

Consolidated Financial Results Highlights
for the Third Quarter of the Fiscal Year ending March 31, 2019
[Japanese GAAP]



January 31, 2019

Company Name: HARIMA CHEMICALS GROUP, INC.
 Code Number: 4410
 (URL: <http://www.harima.co.jp/>)
 Stock Exchange Listing: Tokyo Stock Exchange
 Representative: Yoshihiro Hasegawa, President
 Contact: Teruo Kaneshiro, Senior Executive Managing Director
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 Scheduled submission date of the Quarterly Securities Report: February 7, 2019
 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, 2019 (From April 1, 2018 to December 31, 2018)

(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, 2018	59,486	9.9	3,818	23.9	4,002	28.4	3,688	71.3
December 31, 2017	54,121	0.8	3,082	1.7	3,115	12.5	2,153	13.8

(Note) Comprehensive income: Third quarter ended December 31, 2018: 2,738million yen [(1.6%)],
 Third quarter ended December 31, 2017: 2,784million yen [316.3%]

	Net income per share	Fully diluted net income per share
	Yen	Yen
Third Quarter ended December 31, 2018	141.72	—
December 31, 2017	82.99	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Third Quarter ended December 31, 2018	70,979	37,904	50.0
Fiscal year ended March 31, 2018	69,637	36,097	48.4

(Reference) Equity: The third quarter of Fiscal year ended March 31, 2019: 35,499million yen,
 Fiscal year ended March 31, 2018: 33,723million yen

2. Dividends

	Annual dividend				
	1Q	2Q	3Q	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2018	—	11.00	—	12.00	23.00
Fiscal year ending March 31, 2019	—	17.00	—		
Fiscal year ending March 31, 2019 (Forecast)				17.00	34.00

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

3. Forecast of Consolidated Financial Results for Fiscal Year Ending March 31, 2019 (From April 1, 2018 to March 31, 2019)

(% 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	80,000	9.1	4,500	12.2	4,500	12.3	3,700	35.7	142.17

(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, 2019	26,080,396 shares
Fiscal year ended March 31, 2018	26,080,396 shares

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

3Q of fiscal year ending March 31, 2019	56,406 shares
Fiscal year ended March 31, 2018	55,330 shares

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

3Q of fiscal year ending March 31, 2019	26,024,595 shares
3Q of fiscal year ending March 31, 2018	25,948,274 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, 2017 (April 1, 2017 to December 31, 2017)

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	14,340,665	12,472,455	4,234,109	21,846,602	52,893,832
Intersegment sales or transfers	170,615	117,302	—	113,723	401,641
Total	14,511,280	12,589,758	4,234,109	21,960,325	53,295,473
Segment income	868,214	1,083,640	294,152	1,012,038	3,258,046

	Others (Note 1)	Total	Adjustment (Note 2)	Amount in consolidated statement of income (Note 3)
Net sales				
Net sales to external customers	1,251,236	54,145,069	(23,888)	54,121,181
Intersegment sales or transfers	104,424	506,065	(506,065)	—
Total	1,355,661	54,651,135	(529,954)	54,121,181
Segment income	3,016	3,261,062	(178,311)	3,082,750

II. Nine months ended December 31, 2018 (April 1, 2018 to December 31, 2018)

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	15,413,590	14,911,842	4,358,908	23,538,959	58,223,300
Intersegment sales or transfers	160,130	92,510	—	122,076	374,716
Total	15,573,720	15,004,352	4,358,908	23,661,035	58,598,016
Segment income(loss)	1,066,788	1,378,291	359,867	1,204,746	4,009,693

	Others (Note 1)	Total	Adjustment (Note 2)	Amount in consolidated statement of income (Note 3)
Net sales				
Net sales to external customers	1,215,653	59,438,954	47,144	59,486,099
Intersegment sales or transfers	88,191	462,907	(462,907)	—
Total	1,303,845	59,901,862	(415,762)	59,486,099
Segment income(loss)	(34,064)	3,975,628	(157,592)	3,818,036

(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.