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Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (under Japanese GAAP)

May 10, 2021

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 Listing: Tokyo Stock Exchange
 Securities code: 4471
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 Scheduled date of ordinary general meeting of shareholders: June 18, 2021
 Scheduled date to commence dividend payments: June 2, 2021
 Scheduled date to file securities report: June 21, 2021
 Preparation of supplementary material on financial results: Yes
 Holding of financial results presentation meeting: Yes (for analysts)

(Figures are rounded down to the nearest million yen)

1. Consolidated financial results for the fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(1) Consolidated operating results

(% indicates 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	%
Fiscal year ended								
March 31, 2021	144,757	(6.9)	11,932	(4.1)	11,999	(5.6)	7,282	(5.0)
March 31, 2020	155,503	(3.8)	12,439	(3.7)	12,704	(16.4)	7,668	43.4

Note: Comprehensive income: Fiscal year ended March 31, 2021 ¥15,272 million [601.1%]
 Fiscal year ended March 31, 2020 ¥2,178 million [-%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2021	330.34	—	5.4	6.4	8.2
March 31, 2020	347.87	—	6.0	6.8	8.0

Reference: Share of profit of entities accounted for using equity method: Fiscal year ended March 31, 2021 ¥(963) million
 Fiscal year ended March 31, 2020 ¥231 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
March 31, 2021	195,723	142,951	71.8	6,371.77
March 31, 2020	178,873	130,097	71.4	5,789.88

Reference: Equity: As of March 31, 2021 ¥140,474 million
 As of March 31, 2020 ¥127,635 million

(3) Consolidated cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2021	22,300	(12,498)	(4,146)	23,647
March 31, 2020	17,232	(11,115)	(7,084)	18,009

2. Cash dividends

	Cash dividends per share					Total dividends paid (annual)	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1Q (as of June 30)	2Q (as of Sept. 30)	3Q (as of Dec. 31)	4Q (as of Mar. 31)	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2020	–	70.00	–	70.00	140.00	3,096	40.2	2.4
Fiscal year ended March 31, 2021	–	70.00	–	80.00	150.00	3,317	45.4	2.5
Fiscal year ending March 31, 2022 (Forecast)	–	85.00	–	85.00	170.00		41.6	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2022

(from April 1, 2021 to March 31, 2022)

(% indicates 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
Six months ending September 30, 2021	82,000	24.4	6,000	30.4	6,000	37.2	4,000	71.7	181.44
Fiscal year ending March 31, 2022	170,000	17.4	13,500	13.1	13,500	12.5	9,000	23.6	408.23

*** Notes**

(1) Significant changes in subsidiaries during the period (changes in specific subsidiaries resulting in the change in scope of consolidation): None

(2) Changes in accounting policies, accounting estimates, and restatements

- a. Changes in accounting policies associated with revised accounting standards, etc.: None
 b. Changes in accounting policies other than a. above: Yes
 c. Changes in accounting estimates: None
 d. Restatements: None

(3) Number of shares issued (common stock)

a. Number of shares issued at the end of the period (including treasury shares)

As of March 31, 2021	23,534,752 shares
As of March 31, 2020	23,534,752 shares

b. Number of treasury shares at the end of the period

As of March 31, 2021	1,488,441 shares
As of March 31, 2020	1,490,245 shares

c. Average number of shares outstanding during the period

For the fiscal year ended March 31, 2021	22,045,833 shares
For the fiscal year ended March 31, 2020	22,044,872 shares

Note: Shares of Sanyo Chemical Industries, Ltd. (the "Company") owned by the trust whose beneficiaries are directors, etc. of the Company are included in the treasury shares that are excluded in calculating the number of treasury shares at the end of the period and the average number of shares outstanding during the period.

(Reference) Summary of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(1) Non-consolidated operating results (% indicates year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2021	92,329	(11.1)	6,698	(26.1)	9,173	(9.5)	5,341	10.6
March 31, 2020	103,807	(5.7)	9,065	(8.2)	10,133	(23.8)	4,829	(18.0)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended		
March 31, 2021	242.31	—
March 31, 2020	219.08	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
March 31, 2021	162,613	122,803	75.5	5,570.27
March 31, 2020	151,873	115,605	76.1	5,244.17

Reference: Equity: As of March 31, 2021 ¥122,803 million
 As of March 31, 2020 ¥115,605 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

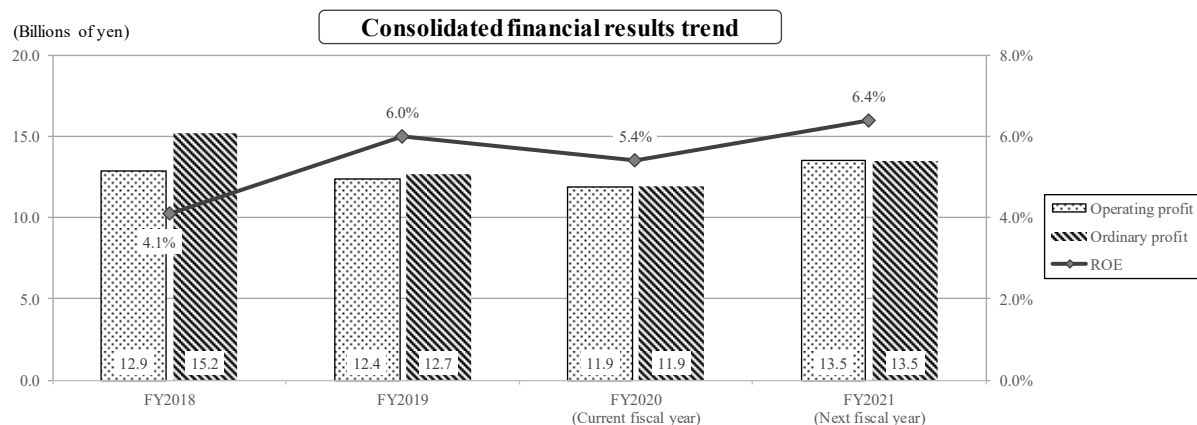
* Appropriate use of earnings forecasts and other special items

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual earnings may differ significantly due to various factors. See page 2, "1. Analysis of results of operations and financial position, (1) Qualitative information regarding operating results" for more information regarding the circumstances behind the assumptions used in earnings forecasts and matters to be noted when relying on earnings forecasts.

