



Sakai Chemical Industry Co., Ltd.

Full Year Financial Results Briefing for Fiscal Year Ending March 2023

May 23, 2023

Tokyo Stock Exchange, Prime Market Securities Code: 4078

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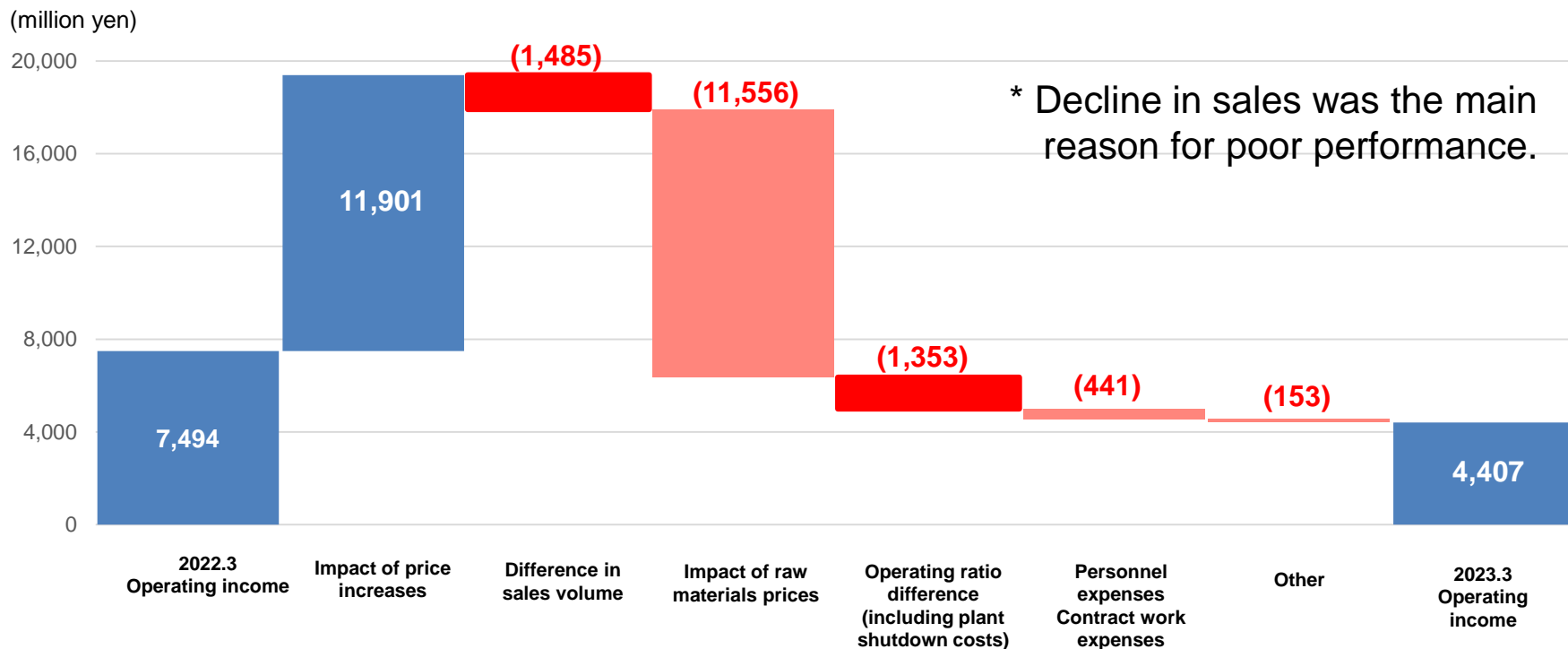
1. Differences between Initial Earnings Forecast and Actual Results

Summary of Results for FY 2023.3 (compared to initial forecast)

	(1)	(2)	(3)	(million yen)			
	2022.3 Results	2023.3 Initial estimate	2023.3 Results	Year-on-year Comparison ((3) - (1))		Initial estimate vs. actual result ((3) - ((2)))	
Net sales	80,135	85,000	83,861	3,725	4.6%	(1,139)	(1.3%)
Operating income	7,494	7,000	4,407	(3,086)	(41.2%)	(2,593)	(37.0%)

- **Net sales generally met the forecast.**
- **Operating income was significantly below the initial forecast.**

Factors causing operating income increase/decrease (year-on-year comparison)



Effect on sales prices: Yes (+)

On a consolidated basis, the sharp increase in raw material and fuel costs was largely offset by price revision efforts.
* Including correction of falling prices

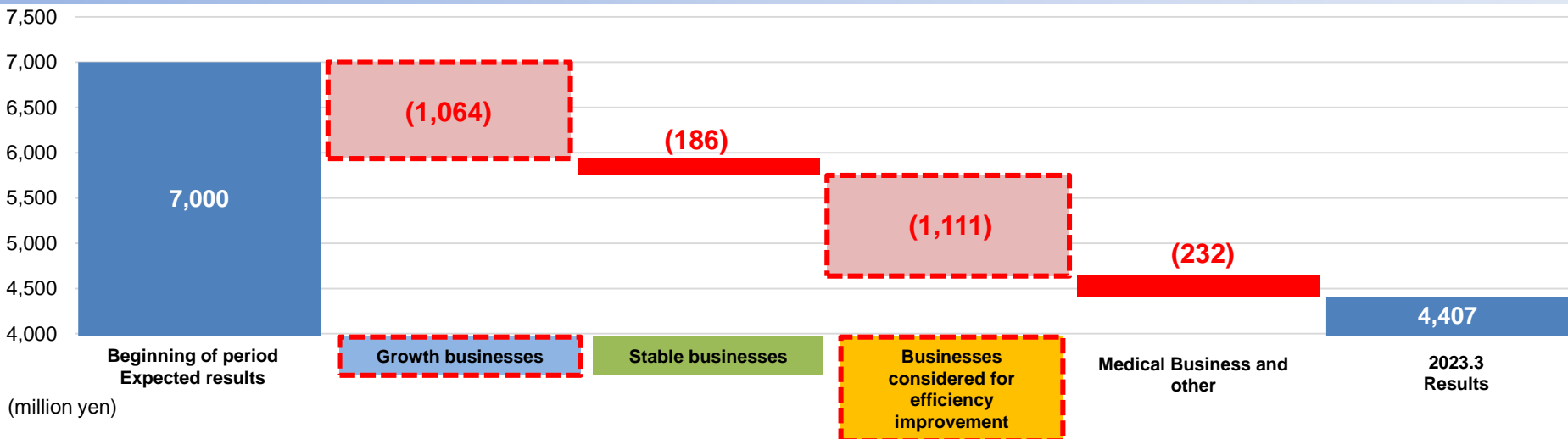
Effect on sales volume: Yes (-)

The decline in sales volume from the second half of the year pushed down operating income significantly.

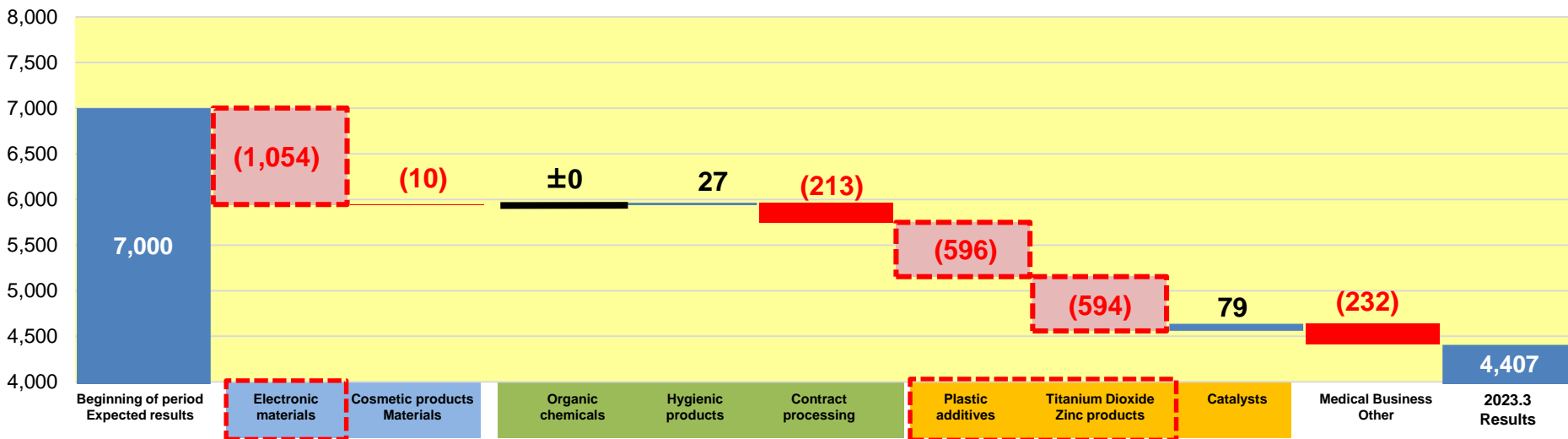
Operating ratio difference: Yes (-)

In response to declining market conditions, the Company implemented production adjustments to reduce inventories. From the second half of the year, plant utilization rates were reduced as needed, which pushed down profits by a corresponding amount.

Increase/decrease in operating income by subsegment (compared to initial forecast)



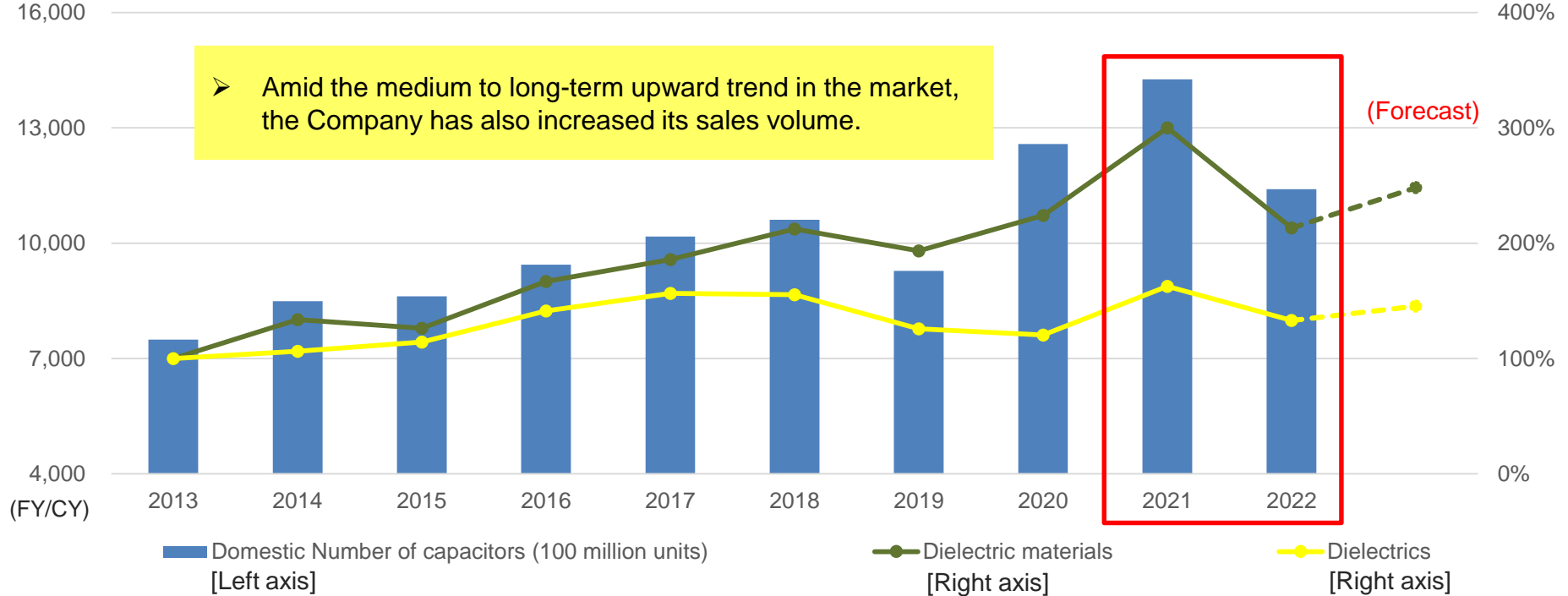
Profit declined significantly in the Company's growth business of electronic materials and titanium dioxide and zinc dioxide products/plastic additives in the businesses considered for efficiency improvement.



