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July 31,2024

## Summary of Consolidated Financial Results for the Three Months Ended June 30,2024 (Under Japanese GAAP)

Company name: Fujibo Holdings, Inc.  
 Listing: Tokyo Stock Exchange  
 Securities code: 3104  
 URL: <https://www.fujibo.co.jp/>  
 Representative: Masahide Inoue, Representative Director and President  
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 Scheduled date to commence dividend payments: -  
 Preparation of supplementary material on financial results: None  
 Holding of financial results briefing: None

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

### 1. Consolidated financial results for the three months ended June 30,2024 (from April 1,2024 to June 30,2024)

#### (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	%
Three months ended								
June 30,2024	10,381	22.0	1,546	244.4	1,603	111.2	1,077	87.7
June 30,2023	8,511	(11.7)	449	(73.0)	759	(55.8)	574	(51.1)

Note: Comprehensive income For the three months ended June 30,2024: ¥1,243 million [55.9%]  
 For the three months ended June 30,2023: ¥797 million [(41.1)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
June 30,2024	95.01	—
June 30,2023	50.06	—

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
June 30,2024	63,965	44,593	69.7
March 31,2024	62,512	43,973	70.3

Reference: Equity  
 As of June 30,2024: ¥44,592 million  
 As of March 31,2024: ¥43,973 million

## 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	—	55.00	—	55.00	110.00
Fiscal year ending March 31,2025	—				
Fiscal year ending March 31,2025 (Forecast)		60.00	—	60.00	120.00

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

## 3. Forecast of consolidated financial results for the 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
Six months ending September 30,2024	21,200	24.0	2,700	194.2	2,800	121.8	1,900	111.8	167.54
Fiscal year ending March 31,2025	42,700	18.3	5,400	91.6	5,600	70.9	3,800	79.5	335.03

Note: Revisions to the forecasts of financial results most recently announced: Yes

### \* Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

Note: For details, please refer to “2. Quarterly Consolidated Financial Statements and Principal Notes (3) Notes to Quarterly Consolidated Financial Statements” on page 8 of the Attachments.

- (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)

As of June 30,2024	11,720,000 shares
As of March 31,2024	11,720,000 shares

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

As of June 30,2024	381,275 shares
As of March 31,2024	381,226 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30,2024	11,338,761 shares
Three months ended June 30,2023	11,467,420 shares

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

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

The earnings forecasts and other forward-looking statements herein are based on information currently available and certain assumptions deemed reasonable by the Company, and actual results may differ significantly from these forecasts due to various factors.

Please refer to “1. Qualitative Information on Quarterly Financial Results (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 3 of the Attachments for cautionary notes regarding underlying assumptions for and the use of the forecasts of financial results.

## Table of Contents - Attachments

1. Qualitative Information on Quarterly Financial Results .....	2
(1) Explanation of Operating Results .....	2
(2) Explanation of Financial Position .....	3
(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information .....	3
2. Quarterly Consolidated Financial Statements and Principal Notes .....	4
(1) Quarterly Consolidated Balance Sheets .....	4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income .....	6
(3) Notes to Quarterly Consolidated Financial Statements .....	8
(Notes on going concern assumption) .....	8
(Notes in case of significant changes in shareholders' equity) .....	8
(Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements) .....	8
(Changes in accounting policies) .....	8
(Segment information, etc.) .....	9
(Notes on statements of cash flows) .....	10

## 1. Qualitative Information on Quarterly Financial Results

### (1) Explanation of Operating Results

For the three months ended June 30,2024, the Japanese economy followed a gradual recovery trend on the back of a recovery in personal consumption due to the normalization of social activities, an increase in inbound tourism demand, and other factors. Meanwhile, rising geopolitical risks, such as those presented by the prolonged situation in Ukraine and the situation in the Middle East, have caused resource prices to soar, driving increases in raw material prices, and this trend, together with the ongoing weakness in the yen resulting from the imbalance in interest rates between Japan and the U.S., have caused the prices of goods to rise. Due to factors such as these, the economic outlook remains uncertain.

In this economic environment, the Fujibo Group is implementing business portfolio reforms and reinforcing individual businesses, which are basic strategies of its Medium-term Management Plan, “Zokyo 21-25,” for the five-year period from 2021 to 2025. This fiscal year, within the last two years of the plan period, is positioned as the “non-consecutive growth” stage. During this period, in the Polishing Pad Business and Industrial Chemicals Business, we have dedicated our efforts to further strengthening our research and development capabilities and production capabilities and to expanding each of these businesses. In the Lifestyle Apparel Business, while product costs have increased due to soaring raw material and fuel prices and personnel expenses, along with the weak yen, we have striven to improve profitability by revising transaction prices and changing transaction terms and conditions.