<Reference> Consolidated financial results trend and the feature

(Millions of yen)

	FY2018 (Fiscal year ended March 31, 2019)		FY2019 (Fiscal year ended March 31, 2020)		FY2020 (Fiscal year ended March 31, 2021)		FY2021 (Fiscal year ending March 31, 2022)		Changed amount	
	Amount	YoY change	Amount	YoY change	Amount	YoY change	Amount	YoY change	FY2021 – FY2020	FY2022 – FY2021
Net sales	161,599	(0.1)%	155,503	(3.8)%	144,757	(6.9)%	170,000	17.4%	(10,745)	25,242
Operating profit	12,919	7.7%	12,439	(3.7)%	11,932	(4.1)%	13,500	13.1%	(506)	1,567
Ordinary profit	15,205	9.7%	12,704	(16.4)%	11,999	(5.6)%	13,500	12.5%	(705)	1,501
Profit attributable to owners of parent	5,345	(42.3)%	7,668	43.4%	7,282	(5.0)%	9,000	23.5%	(386)	1,717
Share of profit of entities accounted for using equity method	1,307		231		(963)		(700)		(1,195)	264
Profit attributable to non-controlling interests	(2,563)		84		456		360		371	(96)
Net assets	132,623	(2.7)%	130,097	(1.9)%	142,951	9.9%	142,070	(0.62)%	12,853	(882)
Total assets	193,630	(2.8)%	178,873	(7.6)%	195,723	9.4%	196,340	0.32%	16,849	617
ROE (Return on equity)		4.1%		6.0%		5.4%		6.4%	Percentage points (0.6)	Percentage points 1.0



Feature of the fiscal year ended March 31, 2021 (FY2020) (Comparison with the previous fiscal year)

- ◎ Decreased sales and profit: Net sales decreased due to appropriate sales price revision to respond to a drop in raw material costs. In terms of profit, we recorded decreases due to a decrease in sales volume of high-value-added products and a decline in share of profit of entities accounted for using equity method.

(Billions of yen)

			Main factors
Net sales	(10.7)	(Decreased sales)	• Appropriate price revision to respond to a drop in raw material costs
Operating profit	(0.5)	(Decreased profit)	• Decrease in sales volume of high-value-added products and improvement of spread between sales and purchase
Ordinary profit	(0.7)	(Decreased profit)	• Decline in share of profit of entities accounted for using equity method and improvement in foreign exchange gains (losses)
Profit attributable to owners of parent	(0.3)	(Decreased profit)	• Recorded extraordinary income (loss): gain on change in equity (APB Corporation): 1.4 loss on cancellation of integration: (0.8) impairment losses: (0.3)

Feature of the fiscal year ending March 31, 2022 (FY2021) (Comparison with current fiscal year)

- ◎ Increased sales and profit: Sales and profit increased due to an increase in sales volume and expanded sales of high-value-added products.

(Billions of yen)

			Main factors
Net sales	25.2	(Increased sales)	• Increase in sales volume and appropriate price revision to respond to a rise in raw material costs
Operating profit	1.5	(Increased profit)	• Expanded sales of high-value-added products
Ordinary profit	1.5	(Increased profit)	• Improvement in share of profit of entities accounted for using equity method and decrease in foreign exchange gains
Profit attributable to owners of parent	1.7	(Increased profit)	• Decrease in extraordinary losses

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1. Analysis of results of operations and financial position

(1) Qualitative information regarding operating results

During the fiscal year ended March 31, 2021, the Japanese economy deteriorated rapidly as a result of a significant drop in private consumption and exports due to the impact of the COVID-19 pandemic. After the reopening of economic activities, recovery could be seen in exports picking up and in other aspects, but a resurgence of COVID-19 infections has led to continued challenging conditions. In the global economy, while China is steadily recovering after the reopening of economic activities and the dissemination of vaccines in the US seems to have a positive impact on individual consumption, Europe is experiencing prolonged restrictions on activities due to a resurgence of COVID-19 infections, and it will likely need time to return to last year's levels.

In the chemical industry, although the yen was appreciating in the forex market as expectations were increasing towards the US to extend the period of monetary easing, the yen has been depreciating at the end of the fiscal year under review due to expectations of economic recovery in the US, and raw material costs have recovered after they plunged sharply with the decline in oil prices and the global economy. Amid these unstable conditions, the business environment remains unpredictable.

Under these circumstances, net sales for the fiscal year under review decreased by 6.9% year on year, to ¥144,757 million mainly due to appropriate sales price revision to respond to a drop in raw material costs. In terms of profit, operating profit was ¥11,932 million (a decrease of 4.1% year on year), and ordinary profit was ¥11,999 million (a decrease of 5.6% year on year) mainly due to a decrease in share of profit of entities accounted for using equity method. Profit attributable to owners of parent was ¥7,282 million (a decrease of 5.0% year on year) mainly due to recording of loss on cancellation of integration.

1) Business performance

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Change	
			(Amount)	(Change)
Net sales	155,503	144,757	(10,745)	(6.9)%
Operating profit	12,439	11,932	(506)	(4.1)%
Ordinary profit	12,704	11,999	(705)	(5.6)%
Profit attributable to owners of parent	7,668	7,282	(386)	(5.0)%
Basic earnings per share	¥347.87	¥330.34	¥(17.53)	(5.0)%
ROA (Return on assets*)	6.8%	6.4%		(0.4) percentage point
ROE (Return on equity)	6.0%	5.4%		(0.6) percentage point
Currency exchange (US\$, CNY)	US\$=¥108.72	US\$=¥106.11		¥(2.61)
	CNY=¥15.60	CNY=¥15.68		¥0.08
Naphtha price in Japan	¥42,900/kl	¥31,400/kl		¥(11,500)/kl

*ROA (Return on assets) is calculated based on ordinary profit.

2) Business performance by segment

Results by product group (segment) were as follows.

(Millions of yen)

	Fiscal year ended March 31, 2020		Fiscal year ended March 31, 2021		Change	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Toiletries and Health Care	53,726	1,590	54,302	3,195	576	1,604
Petroleum and Automotives	42,770	3,740	37,316	3,365	(5,454)	(375)
Plastics and Textiles	21,453	3,003	20,802	2,705	(651)	(297)
Information and Electrics/Electronics	20,985	2,937	17,096	1,439	(3,888)	(1,498)
Environmental Protection, Construction and Others	16,567	1,166	15,239	1,226	(1,328)	60

<Toiletries and Health Care>

In the Toiletries segment, sales were flat, as sales of polyethyleneglycol and surfactants for liquid laundry detergents decreased, while sales of surfactants used in household detergents and other products increased. In the Health Care segment, sales were flat, as sales for our mainstay superabsorbent polymers were flat mainly due to appropriate sales price revision to respond to a drop in raw material costs despite strong demand in China, while on the other hand, sales of germicides and other products increased.

