

# Consolidated Financial Results Highlights for the Fiscal Year Ended March 31, 2020

## [Japanese GAAP]



May 1, 2020

Company Name: HARIMA CHEMICALS GROUP, INC.  
 Code Number: 4410  
 (URL: [www.harima.co.jp](http://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 24, 2020  
 Scheduled submission date of Securities Report: June 25, 2020  
 Scheduled date to commence dividend payments: June 25, 2020  
 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 2020 (From April 1, 2019 to March 31, 2020)

(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, 2020	71,799	(8.6)	3,752	(19.6)	3,589	(25.5)	2,217	(46.3)
FY Ended March 31, 2019	78,589	7.2	4,667	16.4	4,818	20.2	4,131	51.6

(Note) Comprehensive income: FY Ended March 31, 2020: 1,693million yen [(44.3%)], FY Ended March 31, 2019: 3,043million yen [7.0%]

	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, 2020	87.67	-	6.3	5.0	5.2
FY Ended March 31, 2019	159.02	-	12.0	6.8	5.9

(Reference) Equity in net income of affiliated companies FY Ended March 31, 2020: (40) million yen,  
 FY Ended March 31, 2019: (12) 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, 2020	71,395	37,745	49.2	1,399.48
At March 31, 2019	72,870	37,811	48.5	1,378.35

(Reference) Equity: FY Ended March 31, 2020: 35,134 million yen, FY Ended March 31, 2019: 35,356 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, 2020	6,186	(3,463)	(2,045)	3,911
FY Ended March 31, 2019	4,179	(5,035)	580	3,289

## 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, 2019	-	17.00	-	19.00	36.00	929	22.6	2.7
FY Ended March 31, 2020	-	19.00	-	19.00	38.00	956	43.3	2.7
FY Ending March 31, 2021(Forecast)	-	19.00	-	19.00	38.00		70.7	

## 3. Forecast of Consolidated Financial Results for the 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

## 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, 2020	26,080,396 shares
Fiscal Year Ended March 31, 2019	26,080,396 shares

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

Fiscal Year Ended March 31, 2020	974,643 shares
Fiscal Year Ended March 31, 2019	428,851 shares

- (iii) Average number of shares during the period

Fiscal Year Ended March 31, 2020	25,294,471 shares
Fiscal Year Ended March 31, 2019	25,979,564 shares

(Reference) Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

(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, 2020	2,930	(4.4)	811	(9.8)	900	(9.0)	984	159.7
FY Ended March 31, 2019	3,064	0.8	899	1.9	990	(15.1)	379	(78.7)

	Net income per share		Fully diluted net income per share	
	Yen	Yen	Yen	Yen
FY Ended March 31, 2020	38.93	-	-	-
FY Ended March 31, 2019	14.60	-	-	-

(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, 2020	35,257	25,555	25,555	25,555	72.5	1,017.93	1,017.93	
At March 31, 2019	34,603	26,508	26,508	26,508	76.6	1,033.41	1,033.41	

(Reference) Equity: FY Ended March 31, 2020: 25,555 million yen, FY Ended March 31, 2019: 26,508 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, 2018 to March 31, 2019)

(Thousands of yen)

	Reporting segment				
	Resin & Tall Oil Products	Paper Chemicals	Electronics Materials	Lawter	Subtotal
Net sales					
Net sales to external customers	20,309,261	19,949,678	5,737,474	30,979,763	76,976,177
Intersegment sales or transfers	209,717	119,769	-	148,404	477,891
Total	20,518,978	20,069,447	5,737,474	31,128,168	77,454,069
Segment income(loss)	1,375,522	1,881,802	421,391	1,502,683	5,181,399
Depreciation	675,685	665,862	146,680	428,078	1,916,306
Interest income and interest expenses	(8,797)	(6,197)	(1,059)	(141,797)	(157,852)
Equity in income of affiliated companies	-	-	-	(32,438)	(32,438)

	Others (Note 1)	Total	Adjustment (Note 2)	Amount in consolidated statement of income (Note 3)
Net sales				
Net sales to external customers	1,580,174	78,556,352	32,732	78,589,084
Intersegment sales or transfers	117,684	595,576	(595,576)	-
Total	1,697,859	79,151,928	(562,843)	78,589,084
Segment income (loss)	(48,997)	5,132,402	(465,085)	4,667,316
Depreciation	114,771	2,031,077	-	2,031,077
Interest income and interest expenses	(3,856)	(161,708)	(66,670)	(228,378)
Equity in income of affiliated companies	-	(32,438)	19,767	(12,671)

(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 90,886 thousand yen and company-wide expenses (620,401) 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, 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(loss) 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(loss) 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.