

# Consolidated Financial Results Highlights for the Fiscal Year Ended March 31, 2018

## [Japanese GAAP]



May 1, 2018

Company Name: HARIMA CHEMICALS GROUP, INC.  
 Code Number: 4410  
 (URL: <http://www.harima.co.jp/>)  
 Stock Exchange Listing: Tokyo Stock Exchange  
 Representative: Yoshihiro Hasegawa, President  
 Contact: Teruo Kaneshiro, Senior Executive Managing Director  
 Phone: +81-6-6201-2461  
 Scheduled date of Ordinary General Shareholders' Meeting: June 22, 2018  
 Scheduled submission date of Securities Report: June 25, 2018  
 Scheduled date to commence dividend payments: June 25, 2018  
 Availability of supplementary briefing material on Financial Results: 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 2018 (From April 1, 2017 to March 31, 2018)

(1) Consolidated Results of Operations (% 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	%
FY Ended March 31, 2018	73,310	2.7	4,010	0.9	4,008	2.0	2,725	12.6
FY Ended March 31, 2017	71,384	△11.8	3,975	63.1	3,931	21.9	2,421	98.0

(Note) Comprehensive income: FY Ended March 31, 2018: 2,845million yen (△3.0%), FY Ended March 31, 2017: 2,933million yen (—%)

	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, 2018	105.03	—	8.3	5.8	5.5
FY Ended March 31, 2017	93.31	—	8.0	5.7	5.6

(Reference) Equity in net income of affiliated companies FY Ended March 31, 2018: 38 million yen, FY Ended March 31, 2017: 34 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, 2018	69,771	36,097	48.3	1,295.79
At March 31, 2017	67,352	33,813	47.0	1,219.68

(Reference) Equity: FY Ended March 31, 2018: 33,723 million yen, FY Ended March 31, 2017: 31,648million 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, 2018	2,777	(1,527)	(1,551)	3,659
FY Ended March 31, 2017	6,840	(2,324)	(6,174)	4,002

## 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, 2017	—	8.00	—	9.00	17.00	441	18.2	1.4
FY Ended March 31, 2018	—	11.00	—	12.00	23.00	597	21.9	1.8
FY Ending March 31, 2019(Forecast)	—	12.00	—	12.00	24.00		21.2	

### 3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2019 (From April 1, 2018 to March 31, 2019)

(% indicates changes from the same period of 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
2Q(cumulative)	39,500	12.8	2,100	17.2	2,100	17.2	1,400	9.0	53.79
Full year	80,000	9.1	4,500	12.2	4,500	12.3	2,950	8.2	113.35

#### 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, 2018	26,080,396 shares
Fiscal Year Ended March 31, 2017	26,080,396 shares

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

Fiscal Year Ended March 31, 2018	55,330 shares
Fiscal Year Ended March 31, 2017	132,049 shares

- (iii) Average number of shares during the period

Fiscal Year Ended March 31, 2018	25,954,164 shares
Fiscal Year Ended March 31, 2017	25,948,458 shares

(Reference) Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (From April 1, 2017 to March 31, 2018)

- (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, 2018	3,040	12.5	883	118.2	1,166	257.5	1,783	249.7
FY Ended March 31, 2017	2,702	(2.0)	404	(39.0)	326	(69.9)	509	(39.7)

	Net income per share	Fully diluted net income per share
	Yen	Yen
FY Ended March 31, 2018	68.72	—
FY Ended March 31, 2017	19.65	—

- (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, 2018	36,111	27,717	76.8	1,065.04
At March 31, 2017	36,684	26,455	72.1	1,019.56

(Reference) Equity: FY Ended March 31, 2018: 27,717 million yen, FY Ended March 31, 2017: 26,455 million yen

\* This summary of consolidated financial results is not subject to audit procedure.

\* 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

Information regarding net sales and income or loss by reporting segment

I. For the previous fiscal year (April 1, 2016 to March 31, 2017)

(Thousands of yen)

	Reporting segment				
	Resin & Tall Oil Products	Paper Chemicals	Electronics Materials	Lawter	Subtotal
Net sales					
Net sales to external customers	18,286,324	16,209,281	5,325,581	29,854,519	69,675,705
Intersegment sales or transfers	249,981	237,682	—	143,001	630,665
Total	18,536,305	16,446,963	5,325,581	29,997,520	70,306,371
Segment income(loss)	942,789	1,715,695	309,989	1,391,697	4,360,171
Depreciation	631,708	598,173	146,656	528,823	1,905,363
Amortization of goodwill	—	—	—	86,071	86,071
Interest income and interest expenses	(26,815)	(3,671)	(3,205)	(124,146)	(157,839)
Equity in income of affiliated companies	—	—	—	—	—

	Others (Note 1)	Total	Adjustment (Note 2)	Amount in consolidated statement of income (Note 3)
Net sales				
Net sales to external customers	1,685,147	71,360,853	23,242	71,384,095
Intersegment sales or transfers	132,793	763,458	(763,458)	—
Total	1,817,941	72,124,312	(740,216)	71,384,095
Segment income (loss)	(20,293)	4,339,878	(364,769)	3,975,108
Depreciation	132,492	2,037,855	—	2,037,855
Amortization of goodwill	1,142	87,214	—	87,214
Interest income and interest expenses	12,050	(145,788)	(97,399)	(243,188)
Equity in income of affiliated companies	—	—	34,952	34,952

(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 (loss) includes the adjustment of inventories 68,613 thousand yen and company-wide expenses (516,879) thousand yen, etc. that are not attributable to reportable segment.

3. Segment income (loss) is adjusted to reflect operating income as recorded in the 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, 2017 to March 31, 2018)

(Thousands of yen)

	Reporting segment				
	Resin & Tall Oil Products	Paper Chemicals	Electronics Materials	Lawter	Subtotal
Net sales					
Net sales to external customers	19,086,556	17,334,479	5,633,930	29,700,118	71,755,083
Intersegment sales or transfers	215,882	147,158	—	148,419	511,460
Total	19,302,438	17,481,637	5,633,930	29,848,537	72,266,544
Segment income(loss)	1,176,100	1,749,207	404,437	1,272,086	4,601,831
Depreciation	631,370	628,700	135,210	426,626	1,821,907
Amortization of goodwill	—	—	—	—	—
Interest income and interest expenses	(9,354)	1,670	(1,147)	(148,754)	(157,586)
Equity in income of affiliated companies	—	—	—	—	—

	Others (Note 1)	Total	Adjustment (Note 2)	Amount in consolidated statement of income (Note 3)
Net sales				
Net sales to external customers	1,605,061	73,360,145	(50,043)	73,310,101
Intersegment sales or transfers	137,459	648,919	(648,919)	—
Total	1,742,520	74,009,064	(698,963)	73,310,101
Segment income (loss)	(19,291)	4,582,540	(571,919)	4,010,621
Depreciation	126,350	1,948,257	—	1,948,257
Amortization of goodwill	—	—	—	—
Interest income and interest expenses	(3,755)	(161,341)	(68,699)	(230,041)
Equity in income of affiliated companies	—	—	38,611	38,611

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

2. The adjustment (loss) amount of segment income includes the adjustment of inventories 109,394 thousand yen and company-wide expenses (751,316) thousand yen, etc. that are not attributable to reportable segment.

3. Segment income (loss) is adjusted to reflect operating income as recorded in the 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.