

Consolidated Financial Results
for the First Six Months of the Fiscal Year
Ending March 31, 2022

Konishi Co., Ltd.



• "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) will be applied from the fiscal year ending March 2022.

• The figure after retrospectively applying the accounting standard and relevant revised ASBJ regulations.

(unit : million yen)

※Applied the "Accounting Standard for Revenue Recognition"	2021.3 2Q	2022.3 2Q	vs Previous Year
Net Sales	49,807	53,943	+ 8.3 %
Operating Profit	2,616	3,426	+ 30.9 %
Ordinary Profit	2,747	3,668	+ 33.5 %
Profit Attributable to Owners of Parent	1,709	2,381	+ 39.3 %

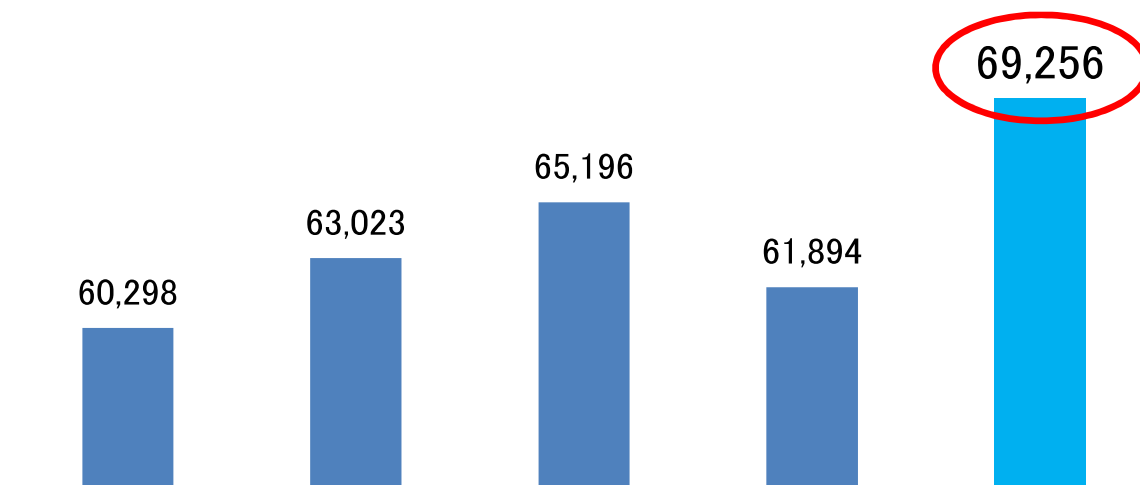
✓ [Net Sales] A significant recovery from the same period of the previous year, which was greatly affected by the new coronavirus infection.

✓ [Profit] Although it was affected by soaring raw material prices, it grew significantly due to an increase in sales.

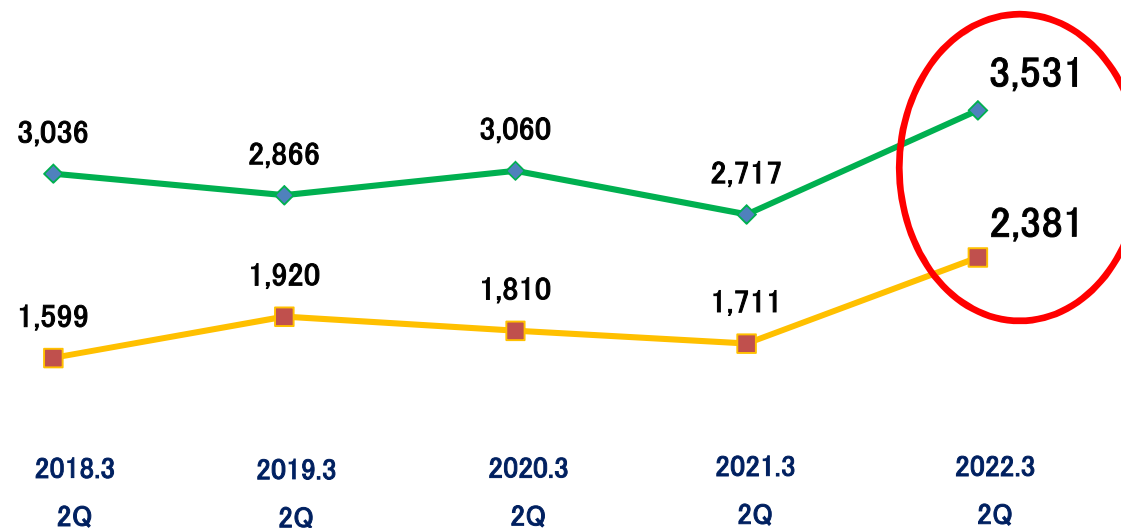
※These figures are before the "Accounting Standards for Revenue Recognition" are applied.