As a result, for the three months ended June 30,2024, net sales amounted to ¥10,381 million, a year-on-year increase of ¥1,869 million (22.0%), operating profit amounted to ¥1,546 million, a year-on-year increase of ¥1,097 million (244.4%), and ordinary profit amounted to ¥1,603 million, a year-on-year increase of ¥844 million (111.2%). Adjusting results by adding or subtracting extraordinary income and losses, income taxes, etc., profit attributable to owners of parent amounted to ¥1,077 million, a year-on-year increase of ¥503 million (87.7%).

Results by segment are as described below.

#### 1) Polishing Pad Business

The global semiconductor market has been gradually recovering toward the first half of 2024, following the bottoming out in the first half of 2023. Against this backdrop, among our core products of polishing pads for ultra-precision work, orders for polishing pads for semiconductor devices (CMP) increased as demands increased for semiconductors for use in memory and state-of-the-art logic along with the rapid adoption of generative AI, as well as the raising of inventory levels among some users in conjunction with an increase in production. The issue of excess market inventory for silicon wafers is also gradually resolving, and business has been on a recovery trend. Demand for hard disks by data centers is also recovering. Meanwhile, due to the prolonged slump in the LCD panel market, orders for products for LCD glass were sluggish. Although a slowdown in the shift to electric vehicles (EVs) has led to a trend of inventory adjustments, orders for products for power semiconductor applications have remained strong due in part to orders from new customers.

As a result, net sales amounted to ¥4,619 million, a year-on-year increase of ¥1,830 million, and operating profit amounted to ¥1,147 million, a year-on-year increase of ¥1,053 million.

#### 2) Industrial Chemicals Business

Contract manufacturing of functional materials, pharmaceutical intermediates, agricultural chemical intermediates, etc., has shown signs of a gradual recovery of demand, including demand for electronic materials, due to inventory adjustments having been settled, despite the ongoing weakness of the Chinese economy which began last year. In addition, initiatives related to new products have been successful, and plant operation levels have improved year on year.

As a result, net sales amounted to ¥3,296 million, a year-on-year increase of ¥144 million, and operating profit amounted to ¥270 million, a year-on-year increase of ¥126 million.

### 3) Lifestyle Apparel Business

A difficult environment persisted for textile materials due to the weak yen, as well as surging logistics and raw material costs. With respect to textile products, prices continued to rise, causing effective wages to fall, and consumers continued to refrain from buying. In the area of e-commerce sales, we continued to reinforce our web marketing, including social media and search advertisements, expanded our lineup of exclusive e-commerce products, and sought to more effectively showcase our products. Meanwhile, the high quality of Japanese products gained recognition, and sales to overseas were strong. In terms of profit, prices of raw materials and supplies continued to soar due to the ongoing weakness in the yen, and the gross margin ratio fell.

As a result, net sales amounted to ¥1,796 million, a year-on-year increase of ¥52 million, while operating profit amounted to ¥184 million, a year-on-year decrease of ¥19 million.

### 4) Other

In our molded products division, both sales and profit declined for medical device parts due to delays in the establishment of increased production systems by users. In our molding division, although new orders for automotive molding rose year on year, the business situation remained harsh due to issues such as quality frauds by auto manufacturers. In addition, the business situation also remained extremely harsh for office equipment molding due to a changeover period in development projects and a decline in inquiries regarding hot runners for automobile connectors and smartphones. In the trading division, both sales and profit declined as a result of a rebound from the high pandemic demand and inventory adjustments.

As a result, net sales amounted to ¥667 million, a year-on-year decrease of ¥158 million, and operating profit amounted to a loss of ¥56 million, a year-on-year decrease of ¥63 million.

## (2) Explanation of Financial Position

### (Assets)

Total assets increased ¥1,452 million from the end of the previous fiscal year to ¥63,965 million.

Current assets increased ¥821 million to ¥24,511 million. This was mainly due to increases in cash and deposits, accounts receivables, and inventories.

Non-current assets increased ¥631 million to ¥39,454 million. This was mainly due to an increase in property, plant and equipment as a result of capital investments in the Polishing Pad Business.

### (Liabilities)

Total liabilities increased ¥832 million from the end of the previous fiscal year to ¥19,372 million.

Current liabilities increased ¥725 million to ¥12,481 million, while non-current liabilities increased ¥107 million to ¥6,890 million. This was mainly due to an increase in other current liabilities, including accounts payables and notes payable - facilities.

