

Summary of Consolidated Financial Statements for Third Quarter of Fiscal Year Ending March 31, 2024(Japan GAAP)

February 9, 2024
Listed Exchanges: TSE

Name of Listed Company: Ishihara Sangyo Kaisha, Ltd.
Code: 4028 URL <https://www.iskweb.co.jp/>
Representative: (Title) Executive Director President (Name) Hideo Takahashi
Contact: (Title) Director (Name) Yasunobu Kawazoe Tel +81-6-6444-1850
Scheduled date of securities report submission: February 13, 2024
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 Third Quarter of Fiscal Year Ended March 31, 2024(April 1, 2023 to December 31, 2023)

(1) Consolidated Operating Results

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

	Net sales		Operating income		Ordinary income		Net income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
3Q, 2023	98,503	4.6	2,483	-34.8	5,280	-4.2	2,841	-5.7
3Q, 2022	94,174	19.3	3,811	-35.7	5,510	-9.4	3,012	-36.8

(Note) Comprehensive income: As of December 31, 2023: 5,326 million yen (0.2%)
As of December 31, 2022: 5,317 million yen (-1.4%)

	Net income per share	Net income per share after full dilution
	Yen	Yen
3Q, 2023	74.44	—
3Q, 2022	75.56	—

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	millions of yen	Millions of yen	%
3Q, 2023	230,581	101,253	43.9
Year ended March 31, 2023	201,913	97,431	48.3

(Reference) Equity capital: As of December 31, 2023: 101,224 million yen
As of March 31, 2023: 97,431 million yen

2. Dividends

	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, 2023	—	0.00	—	42.00	42.00
Year ended March 31, 2024	—	0.00	—		
Year ending March 31, 2024 (Forecast)				60.00	60.00

(Note) 1. Modification in the dividend forecast for current quarter: No modification

3. Forecast for Consolidated Results for the Full Year Ending March 31, 2024 (April 1, 2023 - March 31, 2024)

(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		Net income		Earnings per share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	Yen
Full year	138,000	5.2	10,000	15.9	11,000	6.3	8,000	15.1	209.65

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

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 December 31, 2023: 40,383,943 shares | As of March 31, 2023: 40,383,943 shares |
| 2) Number of shares of treasury stock as of period-end | |
| As of December 31, 2023: 2,184,589 shares | As of March 31, 2023: 2,243,479 shares |
| 3) Average number of outstanding shares during period | |
| 3Q 2023: 38,165,795 shares | 3Q 2022: 39,868,212 shares |

*Quarterly financial results are outside the scope of quarterly review.

*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
(1) Consolidated Balance Sheet

(Unit: millions of yen)

Account Category	As of March 31, 2023 (summary)	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	17,662	34,905
Notes and accounts receivable-trade and contract assets	38,618	32,173
Electronically recorded monetary claims - operating	1,322	1,525
Merchandise and finished goods	37,558	48,045
Work in process	6,897	9,057
Raw materials and supplies	30,323	32,745
Other	6,292	5,917
Allowance for doubtful accounts	-1,175	-1,174
Total current assets	137,499	163,195
Non-current assets		
Property, plant and equipment		
Machinery equipment, net	20,390	17,542
Others, net	26,338	30,563
Total property, plant and equipment	46,728	48,106
Intangible assets	1,396	2,065
Investments and other assets		
Investment securities	8,106	9,737
Deferred tax assets	7,308	5,769
Net defined benefit asset	23	24
Other	900	1,735
Allowance for doubtful accounts	-49	-53
Total investments and other assets	16,289	17,214
Total non-current assets	64,414	67,385
Total assets	201,913	230,581

(Unit: millions of yen)

