

Consolidated Financial Results Highlights for the Fiscal Year Ended March 31, 2021

[Japanese GAAP]



April 30, 2021

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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 Phone: +81-6-6201-2461
 Scheduled date of Ordinary General Shareholders' Meeting: June 23, 2021
 Scheduled submission date of Securities Report: June 24, 2021
 Scheduled date to commence dividend payments: June 24, 2021
 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 2021 (From April 1, 2020 to March 31, 2021)

(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, 2021	62,850	(12.5)	1,576	(58.0)	1,093	(69.5)	1,091	(50.8)
FY Ended March 31, 2020	71,799	(8.6)	3,752	(19.6)	3,589	(25.5)	2,217	(46.3)

(Note) Comprehensive income: FY Ended March 31, 2021: 794million yen [(53.1%)], FY Ended March 31, 2020: 1,693million yen [(44.3%)]

	Net income per share		Fully diluted net income per share		Return on equity	Return on assets	Operating profit on sales
	Yen	Yen	Yen	Yen	%	%	%
FY Ended March 31, 2021	43.44	—	—	—	3.1	1.6	2.5
FY Ended March 31, 2020	87.67	—	—	—	6.3	5.0	5.2

(Reference) Equity in net income of affiliated companies: FY Ended March 31, 2021: (110) million yen, FY Ended March 31, 2020: (40) 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, 2021	69,390	37,441	49.8	1,375.27
At March 31, 2020	71,395	37,745	49.2	1,399.48

(Reference) Equity: FY Ended March 31, 2021: 34,565 million yen, FY Ended March 31, 2020: 35,134 million 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, 2021	3,007	(1,858)	(1,564)	3,421
FY Ended March 31, 2020	6,186	(3,463)	(2,045)	3,911

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, 2020	—	19.00	—	19.00	38.00	956	43.3	2.7
FY Ended March 31, 2021	—	19.00	—	19.00	38.00	955	87.5	2.7
FY Ending March 31, 2022(Forecast)	—	19.00	—	19.00	38.00		76.4	

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2022 (From April 1, 2021 to March 31, 2022)

(% 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)	33,400	10.9	880	147.0	880	459.5	450	31.1	17.90
Full year	68,500	9.0	2,500	58.5	2,500	128.6	1,250	14.5	49.73

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: None
 - (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, 2021	26,080,396 shares
Fiscal Year Ended March 31, 2020	26,080,396 shares

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

Fiscal Year Ended March 31, 2021	946,459 shares
Fiscal Year Ended March 31, 2020	974,643 shares

- (iii) Average number of shares during the period

Fiscal Year Ended March 31, 2021	25,125,257 shares
Fiscal Year Ended March 31, 2020	25,294,471 shares

(Reference) Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

(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, 2021	2,369	(19.1)	274	(66.2)	368	(59.1)	1,744	77.1
FY Ended March 31, 2020	2,930	(4.4)	811	(9.8)	900	(9.0)	984	159.7

	Net income per share		Fully diluted net income per share	
	Yen	Yen	Yen	Yen
FY Ended March 31, 2021	69.42	—	—	—
FY Ended March 31, 2020	38.93	—	—	—

(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, 2021	34,285	25,859	25,859	25,555	75.4	1,028.86	1,017.93	
At March 31, 2020	35,257	25,555	25,555		72.5			

(Reference) Equity: FY Ended March 31, 2021: 25,859 million yen, FY Ended March 31, 2020: 25,555 million 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, 2019 to March 31, 2020)

(Thousands of yen)

	Reporting segment				
	Resin & Tall Oil Products	Paper Chemicals	Electronics Materials	Lawter	Subtotal
Net sales					
Net sales to external customers	18,188,348	18,928,383	5,297,842	27,655,267	70,069,843
Intersegment sales or transfers	209,312	47,374	—	38,185	294,872
Total	18,397,661	18,975,758	5,297,842	27,693,453	70,364,715
Segment income	419,073	1,838,722	157,554	1,654,694	4,070,045
Depreciation	765,988	745,405	163,522	451,403	2,126,320
Interest income and interest expenses	(5,301)	(6,134)	(813)	(155,506)	(167,756)
Equity in income of affiliated companies	—	—	—	(50,741)	(50,741)

	Others (Note 1)	Total	Adjustment (Note 2)	Amount in consolidated statement of income (Note 3)
Net sales				
Net sales to external customers	1,726,122	71,795,965	3,129	71,799,094
Intersegment sales or transfers	181,147	476,020	(476,020)	—
Total	1,907,269	72,271,985	(472,890)	71,799,094
Segment income	140,461	4,210,506	(457,673)	3,752,833
Depreciation	132,140	2,258,460	—	2,258,460
Interest income and interest expenses	(3,701)	(171,457)	(68,655)	(240,112)
Equity in income of affiliated companies	—	(50,741)	10,570	(40,170)

(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 includes the adjustment of inventories 103,957 thousand yen and company-wide expenses (579,229) thousand yen, etc. that are not attributable to reportable segment.

3. Segment income 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, 2020 to March 31, 2021)

(Thousands of yen)

	Reporting segment				
	Resin & Tall Oil Products	Paper Chemicals	Electronics Materials	Lawter	Subtotal
Net sales					
Net sales to external customers	14,783,648	18,481,288	5,005,477	23,068,621	61,339,036
Intersegment sales or transfers	227,729	3,447	—	401,403	632,580
Total	15,011,378	18,484,736	5,005,477	23,470,025	61,971,616
Segment income (loss)	(490,595)	1,987,791	272,216	386,134	2,155,547
Depreciation	781,070	738,187	157,426	534,430	2,211,115
Interest income and interest expenses	(3,301)	10,641	(200)	(169,228)	(162,088)
Equity in income(loss) of affiliated companies	—	—	—	(158,362)	(158,362)

	Others (Note 1)	Total	Adjustment (Note 2)	Amount in consolidated statement of income (Note 3)
Net sales				
Net sales to external customers	1,525,429	62,864,465	(13,651)	62,850,813
Intersegment sales or transfers	156,223	788,803	(788,803)	—
Total	1,681,652	63,653,269	(802,455)	62,850,813
Segment income (loss)	26,078	2,181,626	(604,771)	1,576,854
Depreciation	142,152	2,353,268	—	2,353,268
Interest income and interest expenses	(6,206)	(168,294)	(68,975)	(237,269)
Equity in income(loss) of affiliated companies	—	(158,362)	48,209	(110,152)

- (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 112,922 thousand yen and company-wide expenses (732,459) thousand yen, etc. that are not attributable to reportable segment.
3. Segment income 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.