

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2020 (Based on Japanese GAAP)

August 6, 2020

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 TEL 03-6721-6988
 Officer
 Scheduled date to file Quarterly Securities Report: August 12, 2020
 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, 2020 (from April 1, 2020 to June 30, 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	%
Three months ended June 30, 2020	3,616	2.2	551	2.2	576	6.5	616	59.3
Three months ended June 30, 2019	3,539	(28.3)	539	(39.6)	541	(41.8)	386	(47.7)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2020	58.36		58.10	
Three months ended June 30, 2019	37.70		37.63	

(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, 2020	23,242	17,711	75.8	1,669.05
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 three months ended June 30, 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 June 30, 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 June 30, 2020	3,441,824 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)

Three months ended June 30, 2020	10,558,196 shares	Three months ended June 30, 2019	10,258,302 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	5,777	6,491
Notes and accounts receivable - trade	3,298	3,090
Electronically recorded monetary claims - operating	713	786
Merchandise and finished goods	654	663
Work in process	1,240	1,261
Raw materials and supplies	1,503	1,567
Other	285	243
Total current assets	13,474	14,103
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,256	3,216
Machinery, equipment and vehicles, net	1,188	1,127
Land	2,386	2,386
Construction in progress	88	99
Other, net	75	77
Total property, plant and equipment	6,995	6,908
Intangible assets	425	424
Investments and other assets		
Investment securities	1,078	1,196
Long-term loans receivable	7	7
Deferred tax assets	401	353
Allowance for doubtful accounts	(0)	(0)
Other	293	248
Total investments and other assets	1,779	1,805
Total non-current assets	9,200	9,138
Total assets	22,674	23,242

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	875	870
Short-term borrowings	907	817
Accounts payable - other	233	671
Income taxes payable	337	262
Provision for bonuses	–	209
Provision for bonuses for directors (and other officers)	12	–
Other	220	228
Total current liabilities	2,588	3,058
Non-current liabilities		
Long-term borrowings	778	668
Retirement benefit liability	1,271	1,287
Long-term accounts payable - other	281	281
Asset retirement obligations	71	71
Long-term guarantee deposits	161	161
Total non-current liabilities	2,563	2,471
Total liabilities	5,152	5,530
Net assets		
Shareholders' equity		
Share capital	1,564	1,564
Capital surplus	618	618
Retained earnings	17,813	17,943
Treasury shares	(2,726)	(2,726)
Total shareholders' equity	17,268	17,399
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	143	216
Foreign currency translation adjustment	20	5
Total accumulated other comprehensive income	163	222
Share acquisition rights	73	73
Non-controlling interests	16	16
Total net assets	17,522	17,711
Total liabilities and net assets	22,674	23,242

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, 2019	Three months ended June 30, 2020
Net sales	3,539	3,616
Cost of sales	2,515	2,607
Gross profit	1,024	1,009
Selling, general and administrative expenses	484	457
Operating profit	539	551
Non-operating income		
Interest and dividend income	16	15
Share of profit of entities accounted for using equity method	4	26
Other	7	4
Total non-operating income	28	46
Non-operating expenses		
Interest expenses	3	2
Foreign exchange losses	18	13
Other	5	5
Total non-operating expenses	27	21
Ordinary profit	541	576
Extraordinary income		
Subsidy income	–	302
Total extraordinary income	–	302
Profit before income taxes	541	878
Income taxes - current	218	247
Income taxes - deferred	(64)	15
Total income taxes	153	262
Profit	387	615
Profit attributable to non-controlling interests	0	(0)
Profit attributable to owners of parent	386	616

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit	387	615
Other comprehensive income		
Valuation difference on available-for-sale securities	(1)	73
Foreign currency translation adjustment	8	(10)
Share of other comprehensive income of entities accounted for using equity method	0	(4)
Total other comprehensive income	7	59
Comprehensive income	394	674
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	393	675
Comprehensive income attributable to non-controlling interests	1	(0)