As a result, total net sales in this segment increased by 1.1% year on year, to ¥54,302 million. Operating profit was ¥3,195 million (an increase of 100.9% year on year) due to improved profitability of superabsorbent polymers.

<Petroleum and Automotives>

In the Petroleum and Automotives segment, sales experienced a large decline. This was due to the decline in the automotive industry until September which caused weak sales of raw materials for polyurethane foams used in automobile seats and other applications, lubricant additives, and thermoplastic polyurethane beads for interior parts of automobiles.

As a result, total net sales in this segment decreased by 12.8% year on year, to ¥37,316 million. Operating profit was ¥3,365 million (a decrease of 10.0% year on year).

<Plastics and Textiles>

In the Plastics segment, sales were flat, as our mainstay permanent antistatic agents experienced a large increase in sales due to expanded sales for new applications in addition to the recovery in demand, while sales remained sluggish for paint coating agents and additives, automotive modeling materials and resin modifiers used as paint binders.

The Textiles segment experienced a decline in sales, as polyurethane resins for synthetic leather and elastomer fiber and the spin finish oil used in the manufacturing process of tire cord yarns and other items experienced a downturn in sales while sales of chemicals for carbon fibers showed a stable increase.

As a result, total net sales in this segment decreased by 3.0% year on year, to ¥20,802 million. Operating profit was ¥2,705 million (a decrease of 9.9% year on year).

<Information and Electrics/Electronics>

In the Information segment, sales experienced a large decline. This was due to a decline in office use of multifunction devices, etc. reflecting the increased teleworking, which caused weak sales of toner materials for those devices, including toner resins for pulverized toners and polyester beads as a core component of polymerization toners.

In the Electrics/Electronics segment, sales were strong due to a large increase in sales of raw materials for resists used in 5G-compatible semiconductor memory and resins used in displays.

As a result, total net sales in this segment decreased by 18.5% year on year, to ¥17,096 million. Operating profit was ¥1,439 million (a decrease of 51.0% year on year).

<Environmental Protection, Construction and Others>

In the Environmental Protection segment, sales declined due to the continued stagnation of the polymer flocculants market, which caused weak sales of cationic monomer, the raw material used to make polymer flocculants.

In the Construction segment, sales experienced a decline. This was due to weak sales for both raw materials for building sealants and raw materials for polyurethane foams mainly used in furniture and heat insulating materials, reflecting a decline in the market.

As a result, total net sales in this segment decreased by 8.0% year on year, to ¥15,239 million. Operating profit was ¥1,226 million (an increase of 5.2% year on year).

<Forecast for the fiscal year ending March 31, 2022>

During the fiscal year ended March 31, 2021, the Japanese economy deteriorated rapidly as a result of a significant drop in private consumption and exports due to the impact of the COVID-19 pandemic. After the reopening of economic activities, recovery could be seen in exports picking up and in other aspects, but a resurgence of COVID-19 infections has led to continued challenging conditions.

In the fiscal year ending March 31, 2022, COVID-19 vaccine development and administration is projected to progress and the world economy to improve. However, unpredictable conditions including trends in raw materials prices and foreign exchange trends should also continue.

Under these circumstances, for the Group's consolidated earnings forecasts for the fiscal year ending March 31, 2022, mainly due to expanded sales for high-value-added products, we forecast net sales of ¥170,000 million, operating profit of ¥13,500 million, ordinary profit of ¥13,500 million, and profit attributable to owners of parent of ¥9,000 million.

(2) Analysis of financial position

Total assets as of the end of the fiscal year under review increased by ¥16,849 million compared with the end of the previous fiscal year, amounting to ¥195,723 million. Current assets increased by ¥3,505 million from the end of the previous fiscal year to ¥89,340 million mainly due to a ¥5,637 million increase in cash and deposits, despite an ¥809 million decrease in notes and accounts receivable - trade. Non-current assets increased by ¥13,344 million from the end of the previous fiscal year to ¥106,382 million mainly due to a ¥9,097 million increase in investment securities and a ¥2,393 million increase in construction in progress.

Current liabilities increased by ¥3,456 million from the end of the previous fiscal year to ¥46,222 million mainly due to a ¥1,229 million increase in accrued expenses and a ¥1,006 million increase in short-term borrowings. Non-current liabilities increased by ¥539 million from the end of the previous fiscal year to ¥6,548 million mainly due to a ¥1,924 million increase in deferred tax liabilities, despite a ¥1,400 million decrease in long-term borrowings.

Net assets as of the end of the fiscal year under review increased by ¥12,853 million from the end of the previous fiscal year, to ¥142,951 million. Equity ratio rose by 0.4 percentage points to 71.8% from 71.4% as of the end of the previous fiscal year. Net assets per share increased by ¥581.89 to ¥6,371.77 from ¥5,789.88 as of the end of the previous fiscal year.

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Change
Cash flows from operating activities	17,232	22,300	5,067
Cash flows from investing activities	(11,115)	(12,498)	(1,383)
Cash flows from financing activities	(7,084)	(4,146)	2,938
Effect of exchange rate change on cash and cash equivalents	(173)	523	697
Net increase (decrease) in cash and cash equivalents	(1,141)	6,179	7,320
Cash and cash equivalents at end of period	18,009	23,647	5,637

Cash and cash equivalents (“cash”) as of the end of the fiscal year under review amounted to ¥23,647 million. This marked an increase of ¥5,637 million compared with the end of the previous fiscal year.

The cash flow movements during the period under review and the factors influencing them were as follows:

Cash flows from operating activities

Net cash provided by operating activities amounted to ¥22,300 million (compared to ¥17,232 million in net cash provided during the previous fiscal year). This result was mainly due to the cash inflow from profit before income taxes of ¥10,638 million and depreciation of ¥9,678 million, which outweighed the cash outflow mainly from the decrease in income taxes paid of ¥2,334 million.

Cash flows from investing activities

Net cash used in investing activities amounted to ¥12,498 million (compared to ¥11,115 million in net cash used during the previous fiscal year). This result was mainly due to a cash outlay of ¥7,626 million for purchase of non-current assets.

Cash flows from financing activities

Net cash used in financing activities amounted to ¥4,146 million (compared to ¥7,084 million in net cash used during the previous fiscal year). This result was mainly due to the cash outflow from dividends paid of ¥3,083 million and repayments of long-term borrowings of ¥1,400 million.

Trends in Sanyo Chemical Group's cash flow indicators are as follows.

