

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 12, 2022

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  
 Inquiries: Yutaka Nakakawaji  
 Scheduled date of ordinary general meeting of shareholders: June 24, 2022  
 Scheduled date to file Securities Report: June 27, 2022  
 Scheduled date to commence dividend payments: June 27, 2022  
 Preparation of supplementary material on financial results: No  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

#### (1) Consolidated operating results

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	%
Year ended March 31, 2022	20,607	42.9	4,375	67.1	4,634	69.1	3,312	54.3
Year ended March 31, 2021	14,424	(4.2)	2,619	(0.9)	2,740	1.6	2,146	14.1

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2022	309.39	307.27	16.1	17.9	21.2
Year ended March 31, 2021	203.25	202.07	11.7	11.7	18.2

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	27,630	22,179	79.7	2,047.49
As of March 31, 2021	24,092	19,310	79.7	1,817.92

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2022	973	(515)	(930)	6,759
Year ended March 31, 2021	2,685	(39)	(1,192)	7,151

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2021	—	—	—	47.00	47.00	496	23.1	2.7
Year ended March 31, 2022	—	—	—	63.00	63.00	677	20.4	3.3
Year ending March 31, 2023 (Forecast)	—	—	—	65.00	65.00		21.7	

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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	22,000	6.8	4,400	0.5	4,550	(1.8)	3,200	(3.4)	298.91

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2022	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 March 31, 2022	3,238,630 shares	As of March 31, 2021	3,438,604 shares
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Average number of shares during the period

Year ended March 31, 2022	10,705,500 shares	Year ended March 31, 2021	10,560,229 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	7,230	6,813
Notes and accounts receivable - trade	3,576	5,213
Electronically recorded monetary claims - operating	775	1,139
Merchandise and finished goods	564	750
Work in process	1,354	2,000
Raw materials and supplies	1,544	2,234
Other	323	464
Total current assets	15,371	18,615
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,102	2,960
Machinery, equipment and vehicles, net	1,074	1,048
Land	2,386	2,386
Construction in progress	66	226
Other, net	63	90
Total property, plant and equipment	6,693	6,713
Intangible assets	440	444
Investments and other assets		
Investment securities	1,074	1,293
Long-term loans receivable	8	3
Deferred tax assets	298	362
Other	205	217
Allowance for doubtful accounts	(0)	(20)
Total investments and other assets	1,586	1,856
Total non-current assets	8,721	9,015
Total assets	24,092	27,630

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	977	1,451
Short-term borrowings	637	437
Accounts payable - other	257	502
Income taxes payable	482	972
Provision for bonuses for directors (and other officers)	10	39
Other	340	238
Total current liabilities	2,705	3,641
Non-current liabilities		
Long-term borrowings	340	103
Retirement benefit liability	1,223	1,192
Long-term accounts payable - other	278	278
Asset retirement obligations	71	71
Long-term guarantee deposits	161	162
Total non-current liabilities	2,076	1,809
Total liabilities	4,781	5,450
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,564	1,564
Capital surplus	620	618
Retained earnings	19,473	22,107
Treasury shares	(2,723)	(2,565)
Total shareholders' equity	18,934	21,724
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	231	226
Foreign currency translation adjustment	34	83
Total accumulated other comprehensive income	265	309
Share acquisition rights	91	116
Non-controlling interests	18	29
Total net assets	19,310	22,179
Total liabilities and net assets	24,092	27,630

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	14,424	20,607
Cost of sales	10,101	14,028
Gross profit	4,322	6,579
Selling, general and administrative expenses	1,703	2,203
Operating profit	2,619	4,375
Non-operating income		
Interest and dividend income	37	32
Foreign exchange gains	19	145
Share of profit of entities accounted for using equity method	46	86
Other	38	32
Total non-operating income	141	296
Non-operating expenses		
Interest expenses	9	7
Loss on sale of trade receivables	1	2
Sales discounts	2	3
Provision of allowance for doubtful accounts	–	20
Other	7	5
Total non-operating expenses	20	38
Ordinary profit	2,740	4,634
Extraordinary income		
Subsidy income	302	–
Total extraordinary income	302	–
Profit before income taxes	3,042	4,634
Income taxes - current	826	1,376
Income taxes - deferred	68	(61)
Total income taxes	894	1,314
Profit	2,148	3,319
Profit attributable to non-controlling interests	1	7
Profit attributable to owners of parent	2,146	3,312

