

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.



Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 [Japanese GAAP]

May 15, 2023

Company name: ISHIHARA CHEMICAL CO.,LTD.
 Stock exchange listing: Tokyo
 Code number: 4462
 URL: <https://www.unicon.co.jp/english/>
 Representative: Yasuyuki Sakai President and Representative Director
 Contact: Yasumasa Yamaguchi Director, General Manager of Administration Department and Administrative Manager
 Phone: +81-78-681-4801
 Scheduled date of Annual General Meeting of Shareholders: June 28, 2023
 Scheduled date of commencing dividend payments: June 29, 2023
 Scheduled date of filing annual securities report: June 29, 2023
 Availability of supplementary briefing material on annual financial results: Yes
 Schedule of annual financial results briefing session: Yes

(Amounts of less than one millions of yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2023	20,345	6.9	2,139	(9.2)	2,258	(10.2)	1,684	(17.8)
March 31, 2022	19,036	12.2	2,355	38.1	2,514	35.7	2,049	36.2

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥ 1,561 million [(13.3) %]
 Fiscal year ended March 31, 2022: ¥ 1,800 million [(7.1) %]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	110.32	-	7.8	8.6	10.5
March 31, 2022	130.01	-	9.8	9.9	12.4

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2023: ¥ - million
 Fiscal year ended March 31, 2022: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	26,505	21,900	82.6	1,447.11
March 31, 2022	25,884	21,494	83.0	1,372.03

(Reference) Equity: As of March 31, 2023: ¥ 21,900 million
 As of March 31, 2022: ¥ 21,494 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 the end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	947	716	(1,184)	4,962
March 31, 2022	1,786	(604)	(862)	4,479

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2022	-	25.00	-	14.00	39.00	415	20.4	1.9
March 31, 2023	-	17.00	-	17.00	34.00	516	30.8	2.4
Fiscal year ending								
March 31, 2024 (Forecast)	-	18.00	-	18.00	36.00		26.7	

(Note) The Company conducted a 2-for-1 stock split of common stock on October 01, 2021. The actual amounts of dividends before the stock split are described for the end of the second quarter of fiscal year ended March 31, 2022

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2023	10,200	(1.6)	1,290	2.4	1,330	(2.5)	960	1.7	64.16
Full year	21,400	5.2	2,700	26.2	2,780	23.1	2,010	19.3	134.61

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

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

March 31, 2023: 16,308,280 shares

March 31, 2022: 16,308,280 shares

2) Number of treasury shares at the end of the period:

March 31, 2023: 1,174,708 shares

March 31, 2022: 641,868 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2023: 15,271,985 shares

Fiscal Year ended March 31, 2022: 15,766,521 shares

*These consolidated financial results are outside the scope of audit by certified public accountants and audit corporations.

*Explanation for the appropriate use of performance forecast and other special notes:

The statements regarding forecast of financial results in this report are based on the information that is available to the Company, as well as certain assumptions that are deemed to be reasonable by management. Therefore, there might be cases in which actual results differ materially from forecast values due to various factors. For the suppositions that form the assumptions for earnings forecast and cautions concerning the use thereof, please refer to "1. Overview of Business Results (4) Future Outlook " on page 3 of this report.

○Table of Contents for Attached Materials

1. Overview of Business Results	2
(1) Overview of Business Results for the Current Fiscal Year	2
(2) Overview of Financial Position for the Current Fiscal Year	2
(3) Overview of Cash Flows for the Current Fiscal Year	3
(4) Future Outlook	3
2. Basic Approach in Choosing Accounting Standard	4
3. Consolidated Financial Statements and Principal Notes	5
(1) Consolidated Balance Sheets	5
(2) Consolidated Statements of Income and Comprehensive Income	7
(3) Consolidated Statements of Changes in Equity	9
(4) Consolidated Statements of Cash Flows	11
(5) Notes to Consolidated Financial Statements	13
(Notes to Going Concern Assumptions)	13
(Segment Information,etc.)	13
(Per Share Information)	15
(Significant Subsequent Events)	15

1. Overview of Business Results

(1) Overview of Business Results for the Current Fiscal Year

During the fiscal year ended March 31, 2023, the Japanese economy showed a gradual recovery due to the normalization of economic and social activities under with COVID-19, but the outlook remains uncertain due to the prolonged situation in Ukraine, global price hikes and monetary tightening.

