

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

## Consolidated Financial Results for the Three Months Ended June 30, 2023 (under Japanese GAAP)

August 4, 2023

Company name: **Sanyo Chemical Industries, Ltd.**  
 Listing: Tokyo Stock Exchange  
 Securities code: 4471  
 URL: <https://www.sanyo-chemical.co.jp/>  
 Representative: Akinori Higuchi, President & CEO  
 Inquiries: Kenichi Nishimura, Director & Executive Officer, General Manager of Administrative Affairs Division  
 TEL: +81-75-541-4312  
 Scheduled date to file quarterly securities report: August 9, 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 three months of the fiscal year ending March 31, 2024 (from April 1, 2023 to June 30, 2023)

(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	%
Three months ended June 30, 2023	38,914	(12.2)	704	(63.1)	2,842	(33.3)	2,960	16.7
June 30, 2022	44,336	16.5	1,910	(37.9)	4,259	18.9	2,536	15.6

Note: Comprehensive income: Three months ended June 30, 2023 ¥3,787 million [(5.0)%]  
 Three months ended June 30, 2022 ¥3,986 million [116.9%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	134.13	—
June 30, 2022	115.00	—

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2023	202,009	150,720	73.2	6,697.14
March 31, 2023	202,182	148,994	72.2	6,617.11

Reference: Equity: As of June 30, 2023 ¥147,833 million  
 As of March 31, 2023 ¥146,067 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, 2023	—	85.00	—	85.00	170.00
Fiscal year ending March 31, 2024	—				
Fiscal year ending March 31, 2024 (Forecast)		85.00	—	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, 2024 (from April 1, 2023 to March 31, 2024)

(% 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, 2023	79,000	(10.7)	1,200	(68.5)	3,500	(52.5)	3,000	(36.4)	135.91
Fiscal year ending March 31, 2024	160,000	(8.6)	5,000	(38.5)	6,000	(39.5)	4,000	(29.6)	181.21

Note: Revisions of the latest forecasts for earnings announced: Yes

\* For revisions of earnings forecasts, please see the “Notice of Revision of Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2024” released today (August 4, 2023).

**\* Notes**

- (1) Significant changes in subsidiaries during the three months ended June 30, 2023 (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 June 30, 2023	23,534,752 shares
As of March 31, 2023	23,534,752 shares

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

As of June 30, 2023	1,460,630 shares
As of March 31, 2023	1,460,503 shares

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

For the three months ended June 30, 2023	22,074,202 shares
For the three months ended June 30, 2022	22,059,325 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 three months ended June 30, 2023, (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.

Attached Material Index

<b>1. Qualitative information regarding financial results for the three months ended June 30, 2023 .....</b>	<b>2</b>
(1) Information regarding operating results.....	2
(2) Analysis of financial position .....	4
(3) Information concerning future forecast such as consolidated earnings forecasts .....	5
<b>2. Quarterly consolidated financial statements and significant notes thereto .....</b>	<b>6</b>
(1) Consolidated balance sheets .....	6
(2) Consolidated statements of income and consolidated statements of comprehensive income .....	8
Consolidated statements of income (cumulative) .....	8
Consolidated statements of comprehensive income (cumulative) .....	9
(3) Consolidated statements of cash flows .....	10
(4) Notes to quarterly consolidated financial statements.....	11
Notes to going concern assumptions .....	11
Additional information .....	11
Notes on significant changes in the amount of shareholders' equity .....	11
Application of special accounting methods for the preparation of quarterly consolidated financial statements .....	11
Segment information .....	12
<b>3. Supplementary information.....</b>	<b>14</b>

## 1. Qualitative information regarding financial results for the three months ended June 30, 2023

### (1) Information regarding operating results

During the first three months (April 1, 2023 to June 30, 2023) of the fiscal year ending March 31, 2024, Japanese economy continued to normalize with the reclassification of COVID-19 as Category V Infectious Diseases under the Infectious Diseases Control Law, and saw a recovery in individual consumption and exports. However, conditions remained challenging due to factors such as cyclical declines in semiconductor demand and a diminished capital investment appetite around the world. The global economy is in an uncertain situation, with the trend of an economic slowdown in the U.S. and Europe through monetary tightening, China's lack of strength in its economic recovery, and resource and energy prices remaining high and inflationary due to the prolonged situation in Russia and Ukraine, and other aspects.

