

Business Results for the First Quarter of Fiscal Year Ending March 31, 2023

(April 1, 2022 – June 30, 2022)

August 10, 2022



Financial Results for the Q1 FY2022

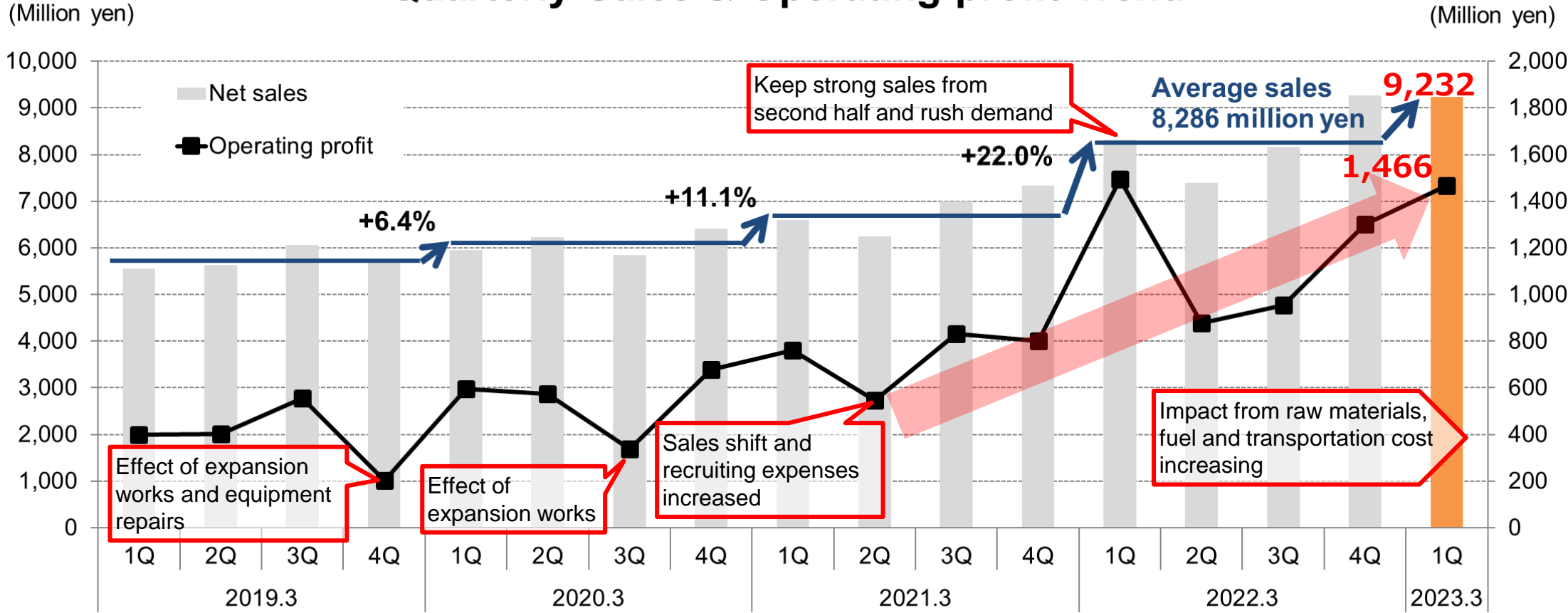
- Net sales • In electronic materials, strong demand for advanced semiconductor materials continues. There is also the impact of the depreciation of the yen.
- Operating profit • Rises in raw materials, fuel, and freight costs (YoY +¥525 million) continued, and selling prices were reflected accordingly.
 • Expenses for technology development for advanced semiconductor fields and production capacity enhancement (YoY +¥351 million) increased.
- Ordinary profit • Foreign exchange gains due to yen depreciation (YoY +¥329 million).

