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October 27, 2022

Consolidated Financial Results for the Six Months Ended September 30, 2022 (Under Japanese GAAP)

Company name: Taoka Chemical Co., Ltd
 Listing: Tokyo Stock Exchange
 Securities code: 4113
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 Scheduled date to file quarterly securities report: November 10, 2022
 Scheduled date to commence dividend payments: December 2, 2022
 Preparation of supplementary material on quarterly financial results: None
 Holding of quarterly financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Sales revenue		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
September 30, 2022	15,264	(9.4)	249	(86.4)	279	(85.0)	191	(85.7)
September 30, 2021	16,855	6.0	1,829	0.0	1,867	0.3	1,336	5.4

Note: Comprehensive income For the six months ended September 30, 2022: ¥240 million [(81.9)%]

For the six months ended September 30, 2021: ¥1,329 million [4.0%]

	Net income per share	Diluted net income per share
Six months ended	Yen	Yen
September 30, 2022	13.35	—
September 30, 2021	93.25	—

Note: Effective on October 1, 2021, the Company split one common share into five shares. Net income per share was calculated under the assumption that this stock split was conducted at the beginning of the previous consolidated fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2022	32,641	16,732	51.3
March 31, 2022	32,417	16,749	51.7

Reference: Equity

As of September 30, 2022: ¥16,732 million

As of March 31, 2022: ¥16,749 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	—	90.00	—	18.00	—
Fiscal year ending March 31, 2023	—	18.00			
Fiscal year ending March 31, 2023 (Forecast)			—	9.00	27.00

Note: Revisions to the forecasts of cash dividends most recently announced: Yes

For details of the revisions to the dividend forecasts, please refer to “Differences between Financial Forecasts and Actual Results for Six Months Ended September 30, 2022, and Revisions to Full-Year Financial Forecasts and Year-End Dividend Forecasts,” disclosed on October 27, 2022.

Effective on October 1, 2021, the Company split one common share into five shares. The year-end dividend per share for the fiscal year ended March 31, 2022 is stated by taking into account the effect of the stock split, and the total annual dividend is stated as “—.” When the effect of the stock split is taken into account, the second quarter-end dividend per share and annual dividend per share for the fiscal year ended March 31, 2022 will be ¥18.00 and ¥36.00, respectively.

3. Consolidated financial forecasts for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes.)

	Sales revenue		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full year	31,000	(4.2)	500	(81.5)	500	(82.1)	300	(85.5)	20.94

Note: Revisions to the forecasts of consolidated financial results most recently announced: Yes

For details of the revisions to the consolidated financial forecasts, please refer to “Differences between Financial Forecasts and Actual Results for Six Months Ended September 30, 2022, and Revisions to Full-Year Financial Forecasts and Year-End Dividend Forecasts,” disclosed on October 27, 2022.

* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2022	14,440,000 shares
As of March 31, 2022	14,440,000 shares

- (ii) Number of treasury shares at the end of the period

As of September 30, 2022	111,140 shares
As of March 31, 2022	111,140 shares

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

Six months ended September 30, 2022	14,328,860 shares
Six months ended September 30, 2021	14,328,860 shares

Note: Effective on October 1, 2021, the Company split one common share into five shares. The above numbers of shares were calculated under the assumption that this stock split was conducted at the beginning of the previous consolidated fiscal year.

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters
(Caution regarding forward-looking statements and others)

The forward-looking statements, including financial forecasts, contained in this report are based on information currently available to the Company and certain assumptions deemed to be reasonable. Accordingly, they are not intended to be construed as assurance that they will be accomplished in the future. Note that actual results may differ materially from the forecasts for a number of reasons.

The Taoka Chemical Group's consolidated sales revenue for the six months ended September 30, 2022, decreased by ¥1,591 million compared with the same period of the previous fiscal year, to ¥15,264 million. The Group posted operating income of ¥249 million, ordinary income of ¥279 million and net income attributable to owners of the parent of ¥191 million.

The financial results of Taoka Chemical by business segment for the six month period were as follows:

Division	Six Months Ended September 30, 2021		Six Months Ended September 30, 2022		Change	
	Millions of yen	Composition ratio (%)	Millions of yen	Composition ratio (%)	Millions of yen	Year-on-year rate (%)
Fine Chemicals	9,996	59.3	7,343	48.1	(2,652)	(26.5)
Functional Chemicals	1,964	11.7	1,638	10.7	(326)	(16.6)
Functional Polymers and Additives	4,604	27.3	5,981	39.2	1,376	29.9
Chemicals Segment	16,566	98.3	14,963	98.0	(1,602)	(9.7)
Others	289	1.7	300	2.0	11	3.9
Total	16,855	100.0	15,264	100.0	(1,591)	(9.4)

Chemicals Segment

Sales revenue of this segment was ¥14,963 million, a ¥1,602 million decrease compared to the same period of the previous fiscal year.

Fine Chemicals Division

Though shipments of agrochemical intermediates increased, shipments of monomers for optical resins decreased. As a result, the division sales revenue decreased by ¥2,652 million, to ¥7,343 million.

Functional Chemicals Division

Shipments of adhesives and rubber additives decreased. As a result, the division sales revenue decreased by ¥326 million to ¥1,638 million.

Functional Polymers and Additives Division

Though shipments of plasticizers and varnish decreased, their sales prices increased reflecting a steep rise in raw material prices. As a result, the division sales revenue increased by ¥1,376 million, to ¥5,981 million.

Others (Analytical Services)

Sales of evaluation of hazardous substances and asbestos analysis increased. As a result, the segment sales revenue increased by ¥11 million, to ¥300 million.