### (Net assets)

Total net assets increased ¥619 million from the end of the previous fiscal year to ¥44,593 million. This was mainly due to an increase of ¥1,077 million as a result of posting profit attributable to owners of parent, despite a decrease of ¥623 million due to dividends of surplus.

## (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

Forecasts of the financial results for the six months ending September 30,2024, as well as for the fiscal year ending March 31,2025 have been revised from those announced on May 15,2024, in light of factors such as the results for the three months ended June 30,2024 and the future demand for semiconductors. The financial results forecast is based on information available at the present time. However, actual results may differ from forecast figures depending on various factors.

## 2. Quarterly Consolidated Financial Statements and Principal Notes

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31,2024	As of June 30,2024
<b>Assets</b>		
Current assets		
Cash and deposits	8,262	8,529
Notes and accounts receivable - trade	8,554	8,608
Electronically recorded monetary claims - operating	605	757
Merchandise and finished goods	1,071	1,203
Work in process	2,702	2,623
Raw materials and supplies	1,664	1,738
Other	837	1,057
Allowance for doubtful accounts	(7)	(7)
Total current assets	23,689	24,511
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,806	11,029
Machinery, equipment and vehicles, net	6,563	7,028
Land	13,858	13,862
Other, net	2,732	2,639
Total property, plant and equipment	33,962	34,559
Intangible assets		
Goodwill	1,002	967
Other	214	203
Total intangible assets	1,217	1,171
Investments and other assets	3,643	3,722
Total non-current assets	38,822	39,454
<b>Total assets</b>	<b>62,512</b>	<b>63,965</b>

(Millions of yen)

	As of March 31,2024	As of June 30,2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	4,156	4,182
Electronically recorded obligations - operating	1,095	1,339
Short-term borrowings	1,223	1,152
Income taxes payable	497	425
Provisions	734	397
Other	4,048	4,984
Total current liabilities	11,756	12,481
Non-current liabilities		
Long-term borrowings	210	210
Retirement benefit liability	4,170	4,139
Asset retirement obligations	500	503
Other	1,900	2,036
Total non-current liabilities	6,782	6,890
Total liabilities	18,539	19,372
<b>Net assets</b>		
Shareholders' equity		
Share capital	6,673	6,673
Capital surplus	2,213	2,213
Retained earnings	32,684	33,137
Treasury shares	(1,002)	(1,002)
Total shareholders' equity	40,569	41,023
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,204	1,311
Deferred gains or losses on hedges	(4)	3
Revaluation reserve for land	1,527	1,527
Foreign currency translation adjustment	742	793
Remeasurements of defined benefit plans	(67)	(65)
Total accumulated other comprehensive income	3,403	3,569
Non-controlling interests	0	0
Total net assets	43,973	44,593
<b>Total liabilities and net assets</b>	<b>62,512</b>	<b>63,965</b>



(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income  
Three Months Ended June 30

(Millions of yen)

	For the three months ended June 30,2023	For the three months ended June 30,2024
Net sales	8,511	10,381
Cost of sales	6,147	6,814
Gross profit	2,363	3,566
Selling, general and administrative expenses	1,914	2,020
Operating profit	449	1,546
Non-operating income		
Interest income	0	0
Dividend income	28	32
Rental income from non-current assets	82	74
Subsidy income	200	—
Other	54	7
Total non-operating income	366	114
Non-operating expenses		
Interest expenses	5	6
Rental expenses on non-current assets	21	15
Foreign exchange losses	12	18
Other	16	18
Total non-operating expenses	56	57
Ordinary profit	759	1,603
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	128	3
Total extraordinary income	128	3
Extraordinary losses		
Loss on disposal of non-current assets	20	24
Impairment losses	6	0
Other	0	—
Total extraordinary income	27	24
Profit before income taxes	859	1,582
Income taxes - current	145	374
Income taxes - deferred	139	130
Total income taxes	285	505
Profit	574	1,077
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	574	1,077

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended June 30

(Millions of yen)

	For the three months ended June 30,2023	For the three months ended June 30,2024
Profit	574	1,077
Other comprehensive income		
Valuation difference on available-for-sale securities	156	106
Deferred gains or losses on hedges	2	7
Foreign currency translation adjustment	65	50
Remeasurements of defined benefit plans, net of tax	(0)	1
Total other comprehensive income	223	166
Comprehensive income	797	1,243
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	797	1,243
Comprehensive income attributable to non-controlling interests	0	0

### (3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements)

Deferred accounting of cost differences

The cost differences arising from periodic repairs that are performed in a particular quarter are deferred because costs are planned on an annual basis and are expected to be eliminated by the end of the cost calculation period.

