

Summary of Consolidated Financial Statements for First Quarter of Fiscal Year Ending March 31, 2021(Japan GAAP)

August 12, 2020
Listed Exchanges: TSE

Name of Listed Company: Ishihara Sangyo Kaisha, Ltd.
Code: 4028 URL <http://www.iskweb.co.jp>
Representative: (Title) Executive Director President (Name) Kenichi Tanaka
Contact: (Title) Managing Executive Officer (Name) Yasunobu Kawazoe Tel +81-6-6444-1850
Scheduled date of securities report submission: August 13, 2020
Scheduled date of dividend payment commencement: —

(Any amount less than one million yen is rounded down to the nearest million yen or nil.)

1. Consolidated Financial Results for First Quarter of Fiscal Year Ended March 31, 2021(April 1, 2020 to June 30, 2020)

(1) Consolidated Operating Results

(Percentages represent changes from same period in previous year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
1Q, 2020	24,698	-6.0	830	-27.8	594	-45.1	431	-10.7
1Q, 2019	26,264	3.4	1,150	-44.4	1,081	-51.4	482	-74.8

(Note) Comprehensive income: as of June 30, 2020:322million yen (-4.4%), as of June 30, 2019:337million yen (-75.2%)

	Net income per share	Net income per share after full dilution
	Yen	Yen
1Q, 2020	10.78	—
1Q, 2019	12.07	—

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	millions of yen	millions of yen	%
1Q, 2020	174,317	76,193	43.7
Year ended March 31, 2020	172,437	76,669	44.5

(Reference) Equity capital: as of June 30, 2020: 76,193million yen, as of March 31, 2020: 76,669 million yen

2. Dividends

(Record date)	Dividends per share				
	June 30 (Q1-end)	September 30 (Q2-end)	December 31 (Q3-end)	March 31 (Year-end)	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2020	—	0.00	—	20.00	20.00
Year ended March 31, 2021	—				
Year ending March 31, 2021 (Forecast)		0.00	—	12.00	12.00

(Note) Modification in the dividend forecast for current quarter: No modification

3. Forecast for Consolidated Results for the Full Year Ending March 31, 2021 (April 1, 2020 - March 31, 2021)

(Percentages represent forecasted changes from the previous year for the full year results, and forecasted changes from the same period in the previous year for the interim results.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	Yen
Interim (First 2Qs)	50,000	-3.9	-500	—	-1,300	—	-1,500	—	-37.53
Full year	103,000	1.9	4,900	-20.8	4,700	-12.1	3,100	31.4	77.57

(Note) Modification in the dividend forecast for current quarter: Modified

4. Other information

- (1) Significant changes in subsidiaries during the period
(changes in specified subsidiaries resulting in the change in consolidation scope): No change
- (2) Adoption of simplified accounting treatment and special accounting treatment for quarterly consolidated statement: No adopted
- (3) Changes in accounting principles, procedures, and the method of presentation
 - 1) Changes due to revisions of accounting standards etc. : Not adopted
 - 2) Changes other than those defined in 1) above : Not adopted
 - 3) Changes in accounting procedures : Not adopted
 - 4) Changes in the method of presentation : Not adopted
- (4) Issued shares (common shares)
 - 1) Issued shares as of period-end (including repurchased treasury shares)
As of June 30, 2020: 40,383,943 shares As of March 31, 2020: 40,383,943 shares
 - 2) Number of shares of treasury stock as of period-end
As of June 30, 2020: 423,534 shares As of March 31, 2020: 423,188 shares
 - 3) Average number of outstanding shares during period
1Q 2020: 39,960,583 shares 1Q 2019: 39,965,139 shares

*This quarterly financial results release is not subject to certified public accountants or auditing firm.

* Notes on proper use of forecast and other matters

The forecast of financial results presented in this document is the result of management's assessment based upon currently available assumptions, prospects and plans for the future. Actual results and dividend payments may differ from these forecasts, due to risks and uncertain factors, such as the global economy, competition, and foreign currency fluctuations.

