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May 9, 2023

Consolidated Financial Results for the Three Months Ended March 31, 2023 (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 9, 2023
 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, 2023 (from January 1, 2023 to March 31, 2023)

(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, 2023	28,725	(3.8)	2,013	(56.8)	2,148	(55.8)	1,486	(56.0)
March 31, 2022	29,858	—	4,657	47.0	4,863	49.1	3,376	46.7

Note: Comprehensive income For the three months ended March 31, 2023: ¥1,773 million [(45.8)%]
 For the three months ended March 31, 2022: ¥3,272 million [42.2%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2023	40.09	—
March 31, 2022	91.00	—

Regarding the three months ended March 31, 2022, the percentage change from the previous year of net sales is not listed, because the above consolidated financial results for such 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 ended December 31, 2022.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
March 31, 2023	118,836	62,209	50.1
December 31, 2022	131,247	62,066	45.2

Reference: Equity As of March 31, 2023: ¥59,516 million
 As of December 31, 2022: ¥59,348 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, 2022	—	42.50	—	42.50	85.00
Fiscal year ending December 31, 2023	—				
Fiscal year ending December 31, 2023 (Forecast)		45.00	—	45.00	90.00

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

3. Forecasts of Consolidated Financial Results for the Year Ending December 31, 2023 (from January 1, 2023 to December 31, 2023)

(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, 2023	61,400	16.4	5,400	(15.8)	5,400	(18.7)	3,600	(18.4)	97.13
Full year	129,800	13.0	15,000	20.4	15,000	18.0	10,200	26.3	275.20

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

* **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, 2023	37,149,400 shares
As of December 31, 2022	37,149,400 shares

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

As of March 31, 2023	85,944 shares
As of December 31, 2022	85,944 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, 2023:85,500 shares, December 31, 2022: 85,500 shares).

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

Three months ended March 31, 2023	37,063,456 shares
Three months ended March 31, 2022	37,099,396 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, 2023: 85,500 shares, Three months ended March 31, 2022: 49,600 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 9, 2023. The materials of the web conference will be posted on the Company's website.