

Consolidated Financial Results Highlights for the Fiscal Year Ended March 31, 2023

[Japanese GAAP]



April 28, 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
 Contact: Kiyotaka Uetsuji, Managing Director, Accounting Section Director
 Phone: +81-6-6201-2461
 Scheduled date of Ordinary General Shareholders' Meeting: June 23, 2023
 Scheduled submission date of Securities Report: June 26, 2023
 Scheduled date to commence dividend payments: June 26, 2023
 Availability of supplementary briefing material on Financial Results: Available
 Schedule of Financial Results briefing session: Not scheduled

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 2023 (From April 1, 2022 to March 31, 2023)

(1) Consolidated Results of Operations (% 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	%
FY Ended March 31, 2023	94,510	24.2	1,706	(47.5)	2,541	(26.0)	885	(49.3)
FY Ended March 31, 2022	76,093	21.1	3,250	106.2	3,433	214.0	1,746	60.0

(Note) Comprehensive income: FY Ended March 31, 2023: 2,758million yen [(27.5 %)], FY Ended March 31, 2022: 3,805million yen [378.9%]

	Net income per share	Fully diluted net income per share	Return on equity	Return on assets	Operating profit on sales
	Yen	Yen	%	%	%
FY Ended March 31, 2023	35.76	—	2.4	3.0	1.8
FY Ended March 31, 2022	69.42	—	4.9	4.6	4.3

(Reference) Equity in net income (loss) of affiliated companies: FY Ended March 31, 2023: 1,042 million yen,
 FY Ended March 31, 2022: 292 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
At March 31, 2023	92,439	40,820	40.1	1,533.01
At March 31, 2022	78,905	40,104	46.6	1,459.97

(Reference) Equity: FY Ended March 31, 2023: 37,102million yen, FY Ended March 31, 2022: 36,741million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at Year end
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY Ended March 31, 2023	(466)	(6,649)	7,657	6,218
FY Ended March 31, 2022	2,833	(3,438)	2,106	5,338

2. Dividends

	Annual dividend					Dividend	Dividend payout ratio	Dividend on equity ratio
	1Q	2Q	3Q	Year end	Total	(Total)	(Consolidated)	(Consolidated)
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY Ended March 31, 2022	—	19.00	—	19.00	38.00	956	54.7	2.7
FY Ended March 31, 2023	—	21.00	—	21.00	42.00	1,028	117.5	2.8
FY Ending March 31, 2024(Forecast)	—	21.00	—	21.00	42.00		59.8	

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 the Fiscal Year Ending March 31, 2024 (From April 1, 2023 to March 31, 2024)

(% 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
2Q(cumulative)	51,900	10.7	750	(65.9)	950	(66.0)	650	(56.4)	26.86
Full year	105,500	11.6	2,000	17.2	2,400	(5.6)	1,700	91.9	70.24

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) Changes in accounting policies, changes in accounting estimates and corrections of errors
 - (i) Changes in accounting policies accompanying the revisions to items such as accounting standards: Yes
 - (ii) Changes in accounting policies other than (i) above: None
 - (iii) Changes in accounting estimates: None
 - (iv) Corrections of errors: None
- (3) Number of shares issued (common stock)

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

Fiscal Year Ended March 31, 2023	26,080,396 shares
Fiscal Year Ended March 31, 2022	26,080,396 shares

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

Fiscal Year Ended March 31, 2023	1,878,064 shares
Fiscal Year Ended March 31, 2022	914,657 shares

- (iii) Average number of shares during the period

Fiscal Year Ended March 31, 2023	24,769,475 shares
Fiscal Year Ended March 31, 2022	25,155,981 shares

(Reference) Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

(1) Non-consolidated Results of Operations

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

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY Ended March 31, 2023	2,811	43.3	366	—	460	—	52	—
FY Ended March 31, 2022	1,961	(17.2)	(184)	—	(221)	—	(81)	—

	Net income per share		Fully diluted net income per share	
	Yen	Yen	Yen	Yen
FY Ended March 31, 2023	2.11	—	—	—
FY Ended March 31, 2022	(3.23)	—	—	—

(2) Non-consolidated Financial Position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	%	Yen	Yen	
At March 31, 2023	41,861	22,762	22,762	22,762	54.4	940.49	940.49	
At March 31, 2022	36,450	24,749	24,749	24,749	67.9	983.46	983.46	