Electronic Materials: Sales volume is closely linked to the number of capacitors produced in Japan

Growth businesses

(100 million units) * Sales volume index : FY2013 = 100



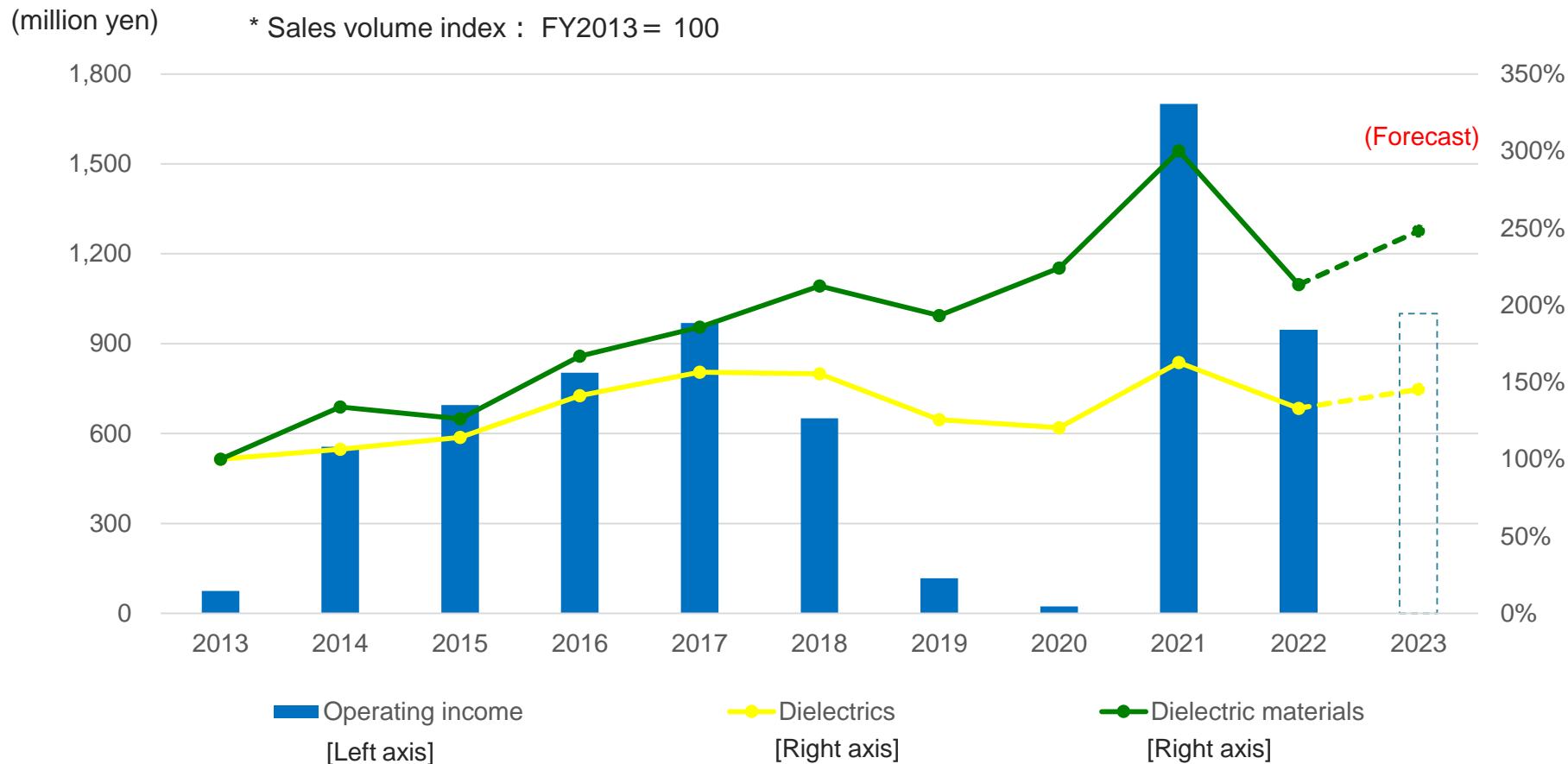
Source: Domestic capacitor production: JEITA
(Japan Electronics and Information Industries Association) Statistics
[Fiscal year for market data: January-December]
[Fiscal year for the Company's sales volume data: April to March]

➤ Due in part to disruptions in the supply chain, freight movements were temporarily irregular.

	2018	2019	2020	2021	2022
Market (100 million units)	10,608	9,280	12,579	14,260	11,404
Company sales volume index (*)	198.1	176.3	198.1	265.7	193.1
Increase/decrease (year-on-year comparison)				+13%	(20%)
Company increase/decrease (year-on-year comparison) (vs. Index)				+34%	(27%)

[(*) Dielectrics + dielectric materials sales volume index: (FY2013 = 100)]

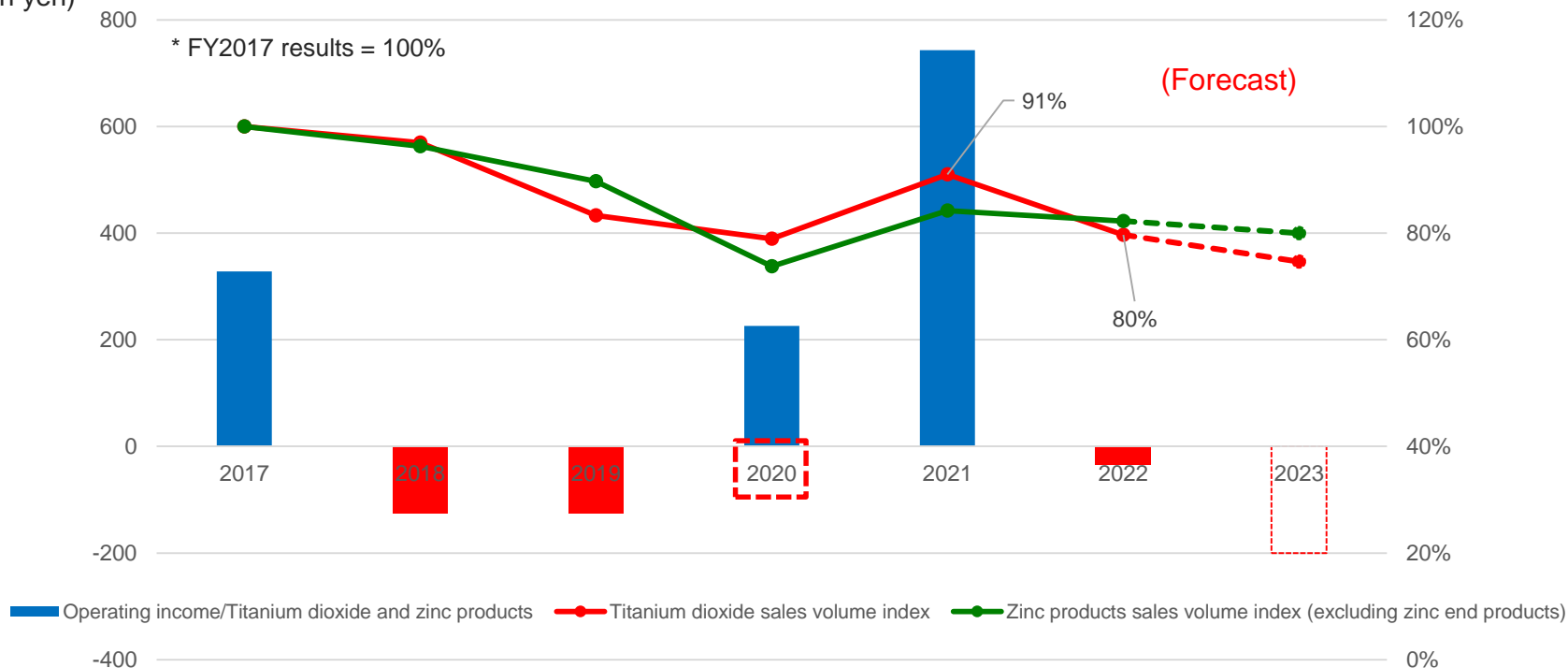




* The factors that caused operating income to decline significantly from FY2018 to FY2020 were eliminated in FY2021. (Please refer to the Interim Financial Results Briefing for the Fiscal Year Ending March 2023.)

(Excluding cosmetics materials)

(million yen)



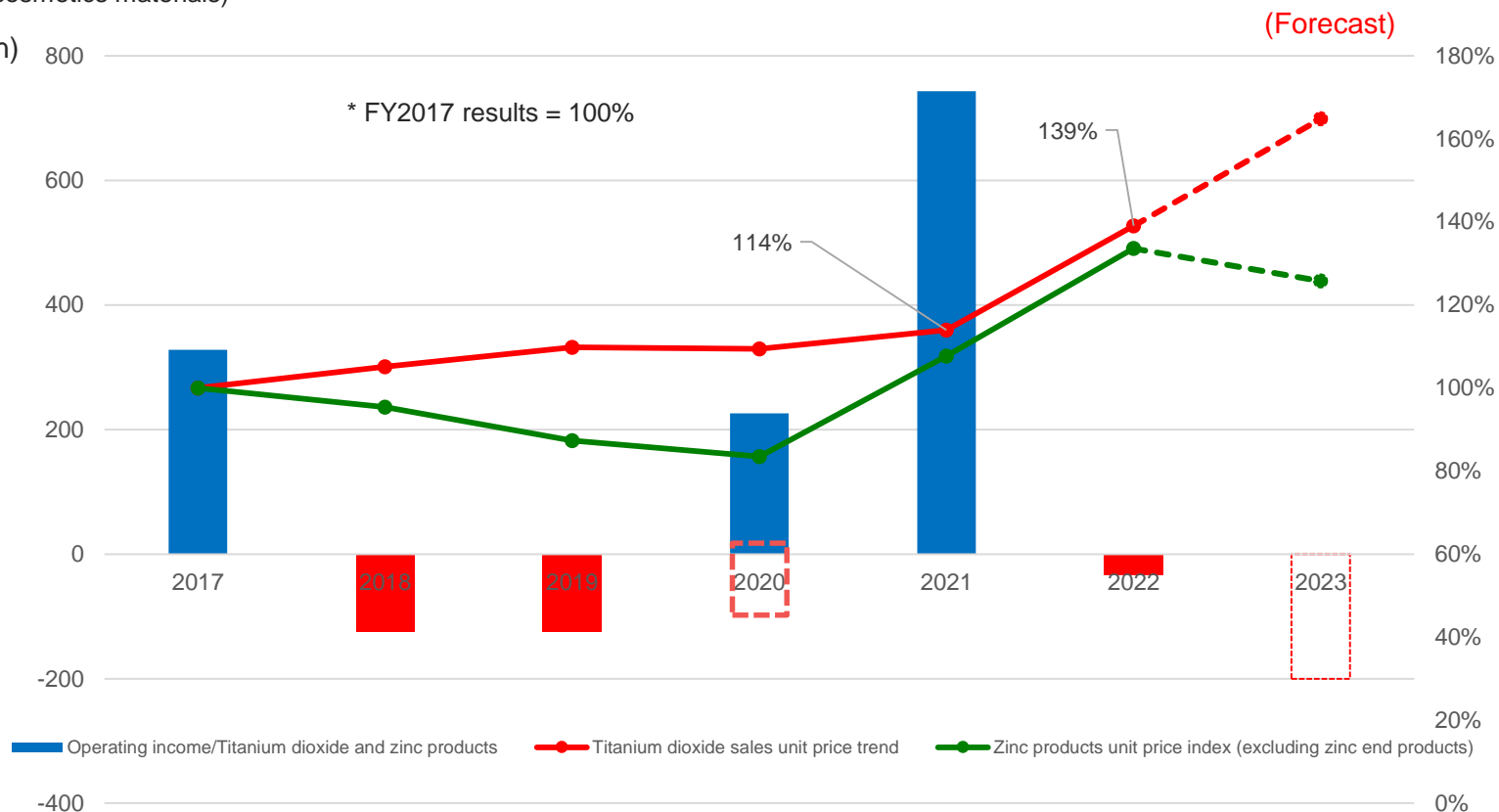
(* In FY2020, 333 million yen of plant shutdown costs due to the COVID-19 pandemic were recorded as non-operating expenses. Therefore, net operating income is in the red)

- Currently, the impact of market fluctuations on sales volume is significant, and operating income tends to fluctuate.

