

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

November 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  
 & Management Center Director Executive Yutaka Nakakawaji  
 Officer TEL 03-6721-6988  
 Scheduled date to file Quarterly Securities Report: November 11, 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 six months ended September 30, 2021 (from April 1, 2021 to September 30, 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	%
Six months ended September 30, 2021	9,385	38.2	2,074	110.5	2,171	110.0	1,543	63.7
Six months ended September 30, 2020	6,792	(7.5)	985	(14.9)	1,033	(10.1)	942	16.7

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	144.93		143.94	
Six months ended September 30, 2020	89.28		88.75	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2021	25,516	20,424	79.5	1,885.14
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)	–	–	–	48.00	48.00

### 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	18,500	28.3	3,700	41.3	3,750	36.8	2,650	23.5	248.83

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 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 September 30, 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 September 30, 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)

Six months ended September 30, 2021	10,649,921 shares	Six months ended September 30, 2020	10,559,067 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	7,230	6,925
Notes and accounts receivable - trade	3,576	4,222
Electronically recorded monetary claims - operating	775	920
Merchandise and finished goods	564	641
Work in process	1,354	1,658
Raw materials and supplies	1,544	1,816
Other	323	412
Total current assets	15,371	16,596
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,102	3,033
Machinery, equipment and vehicles, net	1,074	992
Land	2,386	2,386
Construction in progress	66	106
Other, net	63	63
Total property, plant and equipment	6,693	6,582
Intangible assets	440	439
Investments and other assets		
Investment securities	1,074	1,295
Long-term loans receivable	8	8
Deferred tax assets	298	423
Other	205	169
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	1,586	1,896
Total non-current assets	8,721	8,919
Total assets	24,092	25,516

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	977	976
Short-term borrowings	637	637
Accounts payable - other	257	288
Income taxes payable	482	803
Provision for bonuses	–	361
Provision for bonuses for directors (and other officers)	10	–
Other	340	180
Total current liabilities	2,705	3,247
Non-current liabilities		
Long-term borrowings	340	122
Retirement benefit liability	1,223	1,209
Long-term accounts payable - other	278	278
Asset retirement obligations	71	71
Long-term guarantee deposits	161	162
Total non-current liabilities	2,076	1,844
Total liabilities	4,781	5,091
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,564	1,564
Capital surplus	620	618
Retained earnings	19,473	20,364
Treasury shares	(2,723)	(2,565)
Total shareholders' equity	18,934	19,981
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	231	273
Foreign currency translation adjustment	34	31
Total accumulated other comprehensive income	265	305
Share acquisition rights	91	115
Non-controlling interests	18	22
Total net assets	19,310	20,424
Total liabilities and net assets	24,092	25,516

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	6,792	9,385
Cost of sales	4,917	6,320
Gross profit	1,875	3,065
Selling, general and administrative expenses	889	991
Operating profit	985	2,074
Non-operating income		
Interest and dividend income	22	19
Foreign exchange gains	–	42
Share of profit of entities accounted for using equity method	63	34
Other	7	18
Total non-operating income	93	113
Non-operating expenses		
Interest expenses	5	3
Foreign exchange losses	33	–
Other	5	13
Total non-operating expenses	44	17
Ordinary profit	1,033	2,171
Extraordinary income		
Subsidy income	302	–
Total extraordinary income	302	–
Profit before income taxes	1,336	2,171
Income taxes - current	422	769
Income taxes - deferred	(29)	(144)
Total income taxes	392	624
Profit	943	1,546
Profit attributable to non-controlling interests	0	2
Profit attributable to owners of parent	942	1,543

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

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	943	1,546
Other comprehensive income		
Valuation difference on available-for-sale securities	46	42
Foreign currency translation adjustment	(13)	15
Share of other comprehensive income of entities accounted for using equity method	(2)	(17)
Total other comprehensive income	31	40
Comprehensive income	974	1,586
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	974	1,583
Comprehensive income attributable to non-controlling interests	(0)	3

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	1,336	2,171
Depreciation	233	220
Share of loss (profit) of entities accounted for using equity method	(63)	(34)
Increase (decrease) in retirement benefit liability	1	(14)
Increase (decrease) in long-term accounts payable - other	(3)	-
Increase (decrease) in provision for bonuses for directors (and other officers)	(12)	(10)
Increase (decrease) in provision for bonuses	317	361
Share-based payment expenses	22	23
Subsidy income	(302)	-
Interest and dividend income	(22)	(19)
Interest expenses	5	3
Foreign exchange losses (gains)	20	(5)
Decrease (increase) in trade receivables	314	(790)
Decrease (increase) in inventories	(139)	(652)
Increase (decrease) in trade payables	(302)	(0)
Increase (decrease) in accrued consumption taxes	4	(161)
Increase (decrease) in accounts payable - other	(16)	4
Other, net	152	(68)
Subtotal	1,546	1,027
Interest and dividends received	22	19
Interest paid	(4)	(3)
Income taxes paid	(316)	(462)
Subsidies received	302	-
Net cash provided by (used in) operating activities	1,549	580
Cash flows from investing activities		
Purchase of property, plant and equipment	(99)	(79)
Purchase of intangible assets	(3)	(3)
Purchase of investment securities	(4)	(113)
Proceeds from collection of long-term loans receivable	0	0
Other, net	17	15
Net cash provided by (used in) investing activities	(89)	(180)
Cash flows from financing activities		
Repayments of long-term borrowings	(423)	(218)
Purchase of treasury shares	(0)	-
Dividends paid	(482)	(478)
Other, net	0	0
Net cash provided by (used in) financing activities	(906)	(696)
Effect of exchange rate change on cash and cash equivalents	(24)	(14)
Net increase (decrease) in cash and cash equivalents	529	(310)
Cash and cash equivalents at beginning of period	5,678	7,151
Cash and cash equivalents at end of period	6,207	6,840