(unit : million yen)

◆ Net Sales

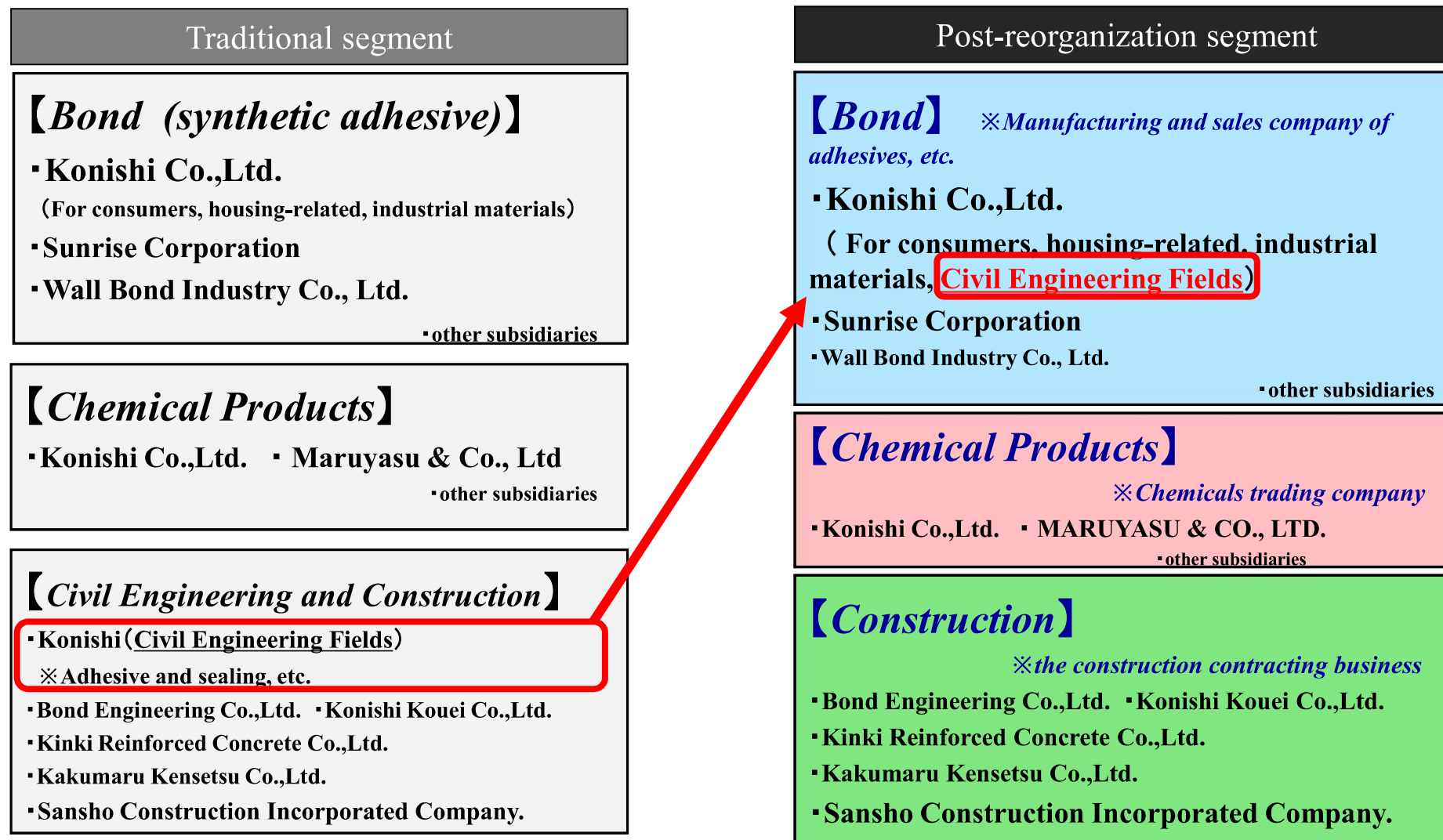


◆ Operating Profit



◆ Profit Attributable to Owners of Parent

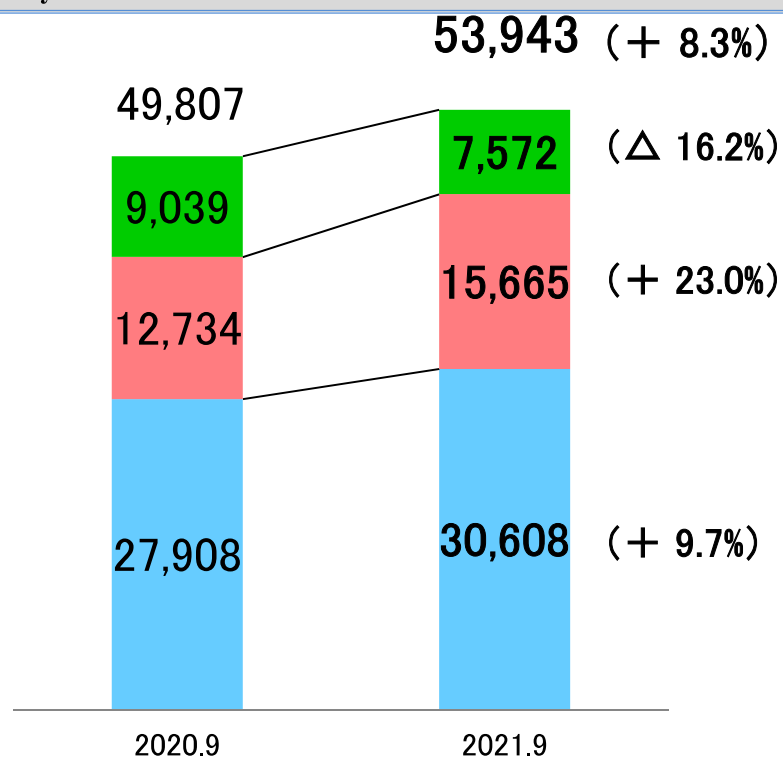
The Group's business segments were "Bond", "Civil Engineering and Construction," and "Chemicals." However, from the beginning of the fiscal year ending March 31, 2022, the business of adhesives, repair materials, and sealants used in the civil engineering and construction field, which were included in "Civil Engineering and Construction," will be transferred to "Bond," and the business segments will be reorganized as "Bond," "Chemicals," and "Construction."



