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Business Results for the First Quarter of Fiscal Year Ending March 31, 2025 (April 1, 2024 – June 30, 2024)



Kanto Denka Kogyo Co., Ltd.

(Tokyo Stock Exchange Prime Market,
Securities Code: 4047)

August 9, 2024

Statement of Income

- Sales volume of Specialty Gases increased due to the improved operating rates of semiconductor manufacturers.
- Battery materials sales volume and unit sales price both decreased due to the slowdown in EV market growth. Fees paid under licensing agreement posted to net sales.
- Sales volume of Fundamental Chemicals decreased due to withdrawal of some products. In addition, unit sales prices decreased due to the inflow of overseas products.
- Loss on valuation of inventories significantly decreased.

(Q1 FY2023 – 2.1billion yen、 Q1 FY2024 – 300 million yen)

(Billions of yen)

	Q1 FY2023	Q1 FY2024	Difference	% change
Net sales	16.3	15.4	-0.8	-5.3
Operating profit	(1.4)	1.2	2.6	—
Ordinary profit	(0.8)	1.9	2.7	—
Profit before income taxes	(0.4)	1.8	2.3	—
Profit attributable to owners of parent	(0.3)	1.1	1.4	—
Basic earnings per share (yen)	(5.40)	20.29	25.69	

Balance Sheet

(Billions of yen)

	FY2023	Q1 FY2024	Difference	% change
Assets	125.3	126.3	1.0	0.8
Cash and deposits	25.4	22.0	-3.3	-13.2
Trade receivables	16.1	16.9	0.8	5.2
Inventories	17.4	17.3	-0.1	-0.6
Non-current assets (tangible + intangible)	49.7	52.6	2.8	5.8
Liabilities	59.7	59.0	-0.7	-1.2
Interest-bearing debt	41.6	39.0	-2.6	-6.4
Trade payables	8.3	9.1	0.8	10.5
Income taxes payable	0.2	0.2	-0.1	-24.5
Net assets	65.5	67.2	1.7	2.6
Equity ratio (%)	51.1	52.1	1.0	

Performance Forecast By Segment (Consolidated)

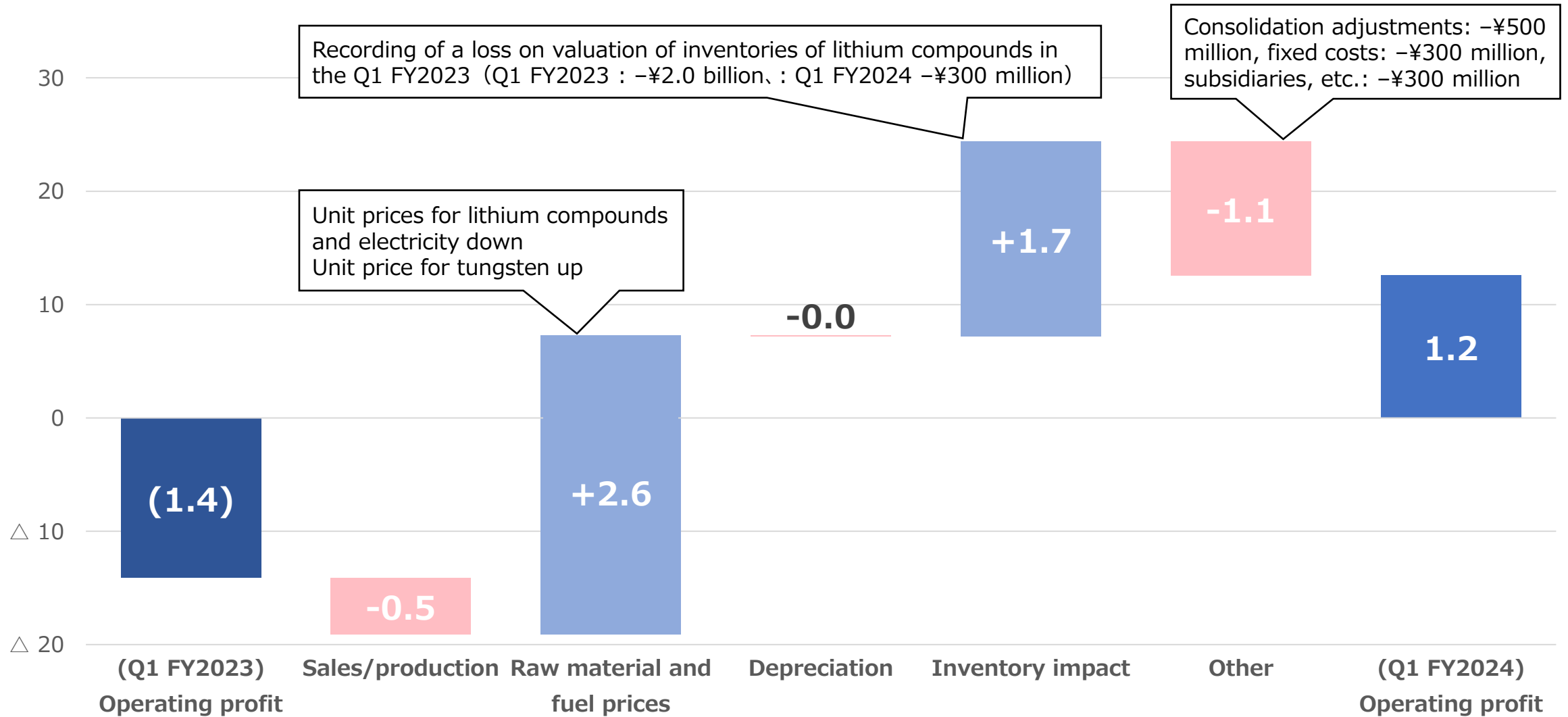
(Billions of yen)