In the chemical industry, the forex market saw a trend of yen depreciation due to long-term fiscal tightening in the U.S. and Europe. Oil prices involve 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 decreased by 12.2% year on year to ¥38,914 million, primarily due to a decrease in sales volume. In terms of profit, operating profit was ¥704 million (a decrease of 63.1% year on year), primarily due to a decrease in sales volume. Ordinary profit was ¥2,842 million (a decrease of 33.3% year on year), and profit attributable to owners of parent was ¥2,960 million (an increase of 16.7% year on year), primarily due to recording of gain on sale of investment securities.

### 1) Business performance

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023	Change		FY2022
			(Amount)	(Change)	
Net sales	44,336	38,914	(5,421)	(12.2)%	174,973
Operating profit	1,910	704	(1,205)	(63.1)%	8,123
Ordinary profit	4,259	2,842	(1,417)	(33.3)%	9,918
Profit attributable to owners of parent	2,536	2,960	423	16.7%	5,684
Basic earnings per share	¥115.00	¥134.13	¥19.13	16.6%	¥257.57
ROA (Return on assets*)	8.3%	5.6%	—	(2.7) percentage point	4.9%
ROE (Return on equity)	7.0%	8.1%	—	1.1 percentage point	3.9%
Currency exchange (US\$, CNY)	US\$=¥129.73 CNY=¥19.60	US\$=¥137.50 CNY=¥19.57		¥7.77 ¥(0.03)	US\$=¥135.51 CNY=¥19.75
Naphtha price in Japan	¥86,200/kl	¥67,600/kl		¥(18,600)/kl	¥76,600/kl

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

Note: ROA and ROE for the three months ended June 30, 2022 and 2023 are annualized.

## 2) Business performance by segment

(Millions of yen)

	Three months ended June 30, 2022		Three months ended June 30, 2023		Change		FY2022	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Toiletries and Health Care	15,124	106	11,278	(586)	(3,845)	(693)	57,068	23
Petroleum and Automotives	11,526	650	11,862	392	335	(258)	48,279	2,936
Plastics and Textiles	7,126	790	6,287	591	(839)	(198)	28,177	2,783
Information and Electrics/Electronics	5,938	617	5,864	523	(73)	(93)	23,163	2,507
Environmental Protection, Construction and Others	4,620	116	3,622	130	(998)	14	18,284	1,373

### <Toiletries and Health Care>

In the Toiletries segment, while sales of surfactants for hair care products remained steady, both the domestic and global markets for polyethyleneglycol were sluggish and demand fell significantly, causing a decline in sales.

In the Health Care segment, sales of superabsorbent polymers decreased in volume in the entire Asia, including Japan and China, and despite the revision of selling prices in response to rising raw material and utility prices, sales declined significantly.

As a result, total net sales in this segment decreased by 25.4% year on year, to ¥11,278 million. Operating loss was ¥586 million (compared to operating profit of ¥106 million during the same period of the previous fiscal year).

### <Petroleum and Automotives>

In the Petroleum and Automotives segment, sales were flat due to sluggish demand for lubricant additives, despite a recovery in domestic sales of raw materials for polyurethane foams used in automobile seats and other applications, and for thermoplastic polyurethane beads for interior parts of automobiles.

As a result, total net sales in this segment increased by 2.9% year on year, to ¥11,862 million. Operating profit was ¥392 million (a decrease of 39.6% year on year).

### <Plastics and Textiles>

In the Plastics segment, sales fell due to weak sales of permanent antistatic agents as a result of sluggish demand for electronic components, along with a decrease in Chinese demand for paint coating agents and additives.

In the Textiles segment, sales were weak due to a decrease in demand for spin finish oil used in the manufacturing process of tire cord yarns and other items, despite a steady increase in sales of chemicals for carbon fibers.

As a result, total net sales in this segment decreased by 11.8% year on year, to ¥6,287 million. Operating profit was ¥591 million (a decrease of 25.1% year on year).