Applied the "Accounting Standard for Revenue Recognition"

Net Sales

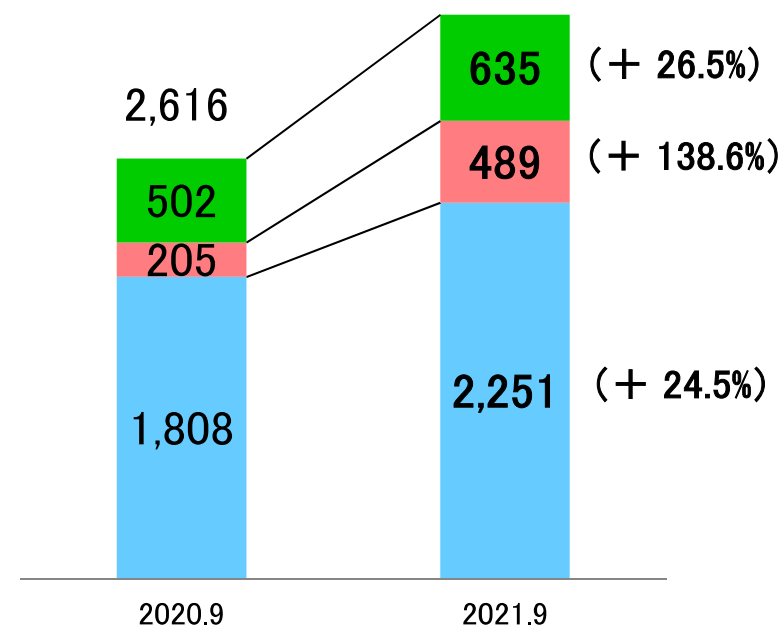
- [B] Recovery in major fields (Materials in the housing-related, Industrial material, Materials used for building repairs)
- [K] Strong sales of adhesives in the automotive and electronic / electrical materials fields
- [C] Sales decreased given large orders for construction projects last year



Operating Profit

- [B & K] Sales increased significantly and profit increased
- [C] Contribution to the completion of high profit margin construction

* Consolidated Subsidiary
3,426 (+ 30.9%)



■ Segment B = *Bond (synthetic adhesive)*
■ Segment C = *Civil Engineering and Construction*
■ Segment K = *Chemical Products*

(unit : million yen)
% of the inside of () is comparison with the previous year

Main factor of change in operating profits

5

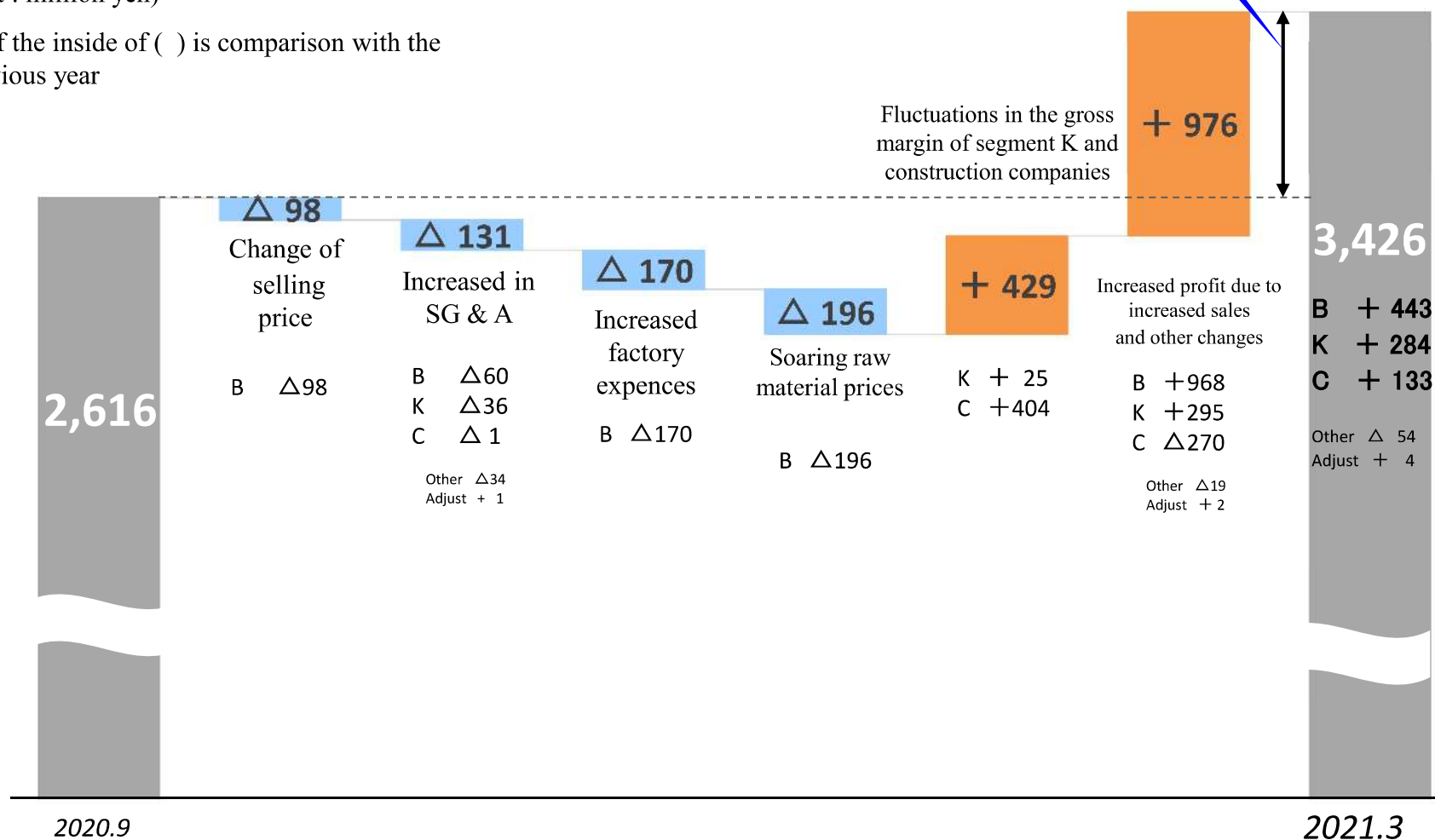
Applied the "Accounting Standard for Revenue Recognition"