	Q1 FY2021 Results	Q1 FY2022 Results	Change	YOY %
Net sales	8,309	9,232	+923	+11.1%
Operating profit	1,492	1,466	-26	-1.8%
Ordinary profit	1,475	1,788	+312	+21.2%
Profit	1,020	1,229	+209	+20.5%
FX Rate	¥110/\$	¥136/\$		

Quarterly Sales & Operating profit Trend

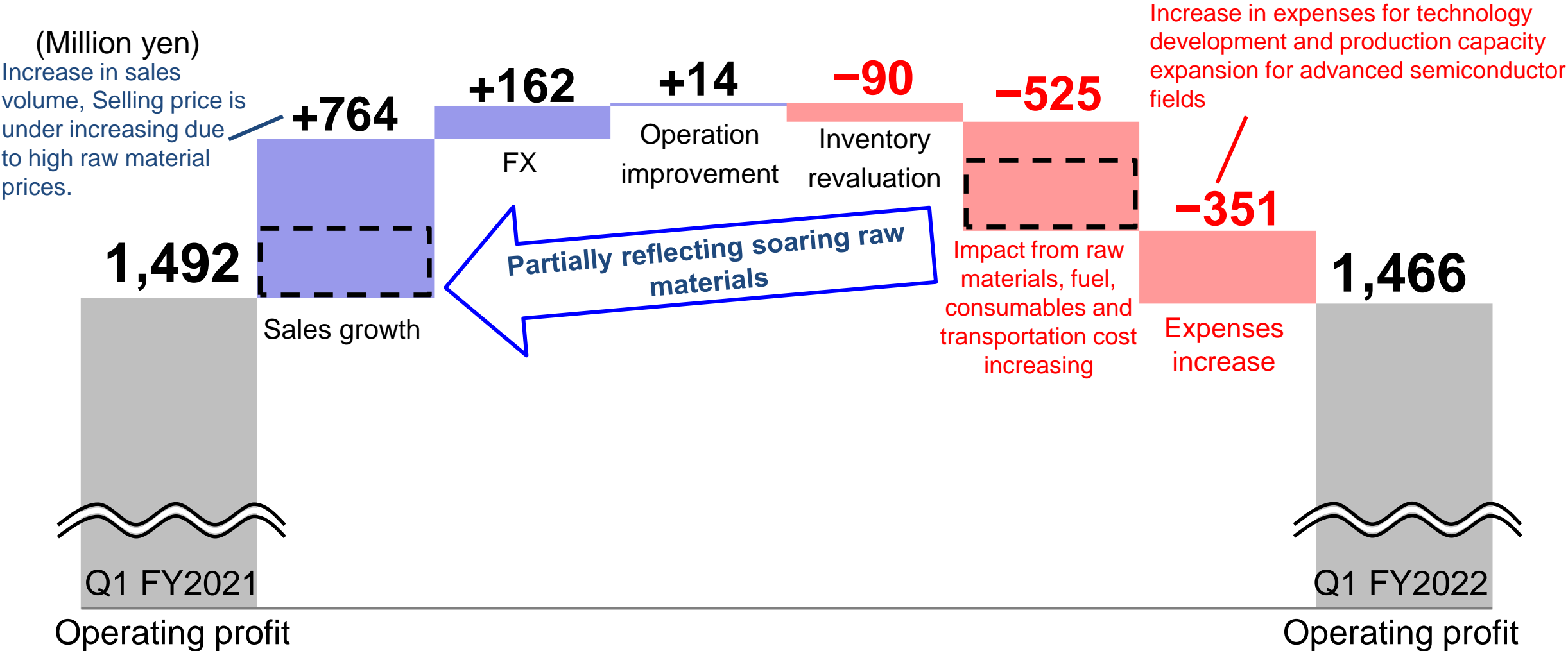
- In the first quarter of the previous fiscal year, there was a temporary factor of last-minute demand prior to the surge in raw material prices.
- In the current fiscal year, although sales increased due to price reflections and volume increases, operating income decreased slightly due to increased expenses for technology development and production capacity expansion.
- Sales and profit growth trends continue.