The Company will continue its efforts to improve efficiency while considering the consolidation and reorganization of grades.

(Excluding cosmetics materials)

(million yen)



(* In FY2020, 333 million yen of plant shutdown costs due to the COVID-19 pandemic were recorded as non-operating expenses. Therefore, net operating income is in the red)

- Earnings declined due to higher costs and higher-than-expected raw material and fuel prices resulting from production cutbacks.

Ongoing price corrections will be carried out.

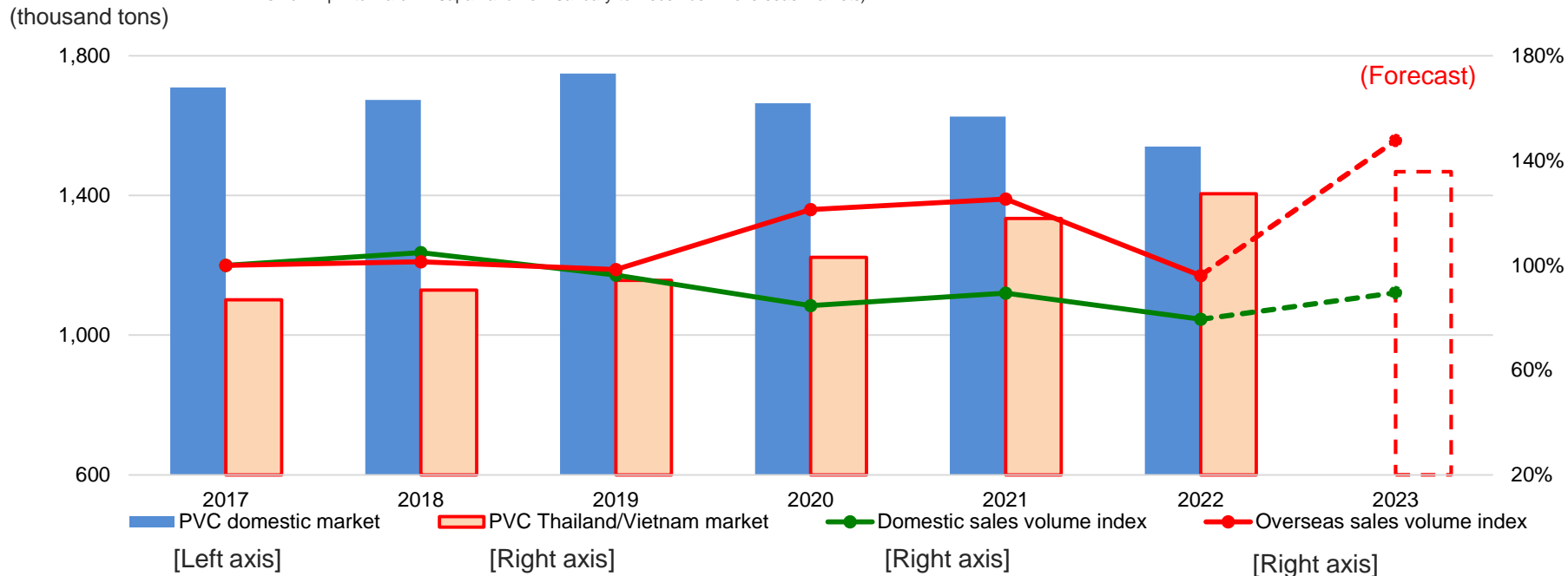
[Plastic additives]

Mainly in the growing markets of Thailand and Vietnam, we will focus on increasing sales in line with the growth curve of PVC demand.

Businesses considered for efficiency improvement

Source: Domestic market conditions: Ministry of Economy, Trade and Industry Chemical Industry Statistics (PVC shipment volume)
 Overseas market conditions: IHS statistics (PVC shipment volume)
 *The fiscal year for calculating all figures is the period from January to December (The Company's fiscal year for calculating sales volume is from April to March in Japan and from January to December in overseas markets)

* FY2017 sales volume = 100%



- Demand for PVC will expand over the medium term due to increased demand for irrigation facilities and infrastructure development in Southeast Asia, particularly in Thailand and Vietnam.
- Although there will be fluctuations, the Company aims to further increase its sales ratio in growing overseas markets over the medium term.

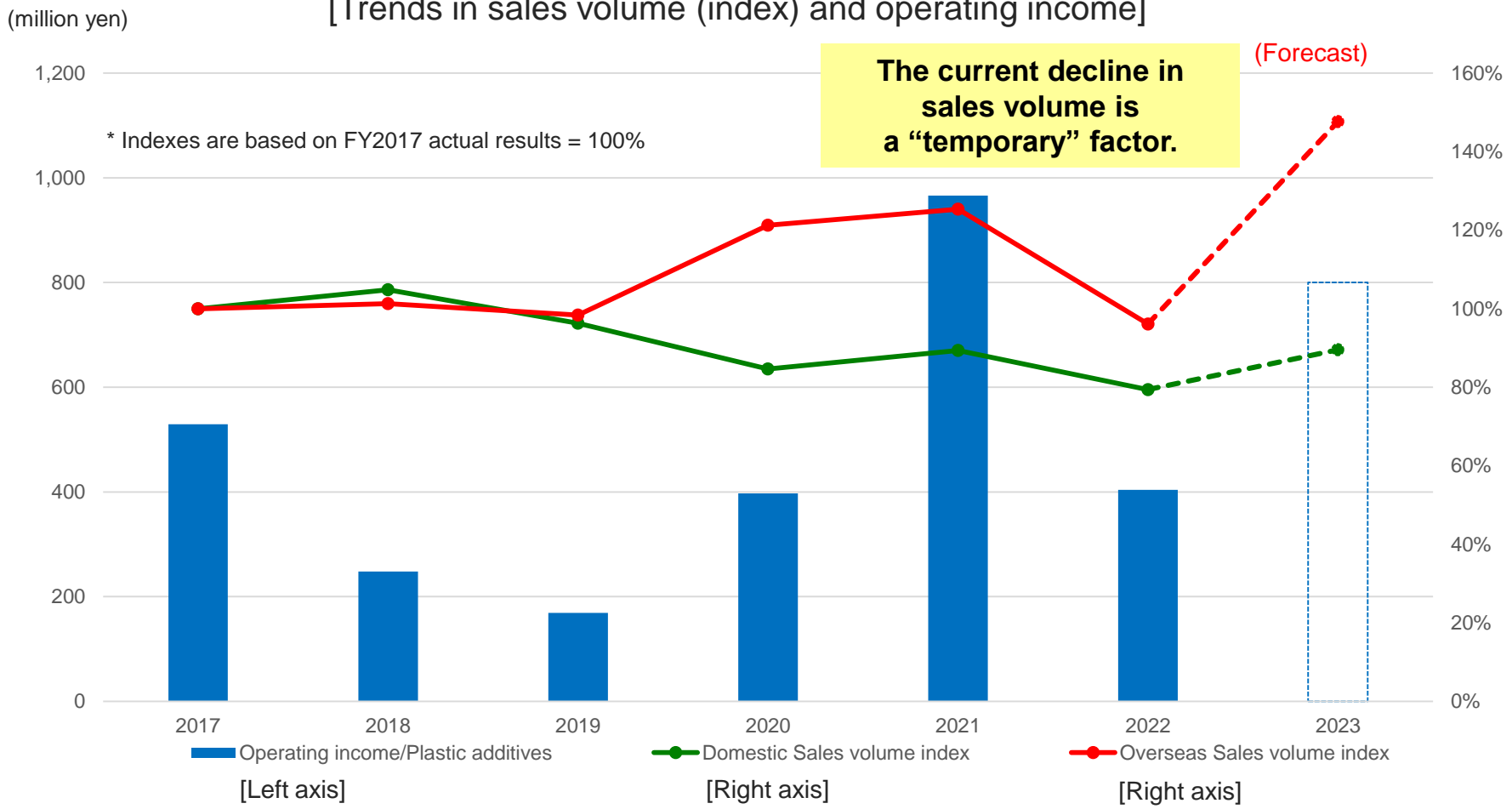
	2017	2018	2019	2020	2021	2022	2023
* Overseas sales ratio	32.6%	31.8%	33.1%	40.9%	40.4%	36.9%	44.4%

* Calculations are based on local sales volumes at local subsidiaries in Thailand and Vietnam

[Forecast]



[Trends in sales volume (index) and operating income]



➤ Although there will be short-term fluctuations, by maintaining domestic sales to the extent possible and increasing overseas sales volume, operating income will also increase.

2. Topics

- **Business Alliance with IA Partners, Inc.**
- **TOB for Shares of Sakai Trading Co., Ltd.**

For a “break from the current situation” and “further growth in the future”

- FY2024.3 is the final year (5th year) of the current medium-term management plan
- We will work to address current management issues (review of business portfolio).

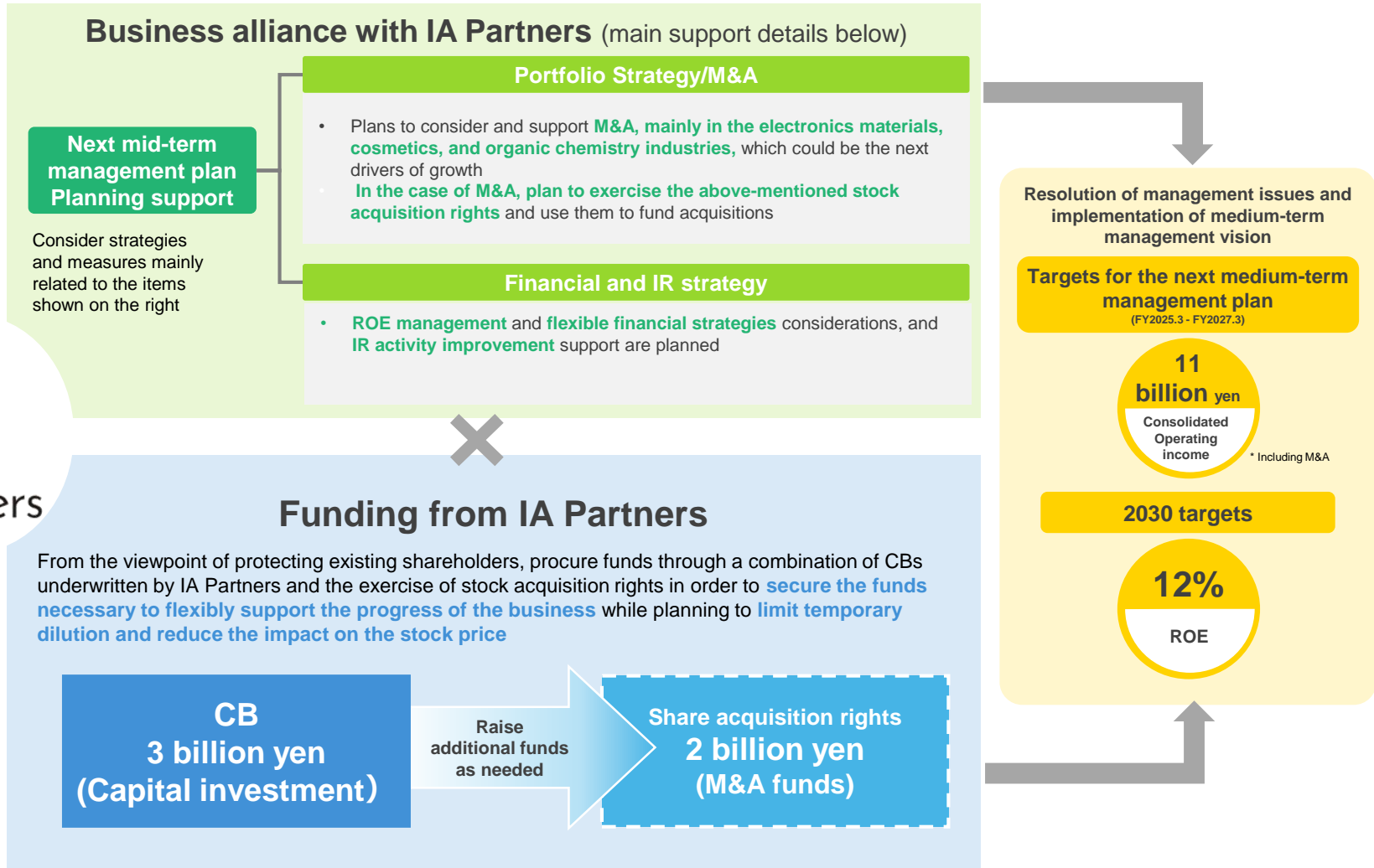
Growth Businesses	Active expansion of development and sales by focusing management resources
Stable Businesses	Continuation of stable earnings
Businesses Considered for Efficiency Improvement	Consolidation of factories, downsizing of production scale, and significant improvement in profitability

