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Consolidated Financial Results for the Nine Months Ended December 31, 2022 (under Japanese GAAP)

February 9, 2023

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 Listing: Tokyo Stock Exchange
 Securities code: 4471
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 Scheduled date to file quarterly securities report: February 13, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: None
 Holding of quarterly financial results presentation meeting: None

(Figures are rounded down to the nearest million yen)

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) (% 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	%
Nine months ended								
December 31, 2022	134,183	11.0	6,656	(30.7)	8,899	(21.8)	6,284	(16.2)
December 31, 2021	120,846	13.6	9,600	8.5	11,373	29.0	7,502	71.4

Note: Comprehensive income: Nine months ended December 31, 2022 ¥6,557 million [(17.3)%]
 Nine months ended December 31, 2021 ¥7,929 million [(12.2)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended		
December 31, 2022	284.77	—
December 31, 2021	340.18	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
December 31, 2022	215,401	149,828	68.3	6,661.74
March 31, 2022	200,194	147,032	72.2	6,549.60

Reference: Equity: As of December 31, 2022 ¥147,053 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 nine months ended December 31, 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 December 31, 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 December 31, 2022	1,460,365 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 nine months ended December 31, 2022	22,067,412 shares
For the nine months ended December 31, 2021	22,053,375 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 nine months ended December 31, 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 nine months ended December 31, 2022

(1) Information regarding operating results

During the first nine months (April 1, 2022 to December 31, 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, while we are seeing concern over the economic slowdown caused by fiscal tightening in the US and Europe and the absence of a strong recovery from the economic downturn caused by restrictions on activities in China, persistently high resource and energy prices and rising prices caused by the prolonged conflict between Russia and Ukraine mean that the future remains unclear.

In the chemical industry, after rapid yen depreciation mainly due to interest rate hikes in the US and Europe in the forex market, a shift was seen toward yen appreciation due to concern over the economic slowdown in the US and revisions to the BOJ's monetary easing policy. Oil prices have been 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 11.0% year on year to ¥134,183 million as sales prices were revised in response to rising raw materials prices. In terms of profit, operating profit was ¥6,656 million (a decrease of 30.7% year on year) due to reduced sales quantities and increased selling, general and administrative expenses. Ordinary profit was ¥8,899 million (a decrease of 21.8% year on year), and profit attributable to owners of parent was ¥6,284 million (a decrease of 16.2% year on year).

1) Business performance

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022	Change		FY2021
			(Amount)	(Change)	
Net sales	120,846	134,183	13,337	11.0%	162,526
Operating profit	9,600	6,656	(2,943)	(30.7)%	11,868
Ordinary profit	11,373	8,899	(2,474)	(21.8)%	12,771
Profit attributable to owners of parent	7,502	6,284	(1,218)	(16.2)%	6,699
Basic earnings per share	¥340.18	¥284.77	¥(55.41)	(16.3)%	¥303.76
ROA (Return on assets*)	7.6%	5.7%	—	(1.9) percentage point	6.5%
ROE (Return on equity)	7.0%	5.7%	—	(1.3) percentage point	4.7%
Currency exchange (US\$, CNY)	US\$=¥111.14 CNY=¥17.26	US\$=¥136.52 CNY=¥19.88		¥25.38 ¥2.62	US\$=¥112.40 CNY=¥17.52
Naphtha price in Japan	¥54,000/kl	¥79,800/kl		¥25,800/kl	¥56,600/kl

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

Note: ROA and ROE for the nine months ended December 31, 2021 and 2022 are annualized.

2) Business performance by segment

(Millions of yen)

	Nine months ended December 31, 2021		Nine months ended December 31, 2022		Change		FY2021	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Toiletries and Health Care	41,125	1,547	44,544	347	3,418	(1,200)	54,922	1,966
Petroleum and Automotives	31,165	3,055	36,444	2,385	5,279	(670)	42,540	3,759
Plastics and Textiles	19,478	3,040	21,493	2,277	2,014	(763)	25,466	3,713
Information and Electrics/Electronics	15,245	1,899	17,314	1,783	2,068	(116)	20,989	2,511
Environmental Protection, Construction and Others	13,830	1,250	14,388	1,004	557	(245)	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 nine months ended December 31, 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 slightly with price revision driven by surging raw materials prices at all locations.

As a result, total net sales in this segment increased by 8.3% year on year, to ¥44,544 million. Operating profit was ¥347 million (a decrease of 77.5% year on year) due to reduced sales quantities of superabsorbent polymers.

