

Consolidated Financial Results Highlights for the Second Quarter of the Fiscal Year ending March 31, 2024 [Japanese GAAP]



October 31, 2023

Company Name: HARIMA CHEMICALS GROUP, INC.
 Code Number: 4410
 (URL www.harima.co.jp)
 Stock Exchange Listing: Tokyo Stock Exchange
 Representative: Yoshihiro Hasegawa, President
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 Phone: +81-6-6201-2461
 Scheduled submission date of the Quarterly Securities Report: November 7, 2023
 Scheduled date to commence dividend payments: December 4, 2023
 Availability of supplementary briefing material on quarterly results: Available
 Schedule of quarterly results briefing session: Not scheduled

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Second Quarter of the Year Ending March 31, 2024 (From April 1, 2023 to September 30, 2023)

(1) Consolidated Results of Operations (Cumulative) (% indicates changes from the same period of the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to Harima Chemicals Group, INC.	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Second Quarter ended September 30, 2023	45,272	(3.5)	(607)	—	(304)	—	(406)	—
September 30, 2022	46,897	29.0	2,199	12.9	2,796	37.6	1,491	19.1

(Note) Comprehensive income: Second quarter ended September 30, 2024: 1,754 million yen [(62.4)%]
 Second quarter ended September 30, 2023: 4,660 million yen [63.3%]

	Net income per share		Fully diluted net income per share	
	Yen	Yen	Yen	Yen
Second Quarter ended September 30, 2023	(16.79)	—	—	—
September 30, 2022	59.52	—	—	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Second Quarter ended September 30, 2023	100,506	41,610	37.9
Fiscal year ended March 31, 2023	92,439	40,820	40.1

(Reference) Equity: The second quarter of Fiscal year ending March 31, 2024: 38,103 million yen,
 Fiscal year ended March 31, 2023: 37,102 million yen

2. Dividends

	Annual dividend				
	1Q	2Q	3Q	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	—	21.00	—	21.00	42.00
Fiscal year ending March 31, 2024	—	21.00	—	21.00	42.00
Fiscal year ending March 31, 2024 (Forecast)	—	21.00	—	21.00	42.00

(Note) Changes in forecasts of dividends from recently announced figures: None

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

(% indicates changes from the same period of the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to Harima Chemicals Group,INC.		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	91,000	(3.7)	(1,400)	-	(1,300)	-	(1,450)	-	(59.83)

(Note) Changes in forecasts of financial results from recently announced figures: None

4. Others

- (1) Significant changes of subsidiaries during period under review (affecting specific subsidiaries due to changes in scope of consolidation): None
Newly included: 0 (Company name:) Excluded: 0 (Company name:)
- (2) Application of special accounting method for the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates and corrections of errors
 - (1) Changes in accounting policies accompanying the revisions to items such as accounting standards: None
 - (2) Changes in accounting policies other than (1) above: None
 - (3) Changes in accounting estimates: None
 - (4) Corrections of errors: None
- (4) Number of shares issued (common stock)

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

2Q of fiscal year ending March 31, 2024	26,080,396 shares
Fiscal year ended March 31, 2023	26,080,396 shares

- (2) Total number of treasury stock at the end of the period

2Q of fiscal year ending March 31, 2024	1,846,843 shares
Fiscal year ended March 31, 2023	1,878,064 shares

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

2Q of fiscal year ending March 31, 2024	24,215,727 shares
2Q of fiscal year ended March 31, 2023	25,063,997 shares

This summary of consolidated financial results is not subject to audit procedure.

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

The performance forecasts and other forward-looking statements herein are based on information currently available to the Company and certain preconditions which the Company believes to be reasonable. Actual results may differ significantly from these forecasts due to a wide range of factors.

* Regarding the change in disclosure unit of the amounts:

Amounts of accounts and other items in the Company's consolidated financial statements used to be stated in units of thousands of yen, but from this first quarter of the consolidated cumulative period, they have been stated in units of millions of yen. For easy comparison, figures for the second quarter of the previous fiscal year have also been changed to units of millions of yen.

Segment Information

I. Six months ended September 30, 2022 (April 1, 2022 to September 30, 2022)

Information regarding net sales and income or loss by reporting segment

(Millions of yen)

	Reporting segment				
	Resin & Tall Oil Products	Paper Chemicals	Electronics Materials	Lawter	Subtotal
Net sales					
Net sales to external customers	9,343	12,170	3,780	20,463	45,758
Intersegment sales or transfers	134	122	—	712	968
Total	9,477	12,292	3,780	21,176	46,727
Segment income(loss)	(111)	856	159	1,616	2,521

	Others (Note 1)	Total	Adjustment (Note 2)	Amount in consolidated statement of income (Note 3)
Net sales				
Net sales to external customers	1,065	46,824	73	46,897
Intersegment sales or transfers	89	1,057	(1,057)	—
Total	1,154	47,881	(984)	46,897
Segment income(loss)	(22)	2,498	(299)	2,199

II. Six months ended September 30, 2023 (April 1, 2023 to September 30, 2023)

Information regarding net sales and income or loss by reporting segment

(Millions of yen)

	Reporting segment				
	Resin & Tall Oil Products	Paper Chemicals	Electronics Materials	Lawter	Subtotal
Net sales					
Net sales to external customers	10,438	11,613	5,562	15,809	43,424
Intersegment sales or transfers	353	—	—	421	774
Total	10,792	11,613	5,562	16,230	44,199
Segment income(loss)	25	643	223	(1,158)	(265)

	Others (Note 1)	Total	Adjustment (Note 2)	Amount in consolidated statement of income (Note 3)
Net sales				
Net sales to external customers	1,862	45,286	(14)	45,272
Intersegment sales or transfers	112	887	(887)	—
Total	1,975	46,174	(902)	45,272
Segment income(loss)	(25)	(290)	(316)	(607)

- (Notes) 1. The “Others” segment includes businesses not included in the reporting segments and mainly includes “Real estate management.”
2. The adjustment amount of segment income (loss) includes adjustments for inventories.
 3. Segment income (loss) is adjusted to reflect operating income (loss) as recorded in the quarterly consolidated statement of income.