Operating Profit

(unit : million yen)

% of the inside of () is comparison with the previous year

**+810million yen
(+30.9%)**



[Segment B] Breakdown of sales

6

Applied the "Accounting Standard for Revenue Recognition"

Net Sales

(unit : million yen)

% of the inside of () is comparison with the previous year

※ Including internal transactions

Consolidated Subsidiary

Konishi Co.,Ltd.

Wall Bond Industry Co., Ltd.

Sunrise Corporation

▪ Increased due to recovery in new housing starts

Civil Engineering Fields

▪ Civil engineering related decreased due to construction delay

Construction field

▪ Significant increase in materials used for building repairs and construction sealing materials

Tape

▪ Sales of housing-related products recovered

Industrial Materials Fields

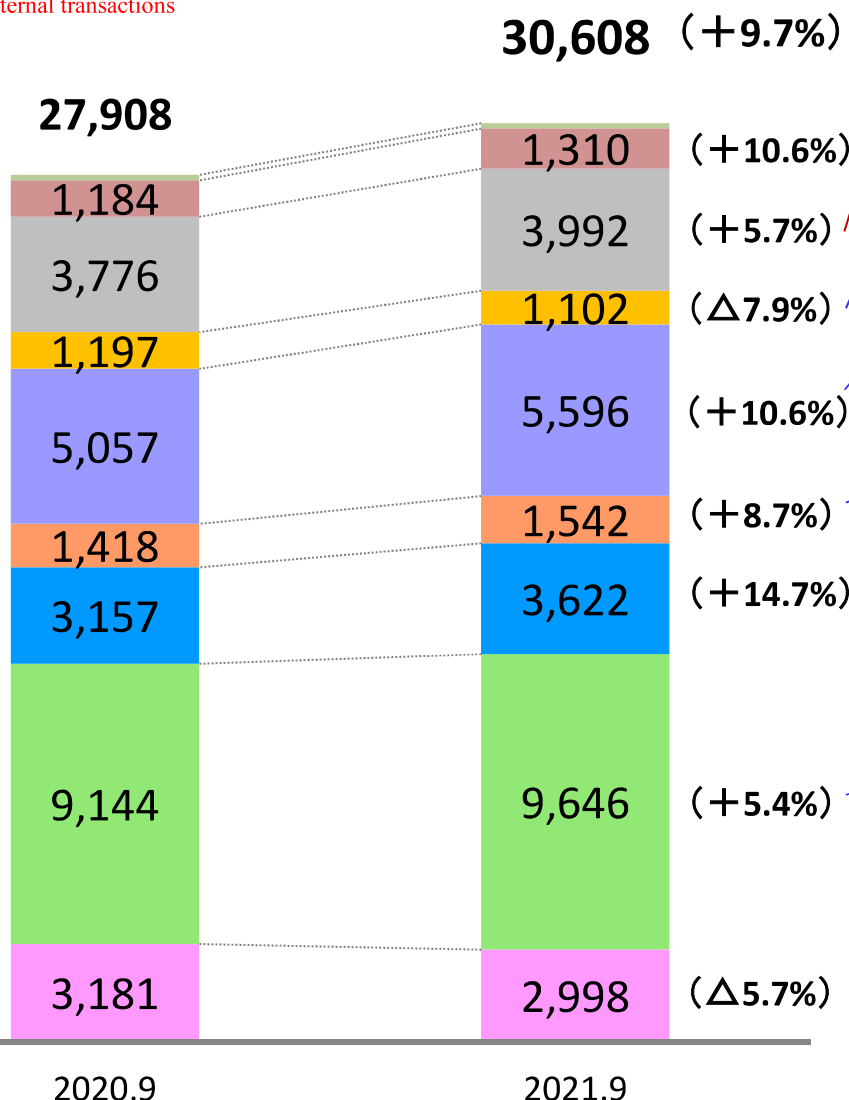
▪ Sales of water-based adhesives for paper-related products increased significantly
▪ Strong sales of adhesives for electrical materials