	Fiscal year ended March 31,				
	2017	2018	2019	2020	2021
Equity ratio (%)	65.1	65.3	66.8	71.4	71.8
Equity ratio on a market value basis (%)	55.2	55.2	58.3	48.7	63.1
Cash flows / interest-bearing debt ratio (years)	0.7	0.7	0.8	0.6	0.4
Interest coverage ratio (times)	134.9	126.8	124.5	164.0	423.7

Equity ratio: Equity / Total assets

Equity ratio on a market value basis: Market capitalization / Total assets

Cash flows / interest-bearing debt ratio: Interest-bearing debt / Cash flows from operating activities

Interest coverage ratio: Cash flows from operating activities / Interest payment

* All indicators are calculated based on consolidated financial statements.

* Market capitalization is (Closing price at period end) × (Number of outstanding shares at period end [less treasury shares]).

* Net cash provided by operating activities is as reported on the consolidated statements of cash flows. Interest payments are reported under interest paid on the consolidated statements of cash flow.

(3) Basic policy on appropriation of profits and dividend payment for the current fiscal year and the next

We regard increasing returns to shareholders while attempting to reinforce the corporate base for the future through an improvement in Sanyo Chemical Group's profitability as our important management issue. We aim to improve our dividend payout in the medium- to long-term, targeting a consolidated payout ratio of 30% or higher. Furthermore, we intend to use our internal reserves for investment in future growth.

The Company plans to pay the year-end dividend of ¥80 per share (an annual dividend of ¥150 per share) for the fiscal year ended March 31, 2021. (This year-end dividend will be decided officially at the Board of Directors meeting in mid-May after receiving the Audit Report by the accounting auditor and the Audit & Supervisory Board.)

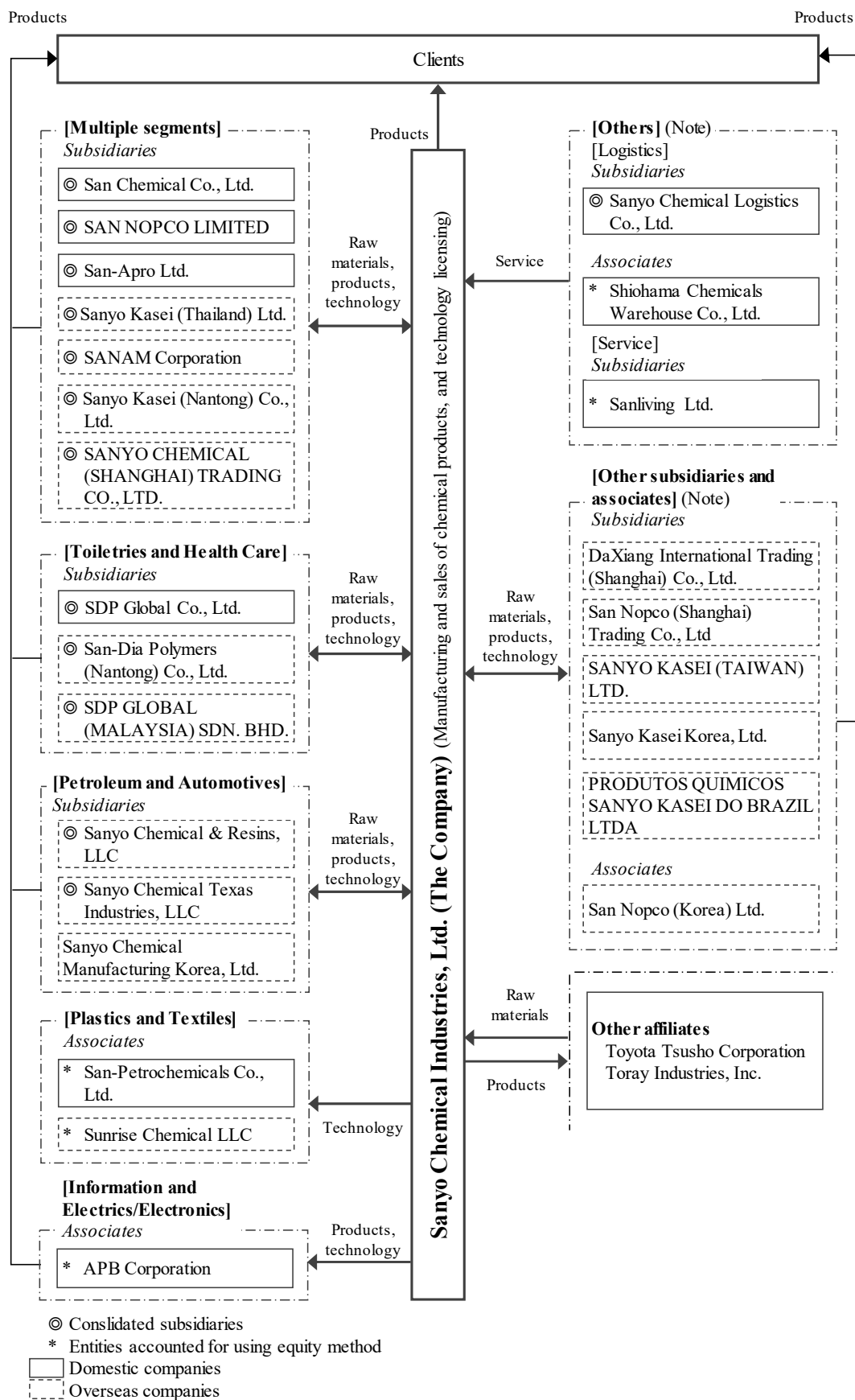
In addition, we forecast an interim and year-end dividend in the next fiscal year of ¥85 each, for an annual dividend of ¥170 per share to further increase returns to shareholders.

<Consolidated dividends per share & payout ratio trend>

	Fiscal year ended March 31,				
	2018	2019	2020	2021 Current fiscal year	2022 Next fiscal year (forecast)
Interim	¥55.0	¥60.0	¥70.0	¥70.0	¥85.0
Year-end	¥55.0	¥65.0	¥70.0	¥80.0	¥85.0
Annual	¥110.0	¥125.0	¥140.0	¥150.0	¥170.0
Payout ratio	26.2%	51.5%	40.2%	45.4%	41.6%

2. Status of the corporate group

The Company's corporate group is composed of the Company, 20 subsidiaries and five associates. The transactions of the corporate group are shown in the below graphic.



Note: These companies have not been classified by segment.

