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May 8, 2024

Consolidated Financial Results for the Three Months Ended March 31, 2024 (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 8, 2024
Scheduled date to commence dividend payments: —
Preparation of supplementary material on quarterly financial results: Yes
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, 2024 (from January 1, 2024 to March 31, 2024)

(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, 2024	26,973	(6.1)	2,492	23.8	2,489	15.8	1,764	18.7
March 31, 2023	28,725	(3.8)	2,013	(56.8)	2,148	(55.8)	1,486	(56.0)

Note: Comprehensive income For the three months ended March 31, 2024: ¥2,172 million [22.5%]
For the three months ended March 31, 2023: ¥1,773 million [(45.8)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2024	47.63	—
March 31, 2023	40.09	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
March 31, 2024	121,847	66,966	52.7
December 31, 2023	124,498	66,493	51.2

Reference: Equity As of March 31, 2024: ¥64,223 million
As of December 31, 2023: ¥63,744 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, 2023	—	45.00	—	45.00	90.00
Fiscal year ending December 31, 2024	—				
Fiscal year ending December 31, 2024 (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, 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

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: 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, 2024	37,149,400 shares
As of December 31, 2023	37,149,400 shares

② Number of treasury stock at the end of the period

As of March 31, 2024	105,944 shares
As of December 31, 2023	105,944 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, 2024:105,500 shares, December 31, 2023: 105,500 shares).

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

Three months ended March 31, 2024	37,043,456 shares
Three months ended March 31, 2023	37,063,456 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, 2024: 105,500 shares, Three months ended March 31, 2023: 85,500 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 8, 2024. The materials of the web conference will be posted on the Company's website.