



## Consolidated Financial Results for the Three Months Ended June 30, 2022 [JGAAP]

August 10, 2022

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Scheduled date for submitting the Quarterly Securities Report:  
 August 10, 2022

Scheduled date to commence dividend payments:  
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Availability of supplementary briefing material on financial results: None

Financial results briefing session: None

### 1. Consolidated financial results for the first quarter of the fiscal year ending March 31, 2023 (April 1, 2022–June 30, 2022)

(Amounts are rounded down to the nearest million yen)

#### (1) Consolidated operating results

(% figures are the rate of year-on-year increase or decrease)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2022	18,375	33.3	3,625	58.1	4,221	76.3	2,931	73.5
Three months ended June 30, 2021	13,787	17.1	2,293	158.3	2,393	166.1	1,690	452.2

(Note) Comprehensive income:

Three months ended June 30, 2022: ¥3,707 million (121.8%)

Three months ended June 30, 2021: ¥1,671 million (179.0%)

	Basic earnings per share	Diluted basic earnings per share
	Yen	Yen
Three months ended June 30, 2022	51.03	—
Three months ended June 30, 2021	29.42	—

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2022	112,960	62,788	54.1	1,063.62
As of March 31, 2022	109,902	59,908	53.0	1,014.01

(Reference) Equity capital:

As of June 30, 2022: ¥61,103 million

As of March 31, 2022: ¥58,254 million

### 2. Dividends

	Annual dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	—	8.00	—	14.00	22.00
Fiscal year ending March 31, 2023	—				
Fiscal year ending March 31, 2023 (Forecast)		10.00	—	12.00	22.00

(Note) Revision of dividend forecast from the latest announcement: None

### 3. Forecast of consolidated financial results for the fiscal year ending March 31, 2023 (April 1, 2022–March 31, 2023)

(% figures are the rate of year-on-year increase or decrease)

	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
First half	37,700	33.7	6,300	42.6	6,500	48.3	4,500	48.4	78.33
Full year	76,000	22.0	10,900	-2.4	10,800	-3.1	7,100	-8.5	123.59

(Note) Revision of performance forecast from the latest announcement: Yes

Notes:

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation):

Not applicable

New: — companies (company names); Removed: — companies (company names)

(2) Application of special accounting for preparing quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

i. Changes in accounting policies accompanying amendments to accounting standards, etc.: None

ii. Changes in accounting policies other than i.: None

iii. Changes in accounting estimates: None

iv. Retrospective restatement: None

(4) Number of shares issued (common stock)

i. Number of shares issued at the end of the period  
(including treasury shares)

As of June 30, 2022	57,546,050 shares	As of March 31, 2022	57,546,050 shares
As of June 30, 2022	96,900 shares	As of March 31, 2022	96,900 shares
As of June 30, 2022	57,449,150 shares	As of June 30, 2021	57,447,576 shares

ii. Number of treasury shares at the end of the period

iii. Average number of shares during the period

Notes:

- Summary of financial results are not subject to audit by a certified public accountant or an auditing firm.

- Proper use of performance forecasts, and other special matters

(Notes to forward-looking statements)

The performance outlooks and other forward-looking statements in this document are based on information currently available to the Company and certain assumptions that the Company deems reasonable, and are not intended to be a promise by the Company that they will be realized. Actual results may differ significantly due to various factors. Please refer to "Consolidated earnings forecasts" on page 3 of the attached materials for information on the performance forecasts.

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## 1. Qualitative information on the first three months ended June 30, 2022

### (1) Operating results

In the first quarter of the fiscal year ending March 31, 2023, while the Japanese economy showed signs of recovery due to effects of various government policies, severe conditions continued to prevail amid factors such as rising raw material and fuel prices and distribution restrictions. Overseas, outlooks remained uncertain due to the impact on economic activities from the resurgence of COVID-19 infections, as well as the need for caution amid downside risks from such factors as the prolonged situation in Ukraine and fluctuations in financial and capital markets.

Amid this business environment, net sales for the first quarter of the fiscal year ending March 31, 2023 amounted to ¥18,375 million, up ¥4,588 million or 33.3% year on year, due to significantly higher sales in the Fine Chemicals Division supported by strong demand. For profits, ordinary profit amounted to ¥4,221 million, up ¥1,827 million or 76.3%, mainly due to higher sales in the Fine Chemicals Division despite increased raw material and fuel prices. Profit attributable to owners of parent amounted to ¥2,931 million, up ¥1,241 million or 73.5%.

The following provides an overview for each segment.

#### a. Fundamental Chemicals Division

Sales of caustic soda and hydrochloric acid were up due to effects from price revisions, despite lower sales volumes.

For organic products, sales of trichloroethylene and perchloroethylene were up due to effects from price revisions, despite lower sales volumes.

As a result of the above, net sales in the Fundamental Chemicals Division amounted to ¥2,406 million, up ¥311 million or 14.9% year on year. Operating profit amounted to ¥239 million, up ¥134 million or 127.3%.

