

Summary of Consolidated Financial Statements for First Quarter of Fiscal Year Ending March 31, 2022(Japan GAAP)

August 12, 2021
Listed Exchanges: TSE

Name of Listed Company: Ishihara Sangyo Kaisha, Ltd.
Code: 4028 URL <http://www.iskwweb.co.jp>
Representative: (Title) Executive Director President (Name) Hideo Takahashi
Contact: (Title) Managing Executive Officer (Name) Yasunobu Kawazoe Tel +81-6-6444-1850
Scheduled date of securities report submission: August 13, 2021
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, 2022(April 1, 2021 to June 30, 2021)

(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, 2021	29,783	20.6	2,187	163.4	2,436	309.9	2,435	464.8
1Q, 2020	24,698	-6.0	830	-27.8	594	-45.1	431	-10.7

(Note) Comprehensive income: as of June 30, 2021: 3,179million yen (885.4%), as of June 30, 2020: 322million yen (-4.4%)

	Net income per share	Net income per share after full dilution
	Yen	Yen
1Q, 2021	60.94	—
1Q, 2020	10.78	—

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	millions of yen	millions of yen	%
1Q, 2021	184,847	81,723	44.2
Year ended March 31, 2021	180,021	79,515	44.2

(Reference) Equity capital: as of June 30, 2021: 81,723million yen, as of March 31, 2021: 79,515 million yen

2. Dividends

	Dividends per share				
(Record date)	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, 2021	—	0.00	—	18.00	18.00
Year ended March 31, 2022	—	—	—	—	—
Year ending March 31, 2022 (Forecast)	—	0.00	—	18.00	18.00

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

3. Forecast for Consolidated Results for the Full Year Ending March 31, 2022 (April 1, 2021 - March 31, 2022)

(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)	57,000	—	3,200	—	3,100	—	2,700	—	67.57
Full year	103,000	—	6,300	21.8	4,700	-20.9	3,600	6.7	90.09

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

(Note) The year-on-year changes in operating income and ordinary income for the first six months of the fiscal year ending March 31, 2022 exceeded 1,000% and therefore are referred to as “—”.

(Note) Financial forecasts for the year ending March 31, 2022 are in line with the Accounting Standard for Revenue Recognition. This is why the rate of increase (decrease) in net sales in FY2020 before applying the standard cannot be announced.

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: Not adopted
- (3) Changes in accounting principles, procedures, and the method of presentation
 - 1) Changes due to revisions of accounting standards etc. : Adopted
 - 2) Changes other than those defined in 1) above : 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, 2021: 40,383,943 shares As of March 31, 2021: 40,383,943 shares
 - 2) Number of shares of treasury stock as of period-end
As of June 30, 2021: 428,016 shares As of March 31, 2021: 427,338 shares
 - 3) Average number of outstanding shares during period
1Q 2021: 39,956,193 shares 1Q 2020: 39,960,583 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,2021 (summary)	As of June 2021
ASSETS		
Current Assets		
Cash and deposits	25,941	30,077
Notes and accounts receivable – trade	34,235	—
Notes and accounts receivable-trade and contract assets	—	39,910
Merchandise and finished goods	31,180	27,961
Work in process	5,040	4,738
Raw materials and supplies	18,253	16,369
Other	3,456	3,909
Allowance for doubtful accounts	-1,104	-1,113
Total current assets	117,003	121,853
Noncurrent Assets		
Property, plant and equipment		
Machinery, equipment net	20,056	21,105
Others , net	27,051	25,376
Total property , plant and equipment	47,107	46,482
Intangible assets	551	524
Investments and other assets		
Investment securities	6,187	6,540
Deferred tax assets	8,547	8,867
Net defined benefit asset	10	10
Other	698	653
Allowance for doubtful accounts	-84	-84
Total investments and other assets	15,358	15,987
Total noncurrent assets	63,017	62,993
Total Assets	180,021	184,847

(Unit: millions of yen)