Housing-Related Fields

▪ Adhesives for interior work and interior building materials performed well due to the recovery in the number of new housing starts

Consumer Fields

▪ Sales were sluggish due to the reaction to the demand for "Staying at home and spending" in the previous fiscal year



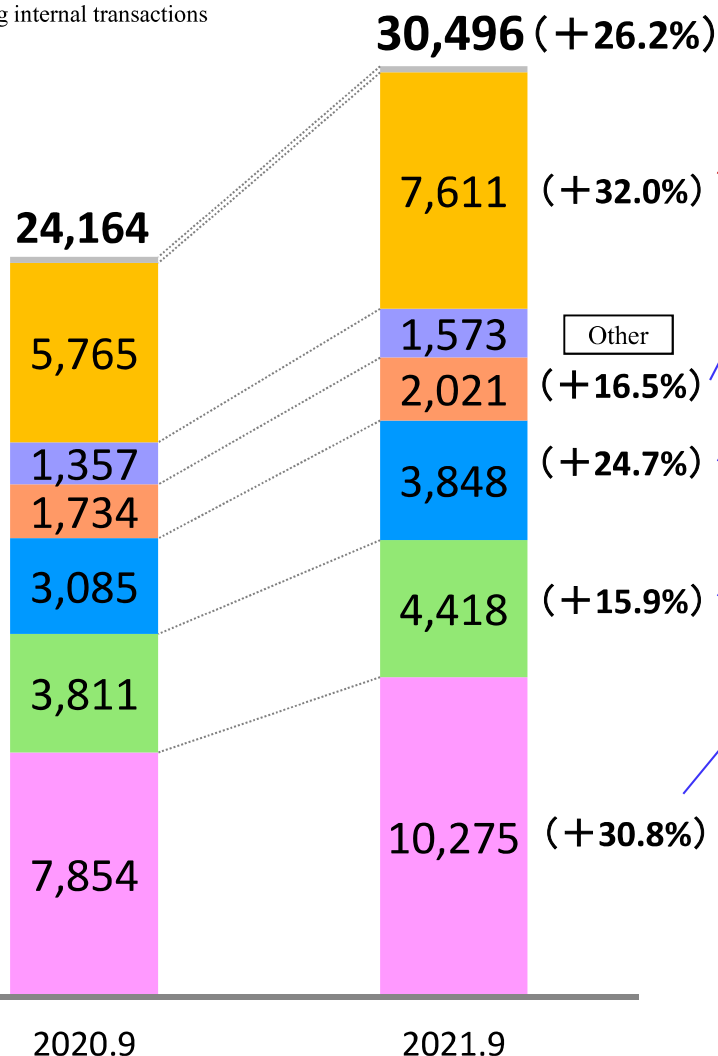
※ This segment is described in the previous accounting standard because it is subject to large fluctuations due to the application of the "Revenue Recognition Standard".

Consolidated Subsidiary
Konishi Co.,Ltd.

Net Sales

(unit : million yen)
% of the inside of () is comparison with the previous year

※Including internal transactions



MARUYASU & CO., LTD.

▪ Sales of capacitor products and products for semiconductors increased significantly

Paint-Related Fields

▪ Significant growth due to the recovery of operations of paint manufacturers

Electronic and Electrical Fields

▪ Sales of products for heat-dissipating materials were strong and increased significantly.

Chemical Products Fields

▪ Sales of ethanol-related products decreased due to the reaction of the previous term
▪ Sales of resin materials were strong

Automotive Fields

▪ Sales of products used in automotive electrical components were increased

[Reference] Sales after applying "Accounting Standard for Revenue Recognition"

Industry	Net Sales	
	2020.9	2021.9
MARUYASU & CO., LTD.	2,499	3,330
Other	322	395
Paint-Related Fields	179	149
Electronic and Electrical Fields	1,923	2,020
Chemical Products Fields	915	805
Automotive Fields	6,070	7,963
[Segment K] Total	12,734	15,665

