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October 31, 2023

Consolidated Financial Results for the Six Months Ended September 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: November 10, 2023
 Scheduled date to commence dividend payments: December 4, 2023
 Preparation of supplementary material on quarterly financial results: None
 Holding of quarterly 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 six months ended September 30, 2023 (from April 1, 2023 to September 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	%
Six months ended								
September 30, 2023	14,811	(3.0)	573	130.1	620	121.9	459	140.4
September 30, 2022	15,264	(9.4)	249	(86.4)	279	(85.0)	191	(85.7)

Note: Comprehensive income For the six months ended September 30, 2023: ¥496 million [106.1%]
 For the six months ended September 30, 2022: ¥240 million [(81.9)%]

	Net income per share	Diluted net income per share
Six months ended	Yen	Yen
September 30, 2023	32.09	—
September 30, 2022	13.35	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	30,315	16,938	55.9
March 31, 2023	31,069	16,570	53.3

Reference: Equity

As of September 30, 2023: ¥16,938 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	—	9.00			
Fiscal year ending March 31, 2024 (Forecast)			—	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
Full year	28,000	(7.2)	700	55.2	700	52.9	400	28.8	27.92

Note: Revisions to the forecasts of consolidated financial results most recently announced: Yes

For details of the revisions of consolidated financial results forecasts, please refer to “Differences between Financial Forecasts and Actual Results for Six-Months Ended September 30, 2023, and Revisions to Full-Year Financial Forecasts,” disclosed on October 31, 2023.

*** 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 September 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 September 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)

Six months ended September 30, 2023	14,328,860 shares
Six months ended September 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 six months ended September 30, 2023, decreased by ¥ 452 million compared with the same period of the previous fiscal year, to ¥14,811 million. The Group posted operating income of ¥ 573 million, ordinary income of ¥ 620 million and net income attributable to owners of the parent of ¥ 459 million.

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

Division	Six Months Ended September 30, 2022		Six Months Ended September 30, 2023		Change	
	Millions of yen	Composition ratio (%)	Millions of yen	Composition ratio (%)	Millions of yen	Year-on-year rate (%)
Fine Chemicals	7,343	48.1	7,249	48.9	(94)	(1.3)
Functional Chemicals	1,638	10.7	1,687	11.4	49	3.0
Functional Polymers and Additives	5,981	39.2	5,585	37.7	(396)	(6.6)
Chemicals Segment	14,963	98.0	14,522	98.0	(441)	(2.9)
Analytical Services	300	2.0	289	2.0	(10)	(3.6)
Total	15,264	100.0	14,811	100.0	(452)	(3.0)

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 ¥14,522 million, a ¥441 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 ¥94 million, to ¥7,249 million.

Functional Chemicals Division

Shipments of adhesives increased. As a result, the division sales revenue increased by ¥49 million to ¥1,687 million.

Functional Polymers and Additives Division

Shipments of plasticizers decreased and sales prices of varnish decreased reflecting a decline in raw material prices. As a result, the division sales revenue decreased by ¥396 million, to ¥5,585 million.

Analytical Services Segment

Though sales of measurement and evaluation for working environment increased, sales of composition and structural analysis and those of asbestos analysis decreased. As a result, the segment sales revenue decreased by ¥10 million, to ¥289 million.