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January 31, 2023

## Consolidated Financial Results for the First Nine Months of the Fiscal Year Ending March 31, 2023 (Under Japanese GAAP)

Company name: Konishi Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 4956  
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 Scheduled date to file quarterly securities report: February 8, 2023  
 Scheduled date to commence dividend payments: -  
 Preparation of supplementary material on quarterly financial results: None  
 Holding of quarterly financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the first nine months of the fiscal year ending March 31, 2023 (from April 1, 2022 to December 31, 2022)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First nine months ended December 31, 2022	91,220	8.9	5,178	(5.7)	5,602	(4.6)	8,489	121.2
First nine months ended December 31, 2021	83,765	6.0	5,493	10.8	5,875	12.4	3,838	6.6

Note: Comprehensive income First nine months ended December 31, 2022 ¥9,038 million (111.5%)  
 First nine months ended December 31, 2021 ¥4,273 million ((14.1%))

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First nine months ended December 31, 2022	238.23	-
First nine months ended December 31, 2021	107.73	-

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
First nine months ended December 31, 2022	133,700	79,729	56.3
As of March 31, 2022	119,148	72,897	57.6

Reference: Equity First nine months ended December 31, 2022 ¥75,305 million  
 Fiscal year ended March 31, 2022 ¥68,664 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
As of March 31, 2022	-	22.00	-	22.00	44.00
Fiscal year ending March 31, 2023	-	27.00	-		
Fiscal year ending March 31, 2023 (forecast)				22.00	49.00

Note: Revisions to the forecasts of cash dividends most recently announced: None  
 Breakdown of dividends at the end of the second quarter for the fiscal year ending March 31, 2023: Ordinary dividend ¥22.00;  
 70th anniversary of the launch of bond (synthetic adhesive) commemorative dividend ¥5.00

## 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2023	122,000	7.3	6,950	(4.8)	7,250	(7.3)	9,600	86.9	269.44

Note: Revisions to the consolidated earnings forecasts most recently announced: None  
 The main reason for the large fluctuation in profit attributable to owners of parent is that extraordinary income of 7,184 million yen was generated during the second quarter of the fiscal year as a gain on sale of non-current assets due to the transfer of non-current assets.

**\* Notes**

(1) Changes in significant subsidiaries during the first nine months ended December 31, 2022 (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Included: 0 companies, excluded 0 companies

(2) Application of special accounting for preparing quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies other than (i): None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2022	40,707,440 shares
Fiscal year ended March 31, 2022	40,707,440 shares

(ii) Number of treasury shares at the end of the period

As of December 31, 2022	5,298,753 shares
Fiscal year ended March 31, 2022	5,067,401 shares

(iii) Average number of shares outstanding during the period

As of December 31, 2022	35,636,249 shares
As of December 31, 2021	35,626,182 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

Forward-looking statements, including the earnings forecasts stated in these materials, are based on information currently available to the Company and certain assumptions deemed reasonable. Results may differ materially from the earnings forecasts due to various factors. For the assumptions used as the basis for the earnings forecasts and special remarks regarding the use of the earnings forecasts, please refer to “1. Qualitative information regarding financial results for the first nine months (3) Explanation of consolidated earnings forecasts and other forward-looking statements” on page 3 (Attached Material).

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## 1. Qualitative information regarding financial results for the first nine months

### (1) Explanation of operating results

During the quarter under review, the Japanese economy showed signs of a gradual recovery amid the ongoing normalization of life in order to achieve a balance between measures against COVID-19 and socioeconomic activities. However, the Japanese economy still faced an uncertain outlook due to such factors as the global surge in raw material and energy prices, concerns about the yen's depreciation and other exchange rate trends, and rising prices.

In this business environment, the Group saw a recovery in demand in the construction and civil engineering fields, and sales for repair, improvement, and reinforcement in both bond and construction segments performed well. In the Chemicals segment, sales of automotive products continued to be strong. On the other hand, the cost of raw materials continued to rise due to the impact of foreign exchange rates and the situation in Ukraine, putting pressure on overall earnings.

As a result, the Group's operating results for the first nine months under review were as follows. Net sales increased 8.9% year on year to 91,220 million yen, operating profit fell 5.7% year on year to 5,178 million yen, ordinary profit was down 4.6% year on year to 5,602 million yen, and profit attributable to owners of parent increased 121.2% year on year to 8,489 million yen due to the recording of gain on sale of non-current assets as described in the "Notice Concerning Transfer of Non-current Assets and Recording of Extraordinary Income" announced on August 24, 2021.

Results by segment are as follows.