- **In our next medium-term management plan, we will accelerate the review of our business portfolio, taking advantage of M&A as appropriate.**
- **We aim to achieve operating income of 11 billion yen in FY2027.3 and ROE of 12% in 2030.**

E.g., active investment in growth businesses

- Electronic Materials: Growing sales of new materials in EV/6G and the expanding semiconductor and capacitor markets.
- Cosmetic materials: Expand into areas other than sunscreen materials
- Organic chemicals: Make a leap from a stable business to a “growth business”
- Catalysts: Develop catalyst materials that contribute to carbon neutrality (mid- to long-term initiatives), etc.

After entering into a business alliance with IA Partners, the Company will raise funds through a combination of bonds with share acquisition rights (CBs) and share acquisition rights



* IA Partners is a private equity fund management company established in March 2021

TOB for Shares of Sakai Trading Co., Ltd.

- A TOB is being executed to take the shares of Sakai Shoji private, as announced in a release on May 12, 2010.
- Below, we will take full advantage of Sakai Trading's strengths to generate synergies for further growth.

Sakai Trading strengths	Expected synergy effects
Ample overseas sales channels	Strengthen overseas sales network, especially in Asia
Electronic materials business raw material procurement and product sales	Further reinforce the supply chain for electronic materials, a growing business, from raw material procurement to sales service
Legwork for creating new businesses	Acquiring new customers and entering new fields. Establish a more effective sales structure for Sakai Chemical Group products.

3. Summary of Financial Results and Results by Segment for the Fiscal Year Ending March 31, 2023

Summary of Interim Results for FY 2023.3 (compared to the same period of the previous year)

(million yen)

	2022.03		2023.03		Increase/decrease	
		Net sales comparison		Net sales comparison		
Net sales	80,135	—	83,861	—	3,725	4.6%
Operating income	7,494	9.4%	4,407	5.3%	(3,086)	(41.2%)
Ordinary income	8,840	11.0%	4,854	5.8%	(3,985)	(45.1%)
Net income attributable to owners of parent	6,747	8.4%	2,344	2.8%	(4,402)	(65.2%)

- Factors for increased revenue

Increase in revenue due to the penetration of price revisions. (mainly titanium dioxide and plastic additives products)

- Factors for reduced revenue

Particularly since the second half of the fiscal year, due to the abrupt slowdown in the electronic materials business and the slump in the titanium dioxide and plastic additives businesses, sales volume declined, and manufacturing costs rose as a result of production adjustments. The sharp rise in raw materials and fuel prices was covered by price increases.

- Supplemental information

Due to the reversal of deferred tax assets (1,049 million yen), net income declined significantly.



Net sales and operating income by business (compared with the same period of the previous year)

		2022.03	2023.03	Increase/decrease	
Chemical Business	Net Sales	72,243	75,992	3,749	5.2%
	Operating Income	9,190	6,372	▲ 2,818	▲ 30.7%
Medical Business	Net Sales	7,892	7,868	▲ 24	▲ 0.3%
	Operating Income	418	272	▲ 146	▲ 34.9%
Company-wide Expenses	Net Sales	—	—	—	—
	Head Office Expenses	▲ 2,114	▲ 2,236	▲ 122	—
Total	Net Sales	80,135	83,861	3,725	4.6%
	Operating Income	7,494	4,407	▲ 3,086	▲ 41.2%

(million yen)

- Chemical business operating revenue

Although price increases covered the impact of higher raw material and fuel prices, profits declined due to the significant drop in sales volumes in electronic materials, titanium dioxide, and plastic additives.

- Medical Business: decrease in sales and profit

Since the COVID-19 pandemic, the core barium contrast media business remained weak due to weak demand for medical checkups and the impact of NHI price reductions, resulting in lower sales and profits.

Balance sheet: Inventories increased substantially

Consolidated balance sheet	2022.3	2023.3	Increase/ decrease
Current assets	65,496	72,101	6,605
Cash and deposits	10,800	12,409	1,609
Inventories	23,110	30,125	7,015
Non-current assets	58,423	55,920	▲ 2,503
Property plant and equipment	48,134	46,761	▲ 1,373
Intangible assets	1,519	1,368	▲ 151
Investments and other assets	8,769	7,791	▲ 978
Total assets	123,919	128,021	4,102
Current liabilities	26,771	29,237	2,466
Non-current liabilities	14,439	14,066	▲ 373
Total liabilities	41,211	43,304	2,093
Net assets	82,708	84,717	2,009
Liabilities and net assets	123,919	128,021	4,102
Equity-to-asset ratio (%)	63.6	62.9	▲ 0.7
Interest-bearing liabilities (total)	16,959	21,642	4,683

- Mainly due to the impact of unit price increases
- Excluding the impact of unit prices, the main impact was an increase in raw material inventory volume. (Approx. 1,400 million yen)

→ This was the result of raw material purchases as a measure to avoid supply chain disruptions and to ensure stable production activities.

- Borrowing undertaken to provide working capital.

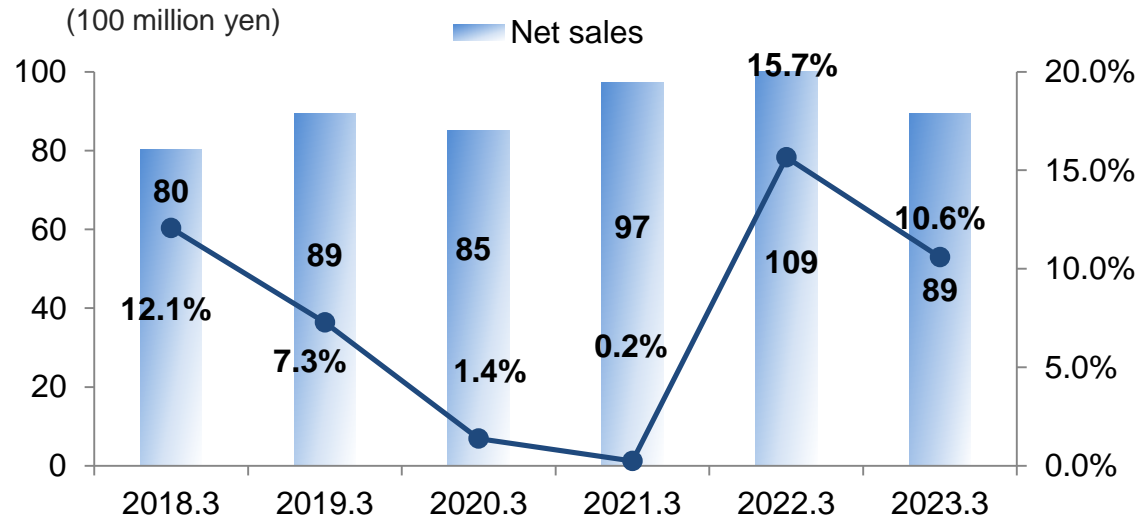
Cash Flow: Operating CF decreased significantly

	2022.3	2023.3	Increase/ decrease
Cash balance at start of period	11,153	10,549	▲ 604
Profits before tax	9,223	4,977	▲ 4,246
Depreciation	4,333	4,417	84
Inventories	▲ 2,168	▲ 6,833	▲ 4,665
Other	▲ 4,821	▲ 1,788	3,033
Operating CF	6,567	773	▲ 5,794
Capital investment	▲ 5,064	▲ 2,658	2,406
Sale of shares	3,591	193	▲ 3,398
Other	▲ 181	▲ 155	26
Investment CF	▲ 1,654	▲ 2,620	▲ 966
FCF	4,913	▲ 1,847	▲ 6,760
Financial CF	▲ 5,654	3,284	8,938
Cash balance at end of period	10,549	12,188	1,639

➤ Due to weak sales and an increase in inventories, operating CF decreased significantly

➤ Significant increase due to the execution of:
 Long-term borrowings: 2,000 million yen
 Short-term borrowings: due to the execution of 5,669 million yen in short-term borrowings, increased significantly.

(FCF = CF from operations + CF from investments)



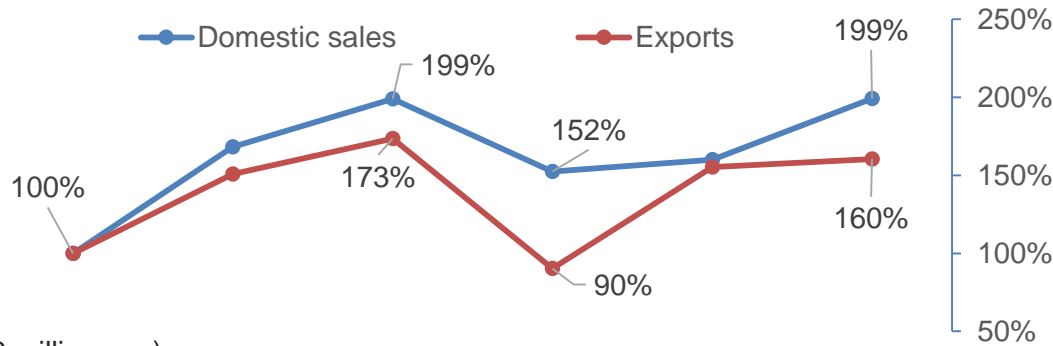
- Year-on-year Comparison (million yen)

	2022.3	2023.3	Increase/decrease	
Net sales	10,857	8,939	(1,918)	(17.7%)
Operating income	1,700	946	(754)	(44.4%)

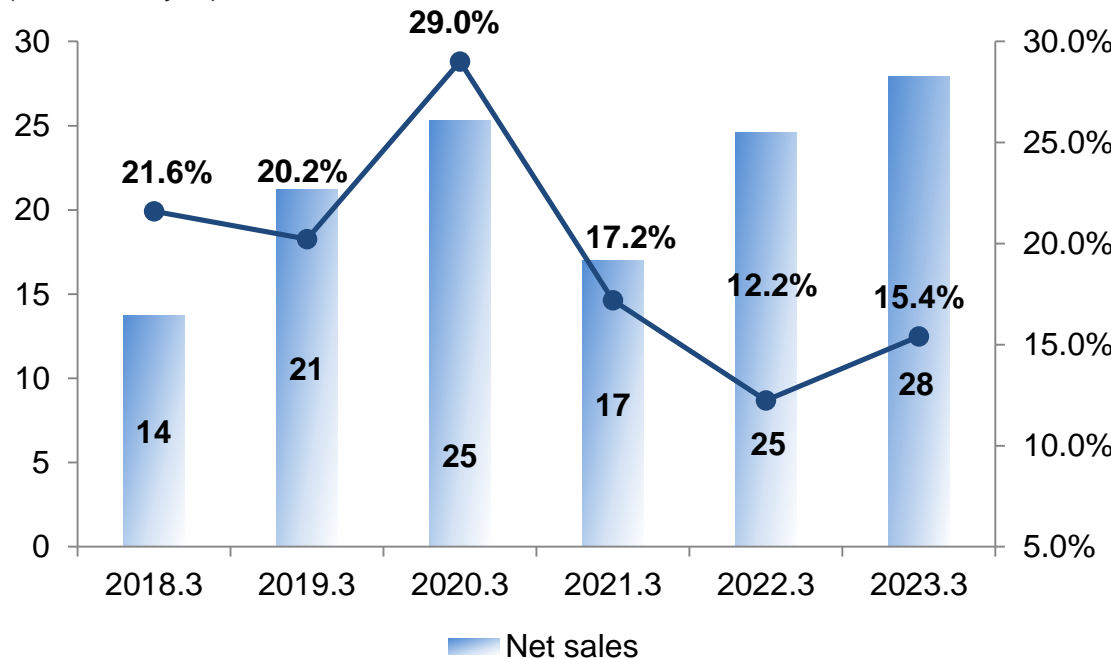
Key points of the financial results for the fiscal year ending March 31, 2023

- Shipment volume decreased. (26.9%)
Shipment volume decreased due to lock downs in China and a slowdown in the market for consumer devices such as personal computers and mobile phones.
Sales were slow for both dielectrics (barium titanate) and dielectric materials (high-purity barium carbonate).
- Sales of high-end dielectric products were generally steady.

