

May 8, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

Company name: Sanyo Chemical Industries, Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 4471
 URL: <https://www.sanyo-chemical.co.jp/>
 Representative: Akinori Higuchi, President & CEO
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 Scheduled date of annual general meeting of shareholders: June 20, 2025
 Scheduled date to commence dividend payments: June 5, 2025
 Scheduled date to file annual securities report: June 23, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	142,258	(10.8)	8,439	72.7	9,670	18.1	4,151	-
March 31, 2024	159,510	(8.8)	4,886	(39.8)	8,186	(17.5)	(8,501)	-

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥728 million [-%]

For the fiscal year ended March 31, 2024: ¥(3,399) million [-%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	187.79	-	3.0	5.1	5.9
March 31, 2024	(384.99)	-	(6.0)	4.0	3.1

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2025: ¥747 million

For the fiscal year ended March 31, 2024: ¥223 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	176,366	138,302	76.8	6,119.90
March 31, 2024	205,818	141,577	67.6	6,295.31

Reference: Equity

As of March 31, 2025: ¥135,385 million

As of March 31, 2024: ¥139,037 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	13,925	(5,079)	(11,895)	24,010
March 31, 2024	19,814	(6,264)	(4,006)	27,188

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	-	85.00	-	85.00	170.00	3,772	-	2.6
Fiscal year ended March 31, 2025	-	85.00	-	85.00	170.00	3,779	90.5	2.7
Fiscal year ending March 31, 2026 (Forecast)		85.00		85.00	170.00		47.0	

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		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
Six months ending September 30, 2025	62,000	(19.5)	4,500	1.0	5,000	0.2	3,500	272.2	158.21
Fiscal year ending March 31, 2026	130,000	(8.6)	10,000	18.5	11,000	13.8	8,000	92.7	361.63

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: Yes
Excluded: 1 company (San-Dia Polymers (Nantong) Co., Ltd.)
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: Yes
- (iv) Restatement: None
- (3) Number of issued shares (common shares)

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

As of March 31, 2025	23,534,752 shares
As of March 31, 2024	23,534,752 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2025	1,412,596 shares
As of March 31, 2024	1,448,955 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	22,109,074 shares
Fiscal year ended March 31, 2024	22,081,754 shares

Note: The Company's shares held by a trust with directors and others as beneficiaries are included in the treasury stock deducted in the calculation of the number of treasury shares at the end of the fiscal year and the average number of shares during the period.

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	109,312	(0.5)	3,978	35.0	6,570	(13.3)	2,741	-
March 31, 2024	109,900	(5.5)	2,947	(37.7)	7,577	(3.0)	(7,802)	-

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	124.01	-
March 31, 2024	(353.34)	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	149,294	115,845	77.6	5,236.65
March 31, 2024	163,031	116,876	71.7	5,291.95

Reference: Equity

As of March 31, 2025: ¥115,845 million

As of March 31, 2024: ¥116,876 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors.

Consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	27,240	24,532
Notes and accounts receivable - trade	44,967	35,059
Electronically recorded monetary claims - operating	492	146
Merchandise and finished goods	19,842	12,965
Semi-finished goods	5,082	5,118
Work in process	350	257
Raw materials and supplies	5,859	4,480
Other	2,576	2,867
Allowance for doubtful accounts	(484)	(485)
Total current assets	105,929	84,942
Non-current assets		
Property, plant and equipment		
Buildings and structures	49,540	46,440
Accumulated depreciation	(33,536)	(31,711)
Buildings and structures, net	16,003	14,729
Machinery, equipment and vehicles	161,438	137,542
Accumulated depreciation	(139,171)	(117,676)
Machinery, equipment and vehicles, net	22,266	19,866
Land	8,869	8,850
Construction in progress	1,936	510
Other	14,817	11,731
Accumulated depreciation	(12,415)	(9,545)
Other, net	2,401	2,185
Total property, plant and equipment	51,477	46,142
Intangible assets		
Software	6,348	5,231
Other	1,214	1,055
Total intangible assets	7,563	6,286
Investments and other assets		
Investment securities	30,701	30,713
Long-term loans receivable	3,545	2,255
Deferred tax assets	417	258
Retirement benefit asset	3,672	4,588
Other	2,541	1,204
Allowance for doubtful accounts	(30)	(25)
Total investments and other assets	40,848	38,994
Total non-current assets	99,889	91,423
Total assets	205,818	176,366

