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January 30, 2023

Consolidated Financial Results for the Nine Months Ended December 31, 2022 (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: February 10, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: None
 Holding of quarterly financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

(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	%
Nine months ended								
December 31, 2022	22,857	(6.3)	520	(77.1)	534	(77.0)	360	(78.5)
December 31, 2021	24,406	4.0	2,267	(20.6)	2,329	(19.5)	1,674	(17.0)

Note: Comprehensive income For the Nine months ended December 31, 2022: ¥346 million [(79.1)%]
 For the Nine months ended December 31, 2021: ¥1,661 million [(17.8)%]

	Net income per share	Diluted net income per share
Nine months ended	Yen	Yen
December 31, 2022	25.16	—
December 31, 2021	116.85	—

Note: Effective on October 1, 2021, the Company split one common share into five shares. Net income per share was calculated under the assumption that this stock split was conducted at the beginning of the previous consolidated fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2022	33,798	16,579	49.1
March 31, 2022	32,417	16,749	51.7

Reference: Equity

As of December 31, 2022: ¥16,579 million

As of March 31, 2022: ¥16,749 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, 2022	—	90.00	—	18.00	—
Fiscal year ending March 31, 2023	—	18.00	—		
Fiscal year ending March 31, 2023 (Forecast)				9.00	27.00

Note: Revisions to the forecasts of cash dividends most recently announced: None

Effective on October 1, 2021, the Company split one common share into five shares. The year-end dividend per share for the fiscal year ended March 31, 2022 is stated by taking into account the effect of the stock split, and the total annual dividend is stated as “—.” When the effect of the stock split is taken into account, the second quarter-end dividend per share and annual dividend per share for the fiscal year ended March 31, 2022 will be ¥18.00 and ¥36.00, respectively.

3. Consolidated financial forecasts for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(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	31,000	(4.2)	500	(81.5)	500	(82.1)	300	(85.5)	20.94

Note: Revisions to the forecasts of consolidated financial results most recently announced: None

* **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 December 31, 2022	14,440,000 shares
As of March 31, 2022	14,440,000 shares

- (ii) Number of treasury shares at the end of the period

As of December 31, 2022	111,140 shares
As of March 31, 2022	111,140 shares

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

Nine months ended December 31, 2022	14,328,860 shares
Nine months ended December 31, 2021	14,328,860 shares

Note: Effective on October 1, 2021, the Company split one common share into five shares. The above numbers of shares were calculated under the assumption that this stock split was conducted at the beginning of the previous consolidated fiscal year.

* 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 nine months ended December 31, 2022, decreased by ¥1,549 million compared with the same period of the previous fiscal year, to ¥22,857 million. The Group posted operating income of ¥520 million, ordinary income of ¥534 million and net income attributable to owners of the parent of ¥360 million.

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

Division	Nine Months Ended December 31, 2021		Nine Months Ended December 31, 2022		Change	
	Millions of yen	Composition ratio (%)	Millions of yen	Composition ratio (%)	Millions of yen	Year-on-year rate (%)
Fine Chemicals	13,696	56.1	10,465	45.7	(3,230)	(23.6)
Functional Chemicals	2,926	12.0	2,485	10.9	(440)	(15.1)
Functional Polymers and Additives	7,354	30.1	9,456	41.4	2,101	28.6
Chemicals Segment	23,977	98.2	22,407	98.0	(1,569)	(6.5)
Others	429	1.8	449	2.0	20	4.8
Total	24,406	100.0	22,857	100.0	(1,549)	(6.3)

Chemicals Segment

Sales revenue of this segment was ¥22,407 million, a ¥1,569 million decrease compared to the same period of the previous fiscal year.

Fine Chemicals Division

Though sales prices of products increased reflecting a steep rise in raw material prices, shipments of monomers for optical resins decreased. As a result, the division sales revenue decreased by ¥3,230 million, to ¥10,465 million.

Functional Chemicals Division

Shipments of adhesives and rubber additives decreased. As a result, the division sales revenue decreased by ¥440 million to ¥2,485 million.

Functional Polymers and Additives Division

Though shipments of plasticizers decreased, varnish was launched in China and sales prices of products increased reflecting a steep rise in raw material prices. As a result, the division sales revenue increased by ¥2,101 million, to ¥9,456 million.

Others (Analytical Services)

Though sales of soil analysis decreased, sales of asbestos analysis and evaluation of hazardous substances increased. As a result, the segment sales revenue increased by ¥20 million, to ¥449 million.