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## Consolidated Financial Results for the Six Months Ended September 30, 2022 (under Japanese GAAP)

November 10, 2022

Company name: **Sanyo Chemical Industries, Ltd.**  
 Listing: Tokyo Stock Exchange  
 Securities code: 4471  
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 Scheduled date to file quarterly securities report: November 11, 2022  
 Scheduled date to commence dividend payments: December 2, 2022  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results presentation meeting: Yes (for analysts)

(Figures are rounded down to the nearest million yen)

### 1. Consolidated financial results for the first six months of the fiscal year ending March 31, 2023 (from April 1, 2022 to September 30, 2022)

(1) Consolidated operating results (cumulative) (% 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	%
Six months ended September 30, 2022	88,439	14.1	3,932	(33.6)	7,368	7.4	4,719	6.8
September 30, 2021	77,519	17.6	5,918	28.7	6,861	56.9	4,418	89.6

Note: Comprehensive income: Six months ended September 30, 2022 ¥6,327 million [49.2%]  
 Six months ended September 30, 2021 ¥4,240 million [(7.0)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	213.90	—
September 30, 2021	200.37	—

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2022	211,252	151,603	70.5	6,742.09
March 31, 2022	200,194	147,032	72.2	6,549.60

Reference: Equity: As of September 30, 2022 ¥148,829 million  
 As of March 31, 2022 ¥144,479 million

## 2. Cash dividends

	Cash dividends per share				
	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
Fiscal year ended March 31, 2022	—	85.00	—	85.00	170.00
Fiscal year ending March 31, 2023	—	85.00			
Fiscal year ending March 31, 2023 (Forecast)			—	85.00	170.00

Note: Revisions of the latest forecasts for cash dividends announced: None

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

(% 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
Fiscal year ending March 31, 2023	184,000	13.2	11,000	(7.3)	13,500	5.7	9,000	34.3	407.81

Note: Revisions of the latest forecasts for earnings announced: None

**\* Notes**

- (1) Significant changes in subsidiaries during the six months ended September 30, 2022 (changes in specific subsidiaries resulting in the change in scope of consolidation): None
- (2) Application of special accounting methods for the preparation of quarterly consolidated financial statements: Yes

Note: See page 11, “2. Quarterly consolidated financial statements and significant notes thereto, (4) Notes to quarterly consolidated financial statements, Application of special accounting methods for the preparation of quarterly consolidated financial statements” for more information.

- (3) 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:                                | None |
| c. Changes in accounting estimates:   | None |
| d. Restatements:  | None |

- (4) Number of shares issued (common stock)

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

As of September 30, 2022	23,534,752 shares
As of March 31, 2022	23,534,752 shares

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

As of September 30, 2022	1,460,067 shares
As of March 31, 2022	1,475,417 shares

- c. Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

For the six months ended September 30, 2022	22,064,368 shares
For the six months ended September 30, 2021	22,050,706 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.

- \* Quarterly financial results reports are exempt from quarterly review 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 5, “1. Qualitative information regarding financial results for the six months ended September 30, 2022, (3) Information concerning future forecast such as consolidated earnings forecasts” for more information regarding the circumstances behind the assumptions used in earnings forecasts and matters to be noted when relying on earnings forecasts.

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# 1. Qualitative information regarding financial results for the six months ended September 30, 2022

## (1) Information regarding operating results

During the first six months (April 1, 2022 to September 30, 2022) of the fiscal year ending March 31, 2023, the Japanese economy saw a recovery in individual consumption and exports as restrictions on economic activities due to the impact of COVID-19 were eased. However, overall conditions remained challenging amid continuing supply chain disruptions and supply restrictions on raw materials and parts. In the global economy, we are seeing a track of recovery in the US and Europe, and China is also experiencing a recovery from the economic downturn caused by restrictions on activities. However, persistently high resource and energy prices caused by the prolonged conflict between Russia and Ukraine and concern over the global economic slowdown caused by fiscal tightening mean that the future remains unclear.

In the chemical industry, the forex market is experiencing a trend of rapid yen depreciation mainly due to interest rate hikes in the US and Europe. Oil prices are unstable amid mixed speculation over rising and falling prices from concerns over the global economic slowdown as well as supply concerns, meaning that the business environment remains unpredictable.

