

For Immediate Release

October 28, 2021

**Taoka Chemical Reports Consolidated Financial Results
For the Half-Year Ended September 30, 2021**

The Taoka Chemical Group's consolidated sales revenue for the half-year ended September 30, 2021 increased by ¥953 million compared with the same period of the previous fiscal year, to ¥16,855 million. The Group posted operating income of ¥1,829 million, ordinary income of ¥1,867 million and net income attributable to owners of the parent of ¥1,336 million.

The financial results of Taoka Chemical by business segment for the half-year period were as follows:

Chemicals Segment

Sales revenue of this segment was ¥16,566 million, a ¥922 million increase compared to the same period of the previous fiscal year.

Fine chemicals group

Though shipments of electronic materials increased, sales of monomers for optical resins and agrochemical intermediates decreased. As a result, the group sales revenue decreased by ¥598 million, to ¥9,996 million.

Functional chemicals group

Demand of adhesives and rubber additives recovered. As a result, the group sales revenue increased by ¥640 million to ¥1,964 million.

Specialty polymers and varnish group

Demand of paper chemicals recovered and demand of varnish steadily increased. As a result, the group sales revenue increased by ¥505 million, to ¥2,312 million.

Plasticizers group

Owing to recovery in demand, shipments of plasticizers increased. As a result, the group sales revenue increased by ¥375 million, to ¥2,292 million.

Others (Analytical Services)

While sales of analysis for industrial wastes decreased, sales of composition and structural analysis and asbestos analysis increased. As a result, the segment sales revenue increased by ¥31 million, to ¥289 million.

Reasons of the difference between the consolidated forecast for the half-year ended September 30, 2021 announced on May 12, 2021 and actual results announced today (April 1, 2021- September 30, 2021)

(Millions of yen, unless otherwise indicated)

	Sales revenue	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share (yen)
Previous forecast (A)	16,000	1,400	1,400	1,000	69.78
Revised forecast (B)	16,855	1,829	1,867	1,336	93.25
Variance in amount (B)-(A)	855	429	467	336	-
Variance in percentage (%)	5.3	30.7	33.4	33.6	-
FY2020 results for the same period	15,901	1,829	1,861	1,268	88.50

(Reasons for the Difference)

Sales revenue for the half-year ended September 30, 2021 outperformed the previously announced forecast, boosted by an increase in sales revenue of rubber additives, varnish, plasticizers and electric materials.

Operating income, ordinary income and net income attributable to owners of the parent exceeded those in the previous forecast due to our cost reduction efforts based on efficient production enabled by continuous operation during the second quarter and less loss on disposal of fixed assets.

The Group revised its consolidated financial forecast for FY2021.

Revised Consolidated Financial Forecast for the Year Ending March 31, 2022

(April 1, 2021 – March 31, 2022)

(Millions of yen, unless otherwise indicated)

	Sales revenue	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share (yen)
Previous forecast (A)	34,000	3,700	3,700	2,600	181.44
Revised forecast (B)	33,000	3,000	3,000	2,100	146.55
Variance in amount (B)-(A)	(1,000)	(700)	(700)	(500)	-
Variance in percentage (%)	(2.9)	(18.9)	(18.9)	(19.2)	-
FY2020 results for the same period	32,057	4,015	4,062	2,615	182.52

(Reasons for the Revision)

The Group forecasts an increase in sales revenue of rubber additives, varnish, plasticizers and electric materials but forecasts a decrease in sales revenue of monomers for optical resins due to the inventory adjustment of customers. As a result, the forecast of sales revenue of the Group is expected to fall below those in the previous forecast.

Operating income, ordinary income and net income attributable to owners of the parent are also expected to be less than those in the previous forecast due to a decrease in sales revenue and an increase in raw material prices.

Dividend

(Yen)

Annual dividend per share					
	1 st Quarter Jun. 2021	2 nd Quarter Sep. 2021	3 rd Quarter Dec. 2021	4 th Quarter Mar. 2022	Total
FY Ended Mar. 31, 2021 (Result)		¥70.00		¥90.00	¥160.00
FY Ending Mar. 31, 2022 (Result)					
FY Ending Mar. 31, 2022 (Forecast)		¥90.00		¥18.00	-

The Company resolved to conduct a share split at the meeting of the board of directors held on June 24, 2021. Effective on October 1, 2021, the Company split one ordinary share into five shares. Forecasts of dividend per share and net income per share, without factoring in the effects of the share split, are as follows.

(Yen)

	Dividend per share	Net income per share
2 nd Quarter Sep. 2021	¥90.00	¥466.25
4 th Quarter Mar. 2022	¥90.00	¥732.74

Summary of Consolidated Results

(1) Results of Operation

	6 Month ended September 30, 2021		6 Month ended September 30, 2020
	Yen (Millions)	USD (Thousands)	Yen (Millions)
Sales Revenue	16,855	150,600	15,901
Operating Income	1,829	16,349	1,829
Income before Taxes	1,863	16,648	1,781
Net Income	1,336	11,938	1,268
Net Income attributable to owners of the parent	1,336	11,938	1,268
Comprehensive Income	1,329	11,878	1,278
	Yen	USD	Yen
Net Income per share	93.25	0.83	88.5

(Note)

Effective on October 1, 2021, the Company split one ordinary share into five shares. However, net income per share have been calculated as though the share consolidation took place on April 1, 2020.

(2) Financial Position

	As of September 30, 2021		As of Mar. 31, 2021
	Yen (Millions)	USD (Thousands)	Yen (Millions)
Total Assets	28,279	252,673	27,958
Total Equity	16,309	145,724	15,237

(3) Results of Operation by Business Segment

Sales Revenue	6 Month ended September 30, 2021		6 Month ended September 30, 2020
	Yen (Millions)	USD (Thousands)	Yen (Millions)
Fine Chemicals	9,996	89,317	10,595
Functional Materials	1,964	17,555	1,324
Specialty Polymers & Varnish	2,312	20,662	1,807
Plasticizers	2,292	20,482	1,917
Chemicals Segment	16,566	148,017	15,644
Others	289	2,582	257
Total	16,855	150,600	15,901

(Note)

U.S.Dollar amounts are translated from yen for convenience only at the rate of ¥111.92= \$ 1 prevailing on September 30, 2021.