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Consolidated Financial Results
for the Fiscal Year Ended March 31, 2022
[Japanese GAAP]



May 11, 2022

Company name: **ARAKAWA CHEMICAL INDUSTRIES, LTD.**
 Stock exchange listing: **Tokyo Stock Exchange**
 Code number: **4968**
 URL: **<https://www.arakawachem.co.jp/>**
 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 17, 2022**
 Scheduled date of commencing dividend payments: **June 20, 2022**
 Scheduled date of filing securities report: **June 17, 2022**
 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, 2022 (April 1, 2021 – March 31, 2022)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2022	80,515	14.1	3,304	1.4	3,566	(2.3)	1,502	(30.7)
March 31, 2021	70,572	(3.3)	3,257	26.5	3,652	24.8	2,169	25.3

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

Fiscal year ended March 31, 2021: ¥ 5,781 million [-%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended					
March 31, 2022	75.75	-	2.6	3.2	4.1
March 31, 2021	109.35	-	4.0	3.7	4.6

(Reference) Equity in earnings of affiliated companies: Fiscal year ended March 31, 2022: ¥ – million

Fiscal year ended March 31, 2021: ¥ – million

(Note) The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant regulations from the beginning of the fiscal year ended March 31, 2022. The figures for the fiscal year ended March 31, 2022 represent those after the application of the accounting standard and relevant regulations.

(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, 2022	117,739	62,578	50.3	2,983.23
As of March 31, 2021	105,757	58,590	54.1	2,884.66

(Reference) Equity: As of March 31, 2022: ¥ 59,184 million

As of March 31, 2021: ¥ 57,228 million

(Note) The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant regulations from the beginning of the fiscal year ended March 31, 2022. The figures as of March 31, 2022 represent those after the application of the accounting standard and relevant regulations.

(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, 2022	3,989	(7,401)	4,927	9,250
March 31, 2021	3,685	(7,298)	1,354	7,342

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, 2021	–	22.00	–	24.00	46.00	912	42.1	1.7
Fiscal year ended March 31, 2022	–	24.00	–	24.00	48.00	952	63.4	1.6
Fiscal year ending March 31, 2023 (Forecast)	–	24.00	–	24.00	48.00		105.8	

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

(% 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)	43,000	8.4	650	(73.7)	500	(80.6)	200	(88.5)	10.08
Full year	90,000	11.8	1,600	(51.6)	1,400	(60.7)	900	(40.1)	45.37

*** 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, 2022: 20,652,400 shares
 March 31, 2021: 20,652,400 shares
- 2) Total number of treasury shares at the end of the year:
 March 31, 2022: 813,391 shares
 March 31, 2021: 813,371 shares
- 3) Average number of shares during the year:
 Fiscal year ended March 31, 2022: 19,839,024 shares
 Fiscal year ended March 31, 2021: 19,839,112 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 – March 31, 2022)

(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, 2022	47,900	10.8	1,098	133.8	2,892	42.8	2,232	15.4
March 31, 2021	43,223	(6.9)	470	(29.1)	2,025	0.2	1,935	(0.4)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended		
March 31, 2022	112.54	-
March 31, 2021	97.55	-

(Note) The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant regulations from the beginning of the fiscal year ended March 31, 2022. The figures for the fiscal year ended March 31, 2022 represent those after the application of the accounting standard and relevant regulations.

(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, 2022	88,651	50,178	56.6	2,529.28
As of March 31, 2021	82,933	49,147	59.3	2,477.31

(Reference) Equity: As of March 31, 2022: ¥50,178 million
 As of March 31, 2021: ¥49,147 million

(Note) The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant regulations from the beginning of the fiscal year ended March 31, 2022. The figures as of March 31, 2022 represent those after the application of the accounting standard and relevant regulations.

* 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.