Under these circumstances, net sales for the period under review increased by 14.1% year on year to ¥88,439 million as sales prices were revised in response to rising raw materials prices. In terms of profit, operating profit was ¥3,932 million (a decrease of 33.6% year on year) due to reduced sales quantities, diminished spreads between sales and purchase from rising raw materials prices, and increased selling, general and administrative expenses. Ordinary profit was ¥7,368 million (an increase of 7.4% year on year) due to an increase in foreign exchange gains, and profit attributable to owners of parent was ¥4,719 million (an increase of 6.8% year on year).

## 1) Business performance

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022	Change		FY2021
			(Amount)	(Change)	
Net sales	77,519	88,439	10,920	14.1%	162,526
Operating profit	5,918	3,932	(1,985)	(33.6)%	11,868
Ordinary profit	6,861	7,368	506	7.4%	12,771
Profit attributable to owners of parent	4,418	4,719	301	6.8%	6,699
Basic earnings per share	¥200.37	¥213.90	¥13.53	6.8%	¥303.76
ROA (Return on assets*)	7.0%	7.2%	—	0.2 percentage point	6.5%
ROE (Return on equity)	6.2%	6.4%	—	0.2 percentage point	4.7%
Currency exchange (US\$, CNY)	US\$=¥109.82 CNY=¥16.99	US\$=¥134.05 CNY=¥19.89		¥24.23 ¥2.90	US\$=¥112.40 CNY=¥17.52
Naphtha price in Japan	¥50,600/kl	¥83,400/kl		¥32,800/kl	¥56,600/kl

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

Note: ROA and ROE for the six months ended September 30, 2021 and 2022 are annualized.

## 2) Business performance by segment

(Millions of yen)

	Six months ended September 30, 2021		Six months ended September 30, 2022		Change		FY2021	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Toiletries and Health Care	26,017	657	29,699	450	3,682	(206)	54,922	1,966
Petroleum and Automotives	20,273	2,053	23,913	1,324	3,639	(729)	42,540	3,759
Plastics and Textiles	12,749	2,002	14,145	1,404	1,395	(597)	25,466	3,713
Information and Electrics/Electronics	9,892	1,169	11,308	882	1,415	(286)	20,989	2,511
Environmental Protection, Construction and Others	8,586	772	9,373	645	786	(126)	18,607	1,589

Note that, starting in the first quarter of the fiscal year under review, we revised the allocation method of research and development expenses for new businesses not belonging to reportable segments. Operating profit figures for the six months ended September 30, 2021 and FY2021 have been calculated using the allocation method following the change. Refer to “2. Quarterly consolidated financial statements and significant notes thereto, (4) Notes to quarterly consolidated financial statements, Segment information” for more information.

### <Toiletries and Health Care>

In the Toiletries segment, while demand for polyethyleneglycol decreased due to the impact of lockdowns in Shanghai, China, sales of surfactants for hair care products grew, and sales of papermaking chemicals were strong, leading to strong sales.

In the Health Care segment, while sales of superabsorbent polymers decreased mainly in Chinese market, net sales increased with price revision driven by surging raw materials prices at all locations.

As a result, total net sales in this segment increased by 14.2% year on year, to ¥29,699 million. Operating profit was ¥450 million (a decrease of 31.5% year on year) due to diminished spreads between sales and purchase from rising raw materials prices.

### <Petroleum and Automotives>

In the Petroleum and Automotives segment, sales experienced a large increase. This was due to price revision driven by surging raw materials prices, despite a decrease in demand for raw materials for polyurethane foams used in automobile seats and other applications, thermoplastic polyurethane beads for interior parts of automobiles, and lubricant additives caused by reduced automotive production.

As a result, total net sales in this segment increased by 18.0% year on year, to ¥23,913 million. Operating profit was ¥1,324 million (a decrease of 35.5% year on year) due to diminished spreads between sales and purchase from rising raw materials prices.

### <Plastics and Textiles>

In the Plastics segment, sales were strong. This was due to growth in overseas sales of paint coating agents and additives, despite a decrease in sales of our mainstay permanent antistatic agents.

