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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2024 <under Japanese GAAP>



January 31, 2025

Company name : CHUGAI RO CO., LTD.

Listing: Tokyo Stock Exchange

Securities code: 1964

URL: <https://chugai.co.jp/en>

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Scheduled date to commence dividend payments: —

Preparation of supplementary material on financial results: No

Holding of financial results presentation meeting: No

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated financial results for the Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(1) Consolidated operating results (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	%
Three months ended								
December 31, 2024	22,219	20.5	274	—	492	—	1,005	17.9
December 31, 2023	18,446	11.9	(439)	—	(194)	—	853	—

(Note) Comprehensive income: Fiscal year ended December 31, 2024 (298) million yen [—%]

Fiscal year ended December 31, 2023 1,498 million yen [—%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
December 31, 2024	136.64	—
December 31, 2023	113.87	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
December 31, 2024	43,667	26,550	60.3
March 31, 2024	48,863	27,768	56.4

(Reference) Equity: As of December 31 2024 26,320 million yen

As of March 31, 2024 27,570 million yen

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	—	—	80.00	80.00
Fiscal year ending March 31, 2025	—	—	—		
Fiscal year ending March 31, 2025 (Forecast)				120.00	120.00

(Note) Revision to the dividends forecasts most recently announced: No

3. Consolidated earnings forecasts for the fiscal 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		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	37,600	28.4	2,570	74.0	2,670	55.7	2,300	4.7	312.69

(Note) Revision to the financial forecasts most recently announced: No

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes
- (3) 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 : None
 - (iv) Restatement : None

(4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)
- (ii) Number of treasury shares at the end of the period
- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

As of December 31, 2024	7,800,000 shares	As of March 31, 2024	7,800,000 shares
As of December 31, 2024	458,801 shares	As of March 31, 2024	366,803 shares
For the fiscal year ended December 31, 2024	7,359,795 shares	For the fiscal year ended December 31, 2023	7,492,446 shares

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

*** Proper use of earnings forecasts, and other special matters**

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors.

Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	10,061	3,855
Notes and accounts receivable–trade, and contract assets	21,960	24,439
Costs on construction contracts in progress	2,105	2,554
Other	125	134
Allowance for doubtful accounts	(0)	(0)
Total current assets	34,252	30,984
Non-current assets		
Property, plant and equipment	4,845	4,968
Intangible assets	256	228
Investments and other assets		
Investment securities	8,648	6,592
Other	877	913
Allowance for doubtful accounts	(17)	(20)
Total investments and other assets	9,509	7,485
Total non-current assets	14,611	12,682
Total assets	48,863	43,667
Liabilities		
Current liabilities		
Electronically recorded obligations–operating	1,443	810
Accounts payable–trade	6,791	4,871
Short-term borrowings	6,100	3,653
Provision	117	181
Other	3,065	2,770
Total current liabilities	17,517	12,287
Non-current liabilities		
Long-term borrowings	1,188	3,034
Retirement benefit liability	154	163
Other	2,234	1,631
Total non-current liabilities	3,577	4,829
Total liabilities	21,094	17,117

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Net assets		
Shareholders' equity		
Share capital	6,176	6,176
Capital surplus	1,544	1,544
Retained earnings	15,441	15,852
Treasury shares	(711)	(1,023)
Total shareholders' equity	22,451	22,550
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,676	3,391
Deferred gains or losses on hedges	31	26
Foreign currency translation adjustment	181	175
Remeasurements of defined benefit plans	228	176
Total accumulated other comprehensive income	5,119	3,769
Non-controlling interests	198	229
Total net assets	27,768	26,550
Total liabilities and net assets	48,863	43,667

(2) Consolidated statement of income and consolidated statement of comprehensive income**Consolidated statement of income**

(Millions of yen)

	Fiscal year ended March 31, 2024 (From April 1, 2023 to December 31, 2023)	Fiscal year ending March 31, 2025 (From April 1, 2024 to December 31, 2024)
Net sales	18,446	22,219
Cost of sales	15,484	18,418
Gross profit	2,961	3,800
Selling, general and administrative expenses	3,401	3,526
Operating Profit / loss	(439)	274
Non-operating income		
Dividend income	227	242
Miscellaneous income	69	55
Total non-operating income	296	298
Non-operating expenses		
Interest expenses	41	43
Foreign exchange losses	3	30
Other	6	5
Total non-operating expenses	51	80
Ordinary Profit / loss	(194)	492
Extraordinary income		
Gain on sale of investment securities	1,162	1,036
Gain on sale of noncurrent assets	199	—
Gain on transfer of business	60	—
Total extraordinary income	1,421	1,036
Profit before income taxes	1,226	1,529
Total income taxes	401	490
Profit	825	1,039
Profit attributable to non-controlling interests / Loss attributable to non-controlling interests	(27)	33
Profit attributable to owners of parent	853	1,005