Under these circumstances, the Group has worked to develop high value-added products and expand the market through sales activities in Japan and overseas.

As a result, the consolidated financial results for the current fiscal year were as follows: Net sales increased to 20,345 million yen (up 6.9% year on year), but due to an increase in selling, general and administrative expenses, including travel, depreciation, freight costs, etc., operating profit was 2,139 million yen (down 9.2% year on year) and ordinary profit was 2,258 million yen (down 10.2% year on year). Profit attributable to owners of parent was 1,684 million yen (down 17.8% year on year) due to a decrease in gain on sales of investment securities resulting from sales of strategic stock holdings .

Overview of financial Results by segment are as follows.

<Plating chemicals & Automated chemical analyzer>

Sales of Plating chemicals remained relatively strong until the first half of the fiscal year due to expanding demand for 5G-related servers and data centers, which have entered the period of widespread use.

However, from the second half of the year, the electronic components industry entered a phase of production cutbacks and adjustments as negative factors in personal consumption, such as the situation in Ukraine, the lockdown in China, and global inflation, affected end products such as personal computers, smartphones, and LCD TVs.

On the other hand, sales of Automated chemical analyzer were relatively strong, especially for package substrates for data centers and other telecommunication infrastructure-related products, but were affected by production adjustments in the smartphone and personal computers related products.

As a result, net sales in this segment were 10,334 million yen (down 2.2% year on year).

<Electronic materials>

As for processed functional materials, the semiconductor market was strong until the first half of the fiscal year, and sales of ceramics and engineering plastics for semiconductor manufacturing equipment increased, but from the second half of the fiscal year, the market showed a declining trend.

As a result, net sales in this segment were 828 million yen (up 4.7% year on year).

<Automotive chemicals>

As for air conditioner cleaners, we implemented a model change of some products in April 2022 to expand the number of car dealers that deal with our products. In addition, as for car wash detergents, the number of deliveries of car wash machine detergents to self-service gas stations increased.

As a result, net sales in this segment amounted to 3,516 million yen (up 11.4% year on year).

<Industrial chemicals>

Sales of industrial chemicals were significantly higher than the previous year, despite a decline in demand since the second half of the year, due in part to higher prices and market share gains from supply chain enhancements.

As a result, net sales in this segment were 5,666 million yen (up 25.4% year on year).

(2) Overview of Financial Position for the Current Fiscal Year

Current assets at the end of the current consolidated fiscal year increased by 1,721 million yen from the end of the previous consolidated fiscal year to 13,603 million yen. The main changes were an increase of 689 million yen in inventories, an increase of 506 million yen in accounts receivable, and an increase of 392 million yen in cash and deposits. The balance of non-current assets decreased by 1,100 million yen from the end of the previous consolidated fiscal year to 12,902 million yen. The main changes were a 1,029 million yen decrease in investment securities, a 70 million yen decrease in property,

plant and equipment, and a 10 million yen decrease in intangible assets. Total liabilities increased 215 million yen to 4,605 million yen, and total net assets increased 405 million yen to 21,900 million yen from the end of the previous consolidated fiscal year.

(3) Overview of Cash Flows for the Current Fiscal Year

Cash and cash equivalents at the end of the current consolidated fiscal year were 4,962 million yen, up 483 million yen from the end of the previous consolidated fiscal year.

(Cash flows from operating activities)

Net cash provided by (used in) operating activities amounted to 947 million yen (1,786 million yen in the same period of the previous fiscal year), mainly due to profit before income taxes decreasing 386 million yen to 2,415 million yen, depreciation of 539 million yen, income taxes paid of (747) million yen, an increase in inventories of 689 million yen and an increase in trade receivables of 540 million yen.

