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## Consolidated Financial Results for the Nine Months Ended December 31, 2023 [Japanese GAAP]

January 31, 2024

Company name: ISHIHARA CHEMICAL CO.,LTD.  
 Stock exchange listing: Tokyo  
 Code number: 4462  
 URL: <https://www.unicon.co.jp/english/>  
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 Scheduled date of filing quarterly securities report: February 13, 2024  
 Scheduled date of commencing dividend payments: -  
 Availability of supplementary briefing material on quarterly financial results: No  
 Schedule of quarterly financial results briefing session: No

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

### 1. Consolidated Financial Results for the Nine Months Ended December 31, 2023 (April 1, 2023 to December 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	%
Nine months ended December 31, 2023	15,419	(0.9)	1,694	(4.5)	1,792	(4.4)	1,388	6.1
December 31, 2022	15,555	8.4	1,775	(5.5)	1,873	(6.5)	1,308	(17.5)

(Note) Comprehensive income: Nine months ended December 31, 2023: ¥ 1,438 million [ 19.8%]  
 Nine months ended December 31, 2022: ¥ 1,201 million [ (24.0)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2023	92.82	-
December 31, 2022	85.53	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
December 31, 2023	27,126	22,487	82.9
March 31, 2023	26,505	21,900	82.6

(Reference) Equity: As of December 31, 2023: ¥ 22,487 million  
 As of March 31, 2023: ¥ 21,900 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	-	17.00	-	17.00	34.00
Fiscal year ending March 31, 2024	-	18.00	-		
Fiscal year ending March 31, 2024 (Forecast)				18.00	36.00

(Note) Revision to the forecast for dividends announced most recently: No

## 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
Full year	20,600	1.3	2,210	3.3	2,320	2.7	1,770	5.1	118.40

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

\* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2023: No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(3) 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

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

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

December 31, 2023:	15,973,680 shares
March 31, 2023:	16,308,280 shares

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

December 31, 2023:	1,047,259 shares
March 31, 2023:	1,174,708 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2023:	14,957,614 shares
Nine months ended December 31, 2022:	15,296,678 shares

\*These quarterly consolidated financial results are outside the scope of quarterly review 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, and they are not meant to be a commitment by the Company. 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. Qualitative Information on Quarterly Financial Results (2) Explanation of Forecast of Consolidated Financial Results and Other Forward-Looking Information" on page 2 of this report.

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## 1. Qualitative Information on Quarterly Financial Results

### (1) Explanation of Results of Operations

For the nine months ended December 31, 2023, Japanese economy continues to recover moderately. However, the outlook is uncertain due to price hikes and the sluggishness of the global economy.

Under such circumstances, the group has been working on the development of high value-added products, conducting sales activities in Japan and abroad, and striving to expand the market. However, the group has been affected by production adjustments on the semiconductor market.

As a result, net sales for the nine months ended December 31, 2023 were 15,419 million yen (down 0.9% year on year), operating profit was 1,694 million yen (down 4.5% year on year) due to an increase in selling, general and administrative expenses, such as travel expenses, ordinary profit was 1,792 million yen (down 4.4% year on year), and profit attributable to owners of parent was 1,388 million yen (up 6.1% year on year), due to an increase in gain on sale of investment securities resulting from sales of strategic stock holdings.

Overview of financial results by segment are as follows.

#### <Plating chemicals & Automated chemical analyzer>

Although production in the automotive sector recovered and remained steady, demand for PCs, smartphones and tablets fell due to the prolonged situation in Ukraine and the global inflation, resulting in negative growth in electronic equipment. In response, the electronic components industry faced a difficult market environment with production cuts and a production adjustment phase.

In addition, sales of Automated chemical analyzer were affected by the review of the timing of investments by users due to the decrease of demand for the semiconductor, especially for the smartphone and personal computers related products.

As a result, net sales in this segment were 7,684 million yen (down 5.4% year on year).

#### <Electronic materials>

As for processed functional materials, the semiconductor market was stagnant, and sales of ceramics and engineering plastics for semiconductor manufacturing equipment and semiconductor inspection equipment decreased.

As a result, net sales in this segment were 488 million yen (down 22.7% year on year).

#### <Automotive chemicals>

Sales of air conditioner cleaners and coating agents increased from the previous year due to expanding the number of car dealers that deal with our products. In repair products, new products of compounds were launched. In addition, prices were revised for products for car dealers, repair products such as compounds, and car washes for self-service petrol stations in response to soaring raw material prices.

