

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

August 10, 2023

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 10, 2023

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, 2024(April 1,2023 to June 30, 2023)

(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, 2023	37,607	12.9	3,232	20.3	5,803	31.4	4,985	43.9
1Q, 2022	33,320	11.9	2,686	22.8	4,416	81.2	3,464	42.3

(Note) Comprehensive income: as of June 30, 2023: 5,560million yen (31.2%) , as of June 30, 2022: 4,238million yen (33.3%)

	Net income per share	Net income per share after full dilution
	Yen	Yen
1Q, 2023	130.70	—
1Q, 2022	86.72	—

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	millions of yen	millions of yen	%
1Q, 2023	213,874	101,389	47.4
Year ended March 31, 2023	201,913	97,431	48.3

(Reference) Equity capital: as of June 30, 2023: 101,389million yen, as of March 31, 2023: 97,431 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
Year ended March 31, 2023	Yen —	Yen 0.00	Yen —	Yen 42.00	Yen 42.00
Year ended March 31, 2024	—	—	—	—	—
Year ending March 31, 2024 (Forecast)	—	0.00	—	50.00	50.00

(Note) 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		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)	70,000	9.0	1,500	-55.4	2,600	-59.5	1,400	-68.3	36.70
Full year	147,000	12.0	11,000	27.4	10,500	1.5	7,500	7.9	196.64

(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, 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 June 30, 2023: 2,244,159 shares | As of March 31, 2023: 2,243,479 shares |
| 3) Average number of outstanding shares during period | |
| 1Q 2023: 38,140,128 shares | 1Q 2022: 39,953.060 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,2023 (summary)	As of June 2023
ASSETS		
Current Assets		
Cash and deposits	17,662	20,091
Notes and accounts receivable-trade and contract assets	38,618	43,613
Electronically recorded monetary claims - operating	1,322	2,081
Merchandise and finished goods	37,558	41,756
Work in process	6,897	7,288
Raw materials and supplies	30,323	29,279
Other	6,292	5,569
Allowance for doubtful accounts	-1,175	-1,165
Total current assets	137,499	148,514
Noncurrent Assets		
Property, plant and equipment		
Machinery, equipment net	20,390	20,597
Others , net	26,338	25,047
Total property , plant and equipment	46,728	45,645
Intangible assets	1,396	2,096
Investments and other assets		
Investment securities	8,106	8,839
Deferred tax assets	7,308	7,446
Net defined benefit asset	23	24
Other	900	1,357
Allowance for doubtful accounts	-49	-49
Total investments and other assets	16,289	17,618
Total noncurrent assets	64,414	65,359
Total Assets	201,913	213,874

(Unit: millions of yen)

Account Category	As of March,2023 (summary)	As of June 2023
LIABILITIES		
Current Liabilities		
Notes and accounts payable – trade	22,682	24,153
Electronically recorded obligations - operating	1,366	1,400
Short-term loans payable	22,426	28,853
Currents portion of bonds	938	938
Income tax payable	403	613
Reserve	924	1,510
Other	10,450	10,628
Total current liabilities	59,192	68,098
Noncurrent Liabilities		
Bonds payable	2,960	2,855
Long-term loans payable	25,647	24,416
Provision for environment and safety improvement	1,145	1,045
Other provision	238	238
Net defined benefit liability	12,166	12,134
Other	3,131	3,651
Total noncurrent liabilities	45,289	44,386
Total Liabilities	104,481	112,485
NET ASSETS		
Shareholder's equity		
Capital stock	43,420	43,420
Capital surplus	10,653	10,653
Retained earnings	44,102	47,485
Treasury stock	-2,710	-2,710
Total shareholder's equity	95,466	98,848
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	384	562
Foreign currency translation adjustment	1,309	1,693
Remeasurements of defined benefit plans	271	284
Total accumulated other comprehensive income	1,965	2,540
Total net assets	97,431	101,389
Total Liabilities and Net Assets	201,913	213,874

(2) Consolidated Statements of Income

(Unit: millions of yen)

Account Category	Q1 2022 (April 1,2022 to June 30,2022)	Q1 2023 (April 1,2023 to June 30,2023)
Net sales	33,320	37,607
Cost of sales	24,364	28,063
Gross profit	8,956	9,544
Selling, general and administrative expenses	6,269	6,312
Operating income	2,686	3,232
Non-operating income		
Interest income	3	27
Dividends income	150	196
Share of profit of entities accounted for using equity method	176	423
Foreign exchange income	1,525	1,971
Gain on sales of raw materials	54	79
Other	95	165
Total non-operating income	2,006	2,863
Non-operating expenses		
Interest expenses	122	143
Financial fee	99	95
Other	54	53
Total non-operating expenses	276	292
Ordinary income	4,416	5,803
Extraordinary income		
Gain on sale of investment securities	19	—
Total extraordinary income	19	—
Extraordinary loss		
Loss on disposal of non-current assets	234	217
Total extraordinary loss	234	217
Income before income taxes and minority interests	4,200	5,586
Income taxes	597	639
Income taxes – deferred	138	-38
Total income taxes	736	600
Net income	3,464	4,985
Profit attributable to owners of parent	3,464	4,985

(Unit: millions of yen)

Account Category	Q1 2022 (April 1,2022 to June 30,2022)	Q1 2023 (April 1,2023 to June 30,2023)
Profit	3,464	4,985
Other comprehensive income		
Valuation difference on available for sale securities	-62	177
Foreign currency translation adjustment	721	274
Remeasurements of defined benefit plans, net of tax	21	13
Equity in profit / loss of affiliated companies	93	109
Total other comprehensive income	773	575
Comprehensive income	4,238	5,560
(Breakdown)		
Comprehensive income attributable to the parent company	4,238	5,560

6. Segment Information

【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	Elimination/Corporate	Consolidated
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 or loss (- ¥ 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.

【Business Segment Information】

1Q of Fiscal Year Ended March 31, 2024 (April 1, 2023 to June 30, 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	16,759	20,200	647	37,607	—	37,607
(2) Intersegment sales and transfers	—	0	469	469	-469	—
Total	16,759	20,200	1,116	38,077	-469	37,607
Segment profit or loss (-)	1,306	2,797	-68	4,035	-803	3,232

(Note) 1. Adjustment include the following items

- (1) Adjustment in segment profit (- ¥ 803million) includes elimination of transaction between segments(¥ 54million) and corporate expenses not allocated to reporting segments(- ¥ 858million). 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.

* 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)Geographical information

Net Sales (Unit: millions of yen)

Japan	Asia	America	Europe	Other	Total
14,279	5,969	6,734	10,378	244	37,607

(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
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- (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.