<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 16.9% year on year, to ¥36,444 million. Operating profit was ¥2,385 million (a decrease of 21.9% year on year).

<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 10.3% year on year, to ¥21,493 million. Operating profit was ¥2,277 million (a decrease of 25.1% year on year).

<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 increased sales for the photosensitized materials used as raw materials in cutting-edge resists and a large increase in sales of electrolytes for aluminum electrolytic capacitors, despite a decline in demand for the raw materials used in general-purpose resists with the slowdown in the semiconductor market.

As a result, total net sales in this segment increased by 13.6% year on year, to ¥17,314 million. Operating profit was ¥1,783 million (a decrease of 6.1% year on year).

<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 flat as a whole. 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 a decrease in 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 4.0% year on year, to ¥14,388 million. Operating profit was ¥1,004 million (a decrease of 19.6% year on year).

(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 ¥15,207 million compared with the end of the previous fiscal year, amounting to ¥215,401 million.

Net assets increased by ¥2,795 million from the end of the previous fiscal year, to ¥149,828 million.

Equity ratio fell by 3.9 percentage points from the end of the previous fiscal year, to 68.3%.

Cash and cash equivalents ("cash") as of the end of the period under review amounted to ¥19,276 million. This marked an increase of ¥1,104 million compared with the end of the previous fiscal year (compared to a decrease of ¥3,492 million during the same period 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 ¥10,051 million (compared to ¥10,592 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 ¥8,970 million, depreciation of ¥7,623 million and the increase in trade payables of ¥9,391 million, which outweighed the cash outflow mainly from income taxes paid of ¥3,764 million, the increase in trade receivables of ¥5,631 million and the increase in inventories of ¥6,583 million.

Cash flows from investing activities

Net cash used in investing activities amounted to ¥9,068 million (compared to ¥9,159 million in net cash used during the same period of the previous fiscal year). This result was mainly due to a cash outlay of ¥7,272 million for purchase of non-current assets.

Cash flows from financing activities

Net cash used in financing activities amounted to ¥245 million (compared to ¥5,355 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 ¥3,738 million, repayments of long-term borrowings of ¥700 million, dividends paid to non-controlling interests of ¥225 million, which outweighed the cash inflow mainly from net increase in short-term borrowings of ¥4,567 million.

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

Although earnings for the period under review fell below the earnings forecasts announced on November 10, 2022, due to the future uncertainty of the foreign exchange market, the oil market, and the prolonged conflict between Russia and Ukraine, the impact of these factors on the Company's earnings are being carefully examined by the Company, and the Company has left its full-year consolidated earnings forecasts unchanged. If revisions to earnings forecasts become necessary, the Company will make a prompt announcement.

The rates of progress made during the period under review in comparison to the full-year consolidated earnings forecasts announced on November 10, 2022 are shown in the table below.

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Consolidated earnings forecasts (Millions of yen)	184,000	11,000	13,500	9,000
[Progress to forecasts (%)]	[72.9]	[60.5]	[65.9]	[69.8]
Results for the previous fiscal year (Fiscal year ended March 31, 2022) (Millions of yen)	162,526	11,868	12,771	6,699

* 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 December 31, 2022
Assets		
Current assets		
Cash and deposits	18,171	19,350
Notes and accounts receivable - trade	44,849	51,073
Electronically recorded monetary claims - operating	1,509	1,251
Merchandise and finished goods	16,561	22,019
Semi-finished goods	4,314	4,969
Work in process	596	86
Raw materials and supplies	6,115	7,328
Other	1,681	2,485
Allowance for doubtful accounts	(35)	(40)
Total current assets	93,764	108,522
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	18,066	19,270
Machinery, equipment and vehicles, net	27,898	28,476
Land	8,853	8,861
Construction in progress	3,635	1,087
Other, net	2,936	2,817
Total property, plant and equipment	61,389	60,514
Intangible assets		
Software	1,283	1,157
Other	3,965	6,118
Total intangible assets	5,248	7,276
Investments and other assets		
Investment securities	29,274	28,352
Long-term loans receivable	4,012	4,228
Deferred tax assets	378	413
Retirement benefit asset	2,337	2,383
Other	3,819	3,742
Allowance for doubtful accounts	(30)	(32)
Total investments and other assets	39,791	39,088
Total non-current assets	106,429	106,879
Total assets	200,194	215,401

