



October 31, 2024

To whom it may concern:

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**Notice regarding the
“Difference between Forecasted and Actual Consolidated Results for the 1st Semester
of Fiscal 2024”, and “Revision of the Forecasted Consolidated Results for Fiscal 2024”**

Harima Chemicals Group, Inc. (the “Company”) hereby announces the “difference between forecasted and actual consolidated results for the 1st semester (April 1 - September 30, 2024) of fiscal 2024 (FY2024: April 1, 2024 - March 31, 2025)”, and “revision of the forecasted consolidated results for fiscal 2024”. The forecasted results for the 1st semester were announced on April 30, 2024, and the actual results are announced today, October 31, 2024, as follows:

I. Difference between forecasted and actual consolidated results for the 1st semester of FY2024

(million yen / %)

	Net sales	Operating income	Ordinary income	Net income attributable to Harima Chemicals Group, Inc.	Net income per share (yen)
Previous forecast (A)	49,300	680	680	470	19.39
Actual results (B)	49,140	1,252	1,117	595	24.56
Difference (B-A)	(160)	572	437	125	—
Difference (%)	(0.3)	84.1	64.3	26.6	—
(Ref) Results for the 1st semester (April 1 - March 31, 2023) of FY2023 (April 1, 2023 - March 31, 2024)	45,272	(607)	(304)	(406)	(16.79)

II. Reasons for difference

In the Electronic Materials business, sales of functional resins for semiconductors increased along with the recovery of the semiconductor market. In the Lawter business, sales of adhesive resins increased along with the recovery of the adhesive market in Europe and America, while in North America sales of resins for road-marking paints were strong. In the Resins and Tall Oil business, sales of resins for exterior coating applications decreased. In the Paper Chemicals business, sales decreased due to a lower demand for paper strengthening agents in the Japanese market.

Overall, Net sales were in line with the previous forecast announced on April 30, 2024.

Operating income, Ordinary income, and Net income attributable to owners of the parent were affected

by lower Net sales, however initiatives targeting expense reduction and improvement of the production process efficiency had a positive impact, causing all above-mentioned income indicators to exceed the previous forecast.

III. Revision of the forecasted consolidated results for FY2024

(million yen / %)

	Net sales	Operating income	Ordinary income	Net income attributable to Harima Chemicals Group, Inc.	Net income per share (yen)
Previous forecast (A)	102,000	2,100	2,100	1,450	59.83
Revised forecast (B)	102,000	3,000	2,500	1,550	63.88
Difference (B-A)	—	900	400	100	—
Difference (%)	—	42.9	19.0	6.9	—
(Ref) Results for FY2023 (April 1, 2023 - March 31, 2024)	92,330	(211)	(275)	(1,161)	(47.96)

IV. Reasons for revision

Net sales are expected to be in line with the previous forecast, however Operating income is expected to exceed forecasted results significantly owing to the continuation of the above-mentioned initiatives targeting expense reduction and improvement of the production process efficiency. Ordinary income, and Net income attributable to owners of the parent are expected to exceed forecasted results owing to higher Operating income.

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