(*Trends in domestic and overseas sales volumes, with the shipment volume in FY2018.3 as 100)



(100 million yen)



Key points of the financial results for the fiscal year ending March 31, 2023

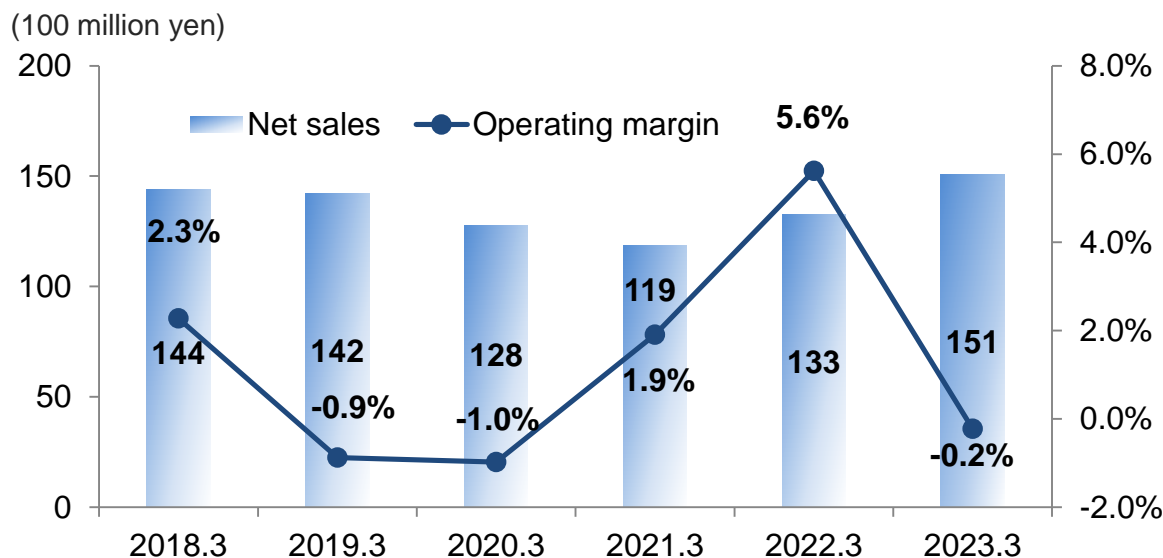
- Demand recovered, mainly in Japan, due to an increase in the frequency of outings.
- Sales and profits increased, and sales volume increased 14.9% year-on-year.

- Year-on-year Comparison (million yen)

	2022.3	2023.3	Increase/decrease	
Net sales	2,460	2,790	330	13.4%
Operating income	301	430	129	42.9%

Titanium dioxide and zinc products (excluding cosmetics materials)

Businesses considered for efficiency improvement



- Year-on-year Comparison (million yen)

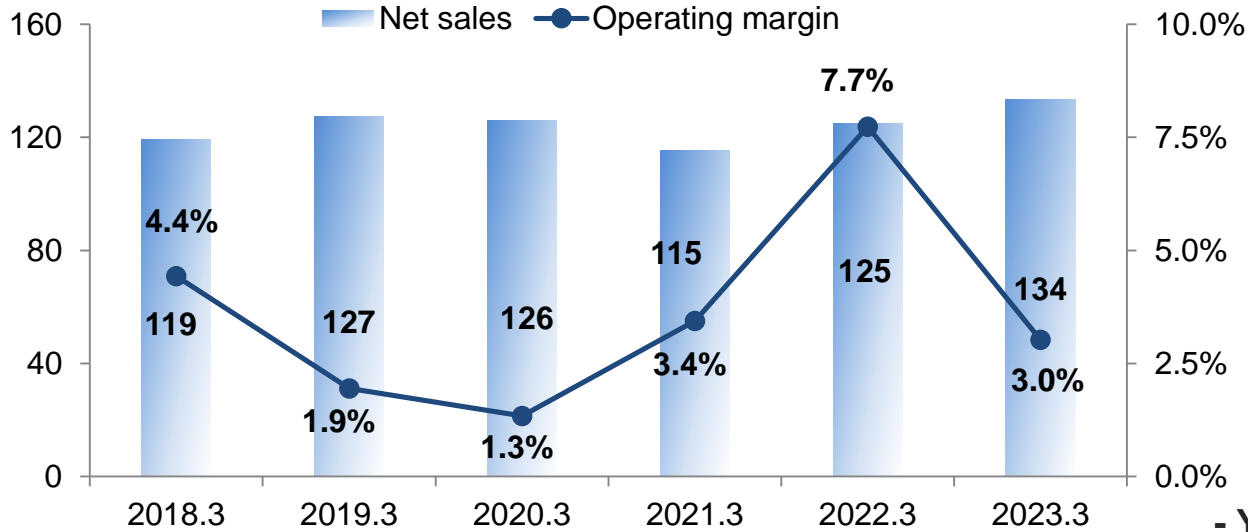
	2022.3	2023.3	Increase/decrease	
Net sales	13,258	15,068	1,810	13.7%
Operating income	745	(34)	(779)	(104.6%)

Key points of the financial results for the fiscal year ending March 31, 2023

- Titanium dioxide: Sales increased as a result of the price revisions, but profits decreased due to a large drop in sales volume from the second half of the year due to depressed market conditions and higher manufacturing costs as a result of efforts to reduce product inventories by adjusting capacity utilization.
- Zinc products: Sales and profits increased, despite a slight decline in sales volume, due to firm demand, high zinc market prices, and profit adjustments.

Plastic additives

(100 million yen)



- Year-on-year Comparison (million yen)

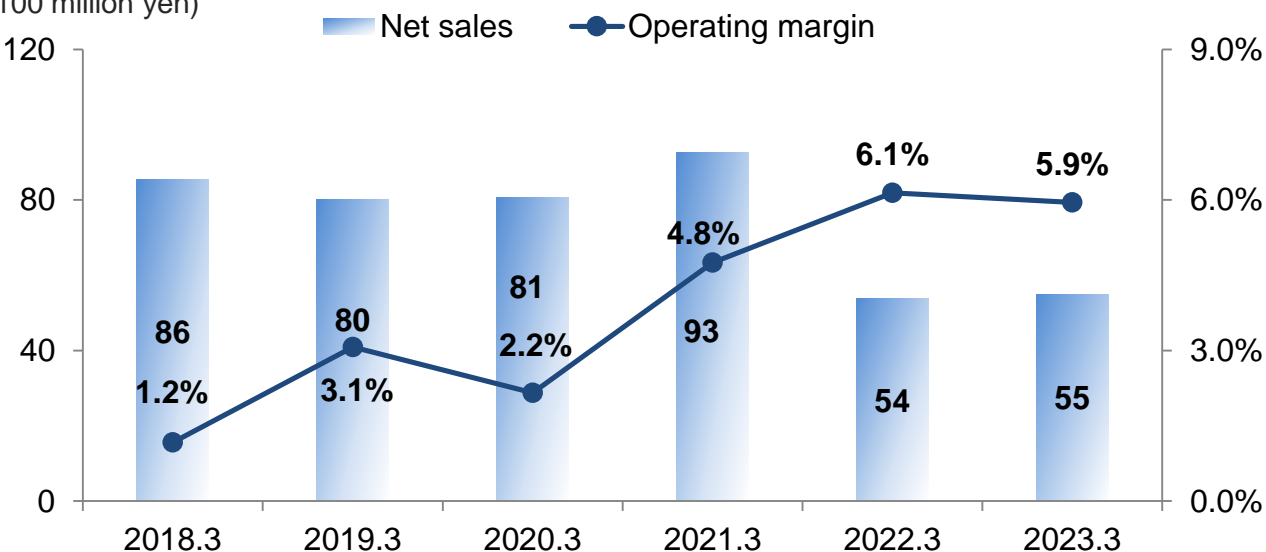
	2022.3	2023.3	Increase/decrease	
Net sales	12,489	13,354	865	6.9%
Operating income	966	404	(562)	(58.2%)

Key points of the financial results for the fiscal year ending March 31, 2023

- Sales in the domestic market increased due to price revisions. From the second half onward, demand for PVC-related products was weak due to factors such as slow shipping of industrial sheets for semiconductor facilities, resulting in a decline in profits.
- In the overseas market, public works projects in Thailand decreased due to the shrinkage of budgets for irrigation equipment related to infrastructure development, and demand for non-lead stabilizers was weak, resulting in a decline in profits.

Hygienic products

(100 million yen)



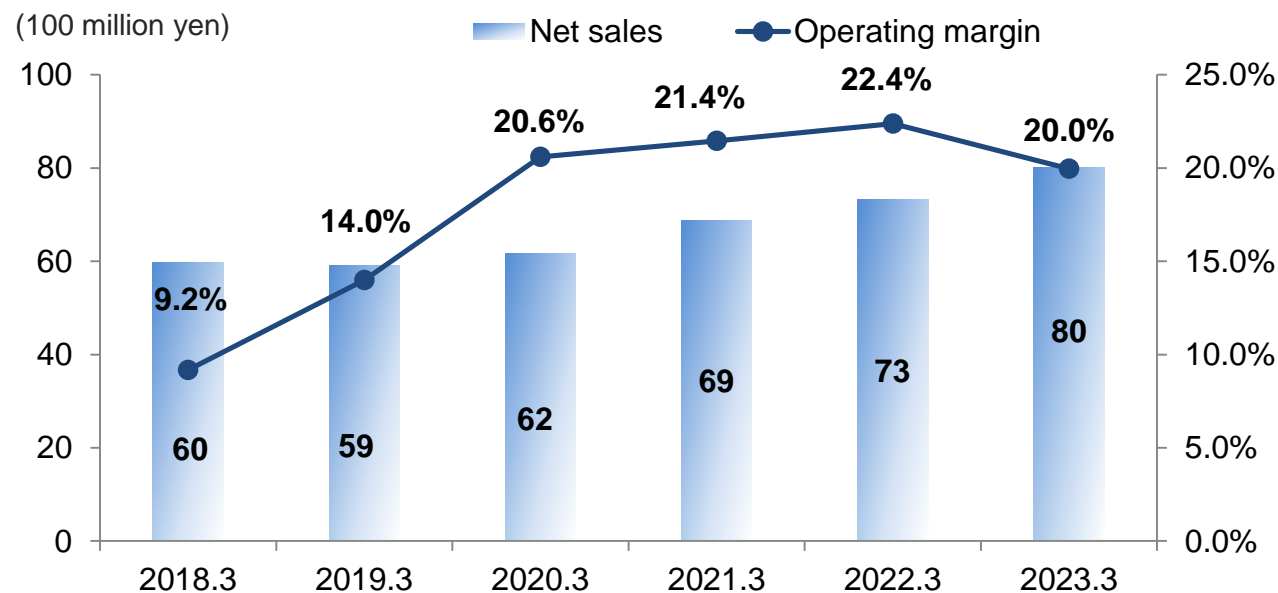
- Year-on-year Comparison (million yen)

	2022.3	2023.3	Increase/decrease	
Net sales	5,388	5,496	108	2.0%
Operating income	331	327	(4)	(1.2%)

Key points of the financial results for the fiscal year ending March 31, 2023

- Regarding sales, the market remained strong and sales increased.
- Although the operating profit margin declined in the first half due to high raw material and fuel costs and a sharp rise in export freight rates at the Indonesian subsidiary, this was resolved from the second half onward, with operating profit generally on par with last year's.