5. Consolidated Financial Statements, and Main Notes

(1) Consolidated Balance Sheet

(Unit: millions of yen)

Account Category	As of March,2020 (summary)	As of June 2020
ASSETS		
Current Assets		
Cash and deposits	20,925	21,221
Notes and accounts receivable – trade	32,059	34,097
Merchandise and finished goods	32,664	31,690
Work in process	6,047	6,347
Raw materials and supplies	15,044	15,991
Other	4,683	4,078
Allowance for doubtful accounts	-1,060	-1,061
Total current assets	110,324	112,364
Noncurrent Assets		
Property, plant and equipment		
Machinery, equipment net	17,634	18,715
Others , net	28,636	26,856
Total property , plant and equipment	46,271	45,571
Intangible assets	470	609
Investments and other assets		
Investment securities	5,932	6,106
Deferred tax assets	8,427	8,767
Net defined benefit asset	9	9
Other	1,085	972
Allowance for doubtful accounts	-84	-84
Total investments and other assets	15,371	15,772
Total noncurrent assets	62,112	61,953
Total Assets	172,437	174,317

(Unit: millions of yen)

Account Category	As of March,2020 (summary)	As of June 2020
LIABILITIES		
Current Liabilities		
Notes and accounts payable – trade	17,433	20,387
Short-term loans payable	15,869	15,651
Currents portion of bonds	684	684
Income tax payable	371	209
Reserve	1,113	1,724
Other	8,266	8,615
Total current liabilities	43,737	47,273
Noncurrent Liabilities		
Bonds payable	3,036	2,931
Long-term loans payable	28,053	26,965
Provision for environment and safety improvement	2,052	2,023
Net defined benefit liability	12,884	12,862
Liabilities from application of equity method	399	640
Other	5,603	5,427
Total noncurrent liabilities	52,029	50,850
Total Liabilities	95,767	98,123
NET ASSETS		
Shareholder's equity		
Capital stock	43,420	43,420
Capital surplus	10,627	10,627
Retained earnings	25,298	24,930
Treasury stock	-727	-728
Total shareholder's equity	78,618	78,250
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-429	-340
Deferred gains or losses on hedges	—	0
Foreign currency translation adjustment	-1,216	-1,429
Remeasurements of defined benefit plans	-302	-286
Total accumulated other comprehensive income	-1,948	-2,057
Total net assets	76,669	76,193
Total Liabilities and Net Assets	172,437	174,317

(2) Consolidated Statements of Income

(Unit: millions of yen)

Account Category	Q1 2019 (April 1,2019 to June 30,2019)	Q1 2020 (April 1,2020 to June 30,2020)
Net sales	26,264	24,698
Cost of sales	19,082	18,083
Gross profit	7,181	6,615
Selling, general and administrative expenses	6,031	5,784
Operating income	1,150	830
Non-operating income		
Interest income	13	8
Dividends income	211	91
Share of profit of entities accounted for using equity method	151	—
Gain on sales of raw materials	65	90
Other	32	44
Total non-operating income	474	234
Non-operating expenses		
Interest expenses	161	139
Financial fee	45	62
Equity in losses of affiliates	—	169
Foreign exchange loss	281	9
Other	54	88
Total non-operating expenses	542	470
Ordinary income	1,081	594
Extraordinary loss		
Loss on disposal of non-current assets	306	314
Total extraordinary loss	306	314
Income before income taxes and minority interests	775	279
Income taxes	95	184
Income taxes – deferred	198	-335
Total income taxes	293	-151
Net income	482	431
Profit attributable to owners of parent	482	431

(Unit: millions of yen)

Account Category	Q1 2019 (April 1,2019 to June 30,2019)	Q1 2020 (April 1,2020 to June 30,2020)
Profit	482	431
Other comprehensive income		
Valuation difference on available for sale securities	-71	88
Deferred gains or losses on hedges	—	0
Foreign currency translation adjustment	-118	-194
Remeasurements of defined benefit plans, net of tax	18	15
Equity in profit / loss of affiliated companies	25	-19
Total other comprehensive income	-145	-108
Comprehensive income	337	322
(Breakdown)		
Comprehensive income attributable to the parent company	337	322