(Cash flows from investing activities)

Net cash provided by (used in) investing activities amounted to 716 million yen ((604) million yen in the same period of the previous fiscal year), mainly due to purchase of marketable securities ((200) million yen) and purchase of property, plant and equipment ((395) million yen).

(Cash flows from financing activities)

Net cash provided by (used in) financing activities amounted to (1,184) million yen ((862) million yen in the same period of the previous fiscal year), mainly due to the purchase of treasury shares of (688) million yen and dividends paid of (478) million yen.

(4) Future Outlook

In the next fiscal year, the restrictions on economic and social activities caused by the COVID-19 are expected to be resolved, but the outlook is expected to remain uncertain due to the impact of the situation in Ukraine, the sharp rise in global energy and food prices, and monetary tightening in Europe and the United States, which will affect the domestic and overseas economies.

<Plating chemicals & Automated chemical analyzer>

Price hikes and other negative factors for personal consumption are expected to reduce the sales volume of final products such as personal computers, smartphones, and LCD TVs. Under these circumstances, we will aim to acquire new users in the high-performance package substrate market, which is expected to expand, and will work to increase our market share by deepening our relationships with each manufacturer. In addition, we will work to create specific themes in adjacent fields, expand sales, and promote horizontal development.

<Automotive chemicals>

We will further expand sales of air conditioner cleaning agents by increasing new initiatives at car dealers and campaign initiatives at existing dealers. In addition, we will expand the number of dealers handling coating agents, which are newly adopted as genuine products of car manufacturers. Furthermore, we will expand sales of compounds by launching new products and introducing them into carmakers' production lines.

As a result of the above, our consolidated earnings forecast is net sales of 21,400 million yen (up 5.2% year on year), operating profit of 2,700 million yen (up 26.2% year on year), ordinary profit of 2,780 million yen (up 23.1% year on year), and profit attributable to owners of parent of 2,010 million yen (up 19.3% year on year).

(Note)Forecasts are based on currently available information, and actual results may differ from forecasts due to various factors in the future.

2. Basic Approach in Choosing Accounting Standard

Considering that financial statements are also used in the calculation of distributable amounts under the Companies Act and taxable income under the Corporate Tax Act, the Company applies Japanese GAAP.

3.Consolidated Financial Statements and Principal Notes

(1)Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	5,535,879	5,927,981
Notes receivable - trade	208,934	201,402
Accounts receivable - trade	3,725,149	4,232,109
Electronically recorded monetary claims - operating	601,316	647,016
Merchandise and finished goods	877,418	1,046,653
Work in process	197,610	225,338
Raw materials and supplies	646,296	1,139,127
Other	89,381	183,401
Total current assets	11,881,986	13,603,030
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,581,238	6,782,714
Accumulated depreciation	(3,456,008)	(3,656,449)
Buildings and structures, net	3,125,229	3,126,265
Machinery, equipment and vehicles	2,628,335	2,695,604
Accumulated depreciation	(2,196,007)	(2,319,191)
Machinery, equipment and vehicles, net	432,328	376,412
Land	1,652,306	1,652,306
Leased assets	262,440	264,850
Accumulated depreciation	(171,227)	(198,565)
Leased assets, net	91,212	66,285
Construction in progress	40,977	68,375
Other	1,315,037	1,390,405
Accumulated depreciation	(1,087,222)	(1,180,253)
Other, net	227,815	210,151
Total property, plant and equipment	5,569,869	5,499,797
Intangible assets	81,477	70,993
Investments and other assets		
Investment securities	7,303,865	6,273,988
Retirement benefit asset	436,621	471,333
Other	616,039	591,188
Allowance for doubtful accounts	(5,250)	(5,250)
Total investments and other assets	8,351,277	7,331,260
Total non-current assets	14,002,624	12,902,051
Total assets	25,884,611	26,505,082