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	23,849	16,881
Electronically recorded obligations - operating	4,911	2,910
Short-term borrowings	8,682	441
Current portion of long-term borrowings	505	747
Accounts payable - other	8,491	4,581
Income taxes payable	1,384	669
Provision for bonuses	2,064	1,829
Provision for bonuses for directors (and other officers)	36	72
Electronically recorded obligations - non-operating	557	567
Other	3,035	1,629
Total current liabilities	53,519	30,332
Non-current liabilities		
Long-term borrowings	1,516	2,230
Deferred tax liabilities	2,938	2,808
Provision for share-based payments	431	366
Retirement benefit liability	102	91
Provision for business restructuring	4,706	1,664
Other	1,026	571
Total non-current liabilities	10,720	7,731
Total liabilities	64,240	38,063
Net assets		
Shareholders' equity		
Share capital	13,051	13,051
Capital surplus	13,270	13,289
Retained earnings	99,488	99,868
Treasury shares	(5,675)	(5,525)
Total shareholders' equity	120,134	120,683
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,584	11,412
Foreign currency translation adjustment	5,978	1,488
Remeasurements of defined benefit plans	1,339	1,800
Total accumulated other comprehensive income	18,902	14,702
Non-controlling interests	2,540	2,917
Total net assets	141,577	138,302
Total liabilities and net assets	205,818	176,366

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	159,510	142,258
Cost of sales	130,231	110,204
Gross profit	29,279	32,053
Selling, general and administrative expenses		
Freight and storage charges	5,498	5,482
Salaries and compensations	4,242	4,111
Employees' bonuses	1,276	1,243
Retirement benefit expenses	251	181
Welfare expenses	1,305	1,094
Depreciation	1,897	1,783
Research and development expenses	5,222	5,158
Other	4,697	4,559
Total selling, general and administrative expenses	24,392	23,614
Operating profit	4,886	8,439
Non-operating income		
Interest income	167	178
Dividend income	1,005	1,192
Rental income from real estate	134	89
Foreign exchange gains	1,713	-
Share of profit of entities accounted for using equity method	223	747
Other	565	161
Total non-operating income	3,811	2,369
Non-operating expenses		
Interest expenses	139	128
Rental costs on real estate	67	65
Foreign exchange losses	-	520
Other	303	422
Total non-operating expenses	510	1,138
Ordinary profit	8,186	9,670
Extraordinary income		
Gain on sale of investment securities	2,030	49
Insurance claim income	-	39
Total extraordinary income	2,030	88
Extraordinary losses		
Loss on valuation of investment securities	440	92
Loss on valuation of investments in capital	453	1,204
Loss on retirement of non-current assets	1,372	703
Impairment losses	3,238	308
Business restructuring expenses	12,059	971
Other	-	18
Total extraordinary losses	17,563	3,298
Profit (loss) before income taxes	(7,346)	6,461
Income taxes - current	2,775	1,850
Income taxes - deferred	(1,485)	(296)
Total income taxes	1,290	1,554
Profit (loss)	(8,636)	4,906
Profit (loss) attributable to non-controlling interests	(135)	754
Profit (loss) attributable to owners of parent	(8,501)	4,151

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit (loss)	(8,636)	4,906
Other comprehensive income		
Valuation difference on available-for-sale securities	2,767	(171)
Foreign currency translation adjustment	1,447	(4,467)
Remeasurements of defined benefit plans, net of tax	1,021	461
Total other comprehensive income	5,237	(4,178)
Comprehensive income	(3,399)	728
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(3,313)	(48)
Comprehensive income attributable to non-controlling interests	(86)	776

