

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

February 5, 2021

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 &  
 Inquiries: Management Center Director Executive Yutaka Nakakawaji TEL 03-6721-6988  
 Officer  
 Scheduled date to file Quarterly Securities Report: February 10, 2021  
 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, 2020 (from April 1, 2020 to December 31, 2020)

#### (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, 2020	10,365	(8.1)	1,626	(7.3)	1,658	(6.1)	1,383	12.4
Nine months ended December 31, 2019	11,276	(19.7)	1,755	(30.3)	1,766	(32.2)	1,231	(35.8)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2020	131.06		130.29	
Nine months ended December 31, 2019	117.99		117.47	

#### (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, 2020	23,146	18,496	79.4	1,740.99
As of March 31, 2020	22,674	17,522	76.9	1,651.07

### 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, 2020	–	–	–	46.00	46.00
Year ending March 31, 2021	–	–	–		
Year ending March 31, 2021 (Forecast)				47.00	47.00

### 3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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	15,200	1.0	2,740	3.7	2,790	3.4	1,950	3.7	186.32

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2020  
(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 December 31, 2020	14,000,000 shares	As of March 31, 2020	14,000,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2020	3,438,604 shares	As of March 31, 2020	3,441,801 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, 2020	10,559,847 shares	Nine months ended December 31, 2019	10,434,992 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	5,777	6,516
Notes and accounts receivable - trade	3,298	3,000
Electronically recorded monetary claims - operating	713	908
Merchandise and finished goods	654	577
Work in process	1,240	1,300
Raw materials and supplies	1,503	1,597
Other	285	246
Total current assets	13,474	14,147
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,256	3,140
Machinery, equipment and vehicles, net	1,188	1,095
Land	2,386	2,386
Construction in progress	88	68
Other, net	75	70
Total property, plant and equipment	6,995	6,760
Intangible assets	425	425
Investments and other assets		
Investment securities	1,078	1,185
Long-term loans receivable	7	7
Deferred tax assets	401	375
Other	293	244
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	1,779	1,811
Total non-current assets	9,200	8,998
Total assets	22,674	23,146

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	875	745
Short-term borrowings	907	637
Accounts payable - other	233	236
Income taxes payable	337	218
Provision for bonuses	–	232
Provision for bonuses for directors (and other officers)	12	–
Other	220	362
Total current liabilities	2,588	2,433
Non-current liabilities		
Long-term borrowings	778	456
Retirement benefit liability	1,271	1,248
Long-term accounts payable - other	281	278
Asset retirement obligations	71	71
Long-term guarantee deposits	161	161
Total non-current liabilities	2,563	2,215
Total liabilities	5,152	4,649
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,564	1,564
Capital surplus	618	620
Retained earnings	17,813	18,711
Treasury shares	(2,726)	(2,723)
Total shareholders' equity	17,268	18,171
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	143	197
Foreign currency translation adjustment	20	18
Total accumulated other comprehensive income	163	215
Share acquisition rights	73	91
Non-controlling interests	16	17
Total net assets	17,522	18,496
Total liabilities and net assets	22,674	23,146

**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, 2019	Nine months ended December 31, 2020
Net sales	11,276	10,365
Cost of sales	8,029	7,429
Gross profit	3,247	2,936
Selling, general and administrative expenses	1,491	1,309
Operating profit	1,755	1,626
Non-operating income		
Interest and dividend income	34	25
Share of profit of entities accounted for using equity method	3	53
Other	14	25
Total non-operating income	51	103
Non-operating expenses		
Interest expenses	9	7
Foreign exchange losses	18	57
Other	11	7
Total non-operating expenses	40	72
Ordinary profit	1,766	1,658
Extraordinary income		
Subsidy income	–	302
Total extraordinary income	–	302
Profit before income taxes	1,766	1,960
Income taxes - current	634	573
Income taxes - deferred	(99)	2
Total income taxes	534	575
Profit	1,231	1,384
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	1,231	1,383

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

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit	1,231	1,384
Other comprehensive income		
Valuation difference on available-for-sale securities	38	54
Foreign currency translation adjustment	(27)	(3)
Share of other comprehensive income of entities accounted for using equity method	(6)	1
Total other comprehensive income	4	52
Comprehensive income	1,236	1,436
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,236	1,436
Comprehensive income attributable to non-controlling interests	(0)	0