

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

August 8, 2022

Company name: Ihara Science Corporation
 Stock exchange listing: Tokyo
 Stock code: 5999 URL <http://www.ihara-sc.co.jp>
 Representative: President Satoshi Nagaoka
 General Manager of the Business Strategy
 & Management Center Director Executive Yutaka Nakakawaji
 Officer TEL 03-6721-6988
 Scheduled date to file Quarterly Securities Report: August 12, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2022	6,017	36.0	1,333	45.8	1,594	64.7	1,162	64.6
Three months ended June 30, 2021	4,425	22.4	914	65.8	968	68.0	706	14.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	107.99		107.26	
Three months ended June 30, 2021	66.86		66.47	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2022	28,375	22,686	79.4	2,093.90
As of March 31, 2022	27,630	22,179	79.7	2,047.49

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2022	–	–	–	63.00	63.00
Year ending March 31, 2023	–	–	–	–	–
Year ending March 31, 2023 (Forecast)	–	–	–	65.00	65.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	22,000	6.8	4,400	0.5	4,550	(1.8)	3,200	(3.4)	298.91

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2022
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2022	14,000,000 shares	As of March 31, 2022	14,000,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	3,238,666 shares	As of March 31, 2022	3,238,630 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	10,761,353 shares	Three months ended June 30, 2021	10,561,396 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	6,813	6,520
Notes and accounts receivable - trade	5,213	5,577
Electronically recorded monetary claims - operating	1,139	1,158
Merchandise and finished goods	750	871
Work in process	2,000	2,018
Raw materials and supplies	2,234	2,486
Other	464	486
Total current assets	18,615	19,120
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,960	2,927
Machinery, equipment and vehicles, net	1,048	1,233
Land	2,386	2,386
Construction in progress	226	158
Other, net	90	107
Total property, plant and equipment	6,713	6,813
Intangible assets	444	445
Investments and other assets		
Investment securities	1,293	1,335
Long-term loans receivable	3	3
Deferred tax assets	362	416
Other	217	261
Allowance for doubtful accounts	(20)	(20)
Total investments and other assets	1,856	1,997
Total non-current assets	9,015	9,255
Total assets	27,630	28,375

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	1,451	1,434
Short-term borrowings	437	337
Accounts payable - other	502	1,101
Income taxes payable	972	439
Provision for bonuses	–	258
Provision for bonuses for directors (and other officers)	39	–
Other	238	337
Total current liabilities	3,641	3,909
Non-current liabilities		
Long-term borrowings	103	94
Retirement benefit liability	1,192	1,172
Long-term accounts payable - other	278	278
Asset retirement obligations	71	71
Long-term guarantee deposits	162	162
Total non-current liabilities	1,809	1,780
Total liabilities	5,450	5,689
Net assets		
Shareholders' equity		
Share capital	1,564	1,564
Capital surplus	618	618
Retained earnings	22,107	22,591
Treasury shares	(2,565)	(2,565)
Total shareholders' equity	21,724	22,208
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	226	189
Foreign currency translation adjustment	83	135
Total accumulated other comprehensive income	309	325
Share acquisition rights	116	116
Non-controlling interests	29	36
Total net assets	22,179	22,686
Total liabilities and net assets	27,630	28,375

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	4,425	6,017
Cost of sales	3,041	4,138
Gross profit	1,384	1,878
Selling, general and administrative expenses	470	544
Operating profit	914	1,333
Non-operating income		
Interest and dividend income	10	13
Share of profit of entities accounted for using equity method	14	84
Foreign exchange gains	30	165
Other	8	6
Total non-operating income	62	270
Non-operating expenses		
Interest expenses	1	1
Other	6	7
Total non-operating expenses	8	9
Ordinary profit	968	1,594
Profit before income taxes	968	1,594
Income taxes - current	326	464
Income taxes - deferred	(64)	(38)
Total income taxes	261	426
Profit	706	1,167
Profit attributable to non-controlling interests	0	5
Profit attributable to owners of parent	706	1,162

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	706	1,167
Other comprehensive income		
Valuation difference on available-for-sale securities	15	(37)
Foreign currency translation adjustment	7	53
Share of other comprehensive income of entities accounted for using equity method	(18)	1
Total other comprehensive income	3	17
Comprehensive income	710	1,184
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	709	1,177
Comprehensive income attributable to non-controlling interests	1	7