

Consolidated Financial Results for the Six Months Ended September 30, 2020 [Japanese GAAP]



November 6, 2020

Company name: Honshu Chemical Industry Co., Ltd.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 4115
 URL: <http://www.honshuchemical.co.jp/>
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 Scheduled date of filing quarterly securities report: November 12, 2020
 Scheduled date of commencing dividend payments: December 1, 2020
 Availability of supplementary briefing material on quarterly financial results: Yes
 Schedule of quarterly financial results briefing session: No

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2020 (April 1, 2020 to September 30, 2020)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six Months ended September 30, 2020	9,704	3.0	1,806	84.2	1,796	88.9	1,088	154.5
September 30, 2019	9,421	(4.3)	980	(43.1)	950	(44.4)	427	(58.1)

(Note) Comprehensive income: Six Months ended September 30, 2020: ¥ 1,493 million [299.2%]
 Six Months ended September 30, 2019: ¥ 374 million [(71.6)%]

	Net income per share	Diluted net income per share
Six Months ended	Yen	Yen
September 30, 2020	94.81	—
September 30, 2019	37.25	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2020	30,493	22,471	67.1
As of March 31, 2020	29,629	21,480	65.8

(Reference) Equity: As of September 30, 2020: ¥ 20,453 million
 As of March 31, 2020: ¥ 19,488 million

2. Dividends

	Cash dividends per share				
	1Q	2Q	3Q	4Q	Total annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2020	—	12.00	—	20.00	32.00
Fiscal year ending March 31, 2020	—				
Fiscal year ending March 31, 2021 (Forecast)		12.00	—	20.00	32.00

(Note) Revision to the dividend forecast announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net Income per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	20,000	(6.0)	2,500	(17.1)	2,400	(19.5)	1,350	(22.2)	117.63

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No
Newly included: No
Excluded: No
- (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: No
 - 2) Changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No
- (4) Total number of issued shares (common shares)
 - 1) Total number of issued shares at the end of the period (including treasury shares):
September 30, 2020: 11,500,000 shares
March 31, 2020: 11,500,000 shares
 - 2) Total number of treasury shares at the end of the period:
September 30, 2020: 23,154 shares
March 31, 2020: 23,106 shares
 - 3) Average number of shares during the period:
Six Months ended September 30, 2020: 11,476,890 shares
Six Months ended September 30, 2019: 11,476,894 shares

* Presentation regarding the implementation status of the audit process

At the time of disclosure of these quarterly financial results, audit procedures for the quarterly financial statements under the Financial Instruments and Exchange Act had not been completed.

* Explanation for the appropriate use of performance forecasts and other special notes

The performance forecasts and other statements on future events presented in this material are based on information that was available at the time of preparation of this material and based on certain assumptions considered to be reasonable. The actual performance, etc. may differ materially from these forecasts due to various factors.

3. Quarterly Consolidated Financial Statements
 (1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2020	As of September 30, 2020
Assets		
Current assets		
Cash and deposits	8,530	10,597
Accounts receivable - trade	6,154	4,685
Merchandise and finished goods	3,402	3,631
Work in process	365	258
Raw materials and supplies	1,082	1,101
Other	90	122
Total current assets	19,626	20,397
Non-current assets		
Property, plant and equipment		
Machinery, equipment and vehicles, net	5,792	5,533
Other, net	3,290	3,669
Total property, plant and equipment	9,082	9,202
Intangible assets	36	32
Investments and other assets	883	860
Total non-current assets	10,002	10,095
Total assets	29,629	30,493

(Million yen)

	As of March 31, 2020	As of September 30, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	2,174	1,699
Short-term loans payable	1,000	1,000
Income taxes payable	407	440
Provision for directors' bonuses	37	15
Accounts payable - facilities	339	707
Other	1,233	1,223
Total current liabilities	5,192	5,085
Non-current liabilities		
Net defined benefit liability	2,188	2,210
Other	766	724
Total non-current liabilities	2,955	2,935
Total liabilities	8,148	8,021
Net assets		
Shareholders' equity		
Capital stock	1,500	1,500
Capital surplus	1,013	1,013
Retained earnings	17,139	17,998
Treasury shares	(14)	(14)
Total shareholders' equity	19,638	20,497
Accumulated other comprehensive income		
Foreign currency translation adjustment	(89)	(4)
Remeasurements of defined benefit plans	(60)	(39)
Total accumulated other comprehensive income	(150)	(43)
Non-controlling interests	1,991	2,017
Total net assets	21,480	22,471
Total liabilities and net assets	29,629	30,493

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income

(Million yen)

	For the Six Months ended September 30, 2019	For the Six Months ended September 30, 2020
Net sales	9,421	9,704
Cost of sales	7,329	6,763
Gross profit	2,092	2,940
Selling, general and administrative expenses	1,111	1,134
Operating income	980	1,806
Non-operating income		
Interest income	0	0
Dividend income	3	10
Gain on sales of securities	36	—
Foreign exchange gains	—	9
Insurance income	—	5
Other	3	1
Total non-operating income	43	26
Non-operating expenses		
Interest expenses	18	16
Removal cost	36	17
Other	17	2
Total non-operating expenses	72	36
Ordinary income	950	1,796
Net income before income taxes	950	1,796
Income taxes	306	479
Net income	644	1,316
Net income attributable to non-controlling interests	217	228
Net income attributable to owners of parent	427	1,088

Quarterly Consolidated Statements of Comprehensive Income

(Million yen)

	For the Six Months ended September 30, 2019	For the Six Months ended September 30, 2020
Net income	644	1,316
Other comprehensive income		
Valuation difference on available-for-sale securities	(45)	—
Foreign currency translation adjustment	(236)	155
Remeasurements of defined benefit plans, net of tax	11	21
Total other comprehensive income	(270)	176
Comprehensive income	374	1,493
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	263	1,194
Comprehensive income attributable to non-controlling interests	110	298