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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Under Japanese GAAP)

August 4, 2023

Company name: Yushiro Chemical Industry Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 5013
 URL: <https://www.yushiro.co.jp/en/>
 Representative: Masanori Arisaka, President and Representative Director
 Contact: Hironori Yokoi, General Manager, Financing Department, Corporate Division
 Phone: +81-3-3750-6793
 Scheduled date of filing quarterly securities report: August 7, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 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 (April 1, 2023–June 30, 2023)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2023	12,435	21.5	686	250.2	1,053	180.6	701	260.9
June 30, 2022	10,236	15.1	196	(62.9)	375	(48.3)	194	(65.9)

(Note) Comprehensive income: Three months ended June 30, 2023: ¥1,542 million [(17.2)%]
 Three months ended June 30, 2022: ¥1,863 million [13.3%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	51.51	–
June 30, 2022	14.27	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2023	57,686	38,390	62.4	2,644.38
As of March 31, 2023	56,283	36,984	61.6	2,545.72

(Reference) Equity: As of June 30, 2023: ¥35,989 million
 As of March 31, 2023: ¥34,646 million

2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	–	10.00	–	10.00	20.00
Fiscal year ending March 31, 2024	–				
Fiscal year ending March 31, 2024 (Forecast)		20.00	–	35.00	55.00

(Note) Revisions to the forecast of cash dividends most recently announced: Yes

3. Consolidated financial results forecast for the fiscal year ending March 31, 2024 (April 1, 2023–March 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	51,800	10.7	2,890	175.3	3,680	155.1	2,480	175.9	182.22

(Note) Revision to the financial results forecast most recently announced: Yes

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)

June 30, 2023:	13,900,065 shares
March 31, 2023:	13,900,065 shares
 - (ii) Number of treasury shares at the end of the period

June 30, 2023:	290,382 shares
March 31, 2023:	290,362 shares
 - (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023:	13,609,693 shares
Three months ended June 30, 2022:	13,609,703 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

The financial results forecast and other forward-looking information presented herein are based on the information available to the Company and certain assumptions deemed reasonable at the present time. Actual results may differ significantly from these forecasts due to various factors.

Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	8,028	8,604
Notes and accounts receivable - trade	9,382	10,006
Merchandise and finished goods	2,521	2,708
Raw materials and supplies	4,626	4,660
Other	1,239	683
Allowance for doubtful accounts	(25)	(26)
Total current assets	25,773	26,638
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,882	3,915
Machinery, equipment and vehicles, net	1,426	1,426
Tools, furniture and fixtures, net	300	287
Land	5,168	5,184
Leased assets, net	38	34
Construction in progress	63	77
Total property, plant and equipment	10,879	10,926
Intangible assets		
Goodwill	1,949	1,905
Customer relationship	1,994	1,975
Technical assets	612	601
Trademark right	537	527
Other	404	529
Total intangible assets	5,499	5,540
Investments and other assets		
Investment securities	11,931	12,412
Insurance funds	724	725
Long-term time deposits	15	2
Retirement benefit asset	412	412
Deferred tax assets	101	112
Other	958	929
Allowance for doubtful accounts	(13)	(13)
Total investments and other assets	14,131	14,581
Total non-current assets	30,509	31,048
Total assets	56,283	57,686

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,381	5,671
Short-term borrowings	4,943	4,935
Lease liabilities	98	99
Accounts payable - other	854	712
Income taxes payable	220	267
Provision for bonuses	367	216
Provision for bonuses for directors (and other officers)	–	2
Other	1,485	1,558
Total current liabilities	13,350	13,464
Non-current liabilities		
Long-term borrowings	2,392	2,158
Lease liabilities	138	117
Deferred tax liabilities	1,900	2,042
Provision for retirement benefits for directors (and other officers)	91	95
Retirement benefit liability	1,218	1,212
Long-term guarantee deposits	184	185
Asset retirement obligations	20	20
Total non-current liabilities	5,947	5,832
Total liabilities	19,298	19,296
Net assets		
Shareholders' equity		
Share capital	4,249	4,249
Capital surplus	3,931	3,931
Retained earnings	24,855	25,420
Treasury shares	(384)	(384)
Total shareholders' equity	32,651	33,216
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,738	2,162
Foreign currency translation adjustment	400	707
Remeasurements of defined benefit plans	(143)	(97)
Total accumulated other comprehensive income	1,994	2,772
Non-controlling interests	2,338	2,401
Total net assets	36,984	38,390
Total liabilities and net assets	56,283	57,686

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Three Months Ended June 30

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Net sales	10,236	12,435
Cost of sales	7,615	9,126
Gross profit	2,621	3,308
Selling, general and administrative expenses	2,425	2,622
Operating profit	196	686
Non-operating income		
Interest income	7	17
Dividend income	58	57
Foreign exchange gains	65	116
Share of profit of entities accounted for using equity method	33	165
Other	47	23
Total non-operating income	212	381
Non-operating expenses		
Interest expenses	12	11
Other	20	2
Total non-operating expenses	33	14
Ordinary profit	375	1,053
Profit before income taxes	375	1,053
Income taxes	147	344
Profit	228	709
Profit attributable to non-controlling interests	33	7
Profit attributable to owners of parent	194	701

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended June 30

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Profit	228	709
Other comprehensive income		
Valuation difference on available-for-sale securities	(130)	423
Foreign currency translation adjustment	1,459	480
Remeasurements of defined benefit plans, net of tax	5	46
Share of other comprehensive income of entities accounted for using equity method	300	(117)
Total other comprehensive income	1,635	833
Comprehensive income	1,863	1,542
Comprehensive income attributable to		
Owners of parent	1,674	1,478
Non-controlling interests	189	63