Account Category	As of March,2021 (summary)	As of June 2021
LIABILITIES		
Current Liabilities		
Notes and accounts payable – trade	14,476	18,063
Short-term loans payable	16,423	16,047
Currents portion of bonds	1,118	1,118
Income tax payable	614	468
Reserve	942	1,438
Other	8,627	9,101
Total current liabilities	42,203	46,238
Noncurrent Liabilities		
Bonds payable	5,017	4,912
Long-term loans payable	33,130	31,951
Provision for environment and safety improvement	1,741	1,673
Other provision	227	287
Net defined benefit liability	12,693	12,950
Liabilities from application of equity method	451	606
Other	5,040	4,505
Total noncurrent liabilities	58,302	56,885
Total Liabilities	100,506	103,124
NET ASSETS		
Shareholder's equity		
Capital stock	43,420	43,420
Capital surplus	10,627	10,627
Retained earnings	27,872	29,337
Treasury stock	-730	-731
Total shareholder's equity	81,189	82,653
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-308	-71
Foreign currency translation adjustment	-1,286	-794
Remeasurements of defined benefit plans	-78	-64
Total accumulated other comprehensive income	-1,674	-930
Total net assets	79,515	81,723
Total Liabilities and Net Assets	180,021	184,847

* This is an English translation of Summary originally written in Japanese and disclosed to TSE
For official purposes, the Japanese version takes preference over this English translation

(2) Consolidated Statements of Income

(Unit: millions of yen)

Account Category	Q1 2020 (April 1,2020 to June 30,2020)	Q1 2021 (April 1,2021 to June 30,2021)
Net sales	24,698	29,783
Cost of sales	18,083	22,344
Gross profit	6,615	7,438
Selling, general and administrative expenses	5,784	5,250
Operating income	830	2,187
Non-operating income		
Interest income	8	4
Dividends income	91	136
Foreign exchange income	—	282
Gain on sales of raw materials	90	87
Other	44	64
Total non-operating income	234	574
Non-operating expenses		
Interest expenses	139	138
Financial fee	62	93
Equity in losses of affiliates	169	31
Foreign exchange loss	9	—
Other	88	61
Total non-operating expenses	470	326
Ordinary income	594	2,436
Extraordinary income		
Gain on forgiveness of debts	—	552
Other	—	11
Total extraordinary income	—	563
Extraordinary loss		
Loss on disposal of non-current assets	314	283
Total extraordinary loss	314	283
Income before income taxes and minority interests	279	2,717
Income taxes	184	452
Income taxes – deferred	-335	-170
Total income taxes	-151	282
Net income	431	2,435
Profit attributable to owners of parent	431	2,435

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(Unit: millions of yen)

Account Category	Q1 2020 (April 1,2020 to June 30,2020)	Q1 2021 (April 1,2021 to June 30,2021)
Profit	431	2,435
Other comprehensive income		
Valuation difference on available for sale securities	88	237
Deferred gains or losses on hedges	0	—
Foreign currency translation adjustment	-194	505
Remeasurements of defined benefit plans, net of tax	15	14
Equity in profit / loss of affiliated companies	-19	-13
Total other comprehensive income	-108	744
Comprehensive income	322	3,179
(Breakdown)		
Comprehensive income attributable to the parent company	322	3,179

6. Segment Information

【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	Elimination/Corporate	Consolidated
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.

【Business Segment Information】

1Q of Fiscal Year Ended March 31, 2022 (April 1, 2021 to June 30, 2021)

(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	14,263	14,755	764	29,783	—	29,783
(2) Intersegment sales and transfers	—	—	691	691	-691	—
Total	14,263	14,755	1,455	30,474	-691	29,783
Segment profit	1,585	1,153	28	2,767	-579	2,187

(Note) 1. Adjustment include the following items

- (1) Adjustment in segment profit (- ¥ 579million) includes elimination of transaction between segments(¥ 42million) and corporate expenses not allocated to reporting segments(- ¥ 622million). 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
11,021	5,364	5,169	8,062	165	29,783

(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.

(4) Matters Regarding the Changes in Reportable Segment, etc.

The Accounting Standard for Revenue Recognition, etc. has been applied since the beginning of the first quarter of the current consolidated fiscal year. As a result of a change in the method of accounting treatment for revenue recognition, the method of measuring profit or loss in each business segment has also been changed accordingly.

As a result of this change, segment sales for the first three months of the current consolidated fiscal year decreased by 26 million yen for the “Inorganic Chemicals” segment, 274 million yen for the “Organic Chemicals” segment, and 160 million yen for the “Other Business” segment, compared with the previous method. Also, segment profit of the “Inorganic Chemicals” decreased by 4 million yen and that segment profit of the “Other Business” increased by 26 million, compared with the previous method.