

Summary of Consolidated Financial Statements for First Quarter of Fiscal Year Ending March 31, 2025(Japan GAAP)

August 9, 2024

Listed Exchanges: TSE

Name of Listed Company: Ishihara Sangyo Kaisha, Ltd.

Code: 4028 URL <http://www.iskwweb.co.jp>

Representative: (Title) Executive Director President (Name) Hiroshi Okubo

Contact: (Title) Managing Executive Officer (Name) Yasunobu Kawazoe Tel +81-6-6444-1850

Scheduled date of dividend payment: —

Scheduled date of securities report submission: —

Scheduled date of dividend payment commencement: —

(Any amount less than one million yen is rounded down to the nearest million yen or nil.)

1. Consolidated Financial Results for First Quarter of Fiscal Year Ended March 31, 2025(April 1,2024 to June 30, 2024)

(1) Consolidated Operating Results

(Percentages represent changes from same period in previous year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
1Q, 2024	37,595	-0.0	1,786	-44.7	4,136	-28.7	2,873	-42.3
1Q, 2023	37,607	12.9	3,232	20.3	5,803	31.4	4,985	43.9

(Note) Comprehensive income: as of June 30, 2024: 3,925million yen (-29.4%) , as of June 30, 2023: 5,560million yen (31.2%)

	Net income per share	Net income per share after full dilution
	Yen	Yen
1Q, 2024	75.24	—
1Q, 2023	130.70	—

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	millions of yen	millions of yen	%
1Q, 2024	231,019	107,367	46.4
Year ended March 31, 2024	224,324	106,116	47.3

(Reference) Equity capital: as of June 30, 2024: 107,302million yen, as of March 31, 2024: 106,068million yen

2. Dividends

	Dividends per share				
(Record date)	June 30 (Q1-end)	September 30 (Q2-end)	December 31 (Q3-end)	March 31 (Year-end)	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	—	0.00	—	70.00	70.00
Year ended March 31, 2025	—	—	—	—	—
Year ending March 31, 2025 (Forecast)	—	0.00	—	70.00	70.00

(Note) Revisions to the forecast of cash dividends most recently announced: None

3. Forecast for Consolidated Results for the Full Year Ending March 31, 2025 (April 1, 2024 - March 31, 2025)

(Percentages represent forecasted changes from the previous year for the full year results, and forecasted changes from the same period in the previous year for the interim results.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	Yen
Interim (First 2Qs)	75,000	11.1	3,000	31.6	3,500	-36.7	1,500	-60.0	39.27
Full year	144,000	4.0	10,000	-13.0	9,000	-39.4	6,000	-24.9	157.07

(Note) Revisions to the forecast of financial results most recently announced: Yes

4. Other information

- (1) Significant changes in subsidiaries during the period
(changes in specified subsidiaries resulting in the change in consolidation scope): No change
- (2) Adoption of simplified accounting treatment and special accounting treatment for quarterly consolidated statement: Not adopted
- (3) Changes in accounting principles, procedures, and the method of presentation
 - 1) Changes due to revisions of accounting standards etc. : Adopted
 - 2) Changes other than those defined in 1) above : Not adopted
 - 3) Changes in accounting procedures : Not adopted
 - 4) Changes in the method of presentation : Not adopted
- (4) Issued shares (common shares)
 - 1) Issued shares as of period-end (including repurchased treasury shares)
As of June 30, 2024: 40,383,943 shares As of March 31, 2024: 40,383,943 shares
 - 2) Number of shares of treasury stock as of period-end
As of June 30, 2024: 2,188,052 shares As of March 31, 2024: 2,186,519 shares
 - 3) Average number of outstanding shares during period
1Q 2024: 38,196,552 shares 1Q 2023: 38,140,128 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Notes on proper use of forecast and other matters

The forecast of financial results presented in this document is the result of management's assessment based upon currently available assumptions, prospects and plans for the future. Actual results and dividend payments may differ from these forecasts, due to risks and uncertain factors, such as the global economy, competition, and foreign currency fluctuations.

