

# 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.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 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

| (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, 2021             | Yen<br>—            | Yen<br>0.00           | Yen<br>—             | Yen<br>18.00        | Yen<br>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<br>(summary) | As of June 2021 |
|---------------------------------------------------------|-------------------------------|-----------------|
| <b>ASSETS</b>                                           |                               |                 |
| <b>Current Assets</b>                                   |                               |                 |
| 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          |
| <b>Total current assets</b>                             | <b>117,003</b>                | <b>121,853</b>  |
| <b>Noncurrent Assets</b>                                |                               |                 |
| <b>Property, plant and equipment</b>                    |                               |                 |
| Machinery, equipment net                                | 20,056                        | 21,105          |
| Others , net                                            | 27,051                        | 25,376          |
| <b>Total property , plant and equipment</b>             | <b>47,107</b>                 | <b>46,482</b>   |
| Intangible assets                                       | 551                           | 524             |
| <b>Investments and other assets</b>                     |                               |                 |
| 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             |
| <b>Total investments and other assets</b>               | <b>15,358</b>                 | <b>15,987</b>   |
| <b>Total noncurrent assets</b>                          | <b>63,017</b>                 | <b>62,993</b>   |
| <b>Total Assets</b>                                     | <b>180,021</b>                | <b>184,847</b>  |

(Unit: millions of yen)

| Account Category                                      | As of March,2021<br>(summary) | As of June 2021 |
|-------------------------------------------------------|-------------------------------|-----------------|
| <b>LIABILITIES</b>                                    |                               |                 |
| 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         |
| <b>NET ASSETS</b>                                     |                               |                 |
| 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          |
| <b>Total Liabilities and Net Assets</b>               | <b>180,021</b>                | <b>184,847</b>  |

## (2) Consolidated Statements of Income

(Unit: millions of yen)

| Account Category                                  | Q1 2020<br>(April 1,2020 to<br>June 30,2020) | Q1 2021<br>(April 1,2021 to<br>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                                        |

(Unit: millions of yen)

| Account Category                                        | Q1 2020<br>(April 1,2020 to<br>June 30,2020) | Q1 2021<br>(April 1,2021 to<br>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.