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January 31, 2024

Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Under Japanese GAAP)

Company name: Taoka Chemical Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 4113
 URL: <https://www.taoka-chem.co.jp>
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 Scheduled date to file quarterly securities report: February 9, 2024
 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, 2023 (from April 1, 2023 to December 31, 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	%
Nine months ended								
December 31, 2023	21,491	(6.0)	833	60.3	885	65.5	627	74.1
December 31, 2022	22,857	(6.3)	520	(77.1)	534	(77.0)	360	(78.5)

Note: Comprehensive income For the nine months ended December 31, 2023: ¥658 million [90.0%]
 For the nine months ended December 31, 2022: ¥346 million [(79.1)%]

	Net income per share	Diluted net income per share
Nine months ended	Yen	Yen
December 31, 2023	43.81	—
December 31, 2022	25.16	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2023	30,030	16,971	56.5
March 31, 2023	31,069	16,570	53.3

Reference: Equity

As of December 31, 2023: ¥16,971 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	28,500	(5.5)	850	88.4	900	96.6	650	109.2	45.36

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 Notice Concerning Revisions to Full-Year Financial Results Forecasts disclosed on January 31, 2024.

*** 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, 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 December 31, 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)

Nine months ended December 31, 2023	14,328,860 shares
Nine months ended December 31, 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 nine months ended December 31, 2023, decreased by ¥ 1,365 million compared with the same period of the previous fiscal year, to ¥21,491 million. The Group posted operating income of ¥ 833 million, ordinary income of ¥ 885 million and net income attributable to owners of the parent of ¥ 627 million.

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

Division	Nine Months Ended December 31, 2022		Nine Months Ended December 31, 2023		Change	
	Millions of yen	Composition ratio (%)	Millions of yen	Composition ratio (%)	Millions of yen	Year-on-year rate (%)
Fine Chemicals	10,465	45.7	9,815	45.7	(649)	(6.2)
Functional Chemicals	2,485	10.9	2,527	11.8	41	1.7
Functional Polymers and Additives	9,456	41.4	8,729	40.6	(726)	(7.7)
Chemicals Segment	22,407	98.0	21,072	98.1	(1,334)	(6.0)
Analytical Services	449	2.0	418	1.9	(30)	(6.8)
Total	22,857	100.0	21,491	100.0	(1,365)	(6.0)

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 ¥21,072 million, a ¥1,334 million decrease compared to the same period of the previous fiscal year.

Fine Chemicals Division

Though sales of agrochemical intermediates increased, shipments of pharmaceutical intermediates and monomers for optical resins decreased. As a result, the division sales revenue decreased by ¥649 million, to ¥9,815 million.

Functional Chemicals Division

Shipments of adhesives increased. As a result, the division sales revenue increased by ¥41 million to ¥2,527 million.

Functional Polymers and Additives Division

Shipments of plasticizers and varnish decreased as well as sales prices of varnish decreased reflecting a decline in raw material prices. As a result, the division sales revenue decreased by ¥726 million, to ¥8,729 million.

Analytical Services Segment

Though sales of measurement and evaluation for working environment increased, sales of asbestos analysis and of composition and structural analysis decreased. As a result, the segment sales revenue decreased by ¥30 million, to ¥418 million.