Account Category	As of March 31, 2023 (summary)	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable – trade	22,682	21,992
Electronically recorded obligations - operating	1,253	1,908
Short-term loans payable	22,426	24,587
Currents portion of bonds	938	968
Accrued income taxes	403	132
Provision	924	505
Electronically recorded obligations – non-operating	112	4,611
Other	10,450	11,295
Total current liabilities	59,192	66,002
Long-term liabilities		
Bonds payable	2,960	2,355
Long-term loans payable	25,647	45,301
Provision for environment and safety improvement	1,145	195
Other provision	238	—
Net defined benefit liability	12,166	12,048
Other	3,131	3,423
Total long-term liabilities	45,289	63,324
Total Liabilities	104,481	129,327
Net assets		
Shareholder's equity		
Capital stock	43,420	43,420
Capital surplus	10,653	10,672
Retained earnings	44,102	45,341
Treasury shares	-2,710	-2,652
Total shareholders' equity	95,466	96,783
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	384	606
Foreign currency translation adjustment	1,309	3,519
Remeasurements of defined benefit plans	271	316
Total accumulated other comprehensive income	1,965	4,441
Non-controlling interests	—	28
Total net assets	97,431	101,253
Total liabilities and net assets	201,913	230,581

* 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	Q3 2022 (April 1, 2022 to December 31, 2022)	Q3 2023 (April 1, 2023 to December 31, 2023)
Net sales	94,174	98,503
Cost of sales	71,867	76,969
Gross profit	22,307	21,534
Selling, general and administrative expenses	18,495	19,050
Operating income	3,811	2,483
Non-operating income		
Interest income	13	105
Dividend income	190	219
Equity in earnings of affiliates	663	985
Foreign exchange gains	1,333	1,553
Reversal of allowance for environment and safety improvement	—	660
Gain on sales of raw materials	110	145
Other	172	200
Total non-operating income	2,484	3,868
Non-operating expenses		
Interest expenses	360	435
Financial fee	282	449
Other	143	186
Total non-operating expenses	785	1,071
Ordinary income	5,510	5,280
Extraordinary income		
Gain on sale of non-current assets	—	39
Gain on sale of investment securities	76	47
Total extraordinary income	76	87
Extraordinary loss		
Loss on disposal of non-current assets	592	362
Total extraordinary losses	592	362
Income before income taxes and minority interests	4,994	5,006
Income taxes-current	799	444
Income taxes – deferred	1,182	1,710
Total income taxes	1,981	2,155
Net income	3,012	2,850
Profit attributable to non-controlling interests	—	8
Profit attributable to owners of parent	3,012	2,841

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(Unit: millions of yen)

Account Category	Q3 2022 (April 1,2022 to December 31, 2022)	Q3 2023 (April 1,2023 to December 31, 2023)
Net income	3,012	2,850
Other comprehensive income		
Valuation difference on available-for-sale securities	-109	220
Foreign currency translation adjustment	2,199	1,830
Remeasurements of defined benefit plans	71	44
Share of other comprehensive income of entities accounted for using equity method	143	380
Total other comprehensive income	2,305	2,476
Comprehensive income	5,317	5,326
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	5,317	5,317
Comprehensive income attributable to non-controlling interests	—	8

6. Segment Information

【Business Segment Information】

3Q of Fiscal Year Ended March 31, 2023 (April 1, 2022 to December 31, 2022)

(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	47,479	44,684	2,010	94,174	—	94,174
(2) Intersegment sales and transfers	—	0	2,937	2,937	-2,937	—
Total	47,479	44,684	4,947	97,111	-2,937	94,174
Segment profit	1,219	4,774	102	6,096	-2,284	3,811

(Note) 1. Adjustment include the following items

- (1) Adjustment in segment profit (- ¥ 2,284 million) includes elimination of transaction between segments (¥ 123million) and corporate expenses not allocated to reporting segments(- ¥ 2,408 million). 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
39,315	19,097	20,351	15,037	373	94,174

(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 non-current assets by segment

We do not note significant changes.

【Business Segment Information】

3Q of Fiscal Year Ended March 31, 2024(April 1,2023 to December31, 2023)

(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	50,445	45,771	2,286	98,503	—	98,503
(2) Intersegment sales and transfers	—	0	2,882	2,882	-2,882	—
Total	50,445	45,771	5,168	101,386	-2,882	98,503
Segment profit	856	3,880	117	4,854	-2,371	2,483

(Note) 1. Adjustment include the following items

- (1) Adjustment in segment profit (- ¥ 2,371 million) includes elimination of transaction between segments (¥ 128million) and corporate expenses not allocated to reporting segments(- ¥ 2,499 million). 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
41,689	18,903	18,106	19,072	730	98,503

(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 non-current assets by segment

We do not note significant changes.