3. Basic policy on selection of accounting standards

Sanyo Chemical Group prepares its consolidated financial statements in accordance with the Japanese accounting standards taking into consideration the comparability between consolidated financial statements over different accounting periods and of different companies.

The Group considers the application of the International Financial Reporting Standards (IFRS) in the future.

4. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	18,009	23,647
Notes and accounts receivable - trade	40,954	40,144
Electronically recorded monetary claims - operating	1,621	1,370
Merchandise and finished goods	14,729	14,253
Semi-finished goods	3,926	3,693
Work in process	435	386
Raw materials and supplies	4,873	4,301
Other	1,316	1,576
Allowance for doubtful accounts	(32)	(33)
Total current assets	85,835	89,340
Non-current assets		
Property, plant and equipment		
Buildings and structures	46,750	47,385
Accumulated depreciation	(28,794)	(29,616)
Buildings and structures, net	17,956	17,768
Machinery, equipment and vehicles	155,050	158,445
Accumulated depreciation	(125,065)	(130,180)
Machinery, equipment and vehicles, net	29,985	28,264
Land	8,875	8,832
Construction in progress	1,330	3,724
Other	13,464	13,796
Accumulated depreciation	(10,895)	(11,130)
Other, net	2,568	2,666
Total property, plant and equipment	60,716	61,255
Intangible assets		
Software	1,405	1,330
Other	1,091	2,254
Total intangible assets	2,497	3,585
Investments and other assets		
Investment securities	22,701	31,798
Long-term loans receivable	2,232	2,937
Deferred tax assets	311	368
Retirement benefit asset	983	2,270
Other	3,624	4,195
Allowance for doubtful accounts	(29)	(29)
Total investments and other assets	29,823	41,541
Total non-current assets	93,038	106,382
Total assets	178,873	195,723

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	17,444	17,903
Electronically recorded obligations - operating	4,872	4,448
Short-term borrowings	5,867	6,874
Current portion of long-term borrowings	1,400	1,400
Accrued expenses	3,146	4,376
Income taxes payable	715	1,352
Provision for bonuses	1,916	2,178
Provision for bonuses for directors (and other officers)	107	100
Electronically recorded obligations - non-operating	799	952
Provision for loss on factory closing	541	167
Other	5,954	6,468
Total current liabilities	42,766	46,222
Non-current liabilities		
Long-term borrowings	2,400	1,000
Deferred tax liabilities	1,758	3,682
Provision for stock-based compensation	189	315
Retirement benefit liability	27	28
Other	1,633	1,522
Total non-current liabilities	6,009	6,548
Total liabilities	48,775	52,771
Net assets		
Shareholders' equity		
Share capital	13,051	13,051
Capital surplus	11,246	13,243
Retained earnings	103,033	106,662
Treasury shares	(5,858)	(5,848)
Total shareholders' equity	121,473	127,109
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,122	11,069
Foreign currency translation adjustment	471	1,802
Remeasurements of defined benefit plans	(431)	493
Total accumulated other comprehensive income	6,161	13,364
Non-controlling interests	2,462	2,477
Total net assets	130,097	142,951
Total liabilities and net assets	178,873	195,723

(2) Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	155,503	144,757
Cost of sales	120,748	111,299
Gross profit	34,755	33,458
Selling, general and administrative expenses		
Freight and storage charges	6,386	5,787
Salaries and compensations	3,654	3,657
Employees' bonuses	1,216	1,319
Retirement benefit expenses	204	247
Welfare expenses	1,092	1,103
Depreciation	401	438
Research and development expenses	5,322	5,384
Other	4,037	3,587
Total selling, general and administrative expenses	22,316	21,526
Operating profit	12,439	11,932
Non-operating income		
Interest income	95	123
Dividend income	700	594
Rental income from real estate	361	139
Share of profit of entities accounted for using equity method	231	–
Foreign exchange gains	–	606
Other	225	227
Total non-operating income	1,615	1,691
Non-operating expenses		
Interest expenses	98	52
Rental costs on real estate	105	53
Loss on abandonment of inventories	146	147
Foreign exchange losses	474	–
Share of loss of entities accounted for using equity method	–	963
Other	525	407
Total non-operating expenses	1,350	1,624
Ordinary profit	12,704	11,999
Extraordinary income		
Gain on sale of investment securities	160	69
Insurance claim income	125	35
Gain on change in equity	–	1,446
Total extraordinary income	286	1,551
Extraordinary losses		
Loss on valuation of investment securities	182	–
Loss on sale of non-current assets	–	35
Loss on retirement of non-current assets	1,185	1,556
Loss on closing of factory	*2 541	–
Impairment losses	–	*1 347
Loss on cancellation of integration	–	*3 838
Other	73	135
Total extraordinary losses	1,983	2,913
Profit before income taxes	11,008	10,638
Income taxes - current	2,958	2,975
Income taxes - deferred	295	(75)
Total income taxes	3,254	2,899

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	7,753	7,738
Profit attributable to non-controlling interests	84	456
Profit attributable to owners of parent	7,668	7,282

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	7,753	7,738
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,141)	4,947
Foreign currency translation adjustment	(920)	1,661
Remeasurements of defined benefit plans, net of tax	(513)	924
Total other comprehensive income	(5,575)	7,533
Comprehensive income	2,178	15,272
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,295	14,765
Comprehensive income attributable to non-controlling interests	(116)	506

(3) Consolidated statements of changes in net assets
Fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,051	12,290	98,350	(5,856)	117,836
Changes during period					
Dividends of surplus			(2,985)		(2,985)
Change in ownership interest of parent due to transactions with non-controlling interests		(1,017)			(1,017)
Capital increase of consolidated subsidiaries		(26)			(26)
Profit attributable to owners of parent			7,668		7,668
Purchase of treasury shares				(6)	(6)
Disposal of treasury shares		0		5	5
Change in fiscal year-end of consolidated subsidiaries					-
Change in scope of consolidation					-
Net changes in items other than shareholders' equity					
Total changes during period	-	(1,044)	4,682	(1)	3,637
Balance at end of period	13,051	11,246	103,033	(5,858)	121,473

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	10,263	1,189	82	11,535	3,251	132,623
Changes during period						
Dividends of surplus						(2,985)
Change in ownership interest of parent due to transactions with non-controlling interests						(1,017)
Capital increase of consolidated subsidiaries						(26)
Profit attributable to owners of parent						7,668
Purchase of treasury shares						(6)
Disposal of treasury shares						5
Change in fiscal year-end of consolidated subsidiaries						-
Change in scope of consolidation						-
Net changes in items other than shareholders' equity	(4,141)	(718)	(513)	(5,373)	(789)	(6,162)
Total changes during period	(4,141)	(718)	(513)	(5,373)	(789)	(2,525)
Balance at end of period	6,122	471	(431)	6,161	2,462	130,097

