

Consolidated Financial Results Highlights for the Third Quarter of the Fiscal Year ending March 31, 2021 [Japanese GAAP]



January 29, 2021

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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 Scheduled submission date of the Quarterly Securities Report: February 5, 2021
 Scheduled date to commence dividend payments: —
 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 Third Quarter of the Year Ending March 31, 2021 (From April 1, 2020 to December 31, 2020)

(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 | % |
| Third Quarter ended December 31, 2020 | 45,966 | (16.9) | 963 | (72.0) | 638 | (81.7) | 749 | (65.7) |
| December 31, 2019 | 55,311 | (7.0) | 3,440 | (9.9) | 3,492 | (12.7) | 2,187 | (40.7) |

(Note) Comprehensive income: Third quarter ended December 31, 2020: 9million yen [(99.4%)]
 Third quarter ended December 31, 2019: 1,599million yen [(41.6%)]

| | Net income per share | Fully diluted net income per share |
|---------------------------------------|----------------------|------------------------------------|
| | Yen | Yen |
| Third Quarter ended December 31, 2020 | 29.83 | — |
| December 31, 2019 | 86.27 | — |

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio |
|---------------------------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| Third Quarter ended December 31, 2020 | 70,642 | 36,664 | 48.1 |
| Fiscal year ended March 31, 2020 | 71,395 | 37,745 | 49.2 |

(Reference) Equity: The third quarter of Fiscal year ended March 31, 2021: 33,974million yen,
 Fiscal year ended March 31, 2020: 35,134million yen

2. Dividends

| | Annual dividend | | | | |
|--|-----------------|-------|-----|----------|-------|
| | 1Q | 2Q | 3Q | Year end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 31, 2020 | — | 19.00 | — | 19.00 | 38.00 |
| Fiscal year ending March 31, 2021 | — | 19.00 | — | | |
| Fiscal year ending March 31, 2021 (Forecast) | | | | 19.00 | 38.00 |

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

3. Forecast of Consolidated Financial Results for Fiscal Year Ending March 31, 2021 (From April 1, 2020 to March 31, 2021)

(% indicates changes from the previous year)

| (%) indicates changes from 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 | 62,000 | (13.6) | 1,100 | (70.7) | 900 | (74.9) | 1,150 | (48.1) | 45.75 |

(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)

| | |
|---|-------------------|
| 3Q of fiscal year ending March 31, 2021 | 26,080,396 shares |
| Fiscal year ended March 31, 2020 | 26,080,396 shares |

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

| | |
|---|----------------|
| 3Q of fiscal year ending March 31, 2021 | 946,459 shares |
| Fiscal year ended March 31, 2020 | 974,643 shares |

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

| | |
|---|-------------------|
| 3Q of fiscal year ending March 31, 2021 | 25,122,653 shares |
| 3Q of fiscal year ending March 31, 2020 | 25,351,070 shares |

* This summary of consolidated financial results is not subject to the quarterly review procedures provided for by the Japanese Financial Instruments and Exchange Law.

* 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.

Segment Information

I. Nine months ended December 31, 2019 (April 1, 2019 to December 31, 2019)

Information regarding net sales and income or loss by reporting segment

(Thousands of yen)

| | Reporting segment | | | | |
|---------------------------------|---------------------------|-----------------|-----------------------|------------|------------|
| | Resin & Tall Oil Products | Paper Chemicals | Electronics Materials | Lawter | Subtotal |
| Net sales | | | | | |
| Net sales to external customers | 14,078,910 | 14,497,214 | 4,067,218 | 21,395,280 | 54,038,623 |
| Intersegment sales or transfers | 166,714 | 43,011 | — | 32,019 | 241,745 |
| Total | 14,245,624 | 14,540,225 | 4,067,218 | 21,427,300 | 54,280,368 |
| Segment income | 540,466 | 1,475,728 | 125,525 | 1,558,700 | 3,700,420 |

| | Others (Note 1) | Total | Adjustment (Note 2) | Amount in consolidated statement of income (Note 3) |
|---------------------------------|-----------------|------------|---------------------|---|
| Net sales | | | | |
| Net sales to external customers | 1,281,129 | 55,319,752 | (8,710) | 55,311,042 |
| Intersegment sales or transfers | 93,791 | 335,537 | (335,537) | — |
| Total | 1,374,921 | 55,655,289 | (344,247) | 55,311,042 |
| Segment income | 37,647 | 3,738,068 | (297,566) | 3,440,501 |

II. Nine months ended December 31, 2020 (April 1, 2020 to December 31, 2020)

Information regarding net sales and income or loss by reporting segment

(Thousands of yen)

| | Reporting segment | | | | |
|---------------------------------|---------------------------|-----------------|-----------------------|------------|------------|
| | Resin & Tall Oil Products | Paper Chemicals | Electronics Materials | Lawter | Subtotal |
| Net sales | | | | | |
| Net sales to external customers | 10,780,024 | 13,506,482 | 3,506,406 | 16,938,920 | 44,731,834 |
| Intersegment sales or transfers | 152,077 | 3,472 | — | 281,240 | 436,790 |
| Total | 10,932,102 | 13,509,954 | 3,506,406 | 17,220,161 | 45,168,624 |
| Segment income(loss) | (364,981) | 1,442,923 | 125,564 | 9,369 | 1,212,876 |

| | Others (Note 1) | Total | Adjustment (Note 2) | Amount in consolidated statement of income (Note 3) |
|---------------------------------|-----------------|------------|---------------------|---|
| Net sales | | | | |
| Net sales to external customers | 1,181,724 | 45,913,558 | 52,477 | 45,966,035 |
| Intersegment sales or transfers | 117,439 | 554,229 | (554,229) | — |
| Total | 1,299,163 | 46,467,788 | (501,752) | 45,966,035 |
| Segment income(loss) | 25,076 | 1,237,952 | (274,403) | 963,548 |

- (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 as recorded in the quarterly consolidated statement of income.