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May 12, 2023

Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (Under Japanese GAAP)

Company name: Taoka Chemical Co., Ltd
 Listing: Tokyo Stock Exchange
 Securities code: 4113
 URL: <https://www.taoka-chem.co.jp>
 Representative: Yasuaki Sasaki, President
 Inquiries: Yasuhito Katsumoto, General Manager, Business Services Office
 Telephone: +81-6-7639-7400
 Scheduled date of annual general meeting of shareholders: June 22, 2023
 Scheduled date to commence dividend payments: June 2, 2023
 Scheduled date to file annual securities report: June 22, 2023
 Preparation of supplementary material on financial results: None
 Holding of 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 fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	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	%
March 31, 2023	30,166	(6.8)	451	(83.3)	457	(83.6)	310	(84.9)
March 31, 2022	32,374	1.0	2,708	(32.6)	2,798	(31.1)	2,063	(21.1)

Note: Comprehensive income

For the fiscal year ended March 31, 2023: ¥ 337 million [(83.8)%]

For the fiscal year ended March 31, 2022: ¥ 2,079 million [(21.4)%]

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	21.68	—	1.9	1.4	1.5
March 31, 2022	144.03	—	12.9	9.3	8.4

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2023: ¥ — million

For the fiscal year ended March 31, 2022: ¥ — million

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	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	31,069	16,570	53.3	1,156.45
March 31, 2022	32,417	16,749	51.7	1,168.92

Reference: Equity

As of March 31, 2023: ¥16,570 million

As of March 31, 2022: ¥16,749 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	1,478	(4,339)	2,995	853
March 31, 2022	(1,329)	(2,075)	(273)	718

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2022	—	90.00	—	18.00	—	515	25.0	3.2
Fiscal year ended March 31, 2023	—	18.00	—	9.00	27.00	386	124.5	2.3
Fiscal year ending March 31, 2024 (Forecast)	—	9.00	—	9.00	18.00		64.5	

Note: 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, 2024 (from April 1, 2023 to March 31, 2024)

(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
Second quarter-end (Cumulative)	15,000	(1.7)	150	(39.8)	150	(46.3)	100	(47.7)	6.98
Full year	32,000	6.1	700	55.2	700	52.9	400	28.8	27.92

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2023	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 March 31, 2023	111,140 shares
As of March 31, 2022	111,140 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2023	14,328,860 shares
Fiscal year ended March 31, 2022	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.

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Sales revenue		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	27,520	(11.8)	267	(89.7)	314	(88.5)	219	(89.1)
March 31, 2022	31,217	(0.5)	2,594	(34.2)	2,723	(31.9)	2,006	(22.0)

Fiscal year ended	Net income per share	Diluted net income per share
	Yen	Yen
March 31, 2023	15.29	—
March 31, 2022	140.03	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	30,277	16,283	53.8	1,136.42
March 31, 2022	31,928	16,591	52.0	1,157.92

Reference: Equity

As of March 31, 2023: ¥16,283 million

As of March 31, 2022: ¥16,591 million

* Financial results reports are exempt from audit 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.

Though sales prices of products increased reflecting a steep rise in raw material prices, sales revenue of monomers for optical resins and rubber additives decreased. As a result, the Taoka Chemical Group's consolidated sales revenue for the fiscal year ended March 31, 2023 decreased by ¥2,207 million compared with the previous fiscal year, to ¥30,166 million. The Group posted operating income of ¥451 million, ordinary income of ¥457 million and net income attributable to owners of the parent of ¥310 million.

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

Division	Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023		Change	
	Millions of yen	Composition ratio (%)	Millions of yen	Composition ratio (%)	Millions of yen	Year-on-year rate (%)
Fine Chemicals	17,153	52.9	13,856	45.9	(3,296)	(19.2)
Functional Chemicals	3,807	11.8	3,285	10.9	(522)	(13.7)
Functional Polymers and Additives	10,813	33.4	12,403	41.1	1,590	14.7
Chemicals Segment	31,774	98.1	29,545	97.9	(2,228)	(7.0)
Analytical Services	599	1.9	620	2.1	21	3.6
Total	32,374	100.0	30,166	100.0	(2,207)	(6.8)

Note: The "Analytical Services," which previously composed the "Others" segment, has been presented as a reportable segment because its quantitative importance has increased.

Chemicals Segment

Sales revenue of this segment was ¥29,545 million, a ¥2,228 million decrease compared to the previous fiscal year.

Fine Chemicals Division

Though sales prices of products increased reflecting a steep rise in raw material prices, shipments of monomers for optical resins, pharmaceutical intermediates, and agrochemical intermediates decreased. As a result, the division sales revenue decreased by ¥3,296 million to ¥13,856 million.

Functional Chemicals Division

Shipments of adhesives and rubber additives decreased. As a result, the division sales revenue decreased by ¥522 million to ¥3,285 million.

Functional Polymers and Additives Division

Sales of varnish in China contributed to the increase in the division sales revenue for the full year and sales prices of products increased reflecting a steep rise in raw material prices. As a result, the division sales revenue increased by ¥1,590 million to ¥12,403 million.

Analytical Services Segment

Sales revenue of asbestos analysis and evaluation of hazardous substances increased. As a result, the segment sales revenue increased by ¥21 million to ¥620 million.