### <Information and Electrics/Electronics>

In the Information segment, sales rose due to price revisions caused by soaring raw material prices and other factors, in spite of a decline in demand for toner-related materials.

In the Electrics/Electronics segment, since the semiconductor market slowed down, sales of related materials fell. Sales of electrolytes for aluminum electrolytic capacitors were also weak, resulting in an overall decline in sales.

As a result, total net sales in this segment decreased by 1.2% year on year, to ¥5,864 million. Operating profit was ¥523 million (a decrease of 15.1% year on year).

### <Environmental Protection, Construction and Others>

In the Environmental Protection segment, sales were weak due to sluggish demand for cationic monomer for polymer flocculants.

In the Construction segment, sales declined for raw materials for polyurethane foams mainly used in furniture and heat insulating materials and for raw materials for building sealants due to a lull in demand for stay-at-home.

As a result, total net sales in this segment decreased by 21.6% year on year, to ¥3,622 million. Operating profit was ¥130 million (an increase of 12.2% 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 decreased by ¥172 million compared with the end of the previous fiscal year, amounting to ¥202,009 million.

Net assets increased by ¥1,725 million from the end of the previous fiscal year, to ¥150,720 million. Equity ratio rose by 1.0 percentage points from the end of the previous fiscal year, to 73.2%.

Cash and cash equivalents ("cash") as of the end of the period under review amounted to ¥17,653 million. This marked an increase of ¥610 million compared with the end of the previous fiscal year (cash increased by ¥1,515 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 ¥2,769 million (compared to ¥5,306 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 ¥4,333 million, depreciation of ¥2,675 million and the decrease in trade receivable of ¥1,459 million, which outweighed the cash outflow mainly from the decrease in trade payable of ¥902 million and income taxes paid of ¥1,286 million.

*Cash flows from investing activities*

Net cash used in investing activities amounted to ¥732 million (compared to ¥2,964 million in net cash used during the same period of the previous fiscal year). This result was mainly due to the cash outflow from purchase of non-current assets of ¥1,718 million and other, net of ¥851 million, which outweighed the cash inflow mainly from proceeds from sale of investment securities of ¥1,764 million.

*Cash flows from financing activities*

Net cash used in financing activities amounted to ¥1,777 million (compared to ¥1,751 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 ¥1,852 million.

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

Given the business conditions of the period under review, consolidated earnings are expected to fall below the earnings forecasts announced on May 12, 2023, the Company has revised its full-year consolidated earnings forecasts as indicated below.

(Six months ended September 30, 2023)

	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
Previously announced forecast (May 12) (A)	88,000	4,500	5,000	3,000	135.90
Revised forecast (B)	79,000	1,200	3,500	3,000	135.91
Amount of change (B-A)	(9,000)	(3,300)	(1,500)	—	
Percentage change (%)	[(10.2)]	[(73.3)]	[(30.0)]	—	
Results for the same period of the previous fiscal year	88,439	3,807	7,368	4,719	213.90

(Full year)

	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
Previously announced forecast (May 12) (A)	180,000	10,000	11,000	6,500	294.46
Revised forecast (B)	160,000	5,000	6,000	4,000	181.21
Amount of change (B-A)	(20,000)	(5,000)	(5,000)	(2,500)	
Percentage change (%)	[(11.1)]	[(50.0)]	[(45.5)]	[(38.5)]	
Results for the previous fiscal year (FY2022)	174,973	8,123	9,918	5,684	257.57

\* 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, 2023	As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	17,114	17,731
Notes and accounts receivable - trade	45,326	44,346
Electronically recorded monetary claims - operating	917	701
Merchandise and finished goods	20,123	18,913
Semi-finished goods	4,986	5,503
Work in process	5	365
Raw materials and supplies	7,233	7,120
Other	2,080	2,148
Allowance for doubtful accounts	(464)	(469)
Total current assets	97,324	96,359
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,306	19,330
Machinery, equipment and vehicles, net	27,144	26,696
Land	8,879	8,890
Construction in progress	1,435	1,373
Other, net	3,024	2,959
Total property, plant and equipment	59,791	59,250
Intangible assets		
Software	1,170	6,883
Other	6,707	1,639
Total intangible assets	7,877	8,522
Investments and other assets		
Investment securities	27,575	27,935
Long-term loans receivable	4,145	4,374
Deferred tax assets	350	390
Retirement benefit asset	2,085	2,097
Other	3,064	3,112
Allowance for doubtful accounts	(32)	(32)
Total investments and other assets	37,188	37,877
Total non-current assets	104,857	105,649
Total assets	202,182	202,009