As a result, net sales in this segment were 2,751 million yen (up 1.6% year on year).

#### <Industrial chemicals>

Sales of Industrial chemicals increased significantly from the previous year due to raising the prices of existing products, the expansion of market share, and expanding sales of new products while the recovery of steel demand has been delayed.

As a result, net sales in this segment were 4,494 million yen (up 9.7% year on year).

### (2) Explanation of Forecast of Consolidated Financial Results and Other Forward-Looking Information

We have revised the earnings forecast for the full year ending March 31, 2024, which was announced on May 15, 2023, based on the results of the nine months ended December 31, 2023.

For details, please refer to the “Notice Concerning Revisions for Earnings Forecasts” released on January 31, 2024.

## 2. Quarterly Consolidated Financial Statements

## (1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	5,927,981	5,805,656
Notes and accounts receivable - trade	4,433,512	4,591,078
Electronically recorded monetary claims - operating	647,016	970,518
Securities	-	100,360
Merchandise and finished goods	1,046,653	1,082,654
Work in process	225,338	282,816
Raw materials and supplies	1,139,127	1,278,718
Other	183,401	115,584
Total current assets	13,603,030	14,227,389
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,126,265	3,026,315
Other, net	2,373,531	2,743,460
Total property, plant and equipment	5,499,797	5,769,776
Intangible assets	70,993	57,884
Investments and other assets		
Investment securities	6,273,988	6,020,325
Other	1,062,522	1,056,025
Allowance for doubtful accounts	(5,250)	(5,250)
Total investments and other assets	7,331,260	7,071,100
Total non-current assets	12,902,051	12,898,761
Total assets	26,505,082	27,126,150
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	1,951,955	1,917,530
Electronically recorded obligations - operating	907,889	841,751
Income taxes payable	387,643	246,274
Provision for bonuses	223,286	116,854
Provision for bonuses for directors (and other officers)	18,600	29,700
Other	436,502	799,646
Total current liabilities	3,925,876	3,951,758
Non-current liabilities		
Retirement benefit liability	50,737	46,571
Asset retirement obligations	68,143	68,597
Other	560,321	571,437
Total non-current liabilities	679,202	686,606
Total liabilities	4,605,079	4,638,365

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
Net assets		
Shareholders' equity		
Share capital	1,980,874	1,980,874
Capital surplus	2,294,566	2,254,875
Retained earnings	18,356,554	18,761,809
Treasury shares	(1,362,765)	(1,191,111)
Total shareholders' equity	21,269,230	21,806,447
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	630,153	666,276
Foreign currency translation adjustment	619	15,061
Total accumulated other comprehensive income	630,772	681,338
Total net assets	21,900,003	22,487,785
Total liabilities and net assets	26,505,082	27,126,150

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

## Quarterly Consolidated Statements of Income (For the nine months)

(Thousands of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Net sales	15,555,567	15,419,268
Cost of sales	10,667,728	10,480,987
Gross profit	4,887,838	4,938,280
Selling, general and administrative expenses	3,112,721	3,243,581
Operating profit	1,775,117	1,694,698
Non-operating income		
Interest income	10,911	5,351
Dividend income	45,487	43,189
Other	46,201	52,055
Total non-operating income	102,601	100,596
Non-operating expenses		
Interest expenses	1,026	558
Commission for purchase of treasury shares	1,054	846
Rental expenses	1,530	1,530
Other	242	109
Total non-operating expenses	3,852	3,045
Ordinary profit	1,873,865	1,792,249
Extraordinary income		
Gain on sale of non-current assets	22	0
Gain on sale of investment securities	4,245	167,204
Total extraordinary income	4,268	167,204
Extraordinary losses		
Loss on retirement of non-current assets	3,434	1,488
Total extraordinary losses	3,434	1,488
Profit before income taxes	1,874,699	1,957,965
Income taxes	566,421	569,667
Profit	1,308,278	1,388,297
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	1,308,278	1,388,297

## Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Thousands of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Profit	1,308,278	1,388,297
Other comprehensive income		
Valuation difference on available-for-sale securities	(123,488)	36,123
Foreign currency translation adjustment	16,467	14,441
Total other comprehensive income	(107,021)	50,565
Comprehensive income	1,201,256	1,438,862
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,201,256	1,438,862
Comprehensive income attributable to non-controlling interests	-	-



(3) Notes to Quarterly Consolidated Financial Statements

(Notes to Going Concern Assumptions)

Not applicable.

(Notes to Significant Changes in the Amount of Shareholders' Equity)

Not applicable.