

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2021 (Based on Japanese GAAP)

August 6, 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: August 12, 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 three months ended June 30, 2021 (from April 1, 2021 to June 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	%
Three months ended June 30, 2021	4,425	22.4	914	65.8	968	68.0	706	14.6
Three months ended June 30, 2020	3,616	2.2	551	2.2	576	6.5	616	59.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2021	66.86		66.47	
Three months ended June 30, 2020	58.36		58.10	

(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, 2021	24,708	19,525	78.6	1,838.12
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	Yen	Yen	Yen	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	17,000	17.9	3,400	29.8	3,450	25.9	2,400	11.8	227.27

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 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 June 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 June 30, 2021	3,438,604 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)

Three months ended June 30, 2021	10,561,396 shares	Three months ended June 30, 2020	10,558,196 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	7,230	6,944
Notes and accounts receivable - trade	3,576	4,019
Electronically recorded monetary claims - operating	775	736
Merchandise and finished goods	564	622
Work in process	1,354	1,502
Raw materials and supplies	1,544	1,705
Other	323	343
Total current assets	15,371	15,874
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,102	3,068
Machinery, equipment and vehicles, net	1,074	1,042
Land	2,386	2,386
Construction in progress	66	61
Other, net	63	67
Total property, plant and equipment	6,693	6,626
Intangible assets	440	442
Investments and other assets		
Investment securities	1,074	1,229
Long-term loans receivable	8	8
Deferred tax assets	298	356
Allowance for doubtful accounts	(0)	(0)
Other	205	170
Total investments and other assets	1,586	1,764
Total non-current assets	8,721	8,833
Total assets	24,092	24,708

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	977	1,097
Short-term borrowings	637	637
Accounts payable - other	257	689
Income taxes payable	482	333
Provision for bonuses	–	205
Provision for bonuses for directors (and other officers)	10	–
Other	340	247
Total current liabilities	2,705	3,209
Non-current liabilities		
Long-term borrowings	340	231
Retirement benefit liability	1,223	1,230
Long-term accounts payable - other	278	278
Asset retirement obligations	71	71
Long-term guarantee deposits	161	161
Total non-current liabilities	2,076	1,974
Total liabilities	4,781	5,183
Net assets		
Shareholders' equity		
Share capital	1,564	1,564
Capital surplus	620	620
Retained earnings	19,473	19,683
Treasury shares	(2,723)	(2,723)
Total shareholders' equity	18,934	19,143
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	231	246
Foreign currency translation adjustment	34	22
Total accumulated other comprehensive income	265	269
Share acquisition rights	91	91
Non-controlling interests	18	19
Total net assets	19,310	19,525
Total liabilities and net assets	24,092	24,708

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, 2020	Three months ended June 30, 2021
Net sales	3,616	4,425
Cost of sales	2,607	3,041
Gross profit	1,009	1,384
Selling, general and administrative expenses	457	470
Operating profit	551	914
Non-operating income		
Interest and dividend income	15	10
Share of profit of entities accounted for using equity method	26	14
Foreign exchange gains	–	30
Other	4	8
Total non-operating income	46	62
Non-operating expenses		
Interest expenses	2	1
Foreign exchange losses	13	–
Other	5	6
Total non-operating expenses	21	8
Ordinary profit	576	968
Extraordinary income		
Subsidy income	302	–
Total extraordinary income	302	–
Profit before income taxes	878	968
Income taxes - current	247	326
Income taxes - deferred	15	(64)
Total income taxes	262	261
Profit	615	706
Profit attributable to non-controlling interests	(0)	(0)
Profit attributable to owners of parent	616	706

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit	615	706
Other comprehensive income		
Valuation difference on available-for-sale securities	73	15
Foreign currency translation adjustment	(10)	7
Share of other comprehensive income of entities accounted for using equity method	(4)	(18)
Total other comprehensive income	59	3
Comprehensive income	674	710
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	675	709
Comprehensive income attributable to non-controlling interests	(0)	1