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May 10, 2022

## Consolidated Financial Results for the Three Months Ended March 31, 2022 (Under Japanese GAAP)

Company name: KH Neochem Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 4189  
 URL: <https://www.khneochem.co.jp/en/>  
 Representative: Michio Takahashi, Representative Director, President & Chief Executive Officer  
 Inquiries: Masaya Hamamoto, Board Director, Senior Corporate Officer & Chief Financial Officer  
 Telephone: +81-3-3510-3550  
 Scheduled date to file quarterly securities report: May 10, 2022  
 Scheduled date to commence dividend payments: —  
 Preparation of supplementary material on quarterly financial results: None  
 Holding of quarterly financial results briefing: Yes (for institutional investors and securities analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated Financial Results for the Three Months Ended March 31, 2022 (from January 1, 2022 to March 31, 2022)

#### (1) Consolidated Operating Results (cumulative)

(Percentages indicate year-on-year changes.)

|                    | Net sales       |      | Operating income |      | Ordinary income |      | Net income attributable to owners of parent |      |
|--------------------|-----------------|------|------------------|------|-----------------|------|---|------|
|                    | Millions of yen | %    | Millions of yen  | %    | Millions of yen | %    | Millions of yen                             | %    |
| Three months ended |                 |      |                  |      |                 |      |   |      |
| March 31, 2022     | 29,858          | —    | 4,657            | 47.0 | 4,863           | 49.1 | 3,376                                       | 46.7 |
| March 31, 2021     | 23,853          | 13.4 | 3,168            | 56.2 | 3,261           | 60.6 | 2,301                                       | 64.1 |

Note: Comprehensive income For the three months ended March 31, 2022: ¥3,272 million [42.2 %]  
 For the three months ended March 31, 2021: ¥2,300 million [103.0%]

|                    | Basic earnings per share | Diluted earnings per share |
|--------------------|--------------------------|----------------------------|
| Three months ended | Yen                      | Yen                        |
| March 31, 2022     | 91.00                    | —                          |
| March 31, 2021     | 62.00                    | —                          |

The percentage change from the previous year of net sales is not listed, because the above consolidated financial results for the three months ended March 31, 2022 are the figures after the adoption of the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. which are applied from the beginning of the fiscal year ending December 31, 2022.

#### (2) Consolidated Financial Position

|                   | Total assets    | Net assets      | Equity ratio |
|-------------------|-----------------|-----------------|--------------|
| As of             | Millions of yen | Millions of yen | %            |
| March 31, 2022    | 113,549         | 59,057          | 49.7         |
| December 31, 2021 | 122,069         | 57,505          | 45.0         |

Reference: Equity As of March 31, 2022: ¥56,468 million  
 As of December 31, 2021: ¥54,917 million

## 2. Cash Dividends

|   | Annual dividends per share |                    |                   |                 |       |
|---|----------------------------|--------------------|-------------------|-----------------|-------|
|   | First quarter-end          | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
|   | Yen                        | Yen                | Yen               | Yen             | Yen   |
| Fiscal year ended<br>December 31, 2021                | —                          | 30.00              | —                 | 45.00           | 75.00 |
| Fiscal year ending<br>December 31, 2022               | —                          |                    |                   |                 |       |
| Fiscal year ending<br>December 31, 2022<br>(Forecast) |                            | 42.50              | —                 | 42.50           | 85.00 |

Note: Revisions to the forecast of cash dividends most recently announced: None

## 3. Forecasts of Consolidated Financial Results for the Year Ending December 31, 2022 (from January 1, 2022 to December 31, 2022)

(Percentages indicate changes from the previous corresponding period.)

|                                 | Net sales       |   | Operating income |        | Ordinary income |        | Net income attributable to owners of parent |        | Basic earnings per share |
|---------------------------------|-----------------|---|------------------|--------|-----------------|--------|---|--------|--------------------------|
|                                 | Millions of yen | % | Millions of yen  | %      | Millions of yen | %      | Millions of yen                             | %      | Yen                      |
| Six months ending June 30, 2022 | 57,600          | — | 6,800            | (12.8) | 6,900           | (14.5) | 4,900                                       | (13.2) | 132.07                   |
| Full year                       | 123,300         | — | 16,100           | (18.2) | 16,400          | (17.2) | 11,500                                      | (16.0) | 309.97                   |

Note: Revisions to the forecast of consolidated financial results most recently announced: None

The percentage changes from the previous year of net sales are not listed, because the above forecasts of consolidated financial results are the figures after the adoption of the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. which are applied from the beginning of the fiscal year ending December 31, 2022.

\* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes (Calculation of income tax expenses)
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- ① Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
  - ② Changes in accounting policies due to other reasons: None
  - ③ Changes in accounting estimates: None
  - ④ Restatement: None

(4) Number of issued shares (common shares)

- ① Total number of issued shares at the end of the period (including treasury stock)

|                         |                   |
|-------------------------|-------------------|
| As of March 31, 2022    | 37,149,400 shares |
| As of December 31, 2021 | 37,149,400 shares |

- ② Number of treasury stock at the end of the period

|                         |               |
|-------------------------|---------------|
| As of March 31, 2022    | 50,004 shares |
| As of December 31, 2021 | 50,004 shares |

(Note) Total number of treasury stock at the end of the period includes the number of the Company's shares held by the Company's Board Benefit Trust (BBT) (March 31, 2022: 49,600 shares, December 31, 2021: 49,600 shares).

- ③ Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

|                                   |                   |
|-----------------------------------|-------------------|
| Three months ended March 31, 2022 | 37,099,396 shares |
| Three months ended March 31, 2021 | 37,121,021 shares |

(Note) The number of treasury stock deducted in the calculation of Average number of shares during the period includes the number of the Company's shares held by Board Benefit Trust (BBT) (Three months ended March 31, 2022: 49,600 shares, Three months ended March 31, 2021: 28,000 shares).

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters

Earnings forecasts and other forward-looking statements included in this document are based on the information currently available to the Company and certain assumptions deems reasonable, and the Company makes no commitments regarding their achievability. Actual business results may differ materially from the forecast due to variety of factors.

\* How to obtain the quarterly financial results briefing materials

The Company is scheduled to hold a web conference for institutional investors and securities analysts on May 10, 2022. The materials of the web conference will be posted on the Company's website.