

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 5, 2021

Consolidated Financial Results for the Six Months Ended June 30, 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
 Telephone: +81-3-3510-3550

Scheduled date to file quarterly securities report: August 5, 2021
 Scheduled date to commence dividend payments: September 3, 2021
 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, 2021 (from January 1, 2021 to June 30, 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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
June 30, 2021	52,360	40.6	7,800	226.5	8,065	233.0	5,642	233.2
June 30, 2020	37,245	(22.7)	2,389	(50.4)	2,421	(52.1)	1,693	(52.2)

Note: Comprehensive income For the six months ended June 30, 2021: ¥5,582 million [219.2 %]
 For the six months ended June 30, 2020: ¥1,748 million [(52.5)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2021	152.01	—
June 30, 2020	45.72	45.63

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
June 30, 2021	102,231	50,248	46.7
December 31, 2020	95,508	45,884	45.4

Reference: Equity As of June 30, 2021: ¥47,723 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	—	30.00			
Fiscal year ending December 31, 2021 (Forecast)			—	35.00	65.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

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
Full year	112,000	44.8	15,500	174.7	15,900	182.6	11,000	171.8	296.43

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

Please refer to “Notice regarding the revisions of Financial Forecasts and Dividend Forecasts” announced on August 5, 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 June 30, 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 June 30, 2021	50,004 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) (June 30, 2021: 49,600 shares, December 31, 2020: 28,000 shares).

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

Six months ended June 30, 2021	37,116,864 shares
Six months ended June 30, 2020	37,041,495 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, 2021: 32,151 shares, Six months ended June 30, 2020: 14,560 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 August 5, 2021. The materials of the teleconference will be posted on the Company's website.