5. Consolidated Financial Statements, and Main Notes

(1) Consolidated Balance Sheet

(Unit: millions of yen)

Account Category	As of March 2024 (summary)	As of June 2024
ASSETS		
Current Assets		
Cash and deposits	19,982	21,591
Notes and accounts receivable-trade and contract assets	42,859	45,302
Electronically recorded monetary claims - operating	1,617	2,649
Merchandise and finished goods	52,371	52,743
Work in process	8,132	8,676
Raw materials and supplies	30,871	30,766
Other	5,640	5,350
Allowance for doubtful accounts	-302	-284
Total current assets	161,173	166,796
Noncurrent Assets		
Property, plant and equipment		
Machinery, equipment net	12,913	13,169
Others, net	28,646	28,495
Total property, plant and equipment	41,560	41,664
Intangible assets	2,052	2,244
Investments and other assets		
Investment securities	9,648	10,694
Deferred tax assets	7,630	7,300
Net defined benefit asset	29	35
Other	2,281	2,337
Allowance for doubtful accounts	-52	-53
Total investments and other assets	19,537	20,314
Total noncurrent assets	63,150	64,223
Total Assets	224,324	231,019

(Unit: millions of yen)

Account Category	As of March,2024 (summary)	As of June 2024
LIABILITIES		
Current Liabilities		
Notes and accounts payable – trade	20,974	28,400
Electronically recorded obligations - operating	1,979	1,673
Short-term loans payable	15,280	15,365
Currents portion of bonds	968	863
Income tax payable	1,439	611
Reserve	1,324	2,221
Other	11,090	11,108
Total current liabilities	53,056	60,244
Noncurrent Liabilities		
Bonds payable	1,991	1,991
Long-term loans payable	47,839	46,048
Provision for environment and safety improvement	195	46
Net defined benefit liability	12,007	12,076
Other	3,116	3,243
Total noncurrent liabilities	65,150	63,407
Total Liabilities	118,207	123,652
NET ASSETS		
Shareholder's equity		
Capital stock	43,420	43,420
Capital surplus	10,672	10,672
Retained earnings	50,489	50,689
Treasury stock	-2,653	-2,655
Total shareholder's equity	101,928	102,127
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	817	962
Foreign currency translation adjustment	2,989	4,034
Remeasurements of defined benefit plans	333	177
Total accumulated other comprehensive income	4,139	5,174
Non-controlling interests	48	65
Total net assets	106,116	107,367
Total Liabilities and Net Assets	224,324	231,019

* This is an English translation of Summary originally written in Japanese and disclosed to TSE
For official purposes, the Japanese version takes preference over this English translation

(2) Consolidated Statements of Income

(Unit: millions of yen)

Account Category	Q1 2023 (April 1,2023 to June 30,2023)	Q1 2024 (April 1,2024 to June 30,2024)
Net sales	37,607	37,595
Cost of sales	28,063	28,703
Gross profit	9,544	8,892
Selling, general and administrative expenses	6,312	7,105
Operating income	3,232	1,786
Non-operating income		
Interest income	27	47
Dividends income	196	180
Share of profit of entities accounted for using equity method	423	670
Foreign exchange income	1,971	1,764
Gain on sales of raw materials	79	48
Other	165	35
Total non-operating income	2,863	2,747
Non-operating expenses		
Interest expenses	143	181
Financial fee	95	110
Other	53	104
Total non-operating expenses	292	397
Ordinary income	5,803	4,136
Extraordinary loss		
Loss on disposal of non-current assets	217	308
Total extraordinary loss	217	308
Income before income taxes and minority interests	5,586	3,827
Income taxes	639	582
Income taxes – deferred	-38	354
Total income taxes	600	937
Net income	4,985	2,890
Profit attributable to non-controlling interests	—	16
Profit attributable to owners of parent	4,985	2,873

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(Unit: millions of yen)

Account Category	Q1 2023 (April 1,2023 to June 30,2023)	Q1 2024 (April 1,2024 to June 30,2024)
Profit	4,985	2,890
Other comprehensive income		
Valuation difference on available for sale securities	177	145
Foreign currency translation adjustment	274	893
Remeasurements of defined benefit plans, net of tax	13	-156
Equity in profit / loss of affiliated companies	109	152
Total other comprehensive income	575	1,035
Comprehensive income	5,560	3,925
(Comprehensive income attributable to)		
Comprehensive income attributable to the parent company	5,560	3,909
Comprehensive income attributable to non-controlling interests	—	16