Organic chemicals



- Year-on-year Comparison (million yen)

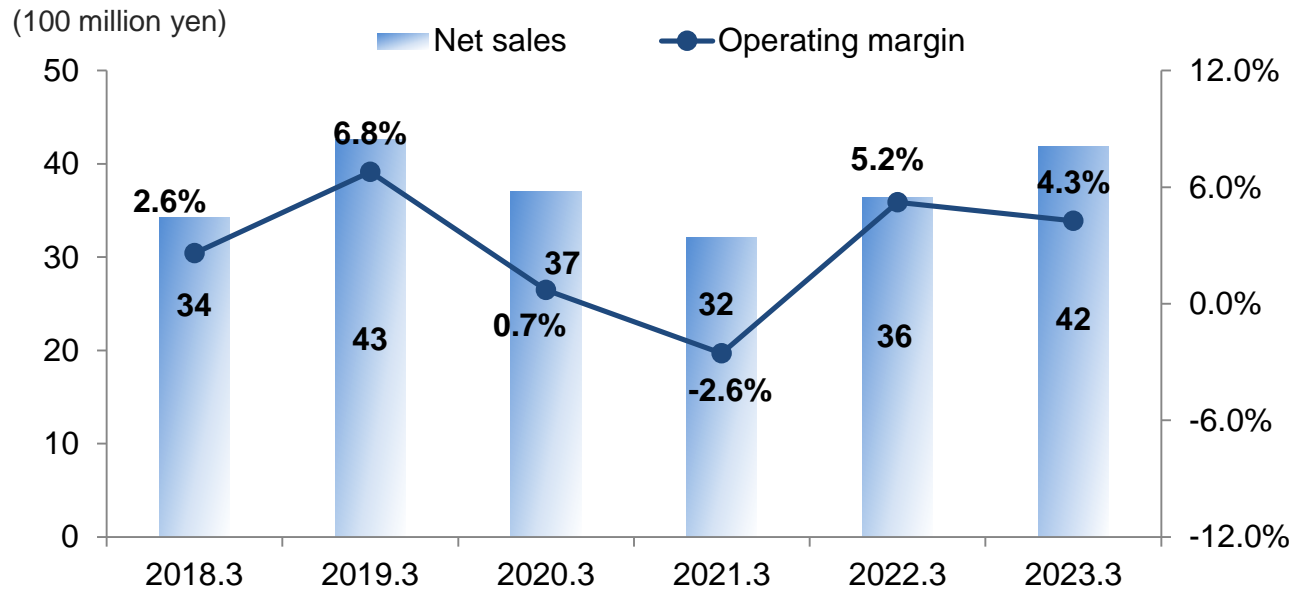
	2022.3	2023.3	Increase/decrease	
Net sales	7,321	8,014	693	9.5%
Operating income	1,639	1,600	(39)	(2.4%)

Key points of the financial results for the fiscal year ending March 31, 2023

- Regarding production of active pharmaceutical ingredients and intermediates, revenue and profit increased due to an increase in the shipment volume of pharmaceutical intermediates.
- Sales of thio products increased due to strong sales for plastic lenses and price revisions. However, the impact of high raw material and fuel prices could not be avoided, and profit declined.

Catalysts

Businesses considered for efficiency improvement



- Year-on-year Comparison (million yen)

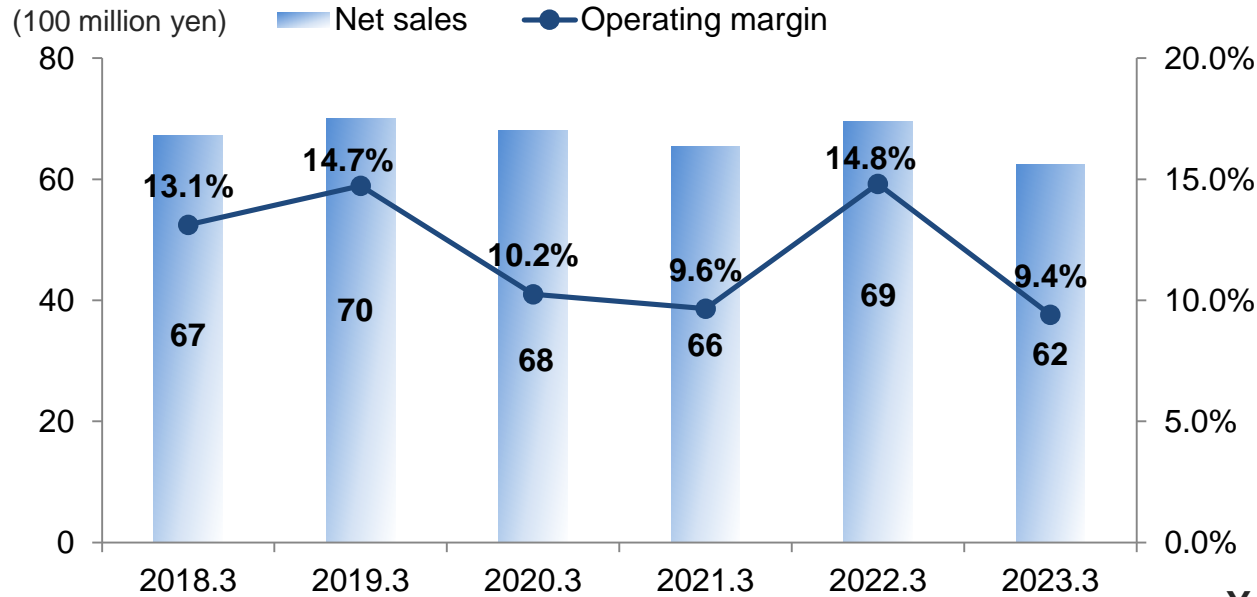
	2022.3	2023.3	Increase/decrease	
Net sales	3,644	4,139	549	15.1%
Operating income	190	179	(11)	(5.8%)

Key points of the financial results for the fiscal year ending March 31, 2023

- Sales of nickel catalysts used in the hydrogenation process of plastics increased due to a sharp rise in raw material nickel prices and price revisions.
- Sales and earnings of De-NOx catalysts used in thermal power plants and waste incineration facilities, which contributed to business performance in the previous full fiscal year due to large overseas shipments, contributed to business performance only in the first half of the fiscal year under review, resulting in a decrease in both revenue and profit.

Contract processing

Stable
businesses



- Year-on-year Comparison (million yen)

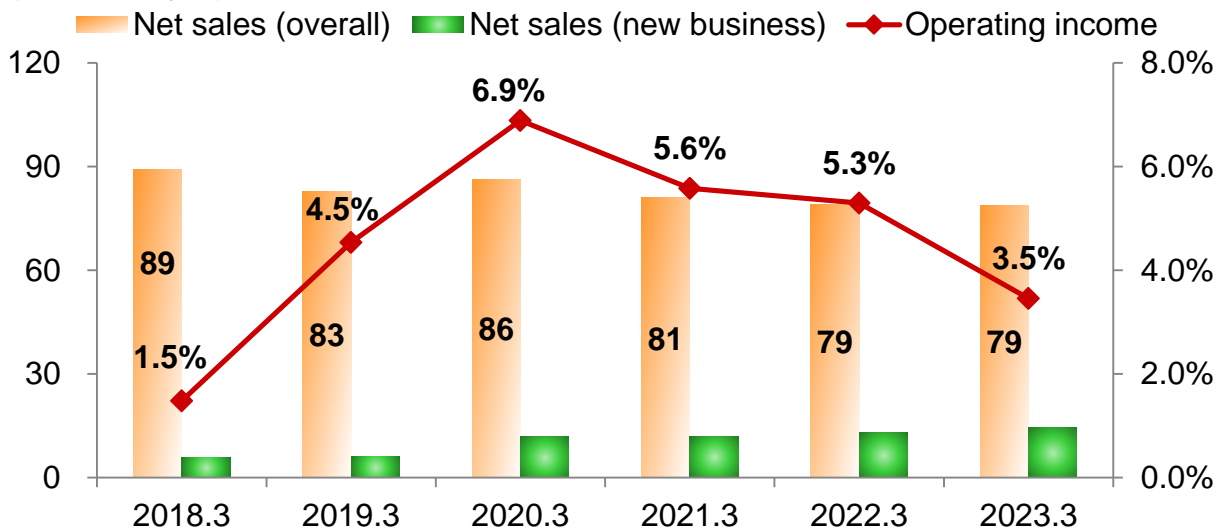
	2022.3	2023.3	Increase/decrease	
Net sales	6,947	6,244	(703)	(10.1%)
Operating income	1,029	587	(442)	(43.0%)

Key points of the financial results for the fiscal year ending March 31, 2023

- Regarding processed pigments, both revenue and income decreased due to the impact of the lockdowns in China and weak sales, particularly in the automotive industry, compared to the previous fiscal year.
- Revenue and income from contracted processes such as calcination, mixing, and drying decreased due to weak sales of highly profitable contract products and lower operating profit margins.

Medical Business

(100 million yen)



- Year-on-year Comparison (million yen)

	2022.3	2023.3	Increase/decrease	
Net sales	7,892	7,868	(24)	(0.3%)
Operating income	418	272	(146)	(34.9%)

Key points of the financial results for the fiscal year ending March 31, 2023

- Sales and profits of barium contrast media declined due to a lack of recovery in demand for medical checkups after the COVID-19 pandemic.
- Both revenue and income from Aluloid G declined due to the impact of NHI price reductions and lower sales volume.
- Regarding medical devices, sales of endoscope cleaning and disinfection equipment decreased due to the shortage of semiconductors, but revenue increased due to the implementation of price revisions for electrolysis accelerators and other equipment-related products.
- Sales of over-the-counter pharmaceuticals, such as the cold remedy KAIGEN, increased due in part to large purchases by foreigners.
- Revenue and income increased due to strong sales of products for beauty salons (ultraviolet light supplements), which are a new business focus.