(Reference) Equity: FY Ended March 31, 2023: 22,762million yen, FY Ended March 31, 2022: 24,749million yen

* 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

Information regarding net sales and income or loss by reporting segment

I. For the previous fiscal year (April 1, 2021 to March 31, 2022)

(Thousands of yen)

	Reporting segment				
	Resin & Tall Oil Products	Paper Chemicals	Electronics Materials	Lawter	Subtotal
Net sales					
Net sales to external customers	17,566,058	21,174,052	6,304,064	29,518,728	74,562,904
Intersegment sales or transfers	251,546	156,633	—	646,215	1,054,394
Total	17,817,604	21,330,685	6,304,064	30,164,944	75,617,299
Segment income (loss)	90,983	1,650,790	658,186	1,721,511	4,121,472
Depreciation	646,841	669,921	133,366	573,094	2,023,224
Interest income and interest expenses	(1,276)	22,220	135	(178,270)	(157,190)
Equity in income of affiliated companies	—	—	—	277,696	277,696

	Others (Note 1)	Total	Adjustment (Note 2)	Amount in consolidated statement of income (Note 3)
Net sales				
Net sales to external customers	1,524,527	76,087,431	5,629	76,093,061
Intersegment sales or transfers	202,593	1,256,988	(1,256,988)	—
Total	1,727,120	77,344,419	(1,251,358)	76,093,061
Segment income (loss)	(11,852)	4,109,619	(858,723)	3,250,896
Depreciation	151,924	2,175,149	—	2,175,149
Interest income and interest expenses	(680)	(157,871)	(75,026)	(232,897)
Equity in income of affiliated companies	—	277,696	14,579	292,276

(Notes) 1. “Others” division is business segment not attributable to reportable segment and includes mainly real estate management, etc.

2. The adjustment amount of segment income (loss) includes the adjustment of inventories 15,695 thousand yen and company-wide expenses (882,322) thousand yen, etc. that are not attributable to reportable segment.

3. Segment income (loss) is adjusted to reflect operating income as recorded in the consolidated statement of income.

4. Assets are not allocated into reportable segments how to determine the allocation of management resources and how to assess performance of the Company.

II. For the current fiscal year (April 1, 2022 to March 31, 2023)

(Thousands of yen)

	Reporting segment				
	Resin & Tall Oil Products	Paper Chemicals	Electronics Materials	Lawter	Subtotal
Net sales					
Net sales to external customers	19,251,992	24,933,606	9,241,617	38,797,732	92,224,948
Intersegment sales or transfers	314,440	136,292	—	1,352,051	1,802,784
Total	19,566,433	25,069,898	9,241,617	40,149,784	94,027,733
Segment income (loss)	35,041	1,534,571	163,928	1,315,525	3,049,066
Depreciation	615,370	718,998	371,014	636,318	2,341,701
Interest income and interest expenses	(1,715)	29,047	(9,521)	(250,276)	(232,465)
Equity in income of affiliated companies	—	—	—	990,018	990,018

	Others (Note 1)	Total	Adjustment (Note 2)	Amount in consolidated statement of income (Note 3)
Net sales				
Net sales to external customers	2,559,476	94,784,425	(273,553)	94,510,872
Intersegment sales or transfers	182,248	1,985,033	(1,985,033)	—
Total	2,741,725	96,769,458	(2,258,586)	94,510,872
Segment income (loss)	(101,182)	2,947,884	(1,241,553)	1,706,330
Depreciation	127,383	2,469,084	—	2,469,084
Interest income and interest expenses	173	(232,292)	(98,293)	(330,586)
Equity in income of affiliated companies	—	990,018	52,438	1,042,456

(Notes) 1. “Others” division is business segment not attributable to reportable segment and includes mainly real estate management, etc.

2. The adjustment amount of segment income (loss) includes the adjustment of inventories (255,267) thousand yen and company-wide expenses (997,535) thousand yen, etc. that are not attributable to reportable segment.

3. Segment income (loss) is adjusted to reflect operating income as recorded in the consolidated statement of income.

4. Assets are not allocated into reportable segments how to determine the allocation of management resources and how to assess performance of the Company.