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,700,805	1,951,955
Electronically recorded obligations - operating	858,426	907,889
Income taxes payable	426,645	387,643
Provision for bonuses	216,716	223,286
Provision for bonuses for directors (and other officers)	38,500	18,600
Other	472,432	436,502
Total current liabilities	3,713,527	3,925,876
Non-current liabilities		
Retirement benefit liability	51,307	50,737
Asset retirement obligations	-	68,143
Deferred tax liabilities	476,832	437,462
Other	148,083	122,859
Total non-current liabilities	676,223	679,202
Total liabilities	4,389,751	4,605,079
Net assets		
Shareholders' equity		
Share capital	1,980,874	1,980,874
Capital surplus	2,293,384	2,294,566
Retained earnings	17,150,319	18,356,554
Treasury shares	(683,585)	(1,362,765)
Total shareholders' equity	20,740,992	21,269,230
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	756,475	630,153
Foreign currency translation adjustment	(2,607)	619
Total accumulated other comprehensive income	753,868	630,772
Total net assets	21,494,860	21,900,003
Total liabilities and net assets	25,884,611	26,505,082

(2)Consolidated Statements of Income and Comprehensive Income
(Consolidated Statements of Income)

(Thousands of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net sales	19,036,683	20,345,090
Cost of sales	12,763,881	14,079,552
Gross profit	6,272,801	6,265,537
Selling, general and administrative expenses	3,917,486	4,126,322
Operating profit	2,355,315	2,139,214
Non-operating income		
Interest income	16,234	12,369
Dividend income	41,679	45,487
Foreign exchange gains	41,222	13,270
Rental income	18,163	18,231
Subsidy income	16,020	26,569
Insurance return	25,070	843
Other	10,544	12,825
Total non-operating income	168,935	129,596
Non-operating expenses		
Interest expenses	858	1,303
Loss on redemption of securities	3,707	4,019
Commission for purchase of treasury shares	902	1,457
Rental expenses	2,040	2,040
Non-deductible consumption tax	2,003	1,190
Other	5	242
Total non-operating expenses	9,517	10,253
Ordinary profit	2,514,733	2,258,558
Extraordinary income		
Gain on sale of non-current assets	169	22
Gain on sale of investment securities	289,094	161,152
Total extraordinary income	289,264	161,175
Extraordinary losses		
Loss on retirement of non-current assets	1,906	3,916
Total extraordinary losses	1,906	3,916
Profit before income taxes	2,802,091	2,415,817
Income taxes - current	701,587	699,756
Income taxes - deferred	50,689	31,204
Total income taxes	752,276	730,960
Profit	2,049,814	1,684,857
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	2,049,814	1,684,857

(Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit	2,049,814	1,684,857
Other comprehensive income		
Valuation difference on available-for-sale securities	(258,280)	(126,322)
Foreign currency translation adjustment	9,358	3,226
Total other comprehensive income	(248,922)	(123,095)
Comprehensive income	1,800,892	1,561,761
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,800,892	1,561,761
Comprehensive income attributable to non-controlling interests	-	-

(3)Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2022

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,980,874	2,293,384	15,481,102	(232,026)	19,523,334
Changes during period					
Dividends of surplus			(380,597)		(380,597)
Profit attributable to owners of parent			2,049,814		2,049,814
Purchase of treasury shares				(451,558)	(451,558)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	1,669,217	(451,558)	1,217,658
Balance at end of period	1,980,874	2,293,384	17,150,319	(683,585)	20,740,992

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	1,014,756	(11,965)	1,002,790	20,526,124
Changes during period				
Dividends of surplus				(380,597)
Profit attributable to owners of parent				2,049,814
Purchase of treasury shares				(451,558)
Net changes in items other than shareholders' equity	(258,280)	9,358	(248,922)	(248,922)
Total changes during period	(258,280)	9,358	(248,922)	968,736
Balance at end of period	756,475	(2,607)	753,868	21,494,860

For the fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,980,874	2,293,384	17,150,319	(683,585)	20,740,992
Changes during period					
Dividends of surplus			(478,621)		(478,621)
Profit attributable to owners of parent			1,684,857		1,684,857
Purchase of treasury shares				(688,398)	(688,398)
Disposal of treasury shares		1,182		9,217	10,400
Net changes in items other than shareholders' equity					
Total changes during period	-	1,182	1,206,235	(679,180)	528,237
Balance at end of period	1,980,874	2,294,566	18,356,554	(1,362,765)	21,269,230