The Textiles segment experienced a large increase in sales, as sales of chemicals for carbon fibers steadily increased and sales of polyurethane resins for synthetic leather and elastomer fiber were also strong.

As a result, total net sales in this segment increased by 10.9% year on year, to ¥14,145 million. Operating profit was ¥1,404 million (a decrease of 29.8% year on year) due to diminished spreads between sales and purchase from rising raw materials prices.

### <Information and Electrics/Electronics>

In the Information segment, sales experienced a large increase. This was mainly due to recovery of office printing demand, which had stagnated due to the COVID-19 pandemic, as well as strong sales of raw materials for polyester beads as a core component of polymerization toners and toner resins for pulverized toners.

In the Electrics/Electronics segment, sales were strong. This was due to a large increase in demand for electrolytes for aluminum electrolytic capacitors, despite the strong demand for raw materials for resists used in semiconductors pausing and starting to slow.

As a result, total net sales in this segment increased by 14.3% year on year, to ¥11,308 million. Operating profit was ¥882 million (a decrease of 24.5% year on year) due to diminished spreads between sales and purchase from rising raw materials prices.

<Environmental Protection, Construction and Others>

In the Environmental Protection segment, sales experienced a large increase due to a strong increase in sales of cationic monomer for polymer flocculants for overseas markets.

In the Construction segment, sales were strong. This was due to a large increase in sales of raw materials for building sealants from price revision driven by surging raw materials prices, despite flat sales of raw materials for polyurethane foams mainly used in furniture and heat insulating materials, as demand from staying-at-home ran its course.

As a result, total net sales in this segment increased by 9.2% year on year, to ¥9,373 million. Operating profit was ¥645 million (a decrease of 16.4% year on year) due to diminished spreads between sales and purchase from rising raw materials prices.

(2) Analysis of financial position

The Group's financial position at the end of the period under review was as follows:

Total assets increased by ¥11,058 million compared with the end of the previous fiscal year, amounting to ¥211,252 million.

Net assets increased by ¥4,570 million from the end of the previous fiscal year, to ¥151,603 million.

Equity ratio fell by 1.7 percentage points from the end of the previous fiscal year, to 70.5%.

Cash and cash equivalents ("cash") as of the end of the period under review amounted to ¥17,085 million. This marked a decrease of ¥1,086 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 ¥6,667 million (compared to ¥6,834 million in net cash provided during the same period of the previous fiscal year). This result was mainly due to the cash inflow from profit before income taxes of ¥6,685 million, depreciation of ¥5,027 million and the increase in trade payables of ¥5,730 million, which outweighed the cash outflow mainly from the increase in inventories of ¥5,259 million, the increase in trade receivables of ¥1,307 million and income taxes paid of ¥2,344 million.

*Cash flows from investing activities*

Net cash used in investing activities amounted to ¥6,459 million (compared to ¥5,580 million in net cash used during the same period of the previous fiscal year). This result was mainly due to a cash outlay of ¥4,863 million for purchase of non-current assets.

*Cash flows from financing activities*

Net cash used in financing activities amounted to ¥2,158 million (compared to ¥3,457 million in net cash used during the same period of the previous fiscal year). This result was mainly due to the cash outflow from dividends paid of ¥1,871 million.

(3) Information concerning future forecast such as consolidated earnings forecasts

In terms of earnings for the period under review, ordinary profit and profit attributable to owners of parent exceeded levels set out in our “Notice of Revision of Consolidated Earnings Forecasts for the First Half and Full Year of the Fiscal Year Ending March 31, 2023” announced in September 2022. However, due to the unclear business environment with persistently high resource and energy prices caused by the prolonged conflict between Russia and Ukraine, concerns over a global economic slowdown caused by fiscal tightening, and rapid yen depreciation in the forex market, the Company has left its full-year consolidated earnings forecasts unchanged.

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Half-year consolidated earnings forecasts (Millions of yen)	89,000	4,000	6,200	4,200
[Progress to forecasts (%)]	[99.4]	[98.3]	[118.8]	[112.4]
Full-year consolidated earnings forecasts (Millions of yen)	184,000	11,000	13,500	9,000
[Progress to forecasts (%)]	[48.1]	[35.8]	[54.6]	[52.4]

\* These earnings forecasts were based on information available at the time of announcement. Actual earnings may differ due to various factors occurring in the future.