Quarterly Sales & Operating profit Trend

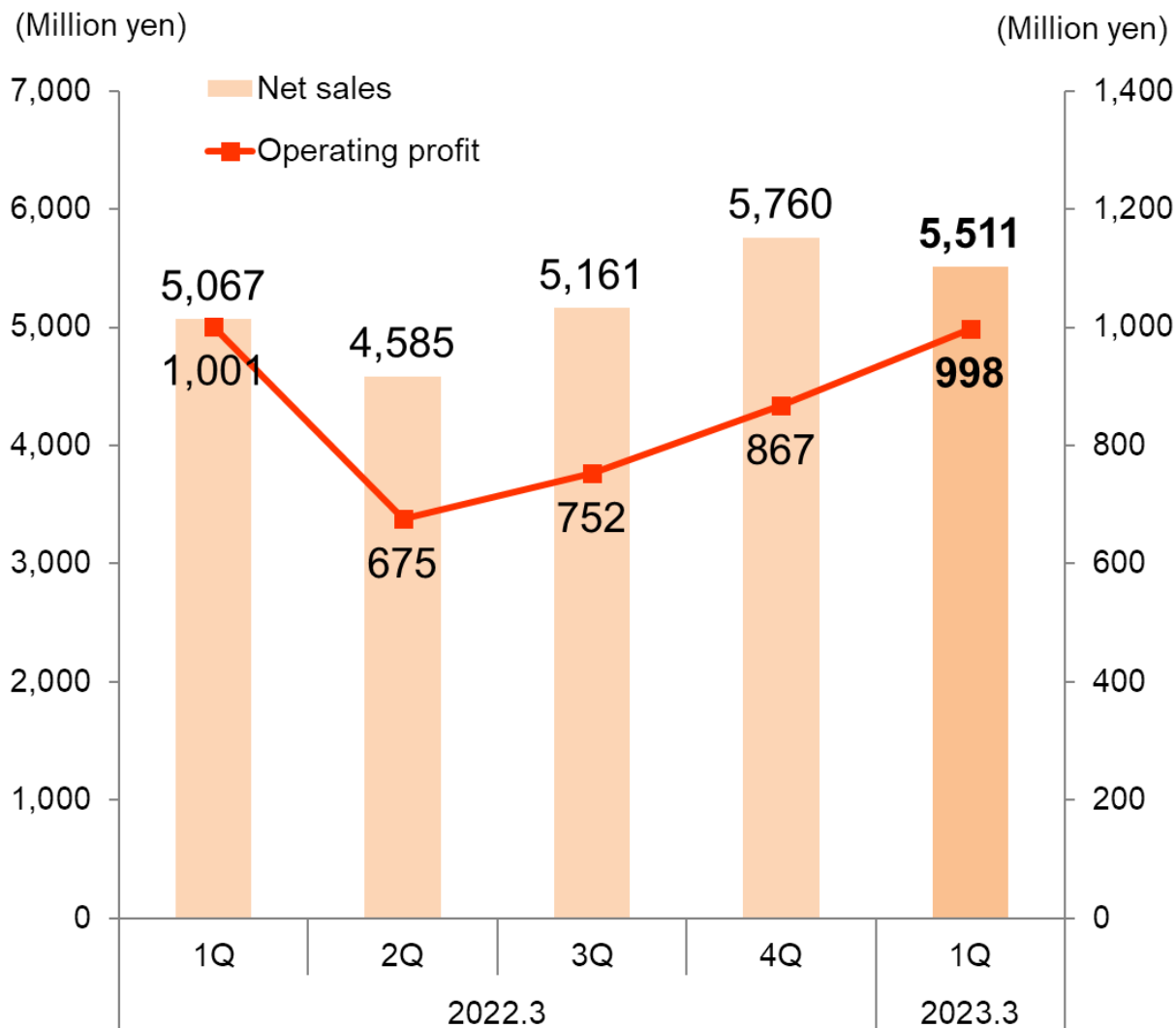


Change analysis: Operating profit

- Partial price adjustment was made to reflect the impact of higher raw materials, fuel, freight and other costs. Sales volume of photosensitive materials and high-purity solvents also increased.
- Increase in expenses for technology development and production capacity expansion for advanced semiconductor fields.