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,051	11,246	103,033	(5,858)	121,473
Changes during period					
Dividends of surplus			(3,096)		(3,096)
Change in ownership interest of parent due to transactions with non-controlling interests		-			-
Capital increase of consolidated subsidiaries		-			-
Profit attributable to owners of parent			7,282		7,282
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares		-		12	12
Change in fiscal year-end of consolidated subsidiaries			8		8
Change in scope of consolidation		1,997	(565)		1,432
Net changes in items other than shareholders' equity					-
Total changes during period	-	1,997	3,629	9	5,635
Balance at end of period	13,051	13,243	106,662	(5,848)	127,109

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	6,122	471	(431)	6,161	2,462	130,097
Changes during period						
Dividends of surplus						(3,096)
Change in ownership interest of parent due to transactions with non-controlling interests						-
Capital increase of consolidated subsidiaries						-
Profit attributable to owners of parent						7,282
Purchase of treasury shares						(3)
Disposal of treasury shares						12
Change in fiscal year-end of consolidated subsidiaries						8
Change in scope of consolidation						1,432
Net changes in items other than shareholders' equity	4,947	1,331	924	7,203	14	7,217
Total changes during period	4,947	1,331	924	7,203	14	12,853
Balance at end of period	11,069	1,802	493	13,364	2,477	142,951

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	11,008	10,638
Depreciation	9,159	9,678
Loss on retirement of non-current assets	1,185	1,556
Loss on closing of factory	541	–
Impairment losses	–	347
Increase (decrease) in provision for bonuses	(193)	234
Changes in retirement benefit asset and liability	(161)	45
Increase (decrease) in provision for bonuses for directors (and other officers)	(6)	(7)
Increase (decrease) in provision for stock-based compensation	115	137
Interest and dividend income	(796)	(717)
Interest expenses	98	52
Share of loss (profit) of entities accounted for using equity method	(231)	963
Loss (gain) on sale of investment securities	(160)	(69)
Gain on change in equity	–	(1,446)
Loss (gain) on valuation of investment securities	182	–
Decrease (increase) in trade receivables	6,456	1,765
Decrease (increase) in inventories	753	1,707
Increase (decrease) in trade payables	(7,135)	(472)
Other, net	301	(481)
Subtotal	21,115	23,931
Interest and dividends received	1,527	756
Interest paid	(105)	(52)
Income taxes paid	(5,305)	(2,334)
Net cash provided by (used in) operating activities	17,232	22,300
Cash flows from investing activities		
Purchase of non-current assets	(8,194)	(7,626)
Proceeds from sale of property, plant and equipment	105	17
Purchase of investment securities	(5)	(1,005)
Proceeds from sale of investment securities	239	103
Long-term loan advances	(1,403)	(764)
Proceeds from collection of long-term loans receivable	2	21
Payment for other investment activities	(1,894)	(3,275)
Proceeds from other investment activities	35	31
Net cash provided by (used in) investing activities	(11,115)	(12,498)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(330)	874
Repayments of long-term borrowings	(1,952)	(1,400)
Net decrease (increase) in treasury shares	(4)	(3)
Dividends paid	(2,973)	(3,083)
Dividends paid to non-controlling interests	(350)	(420)
Proceeds from share issuance to non-controlling shareholders	533	–
Additional purchase of shares of subsidiaries	(1,900)	–
Other, net	(107)	(113)
Net cash provided by (used in) financing activities	(7,084)	(4,146)
Effect of exchange rate change on cash and cash equivalents	(173)	523

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net increase (decrease) in cash and cash equivalents	(1,141)	6,179
Cash and cash equivalents at beginning of period	19,151	18,009
Increase (decrease) in cash and cash equivalents resulting from changes in the fiscal year-end of consolidated subsidiaries	–	(652)
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	–	111
Cash and cash equivalents at end of period	18,009	23,647

(5) Notes to consolidated financial statements

Notes to going concern assumptions

None

Changes in scope of consolidation or scope of application of equity method

(i) Significant changes in scope of consolidation

In the fiscal year under review, Nagoya Sanyo Warehouse Co., Ltd., one of the Company's unconsolidated subsidiaries accounted for using equity method, and Sanyo Transport Co., Ltd., a consolidated subsidiary, conducted an absorption-type merger with Nagoya Sanyo Warehouse Co., Ltd. as the surviving company, and the trade name was changed to Sanyo Chemical Logistics Co., Ltd. Sanyo Chemical Logistics Co., Ltd. has been included in the scope of consolidation due to its increased importance as a result of the merger. As Sanyo Transport Co., Ltd. was the absorbed company in the merger, it has been removed from the scope of consolidation.

(ii) Significant changes in scope of application of equity method

APB Corporation was included in the scope of application of equity method from the fiscal year under review, due to its increased importance.

As Nagoya Sanyo Warehouse Co., Ltd. increased in importance and was included in the scope of consolidation as the surviving company in the absorption-type merger, it was excluded from the scope of application of equity method from the fiscal year under review.

(iii) Changes to items related to the fiscal year of consolidated subsidiaries

In the past, with regard to Sanyo Kasei (Thailand) Ltd., a consolidated subsidiary with a closing date of December 31, the Company used its financial statements prepared as of that date and made necessary consolidation adjustments for important transactions occurring in the period through the consolidated closing date. However, to ensure more proper disclosure of consolidated financial statements, the Company has changed to a consolidation method in which a tentative closing is made on March 31, the consolidated closing date.

Furthermore, profit or loss from the said consolidated subsidiary from January 1, 2020 through March 31, 2020 has been directly recorded in retained earnings. As a result of this change, retained earnings increased by ¥8 million, and the change in cash and cash equivalents is shown in the "increase (decrease) in cash and cash equivalents resulting from changes in the fiscal year-end of consolidated subsidiaries" in the consolidated statements of cash flows.

Changes in accounting policies

(Application of Accounting Standard for Revenue Recognition and Its Implementation Guidance)

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and "Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30, March 31, 2020) from the start of the fiscal year under review, and it has recognized promised goods or services as revenue at the amount expected to be received upon exchange of said goods or services at the time the control of said promised goods or services is transferred to the customer.

