

Consolidated Financial Results Highlights for the Third Quarter of the Fiscal Year ending March 31, 2023

[Japanese GAAP]



January 31, 2023

Company Name: HARIMA CHEMICALS GROUP, INC.
 Code Number: 4410
 (URL: www.harima.co.jp)
 Stock Exchange Listing: Tokyo Stock Exchange
 Representative: Yoshihiro Hasegawa, President
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 Scheduled submission date of the Quarterly Securities Report: February 7, 2023
 Scheduled date to commence dividend payments: —
 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 Third Quarter of the Year Ending March 31, 2023 (From April 1, 2022 to December 31, 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	%
Third Quarter ended December 31, 2022	71,820	28.1	2,477	(17.2)	3,413	6.5	1,984	(0.0)
December 31, 2021	56,045	21.9	2,990	210.4	3,205	402.1	1,984	164.8

(Note) Comprehensive income: Third quarter ended December 31, 2022: 5,229million yen (46.1%)
 Third quarter ended December 31, 2021: 3,579million yen (—)

	Net income per share	Fully diluted net income per share
	Yen	Yen
Third Quarter ended December 31, 2022	79.67	—
December 31, 2021	78.91	—

(Note) Comprehensive income of Third quarter ended December 31, 2021: growth rate exceeds 1,000%, remarked as (—%)

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Third Quarter ended December 31, 2022	94,415	43,556	42.0
Fiscal year ended March 31, 2022	78,905	40,104	46.6

(Reference) Equity: The third quarter of Fiscal year ending March 31, 2023: 39,623million yen,
 Fiscal year ended March 31, 2022: 36,741million 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 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	102.15

(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)

3Q 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

3Q of fiscal year ending March 31, 2023	1,607,114 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)

3Q of fiscal year ending March 31, 2023	24,913,282 shares
3Q of fiscal year ended March 31, 2022	25,153,048 shares

* This summary of consolidated financial results is not subject to the quarterly review procedures provided for by the Japanese Financial Instruments and Exchange Law.

* 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. Nine months ended December 31, 2021 (April 1, 2021 to December 31, 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	12,995,804	15,546,700	4,762,500	21,600,859	54,905,864
Intersegment sales or transfers	198,521	79,033	—	467,856	745,411
Total	13,194,325	15,625,733	4,762,500	22,068,716	55,651,276
Segment income	151,002	1,352,966	499,290	1,739,518	3,742,779

	Others (Note 1)	Total	Adjustment (Note 2)	Amount in consolidated statement of income (Note 3)
Net sales				
Net sales to external customers	1,175,032	56,080,897	(35,257)	56,045,639
Intersegment sales or transfers	136,477	881,888	(881,888)	—
Total	1,311,509	56,962,786	(917,146)	56,045,639
Segment income	7,447	3,750,226	(759,799)	2,990,426

II. Nine months ended December 31, 2022 (April 1, 2022 to December 31, 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	14,291,077	18,940,564	6,616,194	30,368,793	70,216,629
Intersegment sales or transfers	210,407	136,292	—	1,032,036	1,378,736
Total	14,501,485	19,076,856	6,616,194	31,400,829	71,595,365
Segment income(loss)	34,140	1,311,272	202,913	1,714,607	3,262,933

	Others (Note 1)	Total	Adjustment (Note 2)	Amount in consolidated statement of income (Note 3)
Net sales				
Net sales to external customers	1,749,882	71,966,511	(146,220)	71,820,291
Intersegment sales or transfers	134,169	1,512,906	(1,512,906)	—
Total	1,884,051	73,479,417	(1,659,126)	71,820,291
Segment income(loss)	(3,073)	3,259,860	(782,803)	2,477,056

- (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.