

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 8, 2023

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: February 10, 2023
 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, 2022 (from April 1, 2022 to December 31, 2022)

(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, 2022	17,973	21.0	3,748	12.6	4,199	20.1	3,068	22.1
Nine months ended December 31, 2021	14,851	43.3	3,328	104.6	3,498	111.0	2,512	81.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	284.86		283.03	
Nine months ended December 31, 2021	235.12		233.51	

(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, 2022	29,719	24,714	82.6	2,277.83
As of March 31, 2022	27,630	22,179	79.7	2,047.49

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, 2022	–	–	–	63.00	63.00
Year ending March 31, 2023	–	–	–		
Year ending March 31, 2023 (Forecast)				65.00	65.00

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 nine months ended December 31, 2022
(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, 2022	14,000,000 shares	As of March 31, 2022	14,000,000 shares
-------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of December 31, 2022	3,221,489 shares	As of March 31, 2022	3,238,630 shares
-------------------------	------------------	----------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2022	10,771,979 shares	Nine months ended December 31, 2021	10,687,215 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	6,813	7,491
Notes and accounts receivable - trade	5,213	5,234
Electronically recorded monetary claims - operating	1,139	556
Merchandise and finished goods	750	1,067
Work in process	2,000	2,233
Raw materials and supplies	2,234	2,822
Other	464	427
Total current assets	18,615	19,834
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,960	3,161
Machinery, equipment and vehicles, net	1,048	1,184
Land	2,386	2,386
Construction in progress	226	416
Other, net	90	107
Total property, plant and equipment	6,713	7,256
Intangible assets	444	445
Investments and other assets		
Investment securities	1,293	1,519
Long-term loans receivable	3	2
Deferred tax assets	362	394
Other	217	287
Allowance for doubtful accounts	(20)	(20)
Total investments and other assets	1,856	2,183
Total non-current assets	9,015	9,885
Total assets	27,630	29,719

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	1,451	1,434
Short-term borrowings	437	234
Accounts payable - other	502	535
Income taxes payable	972	503
Provision for bonuses	–	191
Provision for bonuses for directors (and other officers)	39	–
Other	238	323
Total current liabilities	3,641	3,222
Non-current liabilities		
Long-term borrowings	103	77
Retirement benefit liability	1,192	1,191
Long-term accounts payable - other	278	278
Asset retirement obligations	71	71
Long-term guarantee deposits	162	163
Total non-current liabilities	1,809	1,782
Total liabilities	5,450	5,005
Net assets		
Shareholders' equity		
Share capital	1,564	1,564
Capital surplus	618	637
Retained earnings	22,107	24,497
Treasury shares	(2,565)	(2,551)
Total shareholders' equity	21,724	24,147
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	226	238
Foreign currency translation adjustment	83	165
Total accumulated other comprehensive income	309	404
Share acquisition rights	116	107
Non-controlling interests	29	54
Total net assets	22,179	24,714
Total liabilities and net assets	27,630	29,719

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, 2021	Nine months ended December 31, 2022
Net sales	14,851	17,973
Cost of sales	10,001	12,534
Gross profit	4,849	5,438
Selling, general and administrative expenses	1,521	1,689
Operating profit	3,328	3,748
Non-operating income		
Interest and dividend income	21	31
Foreign exchange gains	66	208
Share of profit of entities accounted for using equity method	75	206
Other	27	19
Total non-operating income	192	465
Non-operating expenses		
Interest expenses	5	4
Other	15	10
Total non-operating expenses	21	14
Ordinary profit	3,498	4,199
Profit before income taxes	3,498	4,199
Income taxes - current	1,075	1,146
Income taxes - deferred	(94)	(37)
Total income taxes	981	1,109
Profit	2,517	3,090
Profit attributable to non-controlling interests	4	21
Profit attributable to owners of parent	2,512	3,068

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	2,517	3,090
Other comprehensive income		
Valuation difference on available-for-sale securities	13	11
Foreign currency translation adjustment	21	102
Share of other comprehensive income of entities accounted for using equity method	(21)	(16)
Total other comprehensive income	13	98
Comprehensive income	2,531	3,188
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,525	3,162
Comprehensive income attributable to non-controlling interests	5	25