The application of the Accounting Standard for Revenue Recognition and its Implementation Guidance is subject to the transitional treatment provided for in the proviso to paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of the retrospective application, assuming the new accounting policy had been applied to periods prior to the start of the fiscal year under review, was added to or subtracted from the opening balance of retained earnings of the fiscal year under review, and thus the new accounting policy was applied from such opening balance; provided, however, that the new accounting policy was not retrospectively applied to contracts where recognitions of nearly all the revenue amounts for periods prior to the start of the fiscal year under review, were subject to the previous treatment by applying the method provided for in paragraph 86 of the Accounting Standard for Revenue Recognition.

As a result of this change, for the fiscal year under review, net sales decreased by ¥932 million and cost of sales decreased by ¥716 million, while operating profit, ordinary profit and profit before income taxes each decreased by ¥216 million.

Consolidated statements of income

*1 Impairment losses

Fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

None

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

The Group recorded impairment losses on the following asset groups.

Location	Main use	Class
Kyoto-shi, Kyoto	Facilities related to Petroleum and Automotives	Machinery, etc.

In principle, the Group conduct asset grouping by factory.

Regarding facilities related to Petroleum and Automotives, with production stops due to changes in our sales strategy for certain products, we recorded total losses of ¥347 million for the book value of parts that could not be converted to other applications. The breakdown of these losses was ¥6 million for buildings and structures and ¥340 million for machinery, equipment and vehicles.

*2 Loss on closing of factory

Fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

This is the amount of the expected losses from the closing of the factory at the Company's consolidated subsidiary Sanyo Chemical & Resins, LLC.

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

None

*3 Loss on cancellation of integration

Loss resulting from the cancellation of the business integration by way of joint share transfer between the Company and Nippon Shokubai Co., Ltd.

Segment information

[Segment information]

1. Overview of reportable segments

We can acquire isolated data for each of the Group's reportable segments, which have been linked to the market domains that form the foundation of the Group's research and development and strategy formulation. Furthermore, the Group's reportable segments are composed of product categories based on the uses of the Group's products. There are five reportable segments: "Toiletries and Health Care," "Petroleum and Automotives," "Plastics and Textiles," "Information and Electrics/Electronics," and "Environmental Protection, Construction and Others."

The "Toiletries and Health Care" segment manufactures and sells surfactants for detergents, surfactants for toiletries, pharmaceutical additives, and superabsorbent polymers. The "Petroleum and Automotives" segment manufactures and sells thermoplastic polyurethane beads for interior parts of automobiles, polyurethane foam raw materials, and lubricant additives. The "Plastics and Textiles" segment manufactures and sells permanent antistatic agents, chemicals for carbon fibers and fiberglass agents. The "Information and Electrics/Electronics" segment manufactures and sells core components of polymerization toners, toner resins, and electrolytes for aluminum electrolytic capacitors. The "Environmental Protection, Construction, and Others" segment manufactures and sells polymer flocculants for wastewater treatment and polyurethane insulation raw materials.

2. Method of calculating net sales, profit or loss, assets, liabilities and other items by reportable segment

The accounting treatment methods used for the reportable segments are the same as those listed in the "Significant matters forming the basis of preparing consolidated financial statements."

Figures for profits for the reportable segments use an operating profit base.

Market prices and other factors are considered in deciding internal sales and transfer among segments.

3. Information regarding net sales, profit or loss, assets, liabilities and other items by reportable segment

Fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(Millions of yen)

	Reportable Segment						Adjustment	Total
	Toiletries and Health Care	Petroleum and Automotives	Plastics and Textiles	Information and Electrics/Electronics	Environmental Protection, Construction and Others	Subtotal		
Net sales								
Sales to external customers	53,726	42,770	21,453	20,985	16,567	155,503	–	155,503
Intersegment sales/transfers	–	–	–	–	70	70	(70)	–
Total	53,726	42,770	21,453	20,985	16,638	155,574	(70)	155,503
Segment profit	1,590	3,740	3,003	2,937	1,166	12,439	–	12,439
Segment assets	41,337	34,214	21,438	25,939	12,938	135,868	43,005	178,873
Other items								
Depreciation	2,609	2,422	1,229	2,164	652	9,078	–	9,078
Investments in entities accounted for using equity method	–	–	3,941	–	558	4,499	–	4,499
Increase in property, plant and equipment and intangible assets	1,507	2,589	1,791	1,657	673	8,219	–	8,219

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Millions of yen)

	Reportable Segment						Adjustment	Total
	Toiletries and Health Care	Petroleum and Automotives	Plastics and Textiles	Information and Electrics/Electronics	Environmental Protection, Construction and Others	Subtotal		
Net sales								
Sales to external customers	54,302	37,316	20,802	17,096	15,239	144,757	–	144,757
Intersegment sales/transfers	–	–	–	–	82	82	(82)	–
Total	54,302	37,316	20,802	17,096	15,321	144,839	(82)	144,757
Segment profit	3,195	3,365	2,705	1,439	1,226	11,932	–	11,932
Segment assets	40,272	33,301	23,108	26,598	12,192	135,472	60,251	195,723
Other items								
Depreciation	2,718	2,342	1,457	2,370	679	9,569	–	9,569
Investments in entities accounted for using equity method	–	–	3,747	2,839	376	6,962	–	6,962
Increase in property, plant and equipment and intangible assets	1,874	2,822	2,375	2,152	847	10,073	–	10,073

4. Items related to changes in reporting segments

As stated in the above changes in accounting policies, from the start of the fiscal year under review, the Company applied the Accounting Standard for Revenue Recognition and its Implementation Guidance and changed the accounting processing methods related to revenue recognition, resulting in similar changes to the measurement method for profit or losses in the business segments.

As a result of these changes, net sales and profit for each segment declined compared to the previous method. In the fiscal year under review, net sales and segment profit for the Toiletries and Health Care segment decreased by ¥131 million and ¥37 million respectively, net sales and segment profit for the Petroleum and Automotives segment decreased by ¥143 million and ¥26 million respectively, net sales and segment profit for the Plastics and Textiles segment decreased by ¥240 million and ¥75 million respectively, net sales and segment profit for the Information and Electrics/Electronics segment decreased by ¥326 million and ¥63 million respectively, and net sales and segment profit for the Environmental Protection, Construction and Others segment decreased by ¥91 million and ¥14 million respectively.

5. Differences between total amounts for reportable segments and amounts in the consolidated financial statements and main details of these differences (matters relating to difference adjustments)

The total amount of segment profit or losses matches operating profit in the consolidated statement of income, and totals for other items match the amounts recorded in the consolidated financial statement.

