

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

February 8, 2022

Company name: Ihara Science Corporation  
 Stock exchange listing: Tokyo  
 Stock code: 5999 URL <https://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: February 10, 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 nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021)

#### (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	%
Nine months ended December 31, 2021	14,851	43.3	3,328	104.6	3,498	111.0	2,512	81.6
Nine months ended December 31, 2020	10,365	(8.1)	1,626	(7.3)	1,658	(6.1)	1,383	12.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2021	235.12		233.51	
Nine months ended December 31, 2020	131.06		130.29	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2021	26,355	21,369	80.5	1,972.71
As of March 31, 2021	24,092	19,310	79.7	1,817.92

### 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, 2021	–	–	–	47.00	47.00
Year ending March 31, 2022	–	–	–		
Year ending March 31, 2022 (Forecast)				53.00	53.00

### 3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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	20,000	38.7	4,000	52.7	4,220	54.0	2,980	38.8	278.84

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2021  
(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: Yes
- 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 December 31, 2021	14,000,000 shares	As of March 31, 2021	14,000,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2021	3,238,604 shares	As of March 31, 2021	3,438,604 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2021	10,687,215 shares	Nine months ended December 31, 2020	10,559,847 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	7,230	6,620
Notes and accounts receivable - trade	3,576	4,629
Electronically recorded monetary claims - operating	775	1,210
Merchandise and finished goods	564	730
Work in process	1,354	1,820
Raw materials and supplies	1,544	2,065
Other	323	446
Total current assets	15,371	17,522
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,102	2,995
Machinery, equipment and vehicles, net	1,074	984
Land	2,386	2,386
Construction in progress	66	87
Other, net	63	88
Total property, plant and equipment	6,693	6,543
Intangible assets	440	441
Investments and other assets		
Investment securities	1,074	1,293
Long-term loans receivable	8	4
Deferred tax assets	298	387
Other	205	163
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	1,586	1,848
Total non-current assets	8,721	8,832
Total assets	24,092	26,355

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	977	1,138
Short-term borrowings	637	537
Accounts payable - other	257	304
Income taxes payable	482	684
Provision for bonuses	–	161
Provision for bonuses for directors (and other officers)	10	–
Other	340	331
Total current liabilities	2,705	3,157
Non-current liabilities		
Long-term borrowings	340	114
Retirement benefit liability	1,223	1,200
Long-term accounts payable - other	278	278
Asset retirement obligations	71	71
Long-term guarantee deposits	161	162
Total non-current liabilities	2,076	1,827
Total liabilities	4,781	4,985
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,564	1,564
Capital surplus	620	618
Retained earnings	19,473	21,333
Treasury shares	(2,723)	(2,565)
Total shareholders' equity	18,934	20,950
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	231	244
Foreign currency translation adjustment	34	34
Total accumulated other comprehensive income	265	278
Share acquisition rights	91	116
Non-controlling interests	18	24
Total net assets	19,310	21,369
Total liabilities and net assets	24,092	26,355

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	10,365	14,851
Cost of sales	7,429	10,001
Gross profit	2,936	4,849
Selling, general and administrative expenses	1,309	1,521
Operating profit	1,626	3,328
Non-operating income		
Interest and dividend income	25	21
Foreign exchange gains	–	66
Share of profit of entities accounted for using equity method	53	75
Other	25	27
Total non-operating income	103	192
Non-operating expenses		
Interest expenses	7	5
Foreign exchange losses	57	–
Other	7	15
Total non-operating expenses	72	21
Ordinary profit	1,658	3,498
Extraordinary income		
Subsidy income	302	–
Total extraordinary income	302	–
Profit before income taxes	1,960	3,498
Income taxes - current	573	1,075
Income taxes - deferred	2	(94)
Total income taxes	575	981
Profit	1,384	2,517
Profit attributable to non-controlling interests	0	4
Profit attributable to owners of parent	1,383	2,512

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	1,384	2,517
Other comprehensive income		
Valuation difference on available-for-sale securities	54	13
Foreign currency translation adjustment	(3)	21
Share of other comprehensive income of entities accounted for using equity method	1	(21)
Total other comprehensive income	52	13
Comprehensive income	1,436	2,531
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,436	2,525
Comprehensive income attributable to non-controlling interests	0	5