

Consolidated Financial Results Highlights for the Second Quarter of the Fiscal Year ending March 31, 2022 [Japanese GAAP]



October 29, 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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 Scheduled submission date of the Quarterly Securities Report: November 5, 2021
 Scheduled date to commence dividend payments: December 3, 2021
 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 Second Quarter of the Year Ending March 31, 2022 (From April 1, 2021 to September 30, 2021)

(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	%
Second Quarter ended September 30, 2021	36,343	20.7	1,948	446.7	2,031	—	1,253	265.0
September 30, 2020	30,105	(18.6)	356	(84.1)	157	(93.2)	343	(77.8)

(Note) Comprehensive income: Second quarter ended September 30, 2021: 2,853 million yen (—%)
 Second quarter ended September 30, 2020: (430) million yen (—%)

	Net income per share	Fully diluted net income per share
	Yen	Yen
Second Quarter ended September 30, 2021	49.83	—
September 30, 2020	13.67	—

(Note) Ordinary income of Second quarter ended September 30, 2021: growth rate exceeds 1,000%, remarked as (—%)

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Second Quarter ended September 30, 2021	73,839	39,648	49.5
Fiscal year ended March 31, 2021	69,390	37,441	49.8

(Reference) Equity: The second quarter of Fiscal year ended March 31, 2022: 36,586million yen,
 Fiscal year ended March 31, 2021: 34,565million yen

2. Dividends

	Annual dividend				
	1Q	2Q	3Q	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ending March 31, 2021	—	19.00	—	19.00	38.00
Fiscal year ending March 31, 2022	—	19.00	—	—	—
Fiscal year ending March 31, 2022 (Forecast)	—	—	—	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, 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
Full year	76,800	22.2	3,500	122.0	3,500	220.0	1,700	55.8	67.55

(Note) Changes in forecasts of financial results from recently announced figures: Yes

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: Yes
 - (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)

2Q of fiscal year ending March 31, 2022	26,080,396 shares
Fiscal year ended March 31, 2021	26,080,396 shares

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

2Q of fiscal year ending March 31, 2022	914,607 shares
Fiscal year ended March 31, 2021	946,459 shares

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

2Q of fiscal year ending March 31, 2022	25,147,588 shares
2Q of fiscal year ended March 31, 2021	25,117,817 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. Six months ended September 30, 2020 (April 1, 2020 to September 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	7,009,927	8,681,553	2,082,902	11,526,207	29,300,590
Intersegment sales or transfers	94,046	42,664	—	226,127	362,837
Total	7,103,973	8,724,217	2,082,902	11,752,335	29,663,428
Segment income(loss)	(358,644)	846,405	(37,986)	167,902	617,677

	Others (Note 1)	Total	Adjustment (Note 2)	Amount in consolidated statement of income (Note 3)
Net sales				
Net sales to external customers	775,577	30,076,168	29,479	30,105,647
Intersegment sales or transfers	78,840	441,678	(441,678)	—
Total	854,417	30,517,846	(412,198)	30,105,647
Segment income(loss)	15,207	632,884	(276,557)	356,327

II. Six months ended September 30, 2021 (April 1, 2021 to September 30, 2021)

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	8,475,681	10,153,924	3,219,373	13,882,832	35,731,810
Intersegment sales or transfers	141,698	27,044	—	308,173	476,917
Total	8,617,379	10,180,968	3,219,373	14,191,006	36,208,728
Segment income(loss)	(4,631)	976,391	384,243	1,212,086	2,568,089

	Others (Note 1)	Total	Adjustment (Note 2)	Amount in consolidated statement of income (Note 3)
Net sales				
Net sales to external customers	749,235	36,481,046	(137,789)	36,343,257
Intersegment sales or transfers	89,470	566,387	(566,387)	—
Total	838,705	37,047,433	(704,176)	36,343,257
Segment income(loss)	(7,651)	2,560,438	(612,366)	1,948,071

- (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.