6. Segment Information)

【Business Segment Information】

1Q of Fiscal Year Ended March 31, 2024 (April 1, 2023 to June 30, 2023)

(1) Information relating sales, profits, losses, for each reporting unit

(Unit: millions of yen)

	Organic Chemicals	Inorganic Chemicals	Other Businesses	Total	Elimination/Corporate	Consolidated
Sales						
(1) Sales to external customers	20,200	16,789	647	37,607	—	37,607
(2) Intersegment sales and transfers	0	—	469	469	-469	—
Total	20,200	16,789	1,116	38,077	-469	37,607
Segment profit or loss (-)	2,797	1,306	-68	4,035	-803	3,232

(Note) 1. Adjustment include the following items

- (1) Adjustment in segment profit or loss (-803million yen) includes elimination of transaction between segments(54million yen) and corporate expenses not allocated to reporting segments(-858million yen). Corporate expenses mainly comprise general expenses not allocated segments.
- (2) Segment profit or loss is adjusted to be consistent with operating income shown on the quarterly consolidated income statement.

(2) Geographical information

Net Sales

(Unit: millions of yen)

Japan	Asia	America	Europe	Other	Total
14,279	5,969	6,734	10,378	244	37,607

(Note) 1. Net sales by geographic segment are based on nations or regions where customers reside.

2. Grouping of countries and regions is based on the geographic proximity and relevance of businesses.

Countries and regions included in each geographic segment are follows, excluding Japan:

- (1) Asia : China, Taiwan, South Korea, Thailand, Indonesia, Singapore and India
- (2) Americas : United States of America, Canada, Brazil, Argentina, and Mexico
- (3) Europe : Germany, Netherlands, France, the United Kingdom, Belgium, Italy, and East Europe and Middle East regions
- (4) Other : Australia, New Zealand and Africa

(3) Information concerning impairment loss or goodwill on noncurrent assets by segment

We do not note any significant changes.

【Business Segment Information】

1Q of Fiscal Year Ended March 31, 2025 (April 1, 2024 to June 30, 2024)

(1)Information relating sales, profits, losses, for each reporting unit

(Unit: millions of yen)

	Organic Chemicals	Inorganic Chemicals	Other Businesses	Total	Adjustment	Amount reported on consolidated financial statements
Sales						
(1) Sales to external customers	18,086	18,566	942	37,595	—	37,595
(2) Intersegment sales and transfers	0	—	700	700	-700	—
Total	18,086	18,566	1,642	38,295	-700	37,595
Segment profit	1,668	1,131	9	2,808	-1,022	1,786

(Note) 1. Adjustment include the following items

- (1) Adjustment in segment profit (-1,022million yen) includes elimination of transaction between segments(48million yen) and corporate expenses not allocated to reporting segments(-1,070million yen). Corporate expenses mainly comprise general expenses not allocated segments.
- (2) Segment profit is adjusted to be consistent with operating income shown on the quarterly consolidated income statement.

(2)Geographical information

Net Sales

(Unit: millions of yen)

Japan	Asia	America	Europe	Other	Total
12,817	8,155	4,819	11,372	430	37,595

(Note) 1. Net sales by geographic segment are based on nations or regions where customers reside.

2. Grouping of countries and regions is based on the geographic proximity and relevance of businesses.

Countries and regions included in each geographic segment are follows, excluding Japan:

(1) Asia : China, Taiwan, South Korea, Thailand, Indonesia, Singapore and India

(2) Americas : United States of America, Canada, Brazil, Argentina, and Mexico

(3) Europe : Germany, Netherlands, France, the United Kingdom, Belgium, Italy, and East Europe and Middle East regions

(4) Other : Australia, New Zealand and Africa

(3) Information concerning impairment loss or goodwill on noncurrent assets by segment

We do not note any significant changes.

(Notes on statement of cash flows)

Quarterly consolidated statement of cash flows has not been prepared for the first quarter of the current fiscal year.

Depreciation and amortization (including amortization expenses pertaining to intangible assets) pertaining to the first quarter of the current fiscal year are as follows.

	Q1 2023 (April 1,2023 to June 30,2023)	Q1 2024 (April 1,2024 to June 30,2024)
Depreciation and amortization	1,406 million yen	1,180 million yen