



April 30, 2025

To whom it may concern:

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Notice regarding the “Difference between Forecasted and Actual Consolidated Results for Fiscal 2024”, and “Record of Extraordinary Loss”

Harima Chemicals Group, Inc. (the “Company”) hereby announces the “difference between forecasted and actual consolidated results for fiscal 2024 (FY2024: April 1, 2024 - March 31, 2025)”, and “record of extraordinary loss”, as follows:

I. Difference between forecasted and actual consolidated results for FY2024

(million yen / %)

	Net sales	Operating income	Ordinary income	Net income attributable to Harima Chemicals Group, Inc.	Net income per share (yen)
Previous forecast (A)	102,000	3,000	2,500	1,550	63.88
Actual results (B)	101,006	2,083	1,330	763	31.46
Difference (B-A)	(994)	(917)	(1,170)	(787)	—
Difference (%)	(1.0)	(30.6)	(46.8)	(50.8)	—
(Ref) Results of FY2023 (April 1, 2023 - March 31, 2024)	92,330	(211)	(275)	(1,161)	(47.96)

II. Reasons for difference

FY2024 Net sales, Operating income, Ordinary income, and Net income attributable to owners of the parent decreased compared to the previous forecast announced on October 31, 2024.

Net sales decreased mainly as a result of lower Net sales in the Lawter business during the 4th quarter, triggered by lower selling prices set to reflect lower raw material prices.

Operating income decreased, despite Group-wide initiatives targeting expense reduction. In the Electronic Materials business, Operating income decreased due to higher raw material prices and expenses related to adjustments in the solder material business acquired in 2022. In the Lawter business, Operating income decreased as a result of lower Net sales, as well as lower Operating income margins in the 4th quarter, triggered by lower selling prices set to reflect lower raw material prices.

Ordinary income decreased due to higher overseas interest expenses and equity-method losses, the latter derived from weaker performance at some of our affiliated companies.

Net income attributable to owners of the parent decreased due to an extraordinary impairment loss and higher corporate taxes, and despite an extraordinary income from the sale of investment securities.

III. Record of extraordinary loss

As the operating assets of New Zealand-based consolidated subsidiary Lawter (N.Z.) Ltd. are not expected to generate sufficient returns on investment, a loss on impairment of fixed assets was recorded by reducing its book value to the recoverable amount. The resulting loss of 340 million yen was recorded as an extraordinary loss.

IV. Impact on business performance

The above-mentioned extraordinary loss is reflected in the “Consolidated Financial Results Highlights for the Fiscal Year Ended March 31, 2025” disclosed today, April 30, 2025.

Note: This document has been translated in part from the Japanese original for reference purposes only.
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the original shall prevail.