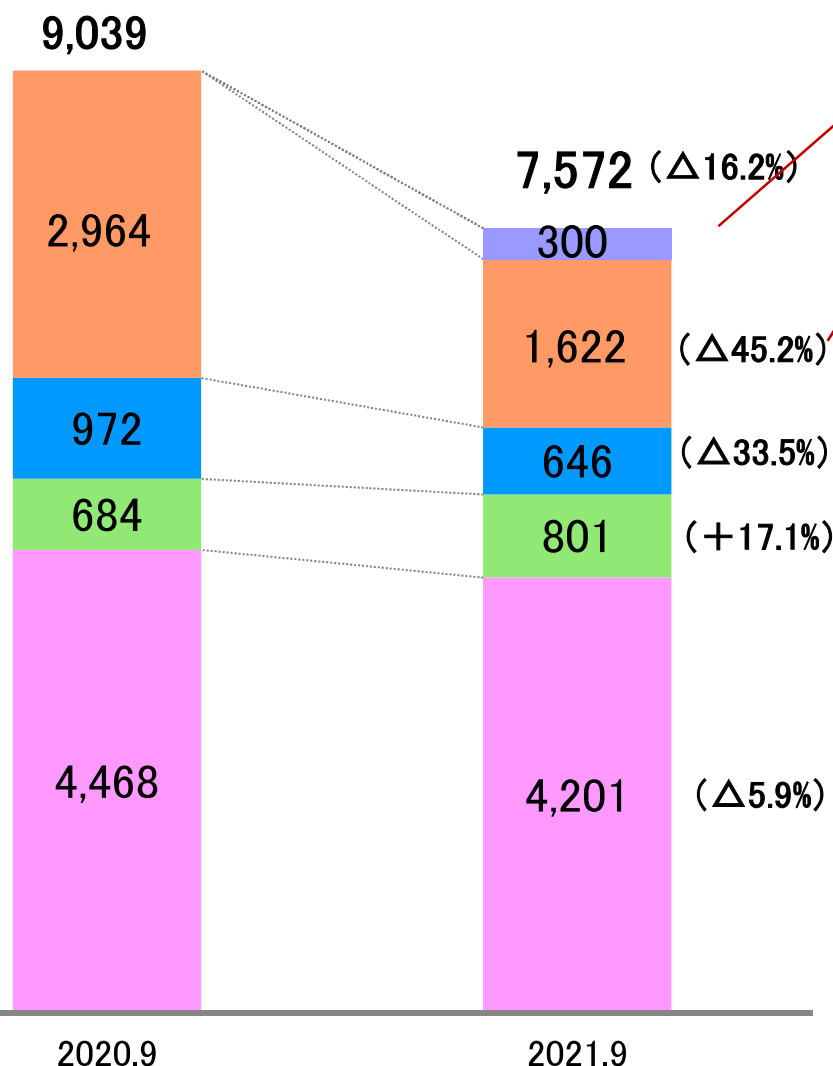
Applied the "Accounting Standard for Revenue Recognition"

Net Sales

(unit : million yen)

% of the inside of () is comparison with the previous year

※ Including internal transactions



Sansho Construction Incorporated Company.

- Consolidated from October of the previous fiscal year (made in to a subsidiary on July 2020)

Kakumaru Kensetsu Co.,Ltd.

- Significant decreased due to reaction to large-scale construction projects in the previous term

Kinki Reinforced Concrete Co.,Ltd.

- Sales declined, but high-margin construction projects remained firm

Konishi Kouei Co.,Ltd.

- Construction progress was strong and increased

Bond Engineering Co.,Ltd.

- Although sales decreased, the progress standard construction was completed with a high profit margin and progressed as planned
- Sales of repair, improvement, and reinforcement works in the infrastructure were steady



Consolidated Earnings Forecasts

for the Fiscal Year Ending March 31, 2022

Upward revision (announced on September 24)

(unit : million yen)

※Applied the “Accounting Standard for Revenue Recognition”	FY 2021.3	FY 2022.3 Earnings Forecasts	vs Previous Year
Net sales	107,750	112,600	+ 4.5 %
Operating profit	7,082	7,700	+ 8.7 %
Ordinary profit	7,424	8,200	+ 10.4 %
Profit attributable to owners of parent	4,931	5,300	+ 7.4 %

- ✓ Due to the significant impact of the COVID-19 epidemic, the outlook for the beginning of the term has been revised.
- ✓ In terms of profits, profits are expected to decline in the second half due to the impact of soaring raw material prices.

