

Consolidated Financial Results Highlights for the Fiscal Year Ended March 31, 2012

[Japanese GAAP]



May 11, 2012

Company Name: HARIMA CHEMICALS, INC.

Code Number: 4410

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

Stock Exchange Listing: Tokyo Stock Exchange, Osaka Securities Exchange

Representative: Yoshihiro Hasegawa, President

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Scheduled date of Ordinary General Shareholders' Meeting: June 27, 2012

Scheduled submission date of Securities Report: June 27, 2012

Scheduled date to commence dividend payments: June 28, 2012

Availability of supplementary briefing material on Financial Results: Not available

Schedule of Financial Results briefing session: Not scheduled

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 2012 (From April 1, 2011 to March 31, 2012)

(1) Consolidated Results of Operations (% 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	%
FY Ended March 31, 2012	71,535	72.4	3,114	7.1	2,159	(21.9)	1,011	(24.3)
FY Ended March 31, 2011	41,494	23.9	2,908	117.9	2,765	73.2	1,337	40.5

(Note) Comprehensive income: FY Ended March 31, 2012: 772 million yen [(28.8%)], FY Ended March 31, 2011: 1,085 million yen [(21.3%)]

	Net income per share	Fully diluted net income per share	Return on equity	Return on assets	Operating profit on sales
	Yen	Yen	%	%	%
FY Ended March 31, 2012	38.99	—	3.6	3.4	4.4
FY Ended March 31, 2011	51.53	—	4.8	5.0	7.0

(Reference) Equity in net income of affiliated companies FY Ended March 31, 2012: 23 million yen, FY Ended March 31, 2011: 13 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
At March 31, 2012	63,428	29,581	44.5	1,088.48
At March 31, 2011	63,983	29,313	43.7	1,078.21

(Reference) Equity: FY Ended March 31, 2012: 28,245 million yen, FY Ended March 31, 2011: 27,979 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at Year end
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY Ended March 31, 2012	1,647	(1,713)	(475)	5,217
FY Ended March 31, 2011	4,213	(11,356)	9,988	5,957

2. Dividends

	Annual dividend					Dividend	Dividend payout ratio	Dividend on equity ratio
	1Q	2Q	3Q	Year end	Total	(Total)	(Consolidated)	(Consolidated)
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY Ended March 31, 2011	—	6.00	—	8.00	14.00	363	27.2	1.3
FY Ended March 31, 2012	—	7.00	—	7.00	14.00	363	35.9	1.3
FY Ending March 31, 2013 (Forecast)	—	7.00	—	7.00	14.00		51.9	

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2013 (From April 1, 2012 to March 31, 2013)

(% 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
2Q(cumulative)	33,500	(9.7)	700	(70.8)	750	(54.9)	200	(80.2)	7.71
Full year	68,000	(4.9)	2,100	(32.6)	2,000	(7.4)	700	(30.8)	26.98

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) Changes in accounting policies, changes in accounting estimates and corrections of errors
 - (i) Changes in accounting policies accompanying the revisions to items such as accounting standards:
None
 - (ii) Changes in accounting policies other than (i) above: None
 - (iii) Changes in accounting estimates: None
 - (iv) Corrections of errors: None
- (3) Number of shares issued (common stock)

- (i) Total number of shares issued at the end of the period (including treasury stock)

Fiscal Year Ended March 31, 2012	26,080,396 shares
Fiscal Year Ended March 31, 2011	26,080,396 shares

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

Fiscal Year Ended March 31, 2012	131,120 shares
Fiscal Year Ended March 31, 2011	130,808 shares

- (iii) Average number of shares during the period

Fiscal Year Ended March 31, 2012	25,949,485 shares
Fiscal Year Ended March 31, 2011	25,950,484 shares

(Reference) Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2012 (From April 1, 2011 to March 31, 2012)

(1) Non-consolidated Results of Operations

(% 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	%
FY Ended March 31, 2012	31,628	1.2	1,214	(13.8)	1,427	(11.2)	1,033	38.0
FY Ended March 31, 2011	31,266	17.1	1,409	25.3	1,607	13.0	749	(7.7)

	Net income per share	Fully diluted net income per share
	Yen	Yen
FY Ended March 31, 2012	39.82	—
FY Ended March 31, 2011	28.86	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
At March 31, 2012	51,441	27,164	52.8	1,046.83
At March 31, 2011	50,687	26,483	52.2	1,020.56