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

### (1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	18,171	17,085
Notes and accounts receivable - trade	44,849	47,242
Electronically recorded monetary claims - operating	1,509	1,223
Merchandise and finished goods	16,561	20,832
Semi-finished goods	4,314	5,097
Work in process	596	433
Raw materials and supplies	6,115	7,450
Other	1,681	2,213
Allowance for doubtful accounts	(35)	(29)
Total current assets	93,764	101,549
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	18,066	19,716
Machinery, equipment and vehicles, net	27,898	29,314
Land	8,853	8,877
Construction in progress	3,635	953
Other, net	2,936	2,887
Total property, plant and equipment	61,389	61,749
Intangible assets		
Software	1,283	1,241
Other	3,965	5,589
Total intangible assets	5,248	6,830
Investments and other assets		
Investment securities	29,274	30,397
Long-term loans receivable	4,012	4,167
Deferred tax assets	378	424
Retirement benefit asset	2,337	2,366
Other	3,819	3,800
Allowance for doubtful accounts	(30)	(32)
Total investments and other assets	39,791	41,122
Total non-current assets	106,429	109,703
Total assets	200,194	211,252

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	20,575	25,405
Electronically recorded obligations - operating	4,539	6,468
Short-term borrowings	6,887	8,085
Current portion of long-term borrowings	850	300
Accrued expenses	4,247	4,025
Income taxes payable	1,892	1,500
Provision for bonuses	2,117	2,213
Provision for bonuses for directors (and other officers)	121	56
Electronically recorded obligations - non-operating	945	899
Provision for loss on factory closing	12	—
Other	5,713	5,944
Total current liabilities	47,904	54,900
Non-current liabilities		
Long-term borrowings	150	—
Deferred tax liabilities	3,350	3,147
Provision for stock-based compensation	376	342
Retirement benefit liability	38	49
Other	1,341	1,210
Total non-current liabilities	5,257	4,748
Total liabilities	53,161	59,649
<b>Net assets</b>		
Shareholders' equity		
Share capital	13,051	13,051
Capital surplus	13,243	13,243
Retained earnings	109,713	112,677
Treasury shares	(5,781)	(5,702)
Total shareholders' equity	130,226	133,270
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,623	9,759
Foreign currency translation adjustment	4,093	5,262
Remeasurements of defined benefit plans	537	536
Total accumulated other comprehensive income	14,253	15,558
Non-controlling interests	2,552	2,773
Total net assets	147,032	151,603
Total liabilities and net assets	200,194	211,252

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

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	77,519	88,439
Cost of sales	60,400	72,237
Gross profit	17,118	16,201
Selling, general and administrative expenses	11,199	12,269
Operating profit	5,918	3,932
Non-operating income		
Interest income	68	89
Dividend income	388	394
Rental income from real estate	66	66
Foreign exchange gains	97	2,622
Share of profit of entities accounted for using equity method	382	488
Other	115	88
Total non-operating income	1,117	3,750
Non-operating expenses		
Interest expenses	23	54
Rental costs on real estate	26	35
Loss on abandonment of inventories	33	124
Other	91	99
Total non-operating expenses	174	315
Ordinary profit	6,861	7,368
Extraordinary income		
Gain on sale of investment securities	13	–
Insurance claim income	14	13
Total extraordinary income	28	13
Extraordinary losses		
Loss on retirement of non-current assets	459	592
Loss on valuation of investment securities	–	103
Total extraordinary losses	459	696
Profit before income taxes	6,430	6,685
Income taxes	1,795	1,683
Profit	4,634	5,001
Profit attributable to non-controlling interests	216	282
Profit attributable to owners of parent	4,418	4,719

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	4,634	5,001
Other comprehensive income		
Valuation difference on available-for-sale securities	(549)	136
Foreign currency translation adjustment	128	1,189
Remeasurements of defined benefit plans, net of tax	26	(0)
Total other comprehensive income	(394)	1,325
Comprehensive income	4,240	6,327
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,082	6,006
Comprehensive income attributable to non-controlling interests	158	321