(Changes in accounting policies)

(Application of the "Accounting Standard for Current Income Taxes," etc.)

The Company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28,2022; hereinafter referred to as the "Revised Accounting Standard 2022"), etc. from the beginning of the first quarter of the fiscal year ending March 31,2025.

With regard to the amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income), the Company follows the transitional treatment prescribed in the proviso to Paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso to Paragraph 65-2 (2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28,2022; hereinafter referred to as the "Revised Implementation Guidance 2022"). This change in accounting policies has no impact on the quarterly consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gain or loss on sale of shares in subsidiaries resulting from transactions between consolidated companies is deferred for tax purposes, the Company has applied the Revised Implementation Guidance 2022 from the beginning of the first quarter of the fiscal year ending March 31,2025. This change in accounting policies was applied retrospectively, and the quarterly consolidated financial statements for the same period of the previous fiscal year and the consolidated financial statements for the previous fiscal year have accordingly been restated. This change in accounting policies has no impact on the quarterly consolidated financial statements for the same period of the previous fiscal year or the consolidated financial statements for the previous fiscal year.

(Segment information, etc.)

[Segment information]

I. For the three months ended June 30,2023 (from April 1,2023 to June 30,2023)

1. Information on net sales and income and information on breakdown of revenue by reportable segment

(Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Quarterly Consolidated Statements of Income (Note 3)
	Polishing Pad Business	Industrial Chemicals Business	Lifestyle Apparel Business	Total				
Net sales								
Revenue from contracts with customers	2,788	3,152	1,744	7,685	826	8,511	—	8,511
Other revenue	—	—	—	—	—	—	—	—
Net sales to outside customers	2,788	3,152	1,744	7,685	826	8,511	—	8,511
Inter-segment net sales or transfers	0	—	—	0	—	0	(0)	—
Total	2,789	3,152	1,744	7,685	826	8,511	(0)	8,511
Segment income	94	144	204	442	7	449	(0)	449

Notes: 1. The “Other” category represents business segments that are not included in the reportable segments. It includes the automotive-related business and the molded products business.

2. Segment income adjustments include inter-segment transaction eliminations.

3. Segment income is adjusted with operating profit in the Quarterly Consolidated Statements of Income.

2. Information on impairment losses on non-current assets and goodwill by reportable segment

(Significant impairment losses related to non-current assets)

Of the corporate assets that are not allocated to a specific reportable segment, the book value of non-current assets for which there were no usage plans by the companies that owned the assets and whose market value had declined were reduced to the recoverable amount. This reduced amount was recognized as an impairment loss.

The impairment losses for the three months ended June 30,2023 were ¥6 million.

II. For the three months ended June 30,2024 (from April 1,2024 to June 30,2024)

1. Information on net sales and income and information on breakdown of revenue by reportable segment

(Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Quarterly Consolidated Statements of Income (Note 3)
	Polishing Pad Business	Industrial Chemicals Business	Lifestyle Apparel Business	Total				
Net sales								
Revenue from contracts with customers	4,619	3,296	1,796	9,713	667	10,381	—	10,381
Other revenue	—	—	—	—	—	—	—	—
Net sales to outside customers	4,619	3,296	1,796	9,713	667	10,381	—	10,381
Inter-segment net sales or transfers	0	—	—	0	—	0	(0)	—
Total	4,620	3,296	1,796	9,713	667	10,381	(0)	10,381
Segment income	1,147	270	184	1,602	(56)	1,546	0	1,546

- Notes: 1. The “Other” category represents business segments that are not included in the reportable segments. It includes the automotive-related business and the molded products business.  
2. Segment income adjustments include inter-segment transaction eliminations.  
3. Segment income is adjusted with operating profit in the Quarterly Consolidated Statements of Income.

2. Information on impairment losses on non-current assets and goodwill by reportable segment

(Significant impairment losses related to non-current assets)

Of the corporate assets that are not allocated to a specific reportable segment, the book value of non-current assets for which there were no usage plans by the companies that owned the assets and whose market value had declined were reduced to the recoverable amount. This reduced amount was recognized as an impairment loss.

The impairment losses for the three months ended June 30,2024 were ¥0 million.

(Notes on statements of cash flows)

The Company has not prepared quarterly consolidated statements of cash flows for the three months ended June 30,2024. Depreciation (including amortization related to intangible assets other than goodwill) and amortization of goodwill for the three months ended June 30,2023 and 2024 were as follows:

(Millions of yen)

	For the three months ended June 30,2023	For the three months ended June 30,2024
Depreciation	784	772
Amortization of goodwill	35	35