#### (i) Bond

In the general household field, sales through home improvement stores and convenience stores were steady and on a par with those in the same period of the previous fiscal year. In the housing-related field, construction costs were on an upward trend. The sales volumes of adhesives for interior work decreased as the recovery of new housing starts was slow. In the industrial material field, the sales volumes of water-based adhesives used in paper-related applications and elastic adhesives for use in such applications as automotive and electrical components increased. In the construction field, the sales volumes of sealing materials for construction repair and construction increased. Additionally, in the civil engineering field, construction methods for surface protection and preventing peeling performed well.

Net sales increased partly due to the correction of product selling prices. However, the prices of raw materials used in adhesives and sealants rose and remain at unprecedented levels. Despite progress in cost-saving and cost improvement, and reflecting these in selling prices, operating profits declined.

As a result of the above, net sales increased 8.3% year on year to 51,942 million yen, and operating profit fell 12.1% year on year to 3,278 million yen.

#### (ii) Chemicals

Both net sales and profits were favorable overall, partly due to the effect of price revisions for purchased products. In the chemical engineering field, sales of resin raw materials and heat-releasing materials were strong. Automobile products performed well due to easing supply constraints and the new adoption of products, although their demand was affected by the shortage of semiconductors and other factors. Products for electrical machinery remained weak due to production adjustments at customers. Sales at Maruyasu & Co., Ltd. continued to show the strong performance of products for use in semiconductor manufacturing and products for use in capacitors.

As a result of the above, net sales grew 10.7% year on year to 26,126 million yen, and operating profit increased 36.6% year on year to 1,001 million yen.

**(iii) Construction**

In the Construction Business, repair, improvement, and reinforcement works in the infrastructure and (housing) stock markets, particularly for public works, were continuously steady. As a result, both sales and profits increased at BOND ENGINEERING. Although orders for construction work are firm, other related construction companies remained weak due to soaring material prices and the absence of large-scale construction projects, etc.

As a result of the above, net sales increased 8.2% year on year to 13,014 million yen, and operating profit fell 6.1% year on year to 928 million yen.

**(iv) Other**

The Other segment represents the Real Estate Rental Business, etc. Net sales decreased 7.4% year on year to 137 million yen and operating loss was 37 million yen (operating profit of 32 million yen in the same period of the previous year).

**(2) Explanation of financial position**

Assets, liabilities and net assets

Total assets as of December 31, 2022 increased by 14,551 million yen from the previous fiscal year-end to 133,700 million yen.

**(i) Assets**

Current assets increased by 15,223 million yen from the previous fiscal year-end to 97,489 million yen. This was mainly due to an increase of 9,251 million yen in cash and deposits, and an increase of 4,790 million yen in electronically recorded monetary claims - operating. Non-current assets fell 671 million yen from the previous fiscal year-end to 36,210 million yen mainly due to a decrease of 320 million yen in property, plant and equipment and a drop of 160 million yen in investment securities.

**(ii) Liabilities**

Current liabilities increased by 7,520 million yen from the previous fiscal year-end to 48,715 million yen mainly due to an increase of 6,409 million yen in notes and accounts payable - trade, and an increase of 1,235 million yen in income taxes payable. Non-current liabilities increased by 200 million yen from the previous fiscal year-end to 5,255 million yen.

**(iii) Net assets**

Net assets grew 6,831 million yen from the previous fiscal year-end to 79,729 million yen mainly due to an increase of 6,742 million yen in retained earnings.

**(3) Explanation of consolidated earnings forecasts and other forward-looking statements**

There are currently no changes to the earnings forecast announced on April 28, 2022.

## 2. Quarterly consolidated financial statements and significant notes thereto

## (1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	26,169	35,421
Notes and accounts receivable - trade, and contract assets	35,087	34,649
Electronically recorded monetary claims-operating	10,637	15,427
Merchandise and finished goods	7,280	8,509
Work in process	253	307
Raw materials and supplies	1,305	1,836
Other	1,579	1,395
Allowance for doubtful accounts	(47)	(57)
Total current assets	82,266	97,489
Non-current assets		
Property, plant and equipment	25,618	25,297
Intangible assets	811	734
Investments and other assets		
Investment securities	7,628	7,468
Other	2,842	2,728
Allowance for doubtful accounts	(17)	(18)
Total investments and other assets	10,453	10,178
Total non-current assets	36,882	36,210
<b>Total assets</b>	<b>119,148</b>	<b>133,700</b>