4. Forecast for FY 2024.3

Forecast for FY 2024.3

Amount units: million

	2023.3		2024.3					
	Full year results		First half forecast		Second half forecast		Full year forecast	
		Net sales comparison		Net sales comparison		Net sales comparison		Compared to previous period
Net sales	83,861	—	43,000	—	48,000	—	91,000	8.5%
Operating income	4,407	5.3%	1,200	2.8%	3,300	6.9%	4,500	2.1%
Ordinary income	4,854	5.8%	1,200	2.8%	3,300	6.9%	4,500	(7.3%)
Net income attributable to owners of parent	2,344	2.8%	400	0.9%	3,200	6.7%	3,600	53.6%

[Supplemental information]

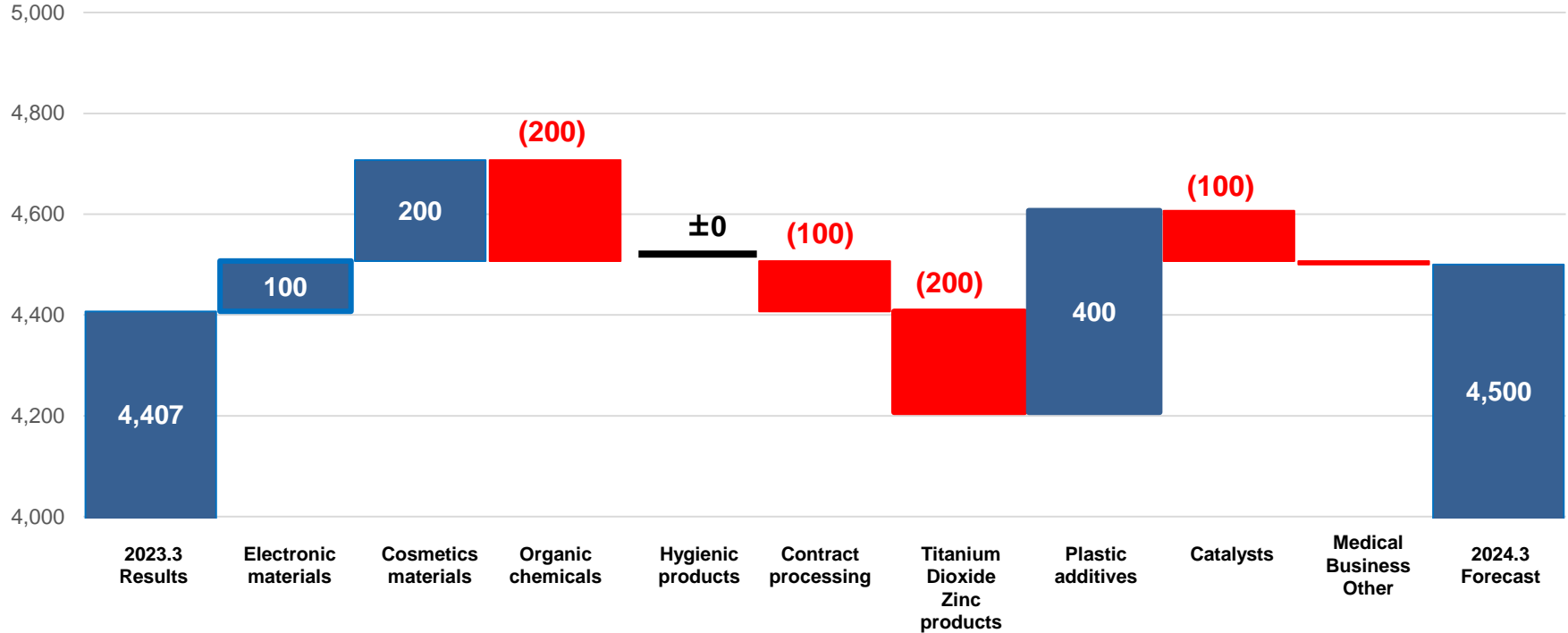
Amount units: million yen

2022.3		2023.3		2024.3	
First half	Second half	First half	Second half	First half	Second half
4,356	3,138	3,267	1,140	1,200	3,300
Approx. 7,500		Approx. 4,500		4,500	
Total: 12,000 = 6,000 x 2 fiscal years				(Forecast)	

- There was excess inventory in FY2022.3, mainly of electronic materials, and FY2023.3 was an adjustment period in reaction to the excess inventory.
- An operating income level of 6,000 million yen/year has been maintained

Forecast increase/decrease in operating income by subsegment (approximate figures)

(million yen)



Positive factors

- Demand for electronic materials is expected to recover from the second half of the year.
- The sales volume of cosmetic materials is expected to increase steadily.
- Overseas sales of plastic additives are expected to recover.

Negative factors

- The sales volume of titanium dioxide and zinc dioxide products will remain sluggish in spite of efforts to improve sales prices.

Trends and forecast for capital expenditures, depreciation, and research and development expenses

Amount units: million yen

	2019.3	2020.3	2021.3	2022.3	2023.3	2024.3
Capital investment	6,891	8,403	9,567	5,967	2,658	3,500
Depreciation	3,189	3,686	4,243	4,331	4,417	4,500
Research and development expenses	2,951	2,898	2,487	2,376	2,674	3,000

(Forecast)

- Capital investment

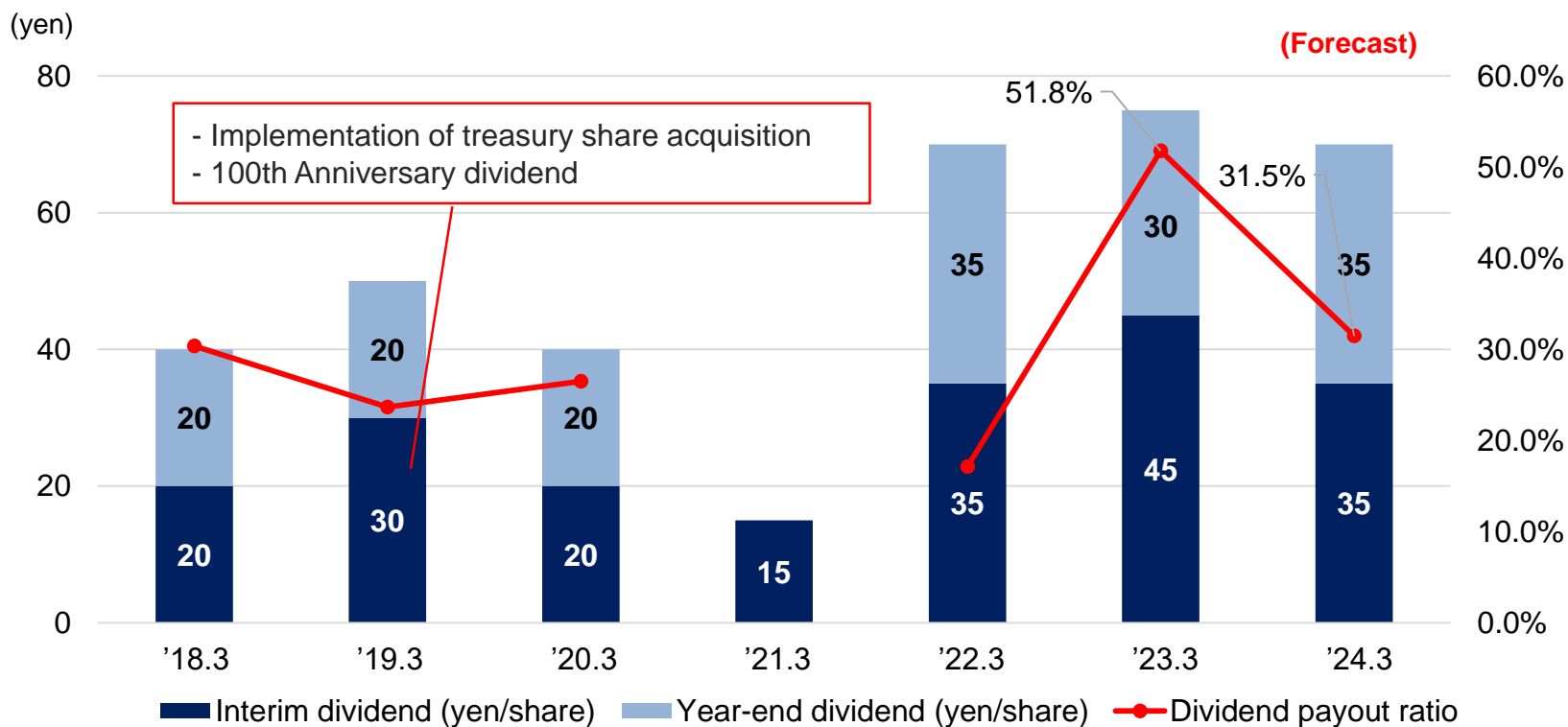
Although there will be no large-scale investments such as those made in the first half of the current mid-term business plan, we plan to make necessary investments for growth.

- Research and development expenses

In order to accelerate the early transfer of pilot-scale product manufacturing and efforts to convert bulk pharmaceutical intermediates to CDMO, funds will be invested in staff replacement and employee training.

5. Shareholder Return

Shareholder Return



Basic Policy on Dividends of Surplus

We will implement the distribution of profits with a **target payout ratio of 30% or more** (2 times/year).

About the Fiscal Year Ending March 2024

Annual dividend of **70 yen per share (interim 35 yen, year-end 35 yen)** (estimated)

Reference Materials

- **Company Profile**
- **Business Description**
- **Performance Trends, Etc.**



Sakai Chemical Industry Co., Ltd. Company Profile

Head Office	5-2, Ebisujima-cho, Sakai-ku, Sakai-shi
Representative	President and Representative Director, Toshiyuki Yagura
Established	June 1918
Business Description	Development, manufacture, and sales of inorganic chemical products, organic chemicals, and pharmaceuticals
Total Assets	JPY128,021million
Net Assets	JPY84,717 million
Affiliated Companies	16 consolidated subsidiaries (8 in Japan, 8 overseas)
Number of Employees	Consolidated: 2,013, non-consolidated: 769 (as of September 31, 2023)

About Our Group

Chemicals - Manufacturing and Sales

Sakai Chemical Industry Co., Ltd.

Osaki Industry Co., Ltd.

Resino Color Industry Co., Ltd.

Kyodo Chemical Co., Ltd.

SC Organic Chemical Co., Ltd.

Nippon Color Industry Co., Ltd.

Katayama Seiyakusho Co., Ltd.

Sakai Chemical (Vietnam) Co., Ltd.

Siam Stabilizers and Chemicals Co., Ltd.

PT. S&S Hygiene Solution

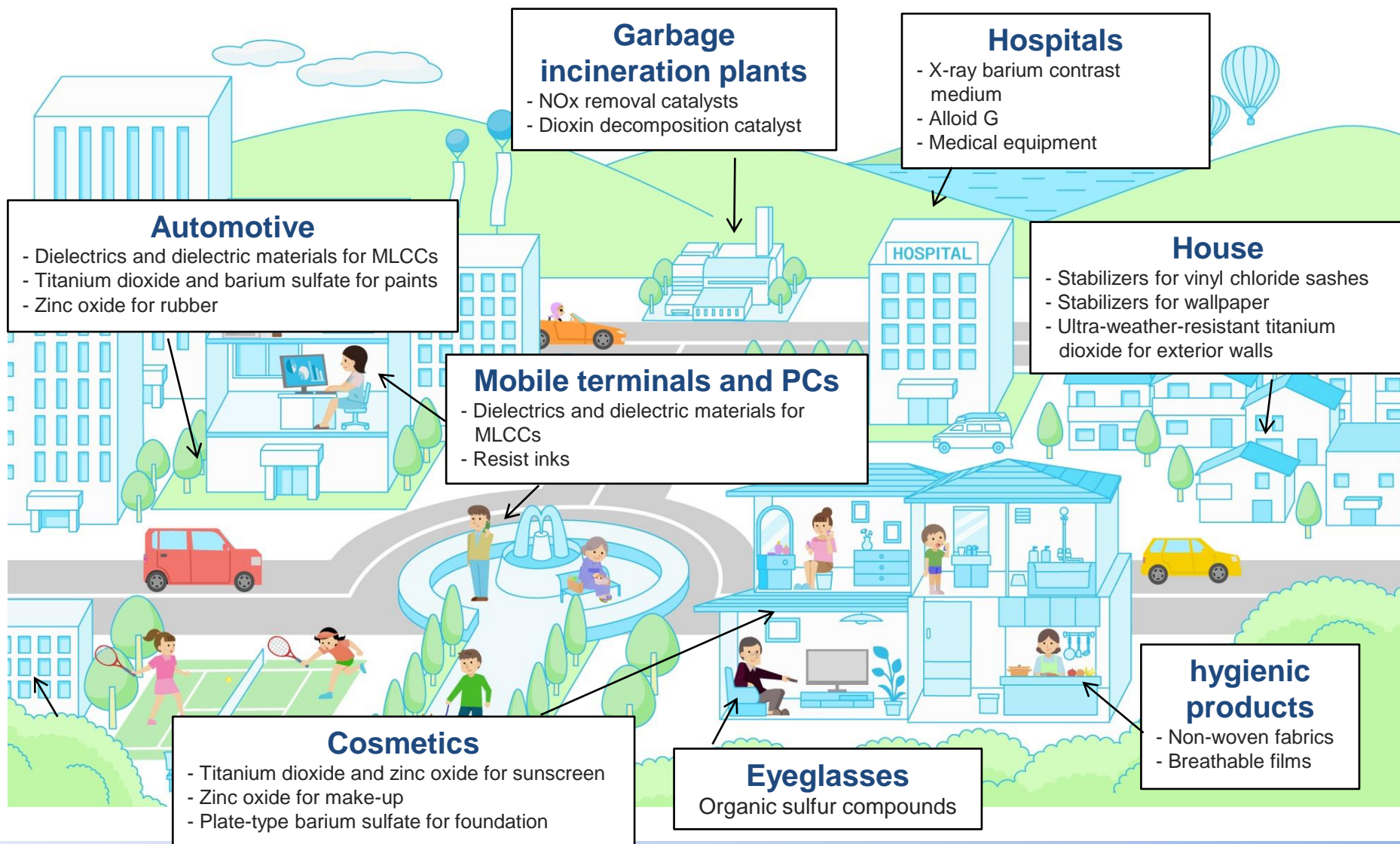
Chemicals - Sales

Sakai Trading Co. Ltd.

