 31, 2023	35,511,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2023	261,330 shares	As of March 31, 2023	267,466 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2023	35,246,582 shares	Nine months ended December 31, 2022	35,243,575 shares
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\* Quarterly financial results reports are exempt from quarterly 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.

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	23,412,586	25,528,596
Notes and accounts receivable - trade	14,968,781	15,865,829
Merchandise and finished goods	11,880,482	13,507,894
Work in process	691,534	645,679
Raw materials and supplies	3,468,641	3,992,805
Other	936,534	3,502,226
Allowance for doubtful accounts	(14,513)	(11,698)
Total current assets	55,344,047	63,031,333
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,418,074	16,078,408
Machinery, equipment and vehicles, net	6,240,614	15,614,479
Land	6,913,458	6,921,286
Construction in progress	30,938,084	16,671,464
Other, net	791,270	975,422
Total property, plant and equipment	54,301,501	56,261,060
Intangible assets	1,346,426	3,326,024
Investments and other assets		
Investment securities	691,304	827,131
Long-term prepaid expenses	366,419	264,456
Deferred tax assets	1,173,700	1,021,556
Retirement benefit asset	102,262	79,496
Other	203,209	315,371
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	2,536,896	2,508,011
Total non-current assets	58,184,824	62,095,097
Total assets	113,528,872	125,126,430

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	3,294,849	2,557,026
Accounts payable - other	1,983,822	1,611,996
Accounts payable - facilities	13,775,370	5,340,215
Income taxes payable	3,301,849	111,529
Provision for bonuses	690,054	357,778
Provision for bonuses for directors (and other officers)	71,800	67,610
Provision for repairs	356,024	251,617
Other	434,899	781,252
<b>Total current liabilities</b>	<b>23,908,669</b>	<b>11,079,027</b>
<b>Non-current liabilities</b>		
Long-term borrowings	–	20,000,000
Deferred tax liabilities	191,191	206,153
Retirement benefit liability	1,624,715	1,676,375
Long-term accounts payable - facilities	167,408	156,329
Asset retirement obligations	27,974	17,924
Other	106,088	98,945
<b>Total non-current liabilities</b>	<b>2,117,377</b>	<b>22,155,729</b>
<b>Total liabilities</b>	<b>26,026,047</b>	<b>33,234,756</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	76,183,899	79,952,300
Treasury shares	(1,112,711)	(1,087,205)
<b>Total shareholders' equity</b>	<b>84,225,957</b>	<b>88,019,865</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	188,739	240,782
Deferred gains or losses on hedges	(3,019)	(12,109)
Foreign currency translation adjustment	3,091,146	3,643,136
<b>Total accumulated other comprehensive income</b>	<b>3,276,866</b>	<b>3,871,809</b>
<b>Total net assets</b>	<b>87,502,824</b>	<b>91,891,674</b>
<b>Total liabilities and net assets</b>	<b>113,528,872</b>	<b>125,126,430</b>

## Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

### Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	52,634,119	43,135,033
Cost of sales	30,839,798	27,801,449
Gross profit	21,794,320	15,333,584
Selling, general and administrative expenses	7,090,862	7,107,216
Operating profit	14,703,458	8,226,367
Non-operating income		
Interest income	74,414	185,740
Dividend income	25,286	12,440
Foreign exchange gains	562,291	350,250
Other	36,869	30,927
Total non-operating income	698,860	579,359
Non-operating expenses		
Interest expenses	–	88,888
Commission expenses	1,769	–
Depreciation	2,511	829
Loss on investments in investment partnerships	5,163	13,284
Other	597	3,780
Total non-operating expenses	10,041	106,781
Ordinary profit	15,392,277	8,698,944
Extraordinary income		
Gain on sale of non-current assets	44	2,249
Gain on sale of investment securities	365,113	12,100
Subsidy income	–	36,563
Total extraordinary income	365,158	50,913
Extraordinary losses		
Loss on retirement of non-current assets	21,907	67,614
Total extraordinary losses	21,907	67,614
Profit before income taxes	15,735,529	8,682,243
Income taxes - current	4,642,724	2,440,177
Income taxes - deferred	83,877	135,384
Total income taxes	4,726,601	2,575,562
Profit	11,008,927	6,106,681
Profit attributable to owners of parent	11,008,927	6,106,681

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	11,008,927	6,106,681
Other comprehensive income		
Valuation difference on available-for-sale securities	(241,636)	52,042
Deferred gains or losses on hedges	(40,257)	(9,090)
Foreign currency translation adjustment	271,057	551,990
Total other comprehensive income	(10,836)	594,942
Comprehensive income	10,998,091	6,701,624
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,998,091	6,701,624
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of cash flows

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Cash flows from operating activities		
Profit before income taxes	15,735,529	8,682,243
Depreciation	3,182,250	4,934,499
Increase (decrease) in allowance for doubtful accounts	(2,918)	(3,653)
Increase (decrease) in provision for bonuses	(206,308)	(333,537)
Increase (decrease) in provision for bonuses for directors (and other officers)	29,660	(4,190)
Increase (decrease) in retirement benefit liability	64,117	74,211
Increase (decrease) in provision for repairs	(116,322)	(104,406)
Interest and dividend income	(99,700)	(198,181)
Interest expenses	–	88,888
Foreign exchange losses (gains)	(334,409)	(347,930)
Loss (gain) on sale of non-current assets	(44)	(2,249)
Loss on retirement of non-current assets	21,907	67,614
Loss (gain) on sale of investment securities	(365,113)	(12,100)
Loss (gain) on investments in investment partnerships	5,163	13,284
Subsidy income	–	(36,563)
Decrease (increase) in trade receivables	(1,514,612)	(756,511)
Decrease (increase) in inventories	(2,980,149)	(1,956,142)
Increase (decrease) in trade payables	(172,518)	(798,782)
Increase (decrease) in accounts payable - other	(470,262)	(400,869)
Other, net	97,380	(1,734,025)
Subtotal	12,873,647	7,171,596
Interest and dividends received	85,666	197,172
Interest paid	–	(70,799)
Subsidies received	–	36,563
Income taxes paid	(5,736,057)	(6,205,303)
Net cash provided by (used in) operating activities	7,223,256	1,129,229
Cash flows from investing activities		
Payments into time deposits	(1,037,375)	(4,418,911)
Proceeds from withdrawal of time deposits	781,254	1,423,773
Proceeds from sale of securities	138,031	–
Purchase of property, plant and equipment	(12,588,736)	(14,422,208)
Proceeds from sale of property, plant and equipment	136	2,323
Purchase of intangible assets	(164,630)	(2,629,060)
Payments for retirement of property, plant and equipment	–	(10,050)
Purchase of investment securities	(109,420)	(105,291)
Proceeds from sale of investment securities	511,574	22,994
Proceeds from distributions from investment partnerships	5,162	20,254
Proceeds from collection of long-term loans receivable	0	0
Other, net	(42,074)	(147,445)
Net cash provided by (used in) investing activities	(12,506,078)	(20,263,620)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Cash flows from financing activities		
Proceeds from long-term borrowings	–	20,000,000
Purchase of treasury shares	–	(703)
Dividends paid	(2,112,016)	(2,314,361)
Repayments of lease liabilities	(7,595)	(7,526)
Net cash provided by (used in) financing activities	(2,119,612)	17,677,408
Effect of exchange rate change on cash and cash equivalents	394,051	534,429
Net increase (decrease) in cash and cash equivalents	(7,008,383)	(922,552)
Cash and cash equivalents at beginning of period	23,460,102	22,350,871
Cash and cash equivalents at end of period	16,451,718	21,428,319