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Consolidated Financial Results
for the Fiscal Year Ended March 31, 2023
[Japanese GAAP]



May 11, 2023

Company name: **ARAKAWA CHEMICAL INDUSTRIES, LTD.**
 Stock exchange listing: **Tokyo Stock Exchange**
 Code number: **4968**
 URL: **<https://www.arakawachem.co.jp/en/>**
 Representative: **Takashi Une, Representative Director and President**
 Contact: **Toru Nobuhiro, Managing Director and General Manager of Administrative H.Q.**
 Phone: **+81-6-6209-8500**
 Scheduled date of Annual General Meeting of Shareholders: **June 20, 2023**
 Scheduled date of commencing dividend payments: **June 21, 2023**
 Scheduled date of filing securities report: **June 20, 2023**
 Availability of supplementary explanatory materials on annual financial results: **Available**
 Schedule of annual financial results briefing session: **Scheduled**
 (for institutional investors/securities analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	79,431	(1.3)	(2,907)	–	(2,687)	–	(4,941)	–
March 31, 2022	80,515	14.1	3,304	1.4	3,566	(2.3)	1,502	(30.7)

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥ (4,668) million [–%]

Fiscal year ended March 31, 2022: ¥ 3,425 million [(40.7)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	(249.08)	–	(8.7)	(2.3)	(3.7)
March 31, 2022	75.75	–	2.6	3.2	4.1

(Reference) Equity in earnings of affiliated companies: Fiscal year ended March 31, 2023: ¥ – million

Fiscal year ended March 31, 2022: ¥ – million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	119,035	56,509	45.4	2,726.08
As of March 31, 2022	117,739	62,578	50.3	2,983.23

(Reference) Equity: As of March 31, 2023: ¥ 54,082 million

As of March 31, 2022: ¥ 59,184 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2023	(575)	(6,046)	6,666	9,286
March 31, 2022	3,989	(7,401)	4,927	9,250

2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2022	–	24.00	–	24.00	48.00	952	63.4	1.6
Fiscal year ended March 31, 2023	–	24.00	–	24.00	48.00	952	–	1.7
Fiscal year ending March 31, 2024 (Forecast)	–	24.00	–	24.00	48.00		–	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 – March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half (cumulative)	40,000	(4.1)	(2,000)	–	(2,100)	–	(1,800)	–	(90.73)
Full year	83,000	4.5	(1,800)	–	(2,000)	–	(1,800)	–	(90.73)

*** Notes:**

- (1) Changes in significant subsidiaries during the fiscal year under review: **None**
 (Changes in specified subsidiaries resulting in changes in scope of consolidation)
 Newly included: - companies (Company name)
 Excluded: - companies (Company name)
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 1) Changes in accounting policies due to the revision of accounting standards: **Yes**
 2) Changes in accounting policies other than 1) above: **None**
 3) Changes in accounting estimates: **None**
 4) Retrospective restatement: **None**
- (3) Total number of issued shares (common shares)
 1) Total number of issued shares at the end of the year (including treasury shares):
 March 31, 2023: 20,652,400 shares
 March 31, 2022: 20,652,400 shares
- 2) Total number of treasury shares at the end of the year:
 March 31, 2023: 813,491 shares
 March 31, 2022: 813,391 shares
- 3) Average number of shares during the year:
 Fiscal year ended March 31, 2023: 19,838,976 shares
 Fiscal year ended March 31, 2022: 19,839,024 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2023	48,080	0.4	(1,246)	–	629	(78.2)	(5,654)	–
March 31, 2022	47,900	10.8	1,098	133.8	2,892	42.8	2,232	15.4

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2023	(285.04)	–
March 31, 2022	112.54	–

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	88,930	43,160	48.5	2,175.56
As of March 31, 2022	88,651	50,178	56.6	2,529.28

(Reference) Equity: As of March 31, 2023: ¥43,160 million

As of March 31, 2022: ¥50,178 million

* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

* Explanation on the proper use of financial results forecast and other special notes

Forward-looking statements, including financial results forecasts, contained in this document are based on information currently available to the Company and certain assumptions deemed reasonable. Therefore, these

statements do not constitute a guarantee that they will be realized. Actual results may differ materially from these statements due to various factors.