Medical - Manufacturing and Sales

Kaigen Pharma Co., Ltd.

Products from our Group that play a part in people's daily lives



Business Description and Sales Composition

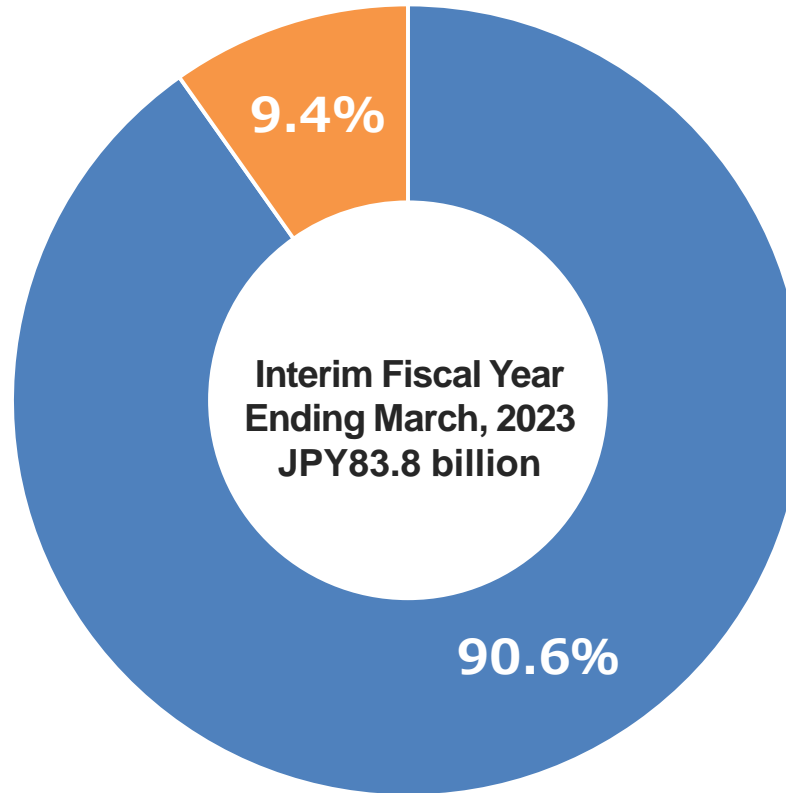
Medical

We provide a wide range of products and services that contribute to medical care and health, from products for medical use to products for the general public, with our main products being barium preparations, sodium alginate preparations, medical equipment, and Kaigen brand products.



Chemicals

Our main business is the development of materials for a variety of fields using technologies for processing natural ores and controlling powders.

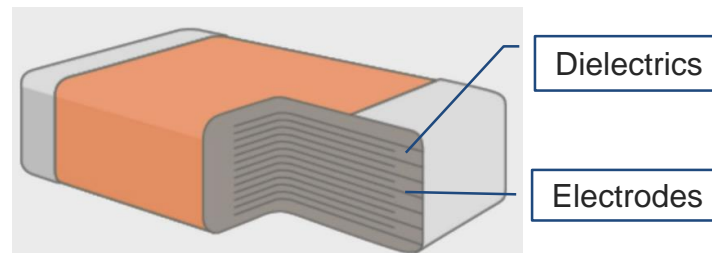


Business description: Chemicals

Electronic materials

Multilayer ceramic capacitors

- Dielectric (barium titanate)
- Dielectric materials (high-purity barium carbonate)



This is the main material for multilayer ceramic capacitors, which are indispensable for electronic devices.

Dielectrics have the property of storing a lot of electricity.

We will continue to contribute to the improvement of capacitor performance by developing spherical dielectrics that are fine and uniform in shape.

Used in places such as these



Business description: Chemicals

Titanium dioxide and zinc products

- Titanium dioxide: A white pigment with excellent tinting power, hiding power, weather resistance, and chemical stability
- Zinc oxide: A vulcanization accelerator for rubber products
- Zinc powder: Used in anti-rust paint for buildings, bridges, etc.
- Cosmetic materials: Achieves high UV shielding and smooth texture

Titanium dioxide is a material that is needed in every field, including paints, inks, paper, plastics, and chemical fibers.

The UV shielding rate of both titanium dioxide and zinc oxide increases when they are made finer, so they are also used in sunscreens and foundations.

**Used in places
such as these**



Business description: Chemicals

Plastic additives

Pipes, fittings, window frames, wallpaper, and wire harnesses

- PVC stabilizers and non-PVC stabilizers

- Hydrotalcite: It is used in lead-free PVC stabilizer and agricultural films because it is high heat retention and transparency

PVC stabilizers are added to resins to improve processability and prevent deterioration. Currently, the de-leading of PVC stabilizers is progressing worldwide, and the switch to lead-free types is accelerating. Our subsidiary in Vietnam manufactures lead-free stabilizers and hydrotalcite, which is the raw material for such stabilizers, and our subsidiary in Thailand manufactures both lead-based and lead-free stabilizers, both of which are growing sales, mainly in Southeast Asia.

Used in places
such as these



Business description: Chemicals

Hygienic products

Diapers, sanitary napkins

- Breathable film: Retains moisture and allows only air to pass through

With demand increasing overseas, our subsidiary in Indonesia is manufacturing breathable films.

Used in places such as these



Organic chemicals

Plastic lenses, concrete, lubricating oils, and pharmaceuticals

- Organic sulfur compounds: It is also used to improve the refractive index of eyeglass lenses and as a concrete admixture.
- Organophosphorus compounds: Used as a lubricating oil additive
- Pharmaceutical ingredients and intermediates

We are the only manufacturer of the organic sulfur compound, BMPA, in Japan.

Used in places such as these



Business description: Chemicals

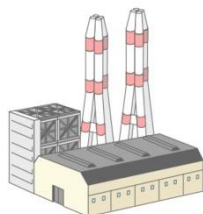
Catalysts

Garbage incinerators, thermal power plants, margarine, adhesives, and optical films

- DeNOx catalyst: Removes nitrogen oxides
- Nickel catalyst: Used in the hydrogenation of petroleum resin, etc.

We are aiming to expand our nickel catalyst business in response to increasing demand for optical films and disposable diaper adhesives.

Used in places
such as these



Contract processing

Contract processing of inorganic and organic chemical industrial products
... Pigments, colorants, functional inks, catalysts, plastic additives, etc.

We handle a wide variety of machines to support a broad range of fields.

Business Description: Medical

Kaigen Pharma Co., Ltd.

X-ray barium contrast medium

... Gastrointestinal imaging

In 1931, the Company began manufacturing barium sulfate as a raw material for medicinal use.

This is a familiar product for use in routine medical checkups, but we also export it overseas.



Medical equipment

- Cleaning and disinfection equipment for endoscopes

Responses the transition from barium to gastrocamera examinations.

We are focusing on development, positioning it as a business that will not be affected by drug price revisions.



Alloid G

... An agent for peptic ulcers

Hemostasis of stomach and duodenal ulcers and protection of mucous membranes.



OTC pharmaceuticals

- Kaigen series
- Kaigen Granules
- Kaigen Pack IB Granules



Launched sales in Taiwan with "Made in Japan" quality.

Net Sales and Operating Income Trends in the Chemical Business

Monetary units: million yen

		2018.3	2019.3	2020.3	2021.3	2022.3	2023.3
Electronic materials	Net Sales	8,033	8,948	8,499	9,723	10,857	8,939
	Operating Income	969	651	117	23	1,700	946
Titanium dioxide and zinc products	Net Sales	15,758	16,341	15,305	13,563	15,718	17,858
	Operating Income	624	304	610	518	1,046	396
Plastic additives	Net Sales	11,934	12,745	12,583	11,543	12,489	13,354
	Operating Income	529	248	169	397	966	404
Hygienic products	Net Sales	8,558	8,006	8,070	9,254	5,388	5,496
	Operating Income	100	246	174	440	331	327
Organic chemicals	Net Sales	5,979	5,919	6,172	6,882	7,321	8,014
	Operating Income	548	828	1,271	1,476	1,639	1,600
Catalysts	Net Sales	3,427	4,257	3,703	3,210	3,644	4,193
	Operating Income	89	289	26	▲ 82	190	179
Contract processing	Net Sales	6,721	7,000	6,811	6,550	6,947	6,244
	Operating Income	882	1,031	698	632	1,029	587
Other	Net Sales	17,218	18,040	17,412	16,079	9,875	11,890
	Operating Income	800	432	356	447	170	▲ 305
Total	Net Sales	77,628	81,256	78,555	76,821	72,243	75,992
	Operating Income	4,541	4,029	3,421	3,851	7,076	4,135

Note: Headquarters division expenses are subtracted from operating income.

Quarterly Trends in the Chemical Business

Monetary units: million yen

	2021.3				2022.3				2023.3			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
売上高	18,880	17,419	19,904	20,618	17,695	18,113	17,544	18,890	19,455	19,116	18,918	18,502
電子材料	2,261	2,264	2,542	2,655	2,660	2,426	3,144	2,627	2,685	2,271	1,984	1,998
酸化チタン・亜鉛製品	3,332	2,897	3,517	3,817	3,928	3,563	3,920	4,307	4,555	4,390	4,545	4,366
樹脂添加剤	2,765	2,551	3,066	3,162	3,090	3,118	3,148	3,132	3,281	3,430	3,291	3,350
衛生材料	2,337	2,411	2,200	2,306	1,283	1,223	1,503	1,379	1,225	1,426	1,458	1,385
有機化学品	2,162	1,300	1,584	1,837	2,250	2,171	1,089	1,810	2,172	2,211	1,496	2,133
触媒	645	837	1,033	695	661	824	961	1,197	910	1,151	981	1,150
受託加工	1,403	1,539	1,780	1,828	1,849	1,739	1,618	1,740	1,704	1,487	1,585	1,467
その他	3,975	3,621	4,182	4,318	1,974	3,046	2,160	2,698	2,919	2,747	3,574	2,649
営業利益	967	387	1,267	1,230	2,111	2,012	1,452	1,501	1,736	1,289	762	347

Note: Headquarters division expenses are subtracted from operating income.

Kaigen Pharma Sales Trends by Product

Monetary units: million yen

	2018.3	2019.3	2020.3	2021.3	2022.3	2023.3
Barium contrast medium	2,327	2,265	2,291	2,043	2,173	1,882
Alloid G	860	990	1,221	1,193	1,167	1,061
Medical equipment	2,290	2,373	2,445	2,453	2,611	2,635
OTC pharmaceuticals	1,463	1,190	1,144	1,026	812	853
Other	1,645	1,608	1,722	1,557	1,420	1,435
Total	8,585	8,426	8,823	8,272	8,185	8,139

Thank you for your attention.

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Please note that the figures for the sub-segments of our Chemical Business for the fiscal year ended March 2021 and earlier are published on a voluntary basis and have not been audited, and should be regarded as reference figures.

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