6. Segment Information

【Business Segment Information】

1Q of Fiscal Year Ended March 31, 2020 (April 1, 2019 to June 30, 2019)

(1) Information relating sales, profits, losses, for each reporting unit

(Unit: millions of yen)

	Inorganic Chemicals	Organic Chemicals	Other Businesses	Total	Elimination/Corporate	Consolidated
Sales						
(1) Sales to external customers	13,248	12,300	716	26,264	—	26,264
(2) Intersegment sales and transfers	—	—	463	463	-463	—
Total	13,248	12,300	1,179	26,727	-463	26,264
Segment profit	1,593	163	0	1,756	-606	1,150

(Note) 1. Adjustment include the following items

- (1) Adjustment in segment profit (- ¥ 606million) includes elimination of transaction between segments(¥ 33million) and corporate expenses not allocated to reporting segments(- ¥ 640million). Corporate expenses mainly comprise general expenses not allocated segments.
- (2) Segment profit is adjusted to be consistent with operating income shown on the quarterly consolidated income statement.

(2) Geographical information

Net Sales

(Unit: millions of yen)

Japan	Asia	America	Europe	Other	Total
11,161	4,826	3,916	6,307	52	26,264

(Note) 1. Net sales by geographic segment are based on nations or regions where customers reside.

2. Grouping of countries and regions is based on the geographic proximity and relevance of businesses.

Countries and regions included in each geographic segment are follows, excluding Japan:

- (1) Asia : China, Taiwan, South Korea, Thailand, Indonesia, Singapore and India
- (2) Americas : United States of America, Canada, Brazil, Argentina, and Mexico
- (3) Europe : Germany, Netherlands, France, the United Kingdom, Belgium, Italy, and East Europe and Middle East regions
- (4) Other : Australia, New Zealand and Africa

(3) Information concerning impairment loss or goodwill on noncurrent assets by segment

We do not note any significant changes.

【Business Segment Information】

1Q of Fiscal Year Ended March 31, 2021 (April 1, 2020 to June 30, 2020)

(1) Information relating sales, profits, losses, for each reporting unit

(Unit: millions of yen)

	Inorganic Chemicals	Organic Chemicals	Other Businesses	Total	Adjustment	Amount reported on consolidated financial statements
Sales						
(1) Sales to external customers	11,191	12,640	866	24,698	—	24,698
(2) Intersegment sales and transfers	—	—	515	515	-515	—
Total	11,191	12,640	1,381	25,214	-515	24,698
Segment profit	388	1,014	23	1,426	-596	830

(Note) 1. Adjustment include the following items

- (1) Adjustment in segment profit (- ¥ 596million) includes elimination of transaction between segments(¥ 36million) and corporate expenses not allocated to reporting segments(- ¥ 632million). Corporate expenses mainly comprise general expenses not allocated segments.
- (2) Segment profit is adjusted to be consistent with operating income shown on the quarterly consolidated income statement.

(2)Geographical information

Net Sales

(Unit: millions of yen)

Japan	Asia	America	Europe	Other	Total
10,332	3,649	4,155	6,494	66	24,698

(Note) 1. Net sales by geographic segment are based on nations or regions where customers reside.

2. Grouping of countries and regions is based on the geographic proximity and relevance of businesses.

Countries and regions included in each geographic segment are follows, excluding Japan:

(1) Asia : China, Taiwan, South Korea, Thailand, Indonesia, Singapore and India

(2) Americas : United States of America, Canada, Brazil, Argentina, and Mexico

(3) Europe : Germany, Netherlands, France, the United Kingdom, Belgium, Italy, and East Europe and Middle East regions

(4) Other : Australia, New Zealand and Africa

(3) Information concerning impairment loss or goodwill on noncurrent assets by segment

We do not note any significant changes.