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2024 (From April 1, 2023 to December 31, 2023)	Fiscal year ending March 31, 2025 (From April 1, 2024 to December 31, 2024)
Profit	825	1,039
Other comprehensive income		
Valuation difference on available-for-sale securities	582	(1,285)
Deferred gains or losses on hedges	7	(5)
Foreign currency translation adjustment	78	4
Remeasurements of defined benefit plans, net of tax	4	(51)
Total other comprehensive income	673	(1,338)
Comprehensive income	1,498	(298)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,513	(343)
Comprehensive income attributable to non-controlling interests	(14)	44

Segment information

[Segment information]

(i) Fiscal year ended March 31, 2024 (From April 1, 2023 to December 31, 2023)

1. Information on net sales and profit (loss) by reportable segment

(Millions of yen)

	Reportable Segment				Others ※1	Total	Adjustment ※2	Reported in consolidated financial statements ※3
	Heat Treatment Business	Plant Business	Development Business	Total				
Domestic	7,485	7,345	587	15,417	1,667	17,085	(1,215)	15,870
Overseas	646	1,221	42	1,909	1,744	3,654	(1,078)	2,575
Sales	8,132	8,566	629	17,327	3,412	20,740	(2,294)	18,446
Other income	—	—	—	—	—	—	—	—
Net sales	8,132	8,566	629	17,327	3,412	20,740	(2,294)	18,446
Segment profit (loss)	(495)	491	(475)	(479)	(46)	(526)	87	(439)

※1 Others is a business segment that is not included in the reporting segments, and includes the business of subsidiaries such as industrial furnaces, environmental protection equipment, combustion equipment, and temporary staffing.

※2 Adjustment is intersegment elimination.

※3 Segment profit (loss) is adjusted to operating profit in reported in consolidated statement of income.

(ii) Fiscal year ending March 31, 2025 (From April 1, 2024 to December 31, 2024)

1. Information on net sales and profit (loss) by reportable segment

(Millions of yen)

	Reportable Segment				Others ※1	Total	Adjustment ※2	Reported in consolidated financial statements ※3
	Heat Treatment Business	Plant Business	Development Business	Total				
Domestic	11,278	4,355	1,288	16,922	1,674	18,597	(1,420)	17,176
Overseas	687	2,337	246	3,271	3,250	6,522	(1,479)	5,042
Sales	11,966	6,693	1,535	20,194	4,925	25,119	(2,900)	22,219
Other income	—	—	—	—	—	—	—	—
Net sales	11,966	6,693	1,535	20,194	4,925	25,119	(2,900)	22,219
Segment profit (loss)	436	(57)	(277)	102	221	323	(48)	274

※1 Others is a business segment that is not included in the reporting segments, and includes the business of subsidiaries such as industrial furnaces, environmental protection equipment, combustion equipment, and temporary staffing.

※2 Adjustment is intersegment elimination.

※3 Segment profit (loss) is adjusted to operating profit in reported in consolidated statement of income.

Others**Status of orders received and sales**

(i) Net sales

(Millions of yen)

Segment	Fiscal year ended March 31, 2024 April 2023 to December 2023		Fiscal year ending March 31, 2025 April 2024 to December 2024		Increase (decrease)
	Amount	%	Amount	%	Amount
Heat Treatment Business	8,132	44.1	11,966	53.9	3,833
Plant Business	8,566	46.4	6,693	30.1	(1,873)
Development Business	629	3.4	1,535	6.9	905
Others	3,412	18.5	4,925	22.2	1,512
Intersegment elimination	(2,294)	(12.4)	(2,900)	(13.1)	(606)
Total	18,446	100.0	22,219	100.0	3,773
[Overseas]	[2,575]	[14.0]	[5,042]	[22.7]	[2,466]

(ii) Orders received

(Millions of yen)

Segment	Fiscal year ended March 31, 2024 April 2023 to December 2023		Fiscal year ending March 31, 2025 April 2024 to December 2024		Increase (decrease)
	Amount	%	Amount	%	Amount
Heat Treatment Business	13,577	51.0	10,907	44.3	(2,670)
Plant Business	8,914	33.5	11,575	47.0	2,661
Development Business	2,703	10.2	333	1.4	(2,369)
Others	4,836	18.2	5,129	20.8	293
Intersegment elimination	(3,437)	(12.9)	(3,329)	(13.5)	107
Total	26,594	100.0	24,616	100.0	(1,977)
[Overseas]	[7,091]	[26.7]	[3,483]	[14.2]	[(3,608)]

(iii) Backorder

(Millions of yen)

Segment	Fiscal year ended March 31, 2024 April 2023 to December 2023		Fiscal year ending March 31, 2025 April 2024 to December 2024		Increase (decrease)
	Amount	%	Amount	%	Amount
Heat Treatment Business	15,142	45.9	13,648	37.1	(1,493)
Plant Business	10,230	31.0	17,507	47.6	7,276
Development Business	3,682	11.2	2,037	5.5	(1,644)
Others	5,818	17.6	5,025	13.7	(793)
Intersegment elimination	(1,877)	(5.7)	(1,443)	(3.9)	433
Total	32,996	100.0	36,774	100.0	3,778
[Overseas]	[9,923]	[30.1]	[12,768]	[34.7]	[2,845]