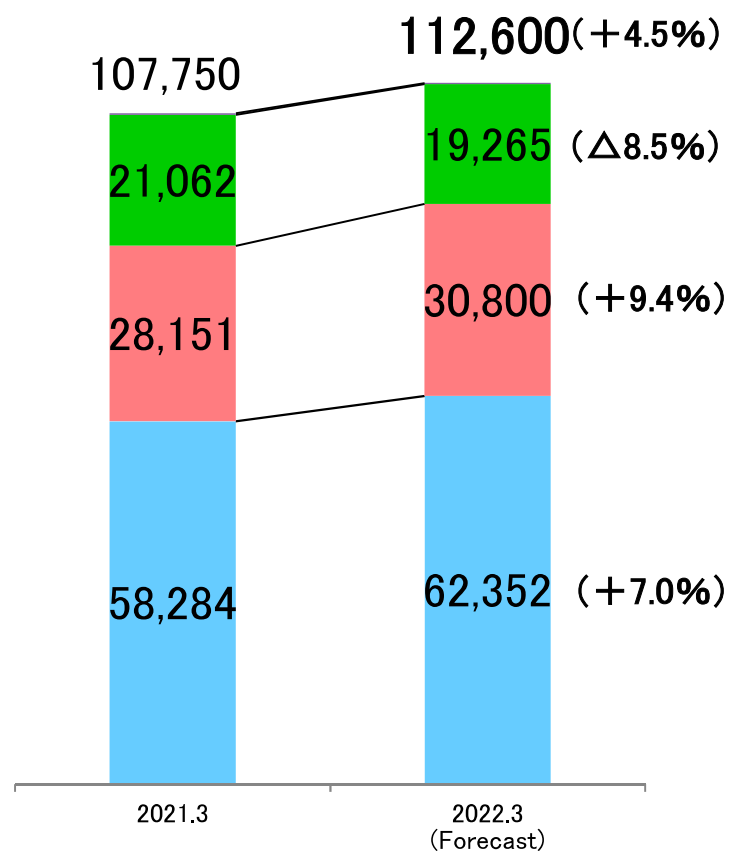
Revised Forecast by Segment

10

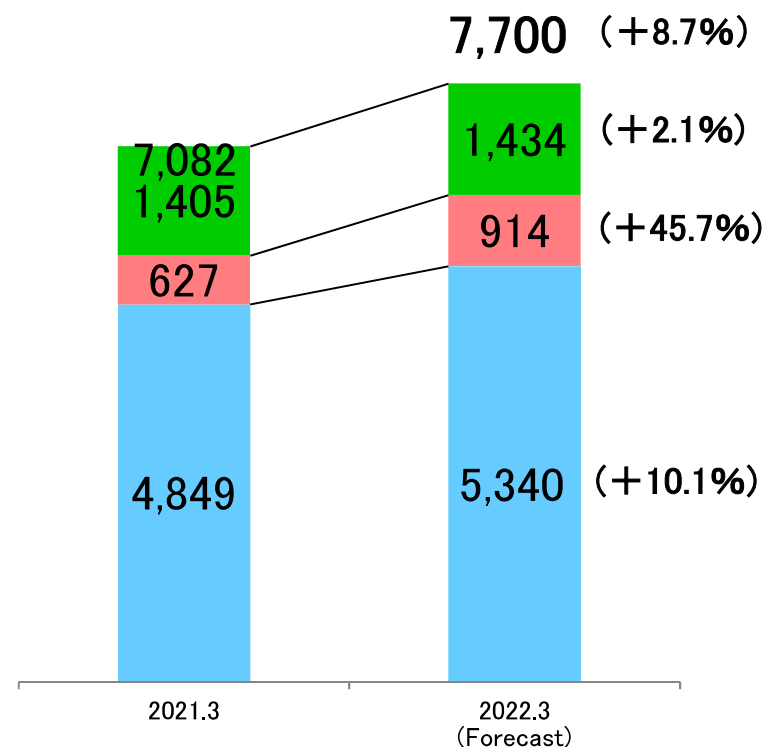
Applied the “Accounting Standard for Revenue Recognition”

(unit : million yen)
% of the inside of () is comparison with the previous year

Net Sales



Operating Profit



- Segment B = *Bond (synthetic adhesive)*
- Segment C = *Civil Engineering and Construction*
- Segment K = *Chemical Products*

(1) "Wastewater treatment facility (Konishi Shiga Plant)" completed (April 2021)

Renewal of drainage facilities in operation since the factory opened (1973)



- Measures against aging for long-term operation
- Improving the quality of wastewater
- Ensuring drainage capacity in response to increased production of water-based adhesives



**Conforms to river discharge standards by improving the quality of wastewater
⇒ "Reduces environmental load"**

(2) Addition of production line to Sunrise Co., Ltd. Oyama Factory

- Manufactures Konishi's "sealing materials for construction"



Construction of sealing material manufacturing base in eastern Japan



(3) Transition to "A company with a Audit and Supervisory Committee"

- Approved at the "96th Ordinary General Meeting of Shareholders"
- Consists of three outside directors and one internal director
 - Established "Nomination and Compensation Committee" with a majority of independent outside directors (September)



Improve management transparency and objectivity, and further strengthen the corporate governance system

(4) Transition to the new TSE market division "Prime Market"

- "Prime market" was selected due to the reorganization of the market segment of the Tokyo Stock Exchange



Promote support for codes targeted at "prime market" listed companies

(5) To formulate "New Medium-Term Management Plan 2025"

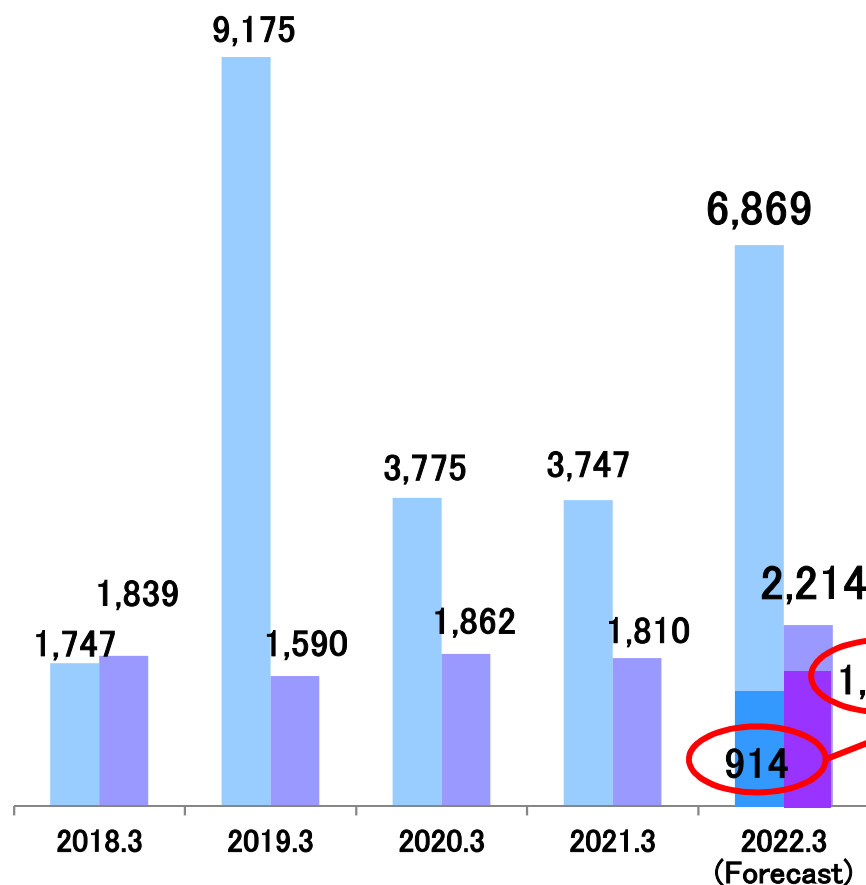
- Preparing to formulate a three-year plan from "March 2023" to "March 2025"