Net sales & Operating profit



Net sales: 5,511 million yen

(YoY +443 million yen, +8.8%)

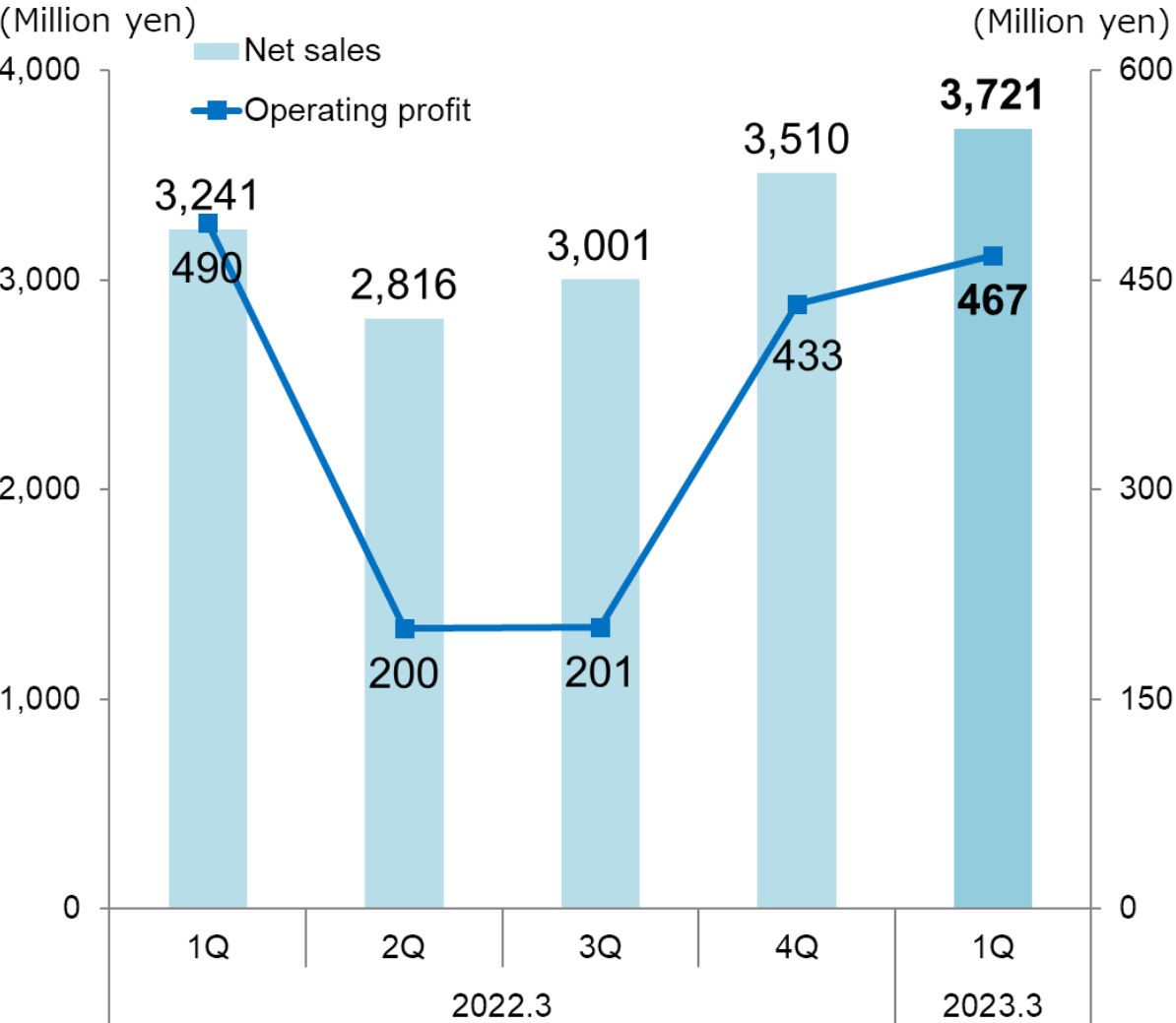
- Sales for Logic semiconductor applications are expanding.
- Sales for Memory and legacy semiconductor applications also increased.
- Sales Display applications are in an adjustment phase due to a decline in stay-at-home demand.