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	31,737	38,146
Electronically recorded obligations - operating	3,413	4,046
Short-term borrowings	46	62
Current portion of long-term borrowings	104	71
Income taxes payable	1,238	2,473
Provision for bonuses	1,125	615
Provision for bonuses for directors (and other officers)	116	79
Other	3,413	3,220
<b>Total current liabilities</b>	<b>41,195</b>	<b>48,715</b>
Non-current liabilities		
Long-term borrowings	256	128
Retirement benefit liability	612	691
Other	4,186	4,436
<b>Total non-current liabilities</b>	<b>5,055</b>	<b>5,255</b>
<b>Total liabilities</b>	<b>46,251</b>	<b>53,971</b>
Net assets		
Shareholders' equity		
Share capital	4,603	4,603
Capital surplus	4,544	4,557
Retained earnings	61,164	67,907
Treasury shares	(5,504)	(5,904)
<b>Total shareholders' equity</b>	<b>64,808</b>	<b>71,164</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,383	2,269
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	270	726
Remeasurements of defined benefit plans	1,201	1,145
<b>Total accumulated other comprehensive income</b>	<b>3,856</b>	<b>4,141</b>
Non-controlling interests	4,232	4,423
<b>Total net assets</b>	<b>72,897</b>	<b>79,729</b>
<b>Total liabilities and net assets</b>	<b>119,148</b>	<b>133,700</b>



**(2) Consolidated statement of income (cumulative) and consolidated statement of comprehensive income (cumulative)**

## Consolidated statement of income (cumulative)

(Millions of yen)

	Nine months ended December 31, Nine months ended December 31,	
	2021	2022
Net sales	83,765	91,220
Cost of sales	66,528	73,809
Gross profit	17,236	17,411
Selling, general and administrative expenses	11,743	12,232
Operating profit	5,493	5,178
Non-operating income		
Interest income	5	11
Dividend income	203	240
Share of profit of entities accounted for using equity method	12	19
Other	200	208
Total non-operating income	421	479
Non-operating expenses		
Interest expenses	8	7
Depreciation	18	23
Compensation expenses	3	10
Other	9	14
Total non-operating expenses	40	55
Ordinary profit	5,875	5,602
Extraordinary income		
Gain on sale of non-current assets	42	7,185
Other	17	0
Total extraordinary income	60	7,185
Extraordinary losses		
Loss on disposal of non-current assets	10	40
Other	0	0
Total extraordinary losses	11	40
Profit before income taxes	5,924	12,747
Income taxes-current	1,619	3,634
Income taxes-deferred	251	376
Total income taxes	1,871	4,010
Profit	4,053	8,736
Profit attributable to non-controlling interests	214	246
Profit attributable to owners of parent	3,838	8,489

## Consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	4,053	8,736
Other comprehensive income		
Valuation difference on available-for-sale securities	(25)	(168)
Deferred gains or losses on hedges	0	(0)
Foreign currency translation adjustment	253	531
Remeasurements of defined benefit plans, net of tax	(13)	(56)
Share of other comprehensive income of entities accounted for using equity method	5	(5)
Total other comprehensive income	220	301
Comprehensive income	4,273	9,038
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,022	8,774
Comprehensive income attributable to non-controlling interests	250	263

**(3) Notes to quarterly consolidated financial statements**Notes on premise of going concern

Not applicable.

Notes on significant changes in the amount of shareholders' equity

Not applicable.

Segment information

## 1. Disclosure of net sales and profit or loss by reportable segment

Nine months ended December 31, 2021

(Millions of yen)

	Reportable segments				Other (Note) 1	Total	Adjustments (Note) 2	Amount in consolidated statement of income (Note) 3
	Bond	Chemicals	Construction	Total				
Net sales								
(1) Revenues from external customers	47,982	23,607	12,027	83,617	148	83,765	-	83,765
(2) Intersegment sales and transfers	219	123	5	348	62	411	(411)	-
Total	48,201	23,731	12,032	83,965	211	84,176	(411)	83,765
Segment profit	3,731	733	988	5,453	32	5,486	7	5,493

- Notes: 1. The "Other" category is a business segment not included in reportable segments, and includes the real estate rental business.
2. Adjustments of segment profit represent eliminations for intersegment transactions.
3. Segment profit is adjusted with operating profit in the consolidated statement of income.

Nine months ended December 31, 2022

(Millions of yen)

	Reportable segments				Other (Note) 1	Total	Adjustments (Note) 2	Amount in consolidated statement of income (Note) 3
	Bond	Chemicals	Construction	Total				
Net sales								
(1) Revenues from external customers	51,942	26,126	13,014	91,083	137	91,220	-	91,220
(2) Intersegment sales and transfers	251	289	14	555	58	613	(613)	-
Total	52,194	26,415	13,028	91,638	195	91,834	(613)	91,220
Segment profit or loss	3,278	1,001	928	5,207	(37)	5,170	8	5,178

- Notes: 1. The "Other" category is a business segment not included in reportable segments, and includes the real estate rental business.
2. Adjustments of segment profit or loss represent eliminations for intersegment transactions.
3. Segment profit or loss is adjusted with operating profit in the consolidated statement of income.

2. Disclosure of impairment loss on non-current assets or goodwill, etc. by reportable segment  
Not applicable.