

# Summary of Consolidated Financial Statements for First Quarter of Fiscal Year Ending March 31, 2023(Japan GAAP)

August 10, 2022  
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) Hideo Takahashi  
Contact: (Title) Managing Executive Officer (Name) Yasunobu Kawazoe Tel +81-6-6444-1850  
Scheduled date of securities report submission: August 12, 2022  
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, 2023(April 1,2022 to June 30, 2022)

### (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, 2022	33,320	11.9	2,686	22.8	4,416	81.2	3,464	42.3
1Q, 2021	29,783	20.6	2,187	163.4	2,436	309.9	2,435	464.8

(Note) Comprehensive income: as of June 30, 2022: 4,238million yen (33.3%) , as of June 30, 2021: 3,179million yen (885.4%)

	Net income per share	Net income per share after full dilution
	Yen	Yen
1Q, 2022	86.72	—
1Q, 2021	60.94	—

### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	millions of yen	millions of yen	%
1Q, 2022	190,667	94,669	49.7
Year ended March 31, 2022	185,758	91,869	49.5

(Reference) Equity capital: as of June 30, 2022: 94,669million yen, as of March 31, 2022: 91,869 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, 2022	—	0.00	—	36.00	36.00
Year ended March 31, 2023	—				
Year ending March 31, 2023 (Forecast)		0.00	—	36.00	36.00

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

## 3. Forecast for Consolidated Results for the Full Year Ending March 31, 2023 (April 1, 2022 - March 31, 2023)

(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)	66,000	17.6	1,900	-61.2	3,300	-31.3	1,300	-68.9	32.53
Full year	129,000	16.3	10,000	-13.5	8,400	-36.7	6,200	-47.0	155.18

(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: Not 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, 2022: 40,383,943 shares As of March 31, 2022: 40,383,943 shares
  - 2) Number of shares of treasury stock as of period-end  
As of June 30, 2022: 431,011 shares As of March 31, 2022: 430,740 shares
  - 3) Average number of outstanding shares during period  
1Q 2022: 39,953,060 shares 1Q 2021: 39,956,193 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,2022 (summary)	As of June 2022
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and deposits	27,073	26,589
Notes and accounts receivable-trade and contract assets	33,736	42,361
Merchandise and finished goods	32,813	29,070
Work in process	4,633	4,763
Raw materials and supplies	20,051	21,015
Other	4,190	4,158
Allowance for doubtful accounts	-1,109	-1,146
<b>Total current assets</b>	<b>121,389</b>	<b>126,812</b>
<b>Noncurrent Assets</b>		
<b>Property, plant and equipment</b>		
Machinery, equipment net	20,723	21,278
Others , net	25,812	23,741
<b>Total property , plant and equipment</b>	<b>46,535</b>	<b>45,019</b>
Intangible assets	1,018	1,438
<b>Investments and other assets</b>		
Investment securities	7,456	7,660
Deferred tax assets	8,883	8,793
Net defined benefit asset	10	11
Other	550	1,021
Allowance for doubtful accounts	-85	-90
<b>Total investments and other assets</b>	<b>16,815</b>	<b>17,397</b>
<b>Total noncurrent assets</b>	<b>64,369</b>	<b>63,855</b>
<b>Total Assets</b>	<b>185,758</b>	<b>190,667</b>

(Unit: millions of yen)

Account Category	As of March,2022 (summary)	As of June 2022
<b>LIABILITIES</b>		
Current Liabilities		
Notes and accounts payable – trade	17,739	20,315
Short-term loans payable	16,068	15,906
Currents portion of bonds	1,118	1,118
Income tax payable	1,242	628
Reserve	1,438	2,121
Other	9,124	10,061
Total current liabilities	46,731	50,151
Noncurrent Liabilities		
Bonds payable	3,898	3,793
Long-term loans payable	24,831	23,785
Provision for environment and safety improvement	1,384	1,331
Other provision	83	97
Net defined benefit liability	13,058	12,857
Other	3,901	3,980
Total noncurrent liabilities	47,157	45,846
Total Liabilities	93,889	95,997
<b>NET ASSETS</b>		
Shareholder's equity		
Capital stock	43,420	43,420
Capital surplus	10,627	10,627
Retained earnings	38,592	40,619
Treasury stock	-734	-735
Total shareholder's equity	91,905	93,931
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	405	342
Foreign currency translation adjustment	-297	517
Remeasurements of defined benefit plans	-143	-122
Total accumulated other comprehensive income	-36	737
Total net assets	91,869	94,669
<b>Total Liabilities and Net Assets</b>	<b>185,758</b>	<b>190,667</b>

## (2) Consolidated Statements of Income

(Unit: millions of yen)

Account Category	Q1 2021 (April 1,2021 to June 30,2021)	Q1 2022 (April 1,2022 to June 30,2022)
Net sales	29,783	33,320
Cost of sales	22,344	24,364
Gross profit	7,438	8,956
Selling, general and administrative expenses	5,250	6,269
Operating income	2,187	2,686
Non-operating income		
Interest income	4	3
Dividends income	136	150
Share of profit of entities accounted for using equity method	—	176
Foreign exchange income	282	1,525
Gain on sales of raw materials	87	54
Other	64	95
Total non-operating income	574	2,006
Non-operating expenses		
Interest expenses	138	122
Financial fee	93	99
Share of loss of entities accounted for using equity method	31	—
Other	61	54
Total non-operating expenses	326	276
Ordinary income	2,436	4,416
Extraordinary income		
Gain on forgiveness of debts	552	—
Gain on sale of investment securities	11	19
Total extraordinary income	563	19
Extraordinary loss		
Loss on disposal of non-current assets	283	234
Total extraordinary loss	283	234
Income before income taxes and minority interests	2,717	4,200
Income taxes	452	597
Income taxes – deferred	-170	138
Total income taxes	282	736
Net income	2,435	3,464
Profit attributable to owners of parent	2,435	3,464

(Unit: millions of yen)

Account Category	Q1 2021 (April 1,2021 to June 30,2021)	Q1 2022 (April 1,2022 to June 30,2022)
Profit	2,435	3,464
Other comprehensive income		
Valuation difference on available for sale securities	237	-62
Foreign currency translation adjustment	505	721
Remeasurements of defined benefit plans, net of tax	14	21
Equity in profit / loss of affiliated companies	-13	93
Total other comprehensive income	744	773
Comprehensive income	3,179	4,238
(Breakdown )		
Comprehensive income attributable to the parent company	3,179	4,238

## 6. Segment Information

### 【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	Elimination/Corporate	Consolidated
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.

### 【Business Segment Information】

1Q of Fiscal Year Ended March 31, 2023 (April 1, 2022 to June 30, 2022)

(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	16,135	16,522	662	33,320	—	33,320
(2) Intersegment sales and transfers	—	—	431	431	-431	—
Total	16,135	16,522	1,094	33,751	-431	33,320
Segment profit or loss (-)	1,981	1,538	-43	3,476	-789	2,686

(Note) 1. Adjustment include the following items

- (1) Adjustment in segment profit (- ¥ 789million) includes elimination of transaction between segments( ¥ 55million) and corporate expenses not allocated to reporting segments(- ¥ 844million). Corporate expenses mainly comprise general expenses not allocated segments.
- (2) Segment profit or loss 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
12,553	6,432	6,592	7,517	224	33,320

(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.