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	756,475	(2,607)	753,868	21,494,860
Changes during period				
Dividends of surplus				(478,621)
Profit attributable to owners of parent				1,684,857
Purchase of treasury shares				(688,398)
Disposal of treasury shares				10,400
Net changes in items other than shareholders' equity	(126,322)	3,226	(123,095)	(123,095)
Total changes during period	(126,322)	3,226	(123,095)	405,142
Balance at end of period	630,153	619	630,772	21,900,003

(4)Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	2,802,091	2,415,817
Depreciation	491,463	539,044
Share-based payment expenses	-	7,800
Increase (decrease) in provision for bonuses	(33,632)	6,570
Increase (decrease) in provision for bonuses for directors (and other officers)	(10,300)	(19,900)
Increase (decrease) in provision for retirement benefits	(8,115)	(570)
Interest and dividend income	(58,449)	(58,453)
Interest expenses	858	1,303
Loss (gain) on sale of short-term and long-term investment securities	(285,387)	(157,133)
Foreign exchange losses (gains)	(2,813)	3,226
Loss (gain) on cancellation of insurance policies	(25,070)	(843)
Loss (gain) on sale of non-current assets	(169)	(22)
Loss on retirement of non-current assets	563	1,642
Decrease (increase) in trade receivables	(198,354)	(540,893)
Decrease (increase) in inventories	(146,633)	(689,381)
Increase (decrease) in trade payables	240,790	291,894
Decrease (increase) in other current assets	(51,894)	(83,594)
Increase (decrease) in other current liabilities	(59,745)	(23,594)
Decrease (increase) in other non-current assets	(16,399)	(59,552)
Increase (decrease) in other non-current liabilities	(102,016)	1,565
Subtotal	2,536,786	1,634,923
Interest and dividends received	59,329	60,626
Interest paid	(857)	(1,302)
Income taxes paid	(808,669)	(747,070)
Income taxes refund	-	240
Net cash provided by (used in) operating activities	1,786,589	947,418
Cash flows from investing activities		
Payments into time deposits	(1,089,559)	(1,000,443)
Proceeds from withdrawal of time deposits	1,102,742	1,079,359
Purchase of securities	(1,700,724)	(200,860)
Proceeds from sale and redemption of securities	1,139,793	1,190,278
Purchase of property, plant and equipment	(225,251)	(395,228)
Proceeds from sale of property, plant and equipment	170	23
Purchase of intangible assets	(7,743)	(14,119)
Purchase of insurance funds	(46,683)	(36,651)
Proceeds from cancellation of insurance funds	222,601	94,233
Net cash provided by (used in) investing activities	(604,654)	716,590

(Thousands of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from financing activities		
Repayments of long-term borrowings	(20,000)	-
Repayments of finance lease liabilities	(4,509)	(4,550)
Purchase of treasury shares	(451,558)	(688,398)
Dividends paid	(380,327)	(478,787)
Other, net	(6,151)	(13,189)
Net cash provided by (used in) financing activities	(862,547)	(1,184,925)
Effect of exchange rate change on cash and cash equivalents	14,323	3,935
Net increase (decrease) in cash and cash equivalents	333,710	483,017
Cash and cash equivalents at beginning of period	4,145,909	4,479,620
Cash and cash equivalents at end of period	4,479,620	4,962,638

(5) Notes to Consolidated Financial Statements

(Notes to Going Concern Assumptions)

Not applicable.

(Segment Information,etc.)

【Segment Information】

1. Outline of reportable segments

Reportable segments of the Group are the organizational units for which separated financial information is available, and these segments are subject to periodic review by the Board of Directors for the purpose of determining the allocation of management resources and evaluating performance.

The Group has sales departments at the Head Office, Tokyo Branch, ISHIHARA CHEMICAL (SHANGHAI) CO.,LTD., and KIZAI Corporation, and develops business activities by formulating comprehensive strategies that take into account the industries of domestic and overseas customers and the production and sales trends of the customers.