	Net sales			Operating profit		
	Q1 FY2023	Q1 FY2024	Difference	Q1 FY2023	Q1 FY2024	Difference
Fundamental Chemicals	2.4	1.9	-0.4	0.0	(0.3)	-0.3
Fine Chemicals	12.7	12.2	-0.5	(1.7)	1.3	3.0
Other*	1.1	1.2	0.0	0.2	0.2	0.0
Total	16.3	15.4	-0.8	(1.4)	1.2	2.6
(Reference) Fluorochemicals for semiconductors (non-consolidated)	8.2	9.9	1.7	0.2	1.1	0.8
Capital investment	1.9	4.2	2.3			
Depreciation	1.9	1.9	0.0			
R&D expenses	0.2	0.4	0.1			

* "Other" includes the Ferrochemicals, Commercial Business, Facilities Divisions, and consolidation adjustments.

Consolidated Operating Profit: Difference Analysis (Q1 FY2023 vs. Q1 FY2024)

(Billions of yen)



Performance Forecast By Segment (Consolidated):H1 Forecast

- Q2 FY2024 Revised Forecasts : USD/JPY Rate: ¥150 (Previous Forecasts : ¥145)
- Specialty gases exceeded the previous forecast due to higher utilization rates at semiconductor manufacturers.
- Battery materials fell short of the initial forecast due to the slowdown in the EV market growth and the postponement of inquiries related to the U.S. Inflation Reduction Act (IRA), which had been expected from Q2.
- Loss on valuation of inventories decreased as inventory was reduced more than expected. (H1 FY2024 Previous Forecasts : – 1.0billion yen、 Revised Forecasts : – 400 million yen)
- FY2024 forecasts remain unchanged as the company is currently examining the H2 outlook for battery materials.

(Billions of yen)

	Net sales			Operating profit		
	H1 FY2023 Results	H1 FY2024 Previous Forecasts	H1 FY2024 Revised Forecasts	H1 FY2023 Results	H1 FY2024 Previous Forecasts	H1 FY2024 Revised Forecasts
Fundamental Chemicals	4.3	4.2	4.0	(0.0)	(0.1)	(0.3)
Fine Chemicals	28.2	24.7	25.0	(0.8)	1.0	2.1
Other	2.2	2.1	2.1	0.4	0.1	0.1
Total	34.8	31.0	31.1	(0.4)	1.0	1.9

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