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales		
Reportable segment total	155,574	144,839
Intersegment eliminations	(70)	(82)
Net sales in the consolidated financial statements	155,503	144,757

(Millions of yen)

Assets	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Reportable segment total	135,868	135,472
Intersegment eliminations	–	–
Corporate assets (Note)	43,005	60,251
Total assets in the consolidated financial statements	178,873	195,723

Note: The corporate assets are mainly cash and deposits, investment securities, etc. that have not been attributed to a reportable segment.

[Information regarding impairment losses of non-current assets by reportable segment]

Fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

None

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Millions of yen)

	Toiletries and Health Care	Petroleum and Automotives	Plastics and Textiles	Information and Electrics/ Electronics	Environmental Protection, Construction and Others	Total
Impairment losses	–	347	–	–	–	347

<Reference>

[Information by geographic segment]

Fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(Millions of yen)

	Japan	USA	China	Other	Total	Elimination or common assets	Consolidated total
I. Net sales and operating profit (loss)							
Net sales							
(1) Sales to external customers	117,290	7,183	23,857	7,172	155,503	–	155,503
(2) Intersegment sales/transfers	7,395	–	2,135	53	9,584	(9,584)	–
Total	124,685	7,183	25,992	7,225	165,087	(9,584)	155,503
Operating expenses	112,283	6,868	25,317	8,241	152,710	(9,646)	143,064
Operating profit (loss)	12,402	315	674	(1,015)	12,377	62	12,439
II. Assets	168,686	5,542	17,427	9,557	201,213	(22,340)	178,873

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Millions of yen)

	Japan	USA	China	Other	Total	Elimination or common assets	Consolidated total
I. Net sales and operating profit (loss)							
Net sales							
(1) Sales to external customers	104,469	5,908	26,521	7,858	144,757	–	144,757
(2) Intersegment sales/transfers	6,364	46	1,922	450	8,783	(8,783)	–
Total	110,833	5,954	28,443	8,309	153,541	(8,783)	144,757
Operating expenses	100,281	5,590	26,901	8,887	141,660	(8,835)	132,825
Operating profit (loss)	10,552	364	1,541	(577)	11,880	52	11,932
II. Assets	181,820	5,395	19,598	11,832	218,647	(22,923)	195,723

[Overseas net sales]

Fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(Millions of yen)

	Asia	[Of which, China]	Americas	Other	Total
I. Overseas net sales	48,561	[28,963]	9,066	2,552	60,179
II. Consolidated net sales	–	[–]	–	–	155,503
III. Percentage of overseas net sales to consolidated net sales (%)	31.2	[18.6]	5.9	1.6	38.7

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Millions of yen)

	Asia	[Of which, China]	Americas	Other	Total
I. Overseas net sales	53,640	[34,516]	6,886	3,040	63,567
II. Consolidated net sales	–	[–]	–	–	144,757
III. Percentage of overseas net sales to consolidated net sales (%)	37.0	[23.8]	4.8	2.1	43.9

Notes: 1. The term “overseas net sales” refers to net sales of the Company (non-consolidated) and its consolidated subsidiaries registered in countries and regions outside Japan.

2. Areas included in each country or region are determined based on their degree of proximity.

3. Main countries or regions included in each geographic segment

(1) Asia: South Korea, China, Indonesia, India, Thailand, etc.

(2) Americas: USA, Mexico, Brazil, etc.

(3) Other: Australia, Europe, Russia, the Middle East, etc.

Per share information

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net assets per share	¥5,789.88	¥6,371.77
Basic earnings per share	¥347.87	¥330.34

Notes: 1. Diluted earnings per share is not provided because the Company had no potential dilutive shares.

2. Shares of the Company owned by the trust whose beneficiaries are directors, etc. that were recorded as treasury shares in shareholders' equity are included in the treasury shares that are excluded from the total number of treasury shares issued at the end of the period in calculating net assets per share (72,900 shares in the previous fiscal year and 70,500 shares in the current fiscal year).

3. Shares of the Company owned by the trust whose beneficiaries are directors, etc. that were recorded as treasury shares in shareholders' equity are included in the treasury shares that are excluded in calculating the average number of shares outstanding during the period in calculating the basic earnings per share (73,223 shares in the previous fiscal year and 71,369 shares in the current fiscal year).

4. The basis for calculation of basic earnings per share is as follows:

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit attributable to owners of parent (Millions of yen)	7,668	7,282
Amount not attributed to common shareholders (Millions of yen)	–	–
Profit attributable to owners of parent related to common stock (Millions of yen)	7,668	7,282
Average number of shares outstanding during the period (Thousand shares)	22,044	22,045

Significant subsequent events

None

5. Supplementary information

1. Trend of quarterly consolidated earnings

Fiscal year ended March 31, 2020

(Millions of yen)

	1Q	2Q	3Q	4Q	Total
	April 2019 to June 2019	July 2019 to September 2019	October 2019 to December 2019	January 2020 to March 2020	April 2019 to March 2020
Net sales	39,277	38,671	39,779	37,775	155,503
Operating profit	2,905	3,000	2,811	3,721	12,439
Ordinary profit	2,898	2,995	3,313	3,496	12,704
Profit attributable to owners of parent	1,794	1,998	2,126	1,749	7,668
Comprehensive income	1,021	729	3,569	(3,142)	2,178

Fiscal year ended March 31, 2021

(Millions of yen)

	1Q	2Q	3Q	4Q	Total
	April 2020 to June 2020	July 2020 to September 2020	October 2020 to December 2020	January 2021 to March 2021	April 2020 to March 2021
Net sales	32,813	33,119	40,399	38,425	144,757
Operating profit	2,453	2,146	4,251	3,082	11,932
Ordinary profit	2,608	1,765	4,440	3,184	11,999
Profit attributable to owners of parent	1,490	839	2,047	2,905	7,282
Comprehensive income	3,322	1,238	4,471	6,240	15,272

2. Investment in plant and equipment

(Millions of yen)

	Consolidated	Non-consolidated
Fiscal year ended March 31, 2021	10,073	7,422
Fiscal year ended March 31, 2020	8,219	5,457

3. Depreciation and amortization

(Millions of yen)

	Consolidated	Non-consolidated
Fiscal year ended March 31, 2021	9,569	6,577
Fiscal year ended March 31, 2020	9,078	6,229

4. Research and development expenses

(Millions of yen)

	Consolidated	Non-consolidated
Fiscal year ended March 31, 2021	5,384	4,679
Fiscal year ended March 31, 2020	5,322	4,609

5. Number of employees

	Consolidated	Non-consolidated
Fiscal year ended March 31, 2021	2,096	1,383
Fiscal year ended March 31, 2020	2,060	1,346