Accordingly, the Group has four reportable segments, “Plating chemicals & Automated chemical analyzer,” “Electronic materials,” “Automotive chemicals,” and “Industrial chemicals,” which are segmented by the corresponding industries.

“Plating chemicals & Automated chemical analyzer,” manufactures and sells tin and tin alloy plating solutions and Automated chemical analyzer, etc. “Electronic materials” processes and sells machinable ceramics, engineering plastics, and carbon fiber reinforced plastics. “Automotive chemicals,” manufactures and sells automotive chemical products and spatter adhesion prevention agents for welding. “Industrial chemicals” mainly purchases and sells industrial chemicals.

2. Calculation method for net sales, profit or loss, assets, liabilities, and other items for each reportable segment

The accounting method for reported business segments is generally the same as described in “Significant Accounting Policies.”

Reportable segment profit is based on operating profit.

Segment assets and liabilities are not presented since they are not subject to consideration for determining the allocation of management resources and evaluating business performance.

3. Information regarding net sales and operating profit or loss, assets, liabilities and other items by the reportable segments

For the fiscal year ended March 31, 2022

(Thousands of yen)

	Reportable segments				Total	Adjustment (Note) 1	Amount on consolidated financial statements (Note) 2
	Plating chemicals & Automated chemical analyzer	Electronic materials	Automotive chemicals	Industrial chemicals			
Net sales							
Net sales to external customers	10,569,901	791,299	3,155,823	4,519,658	19,036,683	—	19,036,683
Intersegment net sales and transfer	—	—	—	—	—	—	—
Total	10,569,901	791,299	3,155,823	4,519,658	19,036,683	—	19,036,683
Segment profit (loss)	1,403,297	39,925	972,806	189,163	2,605,193	(249,878)	2,355,315
Other items							
Depreciation	356,217	12,063	79,389	7,027	454,697	32,604	487,302

Note1: Segment profit or loss adjustments of (249,878) thousand yen are corporate expenses that are not allocated to each reportable segment. Corporate expenses are mainly selling, general and administrative expenses that do not belong to any reportable segment.

Note2: Segment profit or loss is adjusted to operating profit in the consolidated financial statements.

For the fiscal year ended March 31, 2023

(Thousands of yen)

	Reportable segments				Total	Adjustment (Note) 1	Amount on consolidated financial statements (Note) 2
	Plating chemicals & Automated chemical analyzer	Electronic materials	Automotive chemicals	Industrial chemicals			
Net sales							
Net sales to external customers	10,334,806	828,208	3,516,060	5,666,014	20,345,090	—	20,345,090
Intersegment net sales and transfer	—	—	—	—	—	—	—
Total	10,334,806	828,208	3,516,060	5,666,014	20,345,090	—	20,345,090
Segment profit (loss)	1,156,660	50,723	1,020,261	233,933	2,461,578	(322,364)	2,139,214
Other items							
Depreciation	375,670	11,838	78,033	6,693	472,235	61,064	533,299

Note1: Segment profit or loss adjustments of (322,364) thousand yen are corporate expenses that are not allocated to each reportable segment. Corporate expenses are mainly selling, general and administrative expenses that do not belong to any reportable segment.

Note2: Segment profit or loss is adjusted to operating profit in the consolidated financial statements.

(Per Share Information)

	For the Fiscal year ended March 31, 2022	For the Fiscal year ended March 31, 2023
Net assets per share	1,372.03 yen	1,447.11 yen
Basic earnings per share	130.01 yen	110.32 yen

Note1: Diluted earnings per share is not stated since the Company does not have residual securities.

Note2: The basis for calculation of basic earnings per share is as follows.

	For the Fiscal year ended March 31, 2022	For the Fiscal year ended March 31, 2023
Basic earnings per share		
Profit attributable to owners of parent (Thousands of yen)	2,049,814	1,684,857
Amount not attributable to common shareholders (Thousands of yen)	—	—
Profit attributable to owners of parent relating to common shares (Thousands of yen)	2,049,814	1,684,857
Average number of outstanding common shares during the period (Thousands of shares)	15,766	15,271

(Significant Subsequent Events)

Not applicable.