## (3) Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	6,430	6,685
Depreciation	4,758	5,027
Loss on retirement of non-current assets	459	592
Increase (decrease) in provision for bonuses	(62)	82
Increase (decrease) in retirement benefit asset and liability	(1)	(29)
Increase (decrease) in provision for bonuses for directors (and other officers)	(40)	(64)
Increase (decrease) in provision for stock-based compensation	71	47
Interest and dividend income	(456)	(484)
Interest expenses	23	54
Share of loss (profit) of entities accounted for using equity method	(382)	(488)
Loss (gain) on sale of investment securities	(13)	—
Loss (gain) on valuation of investment securities	—	103
Decrease (increase) in trade receivables	(1,426)	(1,307)
Decrease (increase) in inventories	(3,039)	(5,259)
Increase (decrease) in trade payables	2,791	5,730
Other, net	(1,251)	(2,401)
Subtotal	7,861	8,289
Interest and dividends received	481	776
Interest paid	(23)	(55)
Income taxes paid	(1,484)	(2,344)
Net cash provided by (used in) operating activities	6,834	6,667
<b>Cash flows from investing activities</b>		
Purchase of non-current assets	(4,323)	(4,863)
Purchase of investment securities	(202)	(118)
Proceeds from sale of investment securities	21	—
Long-term loan advances	(1,027)	(450)
Proceeds from collection of long-term loans receivable	291	190
Other, net	(338)	(1,217)
Net cash provided by (used in) investing activities	(5,580)	(6,459)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(700)	609
Repayments of long-term borrowings	(700)	(700)
Net decrease (increase) in treasury shares	(2)	(1)
Dividends paid	(1,762)	(1,871)
Dividends paid to non-controlling interests	(223)	(100)
Other, net	(68)	(94)
Net cash provided by (used in) financing activities	(3,457)	(2,158)
Effect of exchange rate change on cash and cash equivalents	117	529
Net increase (decrease) in cash and cash equivalents	(2,085)	(1,420)
Cash and cash equivalents at beginning of period	23,647	18,171
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	—	333
Cash and cash equivalents at end of period	21,562	17,085

(4) Notes to quarterly consolidated financial statements

*Notes to going concern assumptions*

None

*Notes on significant changes in the amount of shareholders' equity*

None

*Application of special accounting methods for the preparation of quarterly consolidated financial statements*

After applying tax effect accounting to profit before income taxes for the fiscal year, which includes the second quarter under review, the Company makes a reasonable estimate of the effective tax rate and multiply the profit before income taxes by that estimated effective tax rate. Furthermore, income tax adjustments are included in the presentation of income taxes.

*Segment information*

[Segment information]

I Six months ended September 30, 2021 (April 1, 2021 to September 30, 2021)

Information regarding net sales, profit or loss by reportable segment

(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	26,017	20,273	12,749	9,892	8,586	77,519	–	77,519
Intersegment sales/transfers	–	–	–	–	38	38	(38)	–
Total	26,017	20,273	12,749	9,892	8,625	77,557	(38)	77,519
Segment profit	657	2,053	2,002	1,169	772	6,655	(736)	5,918

Notes: 1. Company-wide expenses of ¥736 million not allocated to reportable segments are included in the adjustment to segment profit. Company-wide expenses are research and development expenses for new businesses not belonging to reportable segments.

2. Total amount of segment profit has been adjusted with operating profit in the quarterly consolidated statements of income.

II Six months ended September 30, 2022 (April 1, 2022 to September 30, 2022)

1. Information regarding net sales, profit or loss by reportable segment

(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	29,699	23,913	14,145	11,308	9,373	88,439	–	88,439
Intersegment sales/transfers	–	–	–	–	69	69	(69)	–
Total	29,699	23,913	14,145	11,308	9,443	88,509	(69)	88,439
Segment profit	450	1,324	1,404	882	645	4,708	(775)	3,932

Notes: 1. Company-wide expenses of ¥775 million not allocated to reportable segments are included in the adjustment to segment profit. Company-wide expenses are research and development expenses for new businesses not belonging to reportable segments.

