

Consolidated Financial Results Highlights
for the Second Quarter of the Fiscal Year ending March 31, 2015
[Japanese GAAP]



October 31, 2014

Company Name: HARIMA CHEMICALS GROUP, INC.

Code Number: 4410

(URL: <http://www.harima.co.jp>)

Stock Exchange Listing: Tokyo Stock Exchange

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Scheduled submission date of the Quarterly Securities Report: November 7, 2014

Scheduled date to commence dividend payments: December 5, 2014

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 Second Quarter of the Year Ending March 31, 2015
(From April 1, 2014 to September 30, 2014)

(1) Consolidated Results of Operations (Cumulative) (% indicates changes from the same period of the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Second Quarter ended September 30, 2014	40,990	13.8	795	143.1	288	(63.8)	(214)	-
September 30, 2013	36,030	9.5	327	(26.2)	798	-	(198)	-

(Note) Comprehensive income: Second quarter ended September 30, 2014: (713) million yen [-%],
 Second quarter ended September 30, 2013: 1,498 million yen [396.3%]

	Net income per share	Fully diluted net income per share
	Yen	Yen
Second Quarter ended September 30, 2014	(8.25)	-
September 30, 2013	(7.67)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Second Quarter ended September 30, 2014	70,451	30,727	41.2
Fiscal year ended March 31, 2014	70,471	31,465	42.2

(Reference) Equity: The second quarter of Fiscal year ended March 31, 2015: 29,013million yen,
 Fiscal year ended March 31, 2014: 29,714million yen

2. Dividends

	Annual dividend				
	1Q	2Q	3Q	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2014	-	7.00	-	7.00	14.00
Fiscal year ending March 31, 2015	-	7.00			
Fiscal year ending March 31, 2015 (Forecast)			-	7.00	14.00

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

3. Forecast of Consolidated Financial Results for Fiscal Year Ending March 31, 2015 (From April 1, 2014 to March 31, 2015)

(% indicates changes from the same period of the previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	83,500	11.1	1,300	48.5	1,150	(55.9)	(350)	-	(13.49)

(Note) Changes in forecasts of financial results from recently announced figures: Availabale

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: Yes
 - (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)

2Q of fiscal year ending March 31, 2015	26,080,396 shares
Fiscal year ended March 31, 2014	26,080,396 shares

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

2Q of fiscal year ending March 31, 2015	131,542 shares
Fiscal year ended March 31, 2014	131,442 shares

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

2Q of fiscal year ending March 31, 2015	25,948,918 shares
2Q of fiscal year ended March 31, 2014	25,949,121 shares

* Presentation regarding the implementation status of the quarterly review:

This summary of consolidated financial results is not subject to the quarterly review procedures provided for by the Japanese Financial Instruments and Exchange Law. Therefore, at the time of the disclosure of these financial results, the quarterly financial statement review procedures based on the Law have not been completed.

* 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. Six months ended September 30, 2013 (April 1, 2013 to September 30, 2013)

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	10,180,529	7,197,961	2,533,422	15,232,751	35,144,665
Intersegment sales or transfers	109,494	348,592	-	125,024	583,111
Total	10,290,023	7,546,554	2,533,422	15,357,776	35,727,776
Segment income (loss)	198,370	260,480	183,437	(202,257)	440,031

	Others (Note 1)	Total	Adjustment (Note 2)	Amount in consolidated statement of income (Note 3)
Net sales				
Net sales to external customers	885,901	36,030,567	(11)	36,030,555
Intersegment sales or transfers	66,009	649,120	(649,120)	-
Total	951,911	36,679,687	(649,132)	36,030,555
Segment income (loss)	17,887	457,919	(130,641)	327,277

II. Six months ended September 30, 2014 (April 1, 2014 to September 30, 2014)

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	11,095,977	7,950,310	2,597,404	18,592,395	40,236,087
Intersegment sales or transfers	93,663	330,299	-	94,475	518,437
Total	11,189,640	8,280,610	2,597,404	18,686,870	40,754,525
Segment income (loss)	656,565	482,345	215,544	(261,921)	1,092,534

	Others (Note 1)	Total	Adjustment (Note 2)	Amount in consolidated statement of income (Note 3)
Net sales				
Net sales to external customers	777,909	41,013,997	(23,491)	40,990,505
Intersegment sales or transfers	83,574	602,012	(602,012)	-
Total	861,484	41,616,009	(625,503)	40,990,505
Segment income (loss)	75,097	1,167,631	(371,940)	795,690

(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 includes adjustments for inventories.

3. Segment income is adjusted to reflect operating income as recorded in the quarterly consolidated statement of income.

. Information about the changes in the reporting segment

From the first quarter ended June 30, 2014, our group has changed the management index from ordinary income to operating income. For this reason, segment income is adjusted to reflect operating income as recorded in the quarterly consolidated statement of income.

We changed our management index for two reasons below. First, operating income can show the profitability of the main business better and exclude the exchange profits and losses which cannot be controlled by the segments. Second, with overseas operations expanding, we have to find a better unified index to evaluate the overseas subsidiaries in global environment.

In addition, the segment information about the second quarter ended September 30, 2013 above has been changed based on the operating income.