(Reference) Equity: FY Ended March 31, 2012: 27,164 million yen, FY Ended March 31, 2011: 26,483 million yen

* 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. For the previous fiscal year (April 1, 2010 to March 31, 2011)

Information regarding net sales and income or loss by reporting segment

(thousands of yen)

	Reporting segment			
	Resin & Tall Oil Products	Paper Chemicals	Electronics Materials	Subtotal
Net sales				
Net sales to external customers	19,672,572	12,972,080	4,855,363	37,500,016
Intersegment sales or transfers	206,867	—	—	206,867
Total	19,879,440	12,972,080	4,855,363	37,706,883
Segment income	2,039,549	726,804	308,280	3,074,634
Depreciation	663,247	564,809	245,826	1,473,883
Amortization of goodwill	—	—	—	—
Interest income and interest expenses	(70,778)	(15,041)	(14,921)	(100,742)
Equity in income of affiliated companies	—	—	—	—

	Others (Note 1)	Total	Adjustment (Note 2)	Amount in quarterly consolidated statement of income (Note 3)
Net sales				
Net sales to external customers	4,021,030	41,521,046	(26,368)	41,494,678
Intersegment sales or transfers	38,047	244,915	(244,915)	—
Total	4,059,078	41,765,962	(271,283)	41,494,678
Segment income	4,857	3,079,492	(313,772)	2,765,719
Depreciation	156,547	1,630,431	(13,456)	1,616,974
Amortization of goodwill	—	—	3,665	3,665
Interest income and interest expenses	(84,729)	(185,471)	—	(185,471)
Equity in income of affiliated companies	—	—	13,106	13,106

- (Notes) 1. “Others” division is business segment not attributable to reportable segment and includes mainly real estate management, etc.
2. The adjustment amount of segment income includes the adjustment of inventories 36,377 thousand yen and company-wide expenses that are not attributable to reportable segment (308,775) thousand yen, etc.
3. Segment income is adjusted to reflect ordinary income as recorded in the quarterly consolidated statement of income.
4. Assets are not allocated into reportable segments how to determine the allocation of management resources and how to assess performance of the Company.

II. For the current fiscal year (April 1, 2011 to March 31, 2012)

(thousands of yen)

	Reporting segment			
	Resin & Tall Oil Products	Paper Chemicals	Electronics Materials	Subtotal
Net sales				
Net sales to external customers	49,928,576	13,234,505	4,738,878	67,901,961
Intersegment sales or transfers	278,367	555,210	—	833,578
Total	50,206,944	13,789,716	4,738,878	68,735,540
Segment income	1,622,070	949,401	287,887	2,859,359
Depreciation	951,649	593,827	205,385	1,750,863
Amortization of goodwill	80,456	—	—	80,456
Interest income and interest expenses	(75,418)	(27,027)	(14,292)	(116,738)
Equity in income of affiliated companies	—	—	—	—

	Others (Note 1)	Total	Adjustment (Note 2)	Amount in quarterly consolidated statement of income (Note 3)
Net sales				
Net sales to external customers	3,645,889	71,547,851	(11,887)	71,535,963
Intersegment sales or transfers	53,931	887,510	(887,510)	—
Total	3,699,821	72,435,361	(899,397)	71,535,963
Segment income (loss)	(482,480)	2,376,878	(217,578)	2,159,299
Depreciation	186,103	1,936,966	(3,870)	1,933,096
Amortization of goodwill	—	80,456	—	80,456
Interest income and interest expenses	(295,270)	(412,008)	—	(412,008)
Equity in income of affiliated companies	—	—	23,963	23,963

- (Notes) 1. “Others” division is business segment not attributable to reportable segment and includes mainly real estate management, etc.

2. The adjustment amount of segment income includes the adjustment of inventories 54,692 thousand yen and also includes the foreign exchange gain and loss (194,365) thousand yen and company-wide expenses (383,520) thousand yen, etc. that are not attributable to reportable segment.
3. Segment income is adjusted to reflect ordinary income as recorded in the quarterly consolidated statement of income.
4. Assets are not allocated into reportable segments how to determine the allocation of management resources and how to assess performance of the Company.