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May 11, 2021

Consolidated Financial Results for the Three Months Ended March 31, 2021 (Under Japanese GAAP)

Company name: KH Neochem Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 4189
 URL: <http://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
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 Scheduled date to file quarterly securities report: May 11, 2021
 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, 2021 (from January 1, 2021 to March 31, 2021)

(1) Consolidated Operating Results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2021	23,853	13.4	3,168	56.2	3,261	60.6	2,301	64.1
March 31, 2020	21,026	(13.3)	2,028	(33.1)	2,030	(36.6)	1,403	(38.1)

Note: Comprehensive income For the three months ended March 31, 2021: ¥2,300 million [103.0 %]
 For the three months ended March 31, 2020: ¥1,133 million [(51.1)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2021	62.00	—
March 31, 2020	37.89	37.80

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
March 31, 2021	99,019	47,043	45.0
December 31, 2020	95,508	45,884	45.4

Reference: Equity As of March 31, 2021: ¥44,511 million
 As of December 31, 2020: ¥43,380 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, 2020	—	30.00	—	30.00	60.00
Fiscal year ending December 31, 2021	—				
Fiscal year ending December 31, 2021 (Forecast)		30.00	—	30.00	60.00

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

3. Forecasts of Consolidated Financial Results for the Year Ending December 31, 2021 (from January 1, 2021 to December 31, 2021)

(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, 2021	51,400	38.0	6,800	184.6	6,900	184.9	4,900	189.3	132.00
Full year	104,000	34.5	11,800	109.1	12,100	115.0	8,400	107.6	226.28

Note: Revisions to the forecast of consolidated financial results most recently announced: Yes

Please refer to “Notice regarding the revisions of Financial Forecasts” announced on May 11, 2021.

*** 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: None
- 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, 2021	37,149,400 shares
As of December 31, 2020	37,149,400 shares

② Number of treasury stock at the end of the period

As of March 31, 2021	28,379 shares
As of December 31, 2020	28,379 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, 2021: 28,000 shares, December 31, 2020: 28,000 shares).

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

Three months ended March 31, 2021	37,121,021 shares
Three months ended March 31, 2020	37,025,450 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, 2021: 28,000 shares, Three months ended March 31, 2020: 12,100 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 teleconference for institutional investors and securities analysts on May 11, 2021. The materials of the teleconference will be posted on the Company's website.