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	2,148	3,319
Other comprehensive income		
Valuation difference on available-for-sale securities	87	(4)
Foreign currency translation adjustment	6	71
Share of other comprehensive income of entities accounted for using equity method	8	(20)
Total other comprehensive income	102	46
Comprehensive income	2,250	3,366
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,248	3,356
Comprehensive income attributable to non-controlling interests	2	10

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,564	618	17,813	(2,726)	17,268
Cumulative effects of changes in accounting policies					–
Restated balance	1,564	618	17,813	(2,726)	17,268
Changes during period					
Dividends of surplus			(485)		(485)
Profit attributable to owners of parent			2,146		2,146
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		1		2	4
Net changes in items other than shareholders' equity					
Total changes during period	–	1	1,660	2	1,665
Balance at end of period	1,564	620	19,473	(2,723)	18,934

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	143	20	163	73	16	17,522
Cumulative effects of changes in accounting policies						–
Restated balance	143	20	163	73	16	17,522
Changes during period						
Dividends of surplus						(485)
Profit attributable to owners of parent						2,146
Purchase of treasury shares						(0)
Disposal of treasury shares						4
Net changes in items other than shareholders' equity	87	14	102	18	2	122
Total changes during period	87	14	102	18	2	1,788
Balance at end of period	231	34	265	91	18	19,310

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,564	620	19,473	(2,723)	18,934
Cumulative effects of changes in accounting policies			(25)		(25)
Restated balance	1,564	620	19,447	(2,723)	18,908
Changes during period					
Dividends of surplus			(496)		(496)
Profit attributable to owners of parent			3,312		3,312
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(1)	(156)	158	0
Net changes in items other than shareholders' equity					-
Total changes during period	-	(1)	2,659	158	2,815
Balance at end of period	1,564	618	22,107	(2,565)	21,724

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	231	34	265	91	18	19,310
Cumulative effects of changes in accounting policies						(25)
Restated balance	231	34	265	91	18	19,284
Changes during period						
Dividends of surplus						(496)
Profit attributable to owners of parent						3,312
Purchase of treasury shares						(0)
Disposal of treasury shares						0
Net changes in items other than shareholders' equity	(4)	48	44	24	10	78
Total changes during period	(4)	48	44	24	10	2,894
Balance at end of period	226	83	309	116	29	22,179

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	3,042	4,634
Depreciation	478	464
Share of loss (profit) of entities accounted for using equity method	(46)	(86)
Increase (decrease) in retirement benefit liability	(47)	(30)
Increase (decrease) in long-term accounts payable - other	(3)	-
Increase (decrease) in provision for bonuses for directors (and other officers)	(1)	28
Interest and dividend income	(37)	(32)
Share-based payment expenses	22	24
Interest expenses	9	7
Subsidy income	(302)	-
Foreign exchange losses (gains)	(17)	(68)
Loss (gain) on redemption of investment securities	1	-
Decrease (increase) in trade receivables	(340)	(2,081)
Decrease (increase) in inventories	(64)	(1,465)
Increase (decrease) in trade payables	101	474
Increase (decrease) in accrued consumption taxes	126	(167)
Increase (decrease) in accounts payable - other	37	217
Increase (decrease) in allowance for doubtful accounts	-	20
Other, net	80	(75)
Subtotal	3,038	1,863
Interest and dividends received	37	32
Interest paid	(9)	(7)
Income taxes paid	(684)	(914)
Subsidies received	302	-
Net cash provided by (used in) operating activities	2,685	973
Cash flows from investing activities		
Purchase of property, plant and equipment	(173)	(423)
Purchase of intangible assets	(27)	(18)
Purchase of investment securities	(6)	(116)
Proceeds from redemption of investment securities	97	-
Proceeds from liquidation of subsidiaries and associates	67	-
Proceeds from collection of long-term loans receivable	0	5
Long-term loan advances	(1)	(0)
Other, net	4	38
Net cash provided by (used in) investing activities	(39)	(515)
Cash flows from financing activities		
Repayments of long-term borrowings	(707)	(437)
Decrease (increase) in treasury shares	(0)	0
Dividends paid	(485)	(493)
Other, net	0	0
Net cash provided by (used in) financing activities	(1,192)	(930)
Effect of exchange rate change on cash and cash equivalents	19	81
Net increase (decrease) in cash and cash equivalents	1,472	(392)
Cash and cash equivalents at beginning of period	5,678	7,151
Cash and cash equivalents at end of period	7,151	6,759