Operating profit: 998 million yen

(YoY -3 million yen, -0.4%)

- Increased costs due to rising raw material and fuel prices.
- Increase in expenses for technology development, production capacity expansion, etc.
- Sales and profit growth trends continue.

Net sales & Operating profit



Net sales: 3,721 million yen

(YoY +479 million yen, +14.8%)

- Sales of high-purity solvents for electronic materials were strong.
- Sales for Aroma chemicals declined due to a lull in demand and disruptions in overseas logistics.
- In the logistics business, the contract rate remained high despite a decrease in cargo movement due to lower automobile production and other factors.
- Selling prices continue to be adjusted in raw material prices increase accordingly.

Operating profit: 467 million yen

(YoY -22 million yen, -4.7%)

- In the first quarter of the previous fiscal year, there was a temporary factor of last-minute demand prior to the surge in raw material prices.
- Raw materials, fuel, freight rates, etc. continue to rise.

Q1 FY2022 Income Statement

- Gross profit increased due to higher sales of high value-added products, despite the impact of surging raw material, fuel, and freight costs.
- Non-operating income includes foreign exchange gains (YoY +¥329 million) due to yen depreciation.

(Million yen)	Q1 FY2021	Q1 FY2022	Change	%
Net sales	8,309	9,232	+923	+11.1%
Cost of sales	5,936	6,703	+766	+12.9%
Gross profit	2,372	2,529	+157	+6.6%
SG&A expenses	879	1,063	+184	+20.9%
Operating profit	1,492	1,466	-26	-1.8%
Non-operating income	27	351	+323	12.6 times
Non-operating expenses	45	29	-15	-34.8%
Ordinary profit	1,475	1,788	+312	+21.2%
Extraordinary income & losses	△3	△11	-	-
Profit before income taxes	1,472	1,777	+304	+20.7%
Income taxes	452	547	+95	+21.0%
Profit	1,020	1,229	+209	+20.5%

Increase in expenses for technology development and production capacity expansion for advanced semiconductor fields.

Q1 FY2022 Balance sheet

- Improved working capital due to decrease in account receivables.
- Tangible fixed assets decreased by 415 million yen, partly due to the acquisition of new facilities, but also due to the depreciation of existing facilities.
- Interest-bearing debt decreased by 791 million yen.
- Shareholders' equity increased by 1,110 million yen due to an increase in net income.
- Equity ratio was 37.4% (+3.1 pt from the end of the previous period).

(Million yen)	Mar. 2022 ended	June 2022 ended	Change	(Million yen)	Mar. 2022 ended	June 2022 ended	Change
Current assets	19,766	19,524	-242	Liabilities	30,824	28,792	-2,032
Cash and deposits	3,681	3,633	-48	Notes and accounts payable – trade	5,010	5,074	+63
Notes and accounts receivable – trade	7,402	6,979	-422	Interest-bearing debt	17,819	17,028	-791
Inventories	8,080	8,419	+338	Other	7,993	6,689	-1,304
Other	602	492	-110				
Fixed assets	27,119	26,448	-670	Net assets	16,061	17,180	+1,118
Property, plant and equipment	25,376	24,961	-415	Shareholders' equity	16,007	17,118	+1,110
Intangible assets	511	521	+9	Valuation and translation adjustments	54	62	+7
Investments and other assets	1,231	965	-265				
Total assets	46,886	45,972	-913	Liabilities and net assets	46,886	45,972	-913

- Each profit trended favorably in line with the 1st half forecast.

(Million yen)	H1 FY2022 Forecast	Q1 FY2022 Results	Progress Ratio
Net sales	20,000	9,232	46.2%
Operating profit	2,450	1,466	59.8%
Ordinary profit	2,400	1,788	74.5%
profit	1,650	1,229	74.5%
EPS	¥207.89	¥154.97	

Individual Development, to the global Chemical