Consolidated statement of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,051	13,270	111,762	(5,730)	132,353
Dividends of surplus			(3,772)		(3,772)
Loss attributable to owners of parent			(8,501)		(8,501)
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		0		57	57
Net changes in items other than shareholders' equity					
Total changes during period	-	0	(12,273)	54	(12,218)
Balance at end of period	13,051	13,270	99,488	(5,675)	120,134

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	8,816	4,579	317	13,714	2,927	148,994
Dividends of surplus						(3,772)
Loss attributable to owners of parent						(8,501)
Purchase of treasury shares						(2)
Disposal of treasury shares						57
Net changes in items other than shareholders' equity	2,767	1,398	1,021	5,188	(386)	4,801
Total changes during period	2,767	1,398	1,021	5,188	(386)	(7,417)
Balance at end of period	11,584	5,978	1,339	18,902	2,540	141,577

Consolidated statement of changes in equity

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,051	13,270	99,488	(5,675)	120,134
Dividends of surplus			(3,772)		(3,772)
Profit attributable to owners of parent			4,151		4,151
Purchase of treasury shares				(358)	(358)
Disposal of treasury shares		18		508	526
Net changes in items other than shareholders' equity					
Total changes during period	-	18	379	150	548
Balance at end of period	13,051	13,289	99,868	(5,525)	120,683

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	11,584	5,978	1,339	18,902	2,540	141,577
Dividends of surplus						(3,772)
Profit attributable to owners of parent						4,151
Purchase of treasury shares						(358)
Disposal of treasury shares						526
Net changes in items other than shareholders' equity	(171)	(4,489)	461	(4,199)	376	(3,823)
Total changes during period	(171)	(4,489)	461	(4,199)	376	(3,275)
Balance at end of period	11,412	1,488	1,800	14,702	2,917	138,302

Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit (loss) before income taxes	(7,346)	6,461
Depreciation	10,828	9,633
Loss on retirement of non-current assets	1,372	703
Impairment losses	3,238	308
Increase (decrease) in provision for bonuses	240	(175)
Changes in net defined benefit asset and liability	(72)	(232)
Increase (decrease) in provision for bonuses for directors (and other officers)	(51)	35
Increase (decrease) in provision for share-based payments	97	107
Interest and dividend income	(1,173)	(1,371)
Interest expenses	139	128
Share of loss (profit) of entities accounted for using equity method	(223)	(747)
Loss (gain) on sale of investment securities	(2,030)	(49)
Loss (gain) on valuation of investment securities	440	92
Loss on valuation of investments in capital	453	1,204
Decrease (increase) in trade receivables	1,288	7,883
Decrease (increase) in inventories	1,281	3,254
Increase (decrease) in trade payables	3,416	(6,586)
Business restructuring expenses	12,059	971
Other, net	(3,382)	(2,274)
Subtotal	20,576	19,347
Interest and dividends received	2,055	1,753
Interest paid	(148)	(124)
Income taxes paid	(2,668)	(2,501)
Payment for business restructuring	-	(4,549)
Net cash provided by (used in) operating activities	19,814	13,925
Cash flows from investing activities		
Purchase of non-current assets	(7,042)	(6,771)
Proceeds from sale of investment securities	2,062	89
Proceeds from sales of investments in capital of subsidiaries resulting in change in scope of consolidation	-	1,745
Proceeds from collection of long-term loans receivable	592	1,177
Long-term loan advances	(211)	(90)
Payment for other investment activities	(1,773)	(1,411)
Proceeds from other investment activities	108	182
Net cash provided by (used in) investing activities	(6,264)	(5,079)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	748	(8,371)
Proceeds from long-term borrowings	-	1,357
Repayments of long-term borrowings	(490)	(533)
Net decrease (increase) in treasury shares	(2)	(3)
Dividends paid	(3,754)	(3,760)
Dividends paid to non-controlling interests	(300)	(400)
Other, net	(207)	(185)
Net cash provided by (used in) financing activities	(4,006)	(11,895)
Effect of exchange rate change on cash and cash equivalents	601	(128)
Net increase (decrease) in cash and cash equivalents	10,145	(3,177)
Cash and cash equivalents at beginning of period	17,042	27,188
Cash and cash equivalents at end of period	27,188	24,010

