

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

August 4, 2022

## Consolidated Financial Results for the Six Months Ended June 30, 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: August 4, 2022  
 Scheduled date to commence dividend payments: September 2, 2022  
 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 Six Months Ended June 30, 2022 (from January 1, 2022 to June 30, 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	%
Six months ended								
June 30, 2022	52,736	—	6,415	(17.8)	6,644	(17.6)	4,410	(21.8)
June 30, 2021	52,360	40.6	7,800	226.5	8,065	233.0	5,642	233.2

Note: Comprehensive income For the six months ended June 30, 2022: ¥4,176 million [(25.2)%]  
 For the six months ended June 30, 2021: ¥5,582 million [219.2%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2022	118.91	—
June 30, 2021	152.01	—

The percentage change from the previous year of net sales is not listed, because the above consolidated financial results for the six months ended June 30, 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	%
June 30, 2022	110,365	59,871	51.9
December 31, 2021	122,069	57,505	45.0

Reference: Equity As of June 30, 2022: ¥57,227 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 December 31, 2021	—	30.00	—	45.00	75.00
Fiscal year ending December 31, 2022	—	42.50			
Fiscal year ending December 31, 2022 (Forecast)			—	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
Full year	123,300	—	16,100	(18.2)	16,400	(17.2)	11,500	(16.0)	310.15

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

The percentage change from the previous year of net sales is 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 June 30, 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 June 30, 2022	85,904 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) (June 30, 2022:85,500 shares, December 31, 2021: 49,600 shares).

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

Six months ended June 30, 2022	37,092,454 shares
Six months ended June 30, 2021	37,116,864 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) (Six months ended June 30, 2022: 56,542 shares, Six months ended June 30, 2021: 32,151 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 August 4, 2022. The materials of the web conference will be posted on the Company's website.