

Consolidated Financial Results Highlights for the Second Quarter of the Fiscal Year ending March 31, 2023 [Japanese GAAP]



October 31, 2022

Company Name: HARIMA CHEMICALS GROUP, INC.
 Code Number: 4410
 (URL www.harima.co.jp)
 Stock Exchange Listing: Tokyo Stock Exchange
 Representative: Yoshihiro Hasegawa, President
 Contact: Kiyotaka Uetsuji, Managing Director, Accounting Section Director
 Phone: +81-6-6201-2461
 Scheduled submission date of the Quarterly Securities Report: November 7, 2022
 Scheduled date to commence dividend payments: December 5, 2022
 Availability of supplementary briefing material on quarterly results: Available
 Schedule of quarterly results briefing session: Not scheduled

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Second Quarter of the Year Ending March 31, 2023 (From April 1, 2022 to September 30, 2022)

(1) Consolidated Results of Operations (Cumulative) (% indicates changes from the same period of the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to Harima Chemicals Group, INC.	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Second Quarter ended September 30, 2022	46,897	29.0	2,199	12.9	2,796	37.6	1,491	19.1
September 30, 2021	36,343	20.7	1,948	446.7	2,031	—	1,253	265.0

(Note) Comprehensive income: Second quarter ended September 30, 2022: 4,660 million yen [63.3%]
 Second quarter ended September 30, 2021: 2,853 million yen [— %]

	Net income per share		Fully diluted net income per share	
	Yen	Yen	Yen	Yen
Second Quarter ended September 30, 2022	59.52	—	—	—
September 30, 2021	49.83	—	—	—

(Note) Ordinary income of Second quarter ended September 30, 2021: growth rate exceeded 1,000%, remarked as [— %]

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Second Quarter ended September 30, 2022	94,254	43,769	42.4
Fiscal year ended March 31, 2022	78,905	40,104	46.6

(Reference) Equity: The second quarter of Fiscal year ending March 31, 2023: 39,955 million yen,
 Fiscal year ended March 31, 2022: 36,741 million yen

2. Dividends

	Annual dividend				
	1Q	2Q	3Q	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	—	19.00	—	19.00	38.00
Fiscal year ending March 31, 2023	—	21.00	—	—	—
Fiscal year ending March 31, 2023 (Forecast)	—	—	—	21.00	42.00

(Note) Changes in forecasts of dividends from recently announced figures: None
 Details of 2Q dividends: Ordinary dividend 19.00 Yen Commemorative dividend 2.00 Yen Total dividend 21.00Yen
 Details of Year end (Forecast) dividends: Ordinary dividend 19.00 Yen Commemorative dividend 2.00 Yen Total dividend 21.00Yen

3. Forecast of Consolidated Financial Results for Fiscal Year Ending March 31, 2023(From April 1, 2022 to March 31, 2023)

(% indicates changes from the same period of the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to Harima Chemicals Group,INC.		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	99,000	30.1	2,700	(16.9)	3,400	(1.0)	2,500	43.2	100.99

(Note) Changes in forecasts of financial results from recently announced figures: None

4. Others

- (1) Significant changes of subsidiaries during period under review (affecting specific subsidiaries due to changes in scope of consolidation): None
Newly included: 0 (Company name:) Excluded: 0 (Company name:)
- (2) Application of special accounting method for the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates and corrections of errors
 - (1) Changes in accounting policies accompanying the revisions to items such as accounting standards: None
 - (2) Changes in accounting policies other than (1) above: None
 - (3) Changes in accounting estimates: None
 - (4) Corrections of errors: None
- (4) Number of shares issued (common stock)

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

2Q of fiscal year ending March 31, 2023	26,080,396 shares
Fiscal year ended March 31, 2022	26,080,396 shares

- (2) Total number of treasury stock at the end of the period

2Q of fiscal year ending March 31, 2023	1,325,414 shares
Fiscal year ended March 31, 2022	914,657 shares

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

2Q of fiscal year ending March 31, 2023	25,063,997 shares
2Q of fiscal year ended March 31, 2022	25,147,588 shares

This summary of consolidated financial results is not subject to audit procedure.

* Explanation for the appropriate use of performance forecasts and other special notes:

The performance forecasts and other forward-looking statements herein are based on information currently available to the Company and certain preconditions which the Company believes to be reasonable. Actual results may differ significantly from these forecasts due to a wide range of factors.

Segment Information

I. Six months ended September 30, 2021 (April 1, 2021 to September 30, 2021)

Information regarding net sales and income or loss by reporting segment

(Thousands of yen)

	Reporting segment				
	Resin & Tall Oil Products	Paper Chemicals	Electronics Materials	Lawter	Subtotal
Net sales					
Net sales to external customers	8,475,681	10,153,924	3,219,373	13,882,832	35,731,810
Intersegment sales or transfers	141,698	27,044	—	308,173	476,917
Total	8,617,379	10,180,968	3,219,373	14,191,006	36,208,728
Segment income(loss)	(4,631)	976,391	384,243	1,212,086	2,568,089

	Others (Note 1)	Total	Adjustment (Note 2)	Amount in consolidated statement of income (Note 3)
Net sales				
Net sales to external customers	749,235	36,481,046	(137,789)	36,343,257
Intersegment sales or transfers	89,470	566,387	(566,387)	—
Total	838,705	37,047,433	(704,176)	36,343,257
Segment income(loss)	(7,651)	2,560,438	(612,366)	1,948,071

II. Six months ended September 30, 2022 (April 1, 2022 to September 30, 2022)

Information regarding net sales and income or loss by reporting segment

(Thousands of yen)

	Reporting segment				
	Resin & Tall Oil Products	Paper Chemicals	Electronics Materials	Lawter	Subtotal
Net sales					
Net sales to external customers	9,343,200	12,170,661	3,780,598	20,463,667	45,758,127
Intersegment sales or transfers	134,384	122,141	—	712,379	968,906
Total	9,477,585	12,292,802	3,780,598	21,176,046	46,727,033
Segment income(loss)	(111,974)	856,908	159,873	1,616,555	2,521,362

	Others (Note 1)	Total	Adjustment (Note 2)	Amount in consolidated statement of income (Note 3)
Net sales				
Net sales to external customers	1,065,883	46,824,010	73,866	46,897,877
Intersegment sales or transfers	89,061	1,057,968	(1,057,968)	—
Total	1,154,945	47,881,979	(984,101)	46,897,877
Segment income(loss)	(22,714)	2,498,647	(299,248)	2,199,399

- (Notes) 1. The “Others” segment includes businesses not included in the reporting segments and mainly includes “Real estate management.”
2. The adjustment amount of segment income (loss) includes adjustments for inventories.
 3. Segment income (loss) is adjusted to reflect operating income as recorded in the quarterly consolidated statement of income.