Toward the "100th anniversary of the establishment of Konishi Co., Ltd." in 2025, formulate "what it should be" such as business strategy and capital policy.

Capital investment and Depreciation

(unit : million yen)



Major capital investment

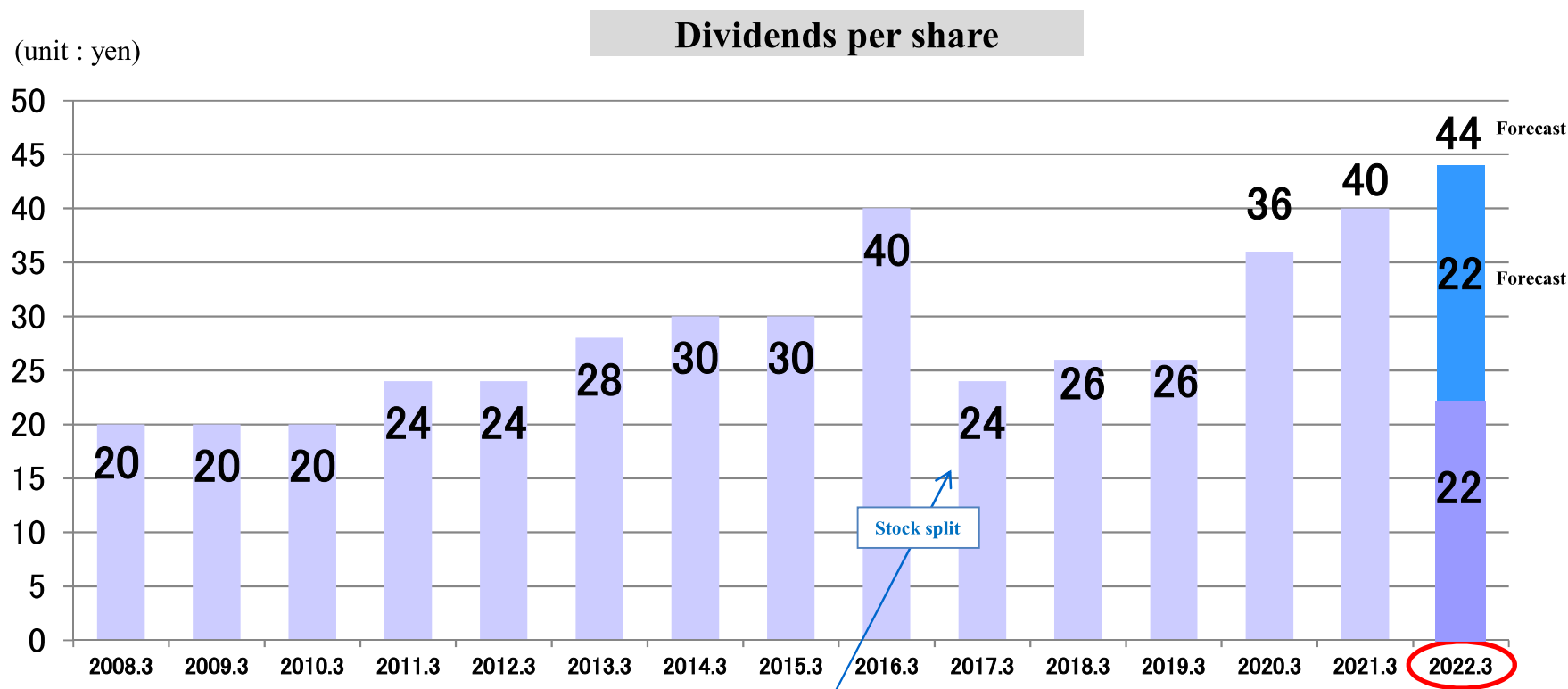
- ✓ Construction related to new water-based product production floor (Tochigi Factory)
- ✓ Introduction of new core system
- ✓ [Sunrise] Construction related of Oyama factory (Tochigi prefecture)

2Q results

Capital investment Depreciation

【Basic policy of shareholder return】

Regarding the dividend payout ratio, we will return profits while taking into consideration the business performance of each fiscal year, and will continue to pay stable dividends.



※ Stock split on April 1, 2016.

For dividends before the fiscal year ended March 2016,
the amounts of dividends before the stock split are stated.



Konishi Co., Ltd.