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February 6, 2024

## Consolidated Financial Results for the Fiscal Year Ended December 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  
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Scheduled date of ordinary general meeting of shareholders: March 26, 2024  
 Scheduled date to commence dividend payments: March 27, 2024  
 Scheduled date to file annual securities report: March 26, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of 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 Fiscal Year Ended December 31, 2023 (from January 1, 2023 to December 31, 2023)

#### (1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

Fiscal year ended	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	%
December 31, 2023	115,217	0.3	9,946	(20.1)	9,725	(23.5)	6,826	(15.4)
December 31, 2022	114,880	—	12,456	(36.7)	12,709	(35.8)	8,073	(41.0)

Note: Comprehensive income For the fiscal year ended December 31, 2023: ¥7,779 million [(2.2)%]  
 For the fiscal year ended December 31, 2022: ¥7,950 million [(43.0)%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
December 31, 2023	184.23	—	11.1	7.6	8.6
December 31, 2022	217.73	—	14.1	10.0	10.8

Reference: Share of profit of entities accounted for using equity method  
 For the fiscal year ended December 31, 2023: ¥263 million  
 For the fiscal year ended December 31, 2022: ¥450 million

Note: Regarding the fiscal year ended December 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	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2023	124,498	66,493	51.2	1,720.81
December 31, 2022	131,247	62,066	45.2	1,601.26

Reference: Equity As of December 31, 2023: ¥63,744 million

As of December 31, 2022: ¥59,348 million

## (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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2023	13,201	(4,937)	(9,501)	9,684
December 31, 2022	5,131	(10,082)	(1,076)	10,926

## 2. Cash Dividends

	Annual dividends per share					Total cash dividends (Annual)	Dividend payout ratio (Consolidated)	Dividend on net assets ratio (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
December 31, 2022	—	42.50	—	42.50	85.00	3,157	39.0	5.5
December 31, 2023	—	45.00	—	45.00	90.00	3,343	48.9	5.4
Fiscal year ending December 31, 2024 (Forecast)	—	45.00	—	45.00	90.00		39.7	

## 3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending December 31, 2024 (from January 1, 2024 to December 31, 2024)

(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, 2024	56,100	(3.0)	4,500	0.2	4,500	(0.0)	3,200	3.9	86.38
Full year	121,100	5.1	11,800	18.6	11,900	22.4	8,400	23.1	226.76

\* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) 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

(3) Number of issued shares (common shares)

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

As of December 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 December 31, 2023	105,944 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) (December 31, 2023: 105,500 shares, December 31, 2022: 85,500 shares).

- ③ Average number of shares outstanding during the period

Fiscal year ended December 31, 2023	37,051,724 shares
Fiscal year ended December 31, 2022	37,077,839 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) (Fiscal year ended December 31, 2023: 97,232 shares, Fiscal year ended December 31, 2022: 71,140 shares).

**(Reference) Overview of Non-Consolidated Financial Results**

**1. Non-Consolidated Financial Results for the Fiscal Year Ended December 31, 2023 (from January 1, 2023 to December 31, 2023)**

**(1) Non-Consolidated Operating Results**

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2023	109,040	0.5	9,240	(19.2)	9,484	(20.0)	6,943	(10.0)
December 31, 2022	108,477	—	11,441	(39.0)	11,859	(36.9)	7,711	(41.5)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
December 31, 2023	187.39	—
December 31, 2022	207.99	—

Note: Regarding the fiscal year ended December 31, 2022, the percentage change from the previous year of net sales is not listed, because the above non-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) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2023	118,647	59,352	50.0	1,602.22
December 31, 2022	125,140	55,117	44.0	1,487.12

Reference: Equity As of December 31, 2023: ¥59,352 million

As of December 31, 2022: ¥55,117 million

\* Financial results reports are exempt from audit 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 financial results briefing materials

The Company is scheduled to hold a web conference for institutional investors and securities analysts on February 6, 2024. The materials of the web conference will be posted on the Company's website.