#### b. Fine Chemicals Division

For fluorochemicals for semiconductors and liquid crystals, sales of nitrogen trifluoride were up due to effects from price revisions. Sales of tungsten hexafluoride and hexafluoro-1,3-butadiene were up due to higher sales volumes.

Sales of lithium hexafluorophosphate, a battery material, were up due to higher sales volumes and effects from price revisions.

As a result of the above, net sales in the Fine Chemicals Division amounted to ¥14,627 million, up ¥4,176 million or 40.0% year on year. Operating profit amounted to ¥2,994 million, up ¥1,050 million or 54.1%.

#### c. Ferrochemicals Division

Sales of reprographic carriers, used in developers for copiers and printers, were up year on year due to higher sales volumes. Sales of iron oxide were down due to lower sales of colorants.

As a result of the above, net sales in the Ferrochemicals Division amounted to ¥705 million, up ¥88 million or 14.4% year on year. Operating profit amounted to ¥189 million, up ¥78 million or 69.9%.

#### d. Commercial Business Division

Commercial business sales were down due to lower sales of chemical products.

As a result of the above, net sales in the Commercial Business Division amounted to ¥165 million, down ¥20 million or 10.9% year on year. Operating profit amounted to ¥53 million, down ¥3 million or 6.1%.

#### e. Facilities Division

Net sales in chemical facility plant and general industrial plant construction were up year on year due to an increase in contract work.

As a result of the above, net sales in the Facilities Division amounted to ¥470 million, up ¥30 million or 7.0%. Operating profit amounted to ¥149 million, up ¥98 million or 191.2%.

### (2) Financial position

As of the end of the first quarter of the fiscal year ending March 31, 2023, assets amounted to ¥112,960 million, up ¥3,058 million from the end of the previous consolidated fiscal year, mainly due to increases in inventories, property, plant and equipment, notes and accounts receivable—trade, and contract assets, despite a decrease in cash and deposits.

Liabilities amounted to ¥50,171 million, up ¥178 million, mainly due to increases in notes and accounts payable—trade and other current liabilities, despite decreases in income taxes payable and borrowings.

Net assets amounted to ¥62,788 million, up ¥2,879 million, mainly due to increases in retained earnings and foreign currency translation adjustments. The equity ratio was 54.1%, versus 53.0% at the end of the previous fiscal year.

### **(3) Consolidated earnings forecasts**

The consolidated earnings forecast for the first half of the fiscal year ending March 31, 2023 has been revised from the previous forecast announced on May 13, 2022. For details, please refer to the “Notice of Revision of Earnings Forecasts” (in Japanese only) released separately.

The above forecasts were created based on information available as of the date of this document's publishing, and actual results may differ versus forecast figures due to a variety of factors arising in the future.

## 2. Consolidated financial statements and notes

### (1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
<b>Assets:</b>		
Current assets		
Cash and deposits	26,728	21,697
Notes and accounts receivable—trade, and contract assets	16,921	18,255
Electronically recorded monetary claims—operating	1,101	1,134
Merchandise and finished goods	5,182	5,538
Work in process	4,416	6,741
Raw materials and supplies	3,526	4,792
Other	3,896	4,116
Allowance for doubtful accounts	(68)	(65)
<b>Total current assets</b>	<b>61,705</b>	<b>62,211</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,872	8,843
Machinery and equipment, net	11,655	11,298
Construction in progress	11,001	13,869
Other, net	6,692	7,003
<b>Total property, plant and equipment</b>	<b>38,221</b>	<b>41,015</b>
Intangible assets	728	802
Investments and other assets		
Investment securities	7,464	7,114
Deferred tax assets	1,165	1,197
Other	621	621
Allowance for doubtful accounts	(4)	(3)
<b>Total investments and other assets</b>	<b>9,246</b>	<b>8,930</b>
<b>Total non-current assets</b>	<b>48,196</b>	<b>50,748</b>
<b>Total assets</b>	<b>109,902</b>	<b>112,960</b>

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
<b>Liabilities:</b>		
<b>Current liabilities</b>		
Notes and accounts payable—trade	8,068	9,369
Electronically recorded obligations—operating	835	910
Short-term borrowings	4,200	4,230
Current portion of long-term borrowings	5,886	6,289
Income taxes payable	2,600	1,305
Provision for bonuses for directors (and other officers)	134	51
Other	5,540	6,956
<b>Total current liabilities</b>	<b>27,265</b>	<b>29,112</b>
<b>Non-current liabilities</b>		
Long-term borrowings	20,166	18,572
Provision for retirement benefits for directors (and other officers)	137	140
Provision for share awards for directors (and other officers)	11	13
Retirement benefit liability	1,754	1,545
Other	657	788
<b>Total non-current liabilities</b>	<b>22,727</b>	<b>21,058</b>
<b>Total liabilities</b>	<b>49,993</b>	<b>50,171</b>
<b>Net assets:</b>		
<b>Shareholders' equity</b>		
Capital	2,877	2,877
Capital surplus	1,829	1,830
Retained earnings	50,483	52,609
Treasury shares	(68)	(68)
<b>Total shareholders' equity</b>	<b>55,122</b>	<b>57,248</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,527	2,311
Foreign currency translation adjustment	413	1,194
Remeasurements of defined benefit plans	191	349
<b>Total accumulated other comprehensive income</b>	<b>3,132</b>	<b>3,855</b>
<b>Non-controlling interests</b>	<b>1,654</b>	<b>1,684</b>
<b>Total net assets</b>	<b>59,908</b>	<b>62,788</b>
<b>Total liabilities and net assets</b>	<b>109,902</b>	<b>112,960</b>