2. Total amount of segment profit has been adjusted with operating profit in the quarterly consolidated statements of income.

2. Items related to changes in reporting segments

*Revisions to the allocation method of company-wide expenses*

Starting in the first quarter of the fiscal year under review, research and development expenses for new businesses that had previously been allocated to reportable segments have been reclassified as company-wide expenses to gauge operating results more appropriately for each reportable segment.

As a result of this change, compared to the previous calculation method, segment profit for the period under review increased by ¥166 million for the Toiletries and Health Care segment, by ¥184 million for the Petroleum and Automotives segment, by ¥186 million for the Plastics and Textiles segment, by ¥144 million for the Information and Electrics/Electronics segment, and by ¥93 million for the Environmental Protection, Construction and Others segment, and the adjustment for segment profit decreased by ¥775 million.

Furthermore, provided segment information for the six months ended September 30, 2021 was created using the allocation method following the change.

<Reference>

[Information by geographic segment]

Six months ended September 30, 2021 (April 1, 2021 to September 30, 2021)

(Millions of yen)

	Japan	USA	China	Other	Total	Elimination or common assets	Consolidated total
Net sales							
(1) Sales to external customers	57,764	3,489	11,585	4,680	77,519	–	77,519
(2) Intersegment sales/transfers	3,924	3	638	160	4,727	(4,727)	–
Total	61,688	3,492	12,224	4,841	82,246	(4,727)	77,519
Operating profit (loss)	6,055	129	45	(357)	5,873	45	5,918

Six months ended September 30, 2022 (April 1, 2022 to September 30, 2022)

(Millions of yen)

	Japan	USA	China	Other	Total	Elimination or common assets	Consolidated total
Net sales							
(1) Sales to external customers	63,336	4,704	11,846	8,552	88,439	–	88,439
(2) Intersegment sales/transfers	5,057	30	826	472	6,387	(6,387)	–
Total	68,393	4,734	12,673	9,025	94,826	(6,387)	88,439
Operating profit (loss)	3,217	47	341	359	3,966	(33)	3,932

[Overseas net sales]

Six months ended September 30, 2021 (April 1, 2021 to September 30, 2021)

(Millions of yen)

	Asia	[Of which, China]	Americas	Other	Total
I. Overseas net sales	26,850	[16,465]	4,073	2,123	33,048
II. Consolidated net sales	–	[–]	–	–	77,519
III. Percentage of overseas net sales to consolidated net sales (%)	34.6	[21.2]	5.3	2.7	42.6

Six months ended September 30, 2022 (April 1, 2022 to September 30, 2022)

(Millions of yen)

	Asia	[Of which, China]	Americas	Other	Total
I. Overseas net sales	31,472	[17,170]	5,765	3,076	40,314
II. Consolidated net sales	–	[–]	–	–	88,439
III. Percentage of overseas net sales to consolidated net sales (%)	35.6	[19.4]	6.5	3.5	45.6

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.



### 3. Supplementary information

Trend of quarterly consolidated earnings

Fiscal year ended March 31, 2022

(Millions of yen)

	1Q	2Q	3Q	4Q	Total
	April 2021 to June 2021	July 2021 to September 2021	October 2021 to December 2021	January 2022 to March 2022	April 2021 to March 2022
Net sales	38,057	39,461	43,327	41,680	162,526
Operating profit	3,091	2,826	3,681	2,268	11,868
Ordinary profit	3,581	3,280	4,511	1,398	12,771
Profit attributable to owners of parent	2,193	2,224	3,083	(802)	6,699
Comprehensive income	1,837	2,402	3,689	152	8,082

Fiscal year ending March 31, 2023

(Millions of yen)

	1Q	2Q	Change (%)	
	April 2022 to June 2022	July 2022 to September 2022	The same period of the previous fiscal year	The previous period
			July 2021 to September 2021	April 2022 to June 2022
Net sales	44,336	44,103	11.8	(0.5)
Operating profit	1,956	1,976	(30.1)	1.0
Ordinary profit	4,259	3,108	(5.2)	(27.0)
Profit attributable to owners of parent	2,536	2,182	(1.9)	(14.0)
Comprehensive income	3,986	2,341	(2.6)	(41.3)