

Consolidated Financial Results Highlights for the First Quarter of the Fiscal Year ending March 31, 2021 [Japanese GAAP]



July 31, 2020

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: August 7, 2020
 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 First Quarter of the Year Ending March 31, 2021 (From April 1, 2020 to June 30, 2020)

(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	%
First Quarter ended June 30, 2020	15,804	(13.0)	142	(87.0)	269	(76.5)	353	(58.8)
June 30, 2019	18,175	(6.5)	1,096	8.8	1,145	18.7	858	(49.2)

(Note) Comprehensive income: First quarter ended June 30, 2020: (570)million yen (—%),
 First quarter ended June 30, 2019: 967million yen (12.9%)

	Net income per share	Fully diluted net income per share
	Yen	Yen
First Quarter ended June 30, 2020	14.09	—
June 30, 2019	33.63	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
First Quarter ended June 30, 2020	70,523	36,532	48.4
Fiscal year ended March 31, 2020	71,395	37,745	49.2

(Reference) Equity: The first quarter of Fiscal year ended March 31, 2021: 34,127 million yen,
 Fiscal year ended March 31, 2020: 35,134 million yen

2. Dividends

	Annual dividend				
	1Q	2Q	3Q	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2020	—	19.00	—	19.00	38.00
Fiscal year ending March 31, 2021	—				
Fiscal year ending March 31, 2021(Forecast)		19.00	—	19.00	38.00

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

3. Forecast of Consolidated Financial Results for Fiscal Year Ending March 31, 2021 (From April 1, 2020 to March 31, 2021)

(% 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)	34,500	(6.7)	650	(71.0)	650	(71.7)	450	(71.0)	17.92
Full year	73,000	1.7	1,900	(49.4)	1,900	(47.1)	1,350	(39.1)	53.77

(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)

1Q of fiscal year ending March 31, 2021	26,080,396 shares
Fiscal year ended March 31, 2020	26,080,396 shares

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

1Q of fiscal year ending March 31, 2021	974,712 shares
Fiscal year ended March 31, 2020	974,643 shares

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

1Q of fiscal year ending March 31, 2021	25,105,711 shares
1Q of fiscal year ended March 31, 2020	25,531,463 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. Three months ended June 30, 2019 (April 1, 2019 to June 30, 2019)

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	4,807,224	4,555,336	1,312,928	7,021,356	17,696,845
Intersegment sales or transfers	55,875	26,896	—	14,303	97,075
Total	4,863,100	4,582,233	1,312,928	7,035,659	17,793,921
Segment income	197,719	421,164	32,017	512,469	1,163,371

	Others (Note 1)	Total	Adjustment (Note 2)	Amount in consolidated statement of income (Note 3)
Net sales				
Net sales to external customers	448,255	18,145,101	30,630	18,175,732
Intersegment sales or transfers	28,829	125,905	(125,905)	—
Total	477,085	18,271,007	(95,275)	18,175,732
Segment income	10,846	1,174,217	(77,262)	1,096,954

II. Three months ended June 30, 2020 (April 1, 2020 to June 30, 2020)

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	3,669,277	4,289,104	999,057	6,427,522	15,384,961
Intersegment sales or transfers	48,429	47,322	—	101,280	197,032
Total	3,717,706	4,336,426	999,057	6,528,803	15,581,994
Segment income(loss)	(268,526)	355,954	(25,381)	145,639	207,684

	Others (Note 1)	Total	Adjustment (Note 2)	Amount in consolidated statement of income (Note 3)
Net sales				
Net sales to external customers	388,365	15,773,327	31,399	15,804,726
Intersegment sales or transfers	42,759	239,792	(239,792)	—
Total	431,125	16,013,119	(208,393)	15,804,726
Segment income(loss)	15,750	223,434	(80,832)	142,602

- (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.