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July 31, 2023

Consolidated Financial Results for the Three Months Ended June 30, 2023 (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: August 9, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: None
 Holding of quarterly financial results briefing: None

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

1. Consolidated financial results for the three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(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	%
Three months ended								
June 30, 2023	7,426	(8.8)	2	(98.6)	29	(87.1)	27	(78.9)
June 30, 2022	8,140	(8.7)	203	(75.2)	225	(73.1)	131	(78.2)

Note: Comprehensive income For the three months ended June 30, 2023: ¥54 million [(66.0)%]
 For the three months ended June 30, 2022: ¥159 million [(73.4)%]

	Net income per share	Diluted net income per share
Three months ended	Yen	Yen
June 30, 2023	1.94	—
June 30, 2022	9.20	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2023	30,389	16,496	54.3
March 31, 2023	31,069	16,570	53.3

Reference: Equity

As of June 30, 2023: ¥16,496 million

As of March 31, 2023: ¥16,570 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, 2023	—	18.00	—	9.00	27.00
Fiscal year ending March 31, 2024	—				
Fiscal year ending March 31, 2024 (Forecast)		9.00	—	9.00	18.00

Note: Revisions to the forecasts of cash dividends most recently announced: None

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

Note: Revisions to the forecasts of consolidated financial results most recently announced: None

*** 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 June 30, 2023	14,440,000 shares
As of March 31, 2023	14,440,000 shares

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

As of June 30, 2023	111,140 shares
As of March 31, 2023	111,140 shares

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

Three months ended June 30, 2023	14,328,860 shares
Three months ended June 30, 2022	14,328,860 shares

* 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 three months ended June 30, 2023, decreased by ¥ 713 million compared with the same period of the previous fiscal year, to ¥7,426 million. The Group posted operating income of ¥ 2 million, ordinary income of ¥ 29 million and net income attributable to owners of the parent of ¥ 27 million.

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

Division	Three Months Ended June 30, 2022		Three Months Ended June 30, 2023		Change	
	Millions of yen	Composition ratio (%)	Millions of yen	Composition ratio (%)	Millions of yen	Year-on-year rate (%)
Fine Chemicals	4,199	51.6	3,616	48.7	(583)	(13.9)
Functional Chemicals	827	10.2	859	11.6	32	3.9
Functional Polymers and Additives	2,971	36.5	2,814	37.9	(156)	(5.3)
Chemicals Segment	7,997	98.3	7,290	98.2	(707)	(8.8)
Analytical Services	142	1.7	136	1.8	(6)	(4.3)
Total	8,140	100.0	7,426	100.0	(713)	(8.8)

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 ¥7,290 million, a ¥707 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 ¥583 million, to ¥3,616 million.

Functional Chemicals Division

A decrease in sales revenue due to a decrease in shipments of rubber additives was outweighed by an increase in sales revenue due to an increase in shipments of adhesives. As a result, the division sales revenue increased by ¥32 million to ¥859 million.

Functional Polymers and Additives Division

Shipments of plasticizers, paper chemicals and varnish decreased. As a result, the division sales revenue decreased by ¥156 million, to ¥2,814 million.

Analytical Services Segment

Sales of asbestos analysis and composition and structural analysis decreased. As a result, the segment sales revenue decreased by ¥6 million, to ¥136 million.