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	20,575	27,041
Electronically recorded obligations - operating	4,539	7,908
Short-term borrowings	6,887	11,864
Current portion of long-term borrowings	850	300
Accrued expenses	4,247	4,326
Income taxes payable	1,892	682
Provision for bonuses	2,117	1,302
Provision for bonuses for directors (and other officers)	121	85
Electronically recorded obligations - non-operating	945	774
Provision for loss on factory closing	12	—
Other	5,713	6,682
Total current liabilities	47,904	60,967
Non-current liabilities		
Long-term borrowings	150	—
Deferred tax liabilities	3,350	3,021
Provision for stock-based compensation	376	358
Retirement benefit liability	38	51
Other	1,341	1,173
Total non-current liabilities	5,257	4,605
Total liabilities	53,161	65,573
Net assets		
Shareholders' equity		
Share capital	13,051	13,051
Capital surplus	13,243	13,243
Retained earnings	109,713	112,362
Treasury shares	(5,781)	(5,703)
Total shareholders' equity	130,226	132,954
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,623	9,425
Foreign currency translation adjustment	4,093	4,138
Remeasurements of defined benefit plans	537	535
Total accumulated other comprehensive income	14,253	14,099
Non-controlling interests	2,552	2,774
Total net assets	147,032	149,828
Total liabilities and net assets	200,194	215,401

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

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	120,846	134,183
Cost of sales	94,260	109,121
Gross profit	26,585	25,062
Selling, general and administrative expenses	16,985	18,405
Operating profit	9,600	6,656
Non-operating income		
Interest income	110	134
Dividend income	664	737
Rental income from real estate	98	100
Foreign exchange gains	590	1,090
Share of profit of entities accounted for using equity method	413	476
Other	168	147
Total non-operating income	2,045	2,687
Non-operating expenses		
Interest expenses	36	84
Rental costs on real estate	41	53
Loss on abandonment of inventories	71	169
Other	122	137
Total non-operating expenses	272	445
Ordinary profit	11,373	8,899
Extraordinary income		
Gain on sale of investment securities	13	955
Insurance claim income	14	14
Total extraordinary income	28	969
Extraordinary losses		
Loss on retirement of non-current assets	621	770
Loss on valuation of investment securities	—	106
Other	—	21
Total extraordinary losses	621	898
Profit before income taxes	10,780	8,970
Income taxes	2,915	2,266
Profit	7,864	6,704
Profit attributable to non-controlling interests	362	420
Profit attributable to owners of parent	7,502	6,284

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	7,864	6,704
Other comprehensive income		
Valuation difference on available-for-sale securities	(959)	(197)
Foreign currency translation adjustment	984	52
Remeasurements of defined benefit plans, net of tax	40	(1)
Total other comprehensive income	65	(146)
Comprehensive income	7,929	6,557
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,591	6,111
Comprehensive income attributable to non-controlling interests	337	446

(3) Consolidated statements of cash flows

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Cash flows from operating activities		
Profit before income taxes	10,780	8,970
Depreciation	7,185	7,623
Loss on retirement of non-current assets	621	770
Increase (decrease) in provision for bonuses	(942)	(817)
Increase (decrease) in retirement benefit asset and liability	4	(43)
Increase (decrease) in provision for bonuses for directors (and other officers)	(9)	(36)
Increase (decrease) in provision for stock-based compensation	106	63
Interest and dividend income	(775)	(872)
Interest expenses	36	84
Share of loss (profit) of entities accounted for using equity method	(413)	(476)
Loss (gain) on sale of investment securities	(13)	(955)
Loss (gain) on valuation of investment securities	–	106
Decrease (increase) in trade receivables	(6,483)	(5,631)
Decrease (increase) in inventories	(5,434)	(6,583)
Increase (decrease) in trade payables	9,488	9,391
Other, net	(1,524)	158
Subtotal	12,627	11,752
Interest and dividends received	784	2,151
Interest paid	(36)	(88)
Income taxes paid	(2,783)	(3,764)
Net cash provided by (used in) operating activities	10,592	10,051
Cash flows from investing activities		
Purchase of non-current assets	(6,720)	(7,272)
Purchase of investment securities	(880)	(118)
Proceeds from sale of investment securities	21	971
Long-term loan advances	(1,027)	(608)
Proceeds from collection of long-term loans receivable	371	340
Other, net	(923)	(2,380)
Net cash provided by (used in) investing activities	(9,159)	(9,068)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(494)	4,567
Repayments of long-term borrowings	(700)	(700)
Net decrease (increase) in treasury shares	(3)	(2)
Dividends paid	(3,628)	(3,738)
Dividends paid to non-controlling interests	(419)	(225)
Other, net	(108)	(146)
Net cash provided by (used in) financing activities	(5,355)	(245)
Effect of exchange rate change on cash and cash equivalents	430	32
Net increase (decrease) in cash and cash equivalents	(3,492)	770
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	20,155	19,276