## (2) Consolidated statement of income and consolidated statement of comprehensive income

## Consolidated statement of income

(Millions of yen)

	From April 1, 2021 to June 30, 2021	From April 1, 2022 to June 30, 2022
Net sales	13,787	18,375
Cost of sales	9,506	12,461
Gross profit	4,281	5,914
Selling, general and administrative expenses	1,988	2,288
Operating profit	2,293	3,625
Non-operating profit		
Interest income	1	3
Dividend income	114	143
Foreign exchange gains	17	528
Other	92	118
Total non-operating profit	225	793
Non-operating expenses		
Interest expenses	63	89
Loss on valuation of derivatives	21	104
Loss on sale of trial products	33	—
Other	6	4
Total non-operating expenses	125	197
Ordinary profit	2,393	4,221
Extraordinary losses		
Loss on retirement of non-current assets	4	31
Loss on valuation of investment securities	—	17
Total extraordinary losses	4	48
Profit before income taxes	2,389	4,172
Income taxes payable	657	1,177
Profit	1,731	2,994
Profit attributable to non-controlling interests	41	63
Profit attributable to owners of parent	1,690	2,931



## Consolidated Statement of Comprehensive Income

(Millions of yen)

	From April 1, 2021 to June 30, 2021	From April 1, 2022 to June 30, 2022
Profit	1,731	2,994
Other comprehensive income		
Valuation difference on available-for-sale securities	(387)	(251)
Foreign currency translation adjustment	328	805
Remeasurements of defined benefit plans	(0)	157
Total other comprehensive income	(60)	712
Comprehensive income	1,671	3,707
Comprehensive income attributable to:		
Owners of parent	1,627	3,654
Non-controlling interests	43	52

### (3) Notes to the consolidated financial statements

(Notes on premise of going concern)

Not applicable.

(Notes on significant changes in the amount of shareholders' equity)

Not applicable.

(Application of special accounting for preparing quarterly consolidated financial statements)

Tax expenses are calculated by multiplying profit before income taxes by the reasonably estimated effective tax rate after the application of tax effect accounting to profit before income taxes for the for the fiscal year ending March 31, 2023, including the first quarter. However, in cases where calculating tax expenses using the estimated effective tax rate would significantly lack rationality, tax expenses are calculated using the statutory effective tax rate.

(Segment information)

I. From April 1, 2021 to June 30, 2021

1. Information on net sales, profit or loss by reportable segment

(Millions of yen)

	Reportable segment						Adjustment (Note 1)	Amount recorded on the statement of income (Note 2)
	Fundamental Chemicals	Fine Chemicals	Ferrochemicals	Commercial Business	Facilities	Total		
Net sales								
(1) Net sales to external customers	2,095	10,450	616	185	439	13,787	—	13,787
(2) Inter-segment net sales or transfers	—	—	0	329	576	906	(906)	—
Total	2,095	10,450	616	515	1,015	14,693	(906)	13,787
Segment profit	105	1,943	111	56	51	2,269	24	2,293

(Notes) 1. The segment profit adjustment of ¥24 million is elimination of inter-segment transactions.

2. Segment profit is adjusted with operating profit in the consolidated statement of income.

2. Information about impairment loss and goodwill on non-current assets by reportable segment

Not applicable.

II. From April 1, 2022 to June 30, 2022

1. Information on net sales, profit or loss by reportable segment

(Millions of yen)

	Reportable segment						Adjustment (Note 1)	Amount recorded on the statement of income (Note 2)
	Fundamental Chemicals	Fine Chemicals	Ferrochemicals	Commercial Business	Facilities	Total		
Net sales								
(1) Net sales to external customers	2,406	14,627	705	165	470	18,375	—	18,375
(2) Inter-segment net sales or transfers	—	—	0	315	823	1,139	(1,139)	—
Total	2,406	14,627	705	481	1,294	19,515	(1,139)	18,375
Segment profit	239	2,994	189	53	149	3,627	(2)	3,625

(Notes) 1. The segment profit adjustment of -¥2 million is elimination of inter-segment transactions.

2. Segment profit is adjusted with operating profit in the consolidated statement of income.

2. Information about impairment loss and goodwill on non-current assets by reportable segment

Not applicable.