(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 third 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 Nine months ended December 31, 2021 (April 1, 2021 to December 31, 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	41,125	31,165	19,478	15,245	13,830	120,846	–	120,846
Intersegment sales/transfers	–	–	–	–	51	51	(51)	–
Total	41,125	31,165	19,478	15,245	13,882	120,897	(51)	120,846
Segment profit	1,547	3,055	3,040	1,899	1,250	10,794	(1,194)	9,600

Notes: 1. Company-wide expenses of ¥1,194 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 Nine months ended December 31, 2022 (April 1, 2022 to December 31, 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	44,544	36,444	21,493	17,314	14,388	134,183	–	134,183
Intersegment sales/transfers	–	–	–	–	97	97	(97)	–
Total	44,544	36,444	21,493	17,314	14,485	134,281	(97)	134,183
Segment profit	347	2,385	2,277	1,783	1,004	7,798	(1,141)	6,656

Notes: 1. Company-wide expenses of ¥1,141 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 ¥252 million for the Toiletries and Health Care segment, by ¥272 million for the Petroleum and Automotives segment, by ¥273 million for the Plastics and Textiles segment, by ¥205 million for the Information and Electrics/Electronics segment, and by ¥137 million for the Environmental Protection, Construction and Others segment, and the adjustment for segment profit decreased by ¥1,141 million.

Furthermore, provided segment information for the nine months ended December 31, 2021 was created using the allocation method following the change.

<Reference>

[Information by geographic segment]

Nine months ended December 31, 2021 (April 1, 2021 to December 31, 2021)

(Millions of yen)

	Japan	USA	China	Other	Total	Elimination or common assets	Consolidated total
Net sales							
(1) Sales to external customers	89,935	5,070	17,875	7,964	120,846	–	120,846
(2) Intersegment sales/transfers	6,117	3	888	258	7,267	(7,267)	–
Total	96,052	5,074	18,764	8,222	128,113	(7,267)	120,846
Operating profit (loss)	9,385	162	587	(554)	9,581	18	9,600

Nine months ended December 31, 2022 (April 1, 2022 to December 31, 2022)

(Millions of yen)

	Japan	USA	China	Other	Total	Elimination or common assets	Consolidated total
Net sales							
(1) Sales to external customers	97,082	7,114	17,710	12,276	134,183	–	134,183
(2) Intersegment sales/transfers	7,137	45	1,270	961	9,415	(9,415)	–
Total	104,220	7,159	18,980	13,238	143,599	(9,415)	134,183
Operating profit (loss)	5,725	219	243	497	6,686	(29)	6,656

[Overseas net sales]

Nine months ended December 31, 2021 (April 1, 2021 to December 31, 2021)

(Millions of yen)

	Asia	[Of which, China]	Americas	Other	Total
I. Overseas net sales	42,546	[25,931]	5,901	3,281	51,729
II. Consolidated net sales	–	[–]	–	–	120,846
III. Percentage of overseas net sales to consolidated net sales (%)	35.2	[21.5]	4.9	2.7	42.8

Nine months ended December 31, 2022 (April 1, 2022 to December 31, 2022)

(Millions of yen)

	Asia	[Of which, China]	Americas	Other	Total
I. Overseas net sales	45,546	[25,129]	8,310	4,542	58,398
II. Consolidated net sales	–	[–]	–	–	134,183
III. Percentage of overseas net sales to consolidated net sales (%)	33.9	[18.7]	6.2	3.4	43.5

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	3Q	Change (%)	
	April 2022 to June 2022	July 2022 to September 2022	October 2022 to December 2022	The same period of the previous fiscal year	The previous period
				October 2021 to December 2021	July 2021 to September 2021
Net sales	44,336	44,103	45,744	5.6	3.7
Operating profit	1,956	1,976	2,724	(26.0)	37.9
Ordinary profit	4,259	3,108	1,531	(66.1)	(50.7)
Profit attributable to owners of parent	2,536	2,182	1,564	(49.3)	(28.3)
Comprehensive income	3,986	2,341	230	(93.7)	(90.1)