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	20,555	20,515
Electronically recorded obligations - operating	4,535	3,714
Short-term borrowings	7,847	8,223
Current portion of long-term borrowings	474	486
Accounts payable - other	5,828	4,576
Income taxes payable	1,321	1,060
Provision for bonuses	1,813	942
Provision for bonuses for directors (and other officers)	88	26
Electronically recorded obligations - non-operating	732	1,019
Other	3,737	4,358
Total current liabilities	46,938	44,924
Non-current liabilities		
Long-term borrowings	1,909	1,977
Deferred tax liabilities	2,772	2,899
Provision for stock-based compensation	391	360
Retirement benefit liability	53	56
Other	1,123	1,070
Total non-current liabilities	6,249	6,364
Total liabilities	53,187	51,289
<b>Net assets</b>		
Shareholders' equity		
Share capital	13,051	13,051
Capital surplus	13,270	13,270
Retained earnings	111,762	112,837
Treasury shares	(5,730)	(5,731)
Total shareholders' equity	132,353	133,427
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,816	9,016
Foreign currency translation adjustment	4,579	5,083
Remeasurements of defined benefit plans	317	305
Total accumulated other comprehensive income	13,714	14,405
Non-controlling interests	2,927	2,887
Total net assets	148,994	150,720
Total liabilities and net assets	202,182	202,009

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

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	44,336	38,914
Cost of sales	36,262	32,193
Gross profit	8,074	6,721
Selling, general and administrative expenses	6,163	6,016
Operating profit	1,910	704
Non-operating income		
Interest income	44	42
Dividend income	322	443
Rental income from real estate	33	34
Foreign exchange gains	1,761	1,672
Share of profit of entities accounted for using equity method	219	28
Other	64	32
Total non-operating income	2,446	2,254
Non-operating expenses		
Interest expenses	18	38
Rental costs on real estate	17	17
Other	61	61
Total non-operating expenses	96	116
Ordinary profit	4,259	2,842
Extraordinary income		
Gain on sale of investment securities	–	1,735
Insurance claim income	3	–
Total extraordinary income	3	1,735
Extraordinary losses		
Loss on retirement of non-current assets	370	244
Total extraordinary losses	370	244
Profit before income taxes	3,892	4,333
Income taxes	1,209	1,270
Profit	2,683	3,062
Profit attributable to non-controlling interests	146	101
Profit attributable to owners of parent	2,536	2,960

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	2,683	3,062
Other comprehensive income		
Valuation difference on available-for-sale securities	109	200
Foreign currency translation adjustment	1,193	537
Remeasurements of defined benefit plans, net of tax	(0)	(12)
Total other comprehensive income	1,303	724
Comprehensive income	3,986	3,787
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,796	3,652
Comprehensive income attributable to non-controlling interests	189	134

## (3) Consolidated statements of cash flows

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Cash flows from operating activities		
Profit before income taxes	3,892	4,333
Depreciation	2,464	2,675
Loss on retirement of non-current assets	370	244
Increase (decrease) in provision for bonuses	(1,001)	(877)
Increase (decrease) in retirement benefit asset and liability	(16)	(28)
Increase (decrease) in provision for bonuses for directors (and other officers)	(93)	(62)
Increase (decrease) in provision for stock-based compensation	(53)	(31)
Interest and dividend income	(367)	(486)
Interest expenses	18	38
Share of loss (profit) of entities accounted for using equity method	(219)	(28)
Loss (gain) on sale of investment securities	—	(1,735)
Decrease (increase) in trade receivables	(1,023)	1,459
Decrease (increase) in inventories	(1,837)	873
Increase (decrease) in trade payables	4,776	(902)
Other, net	(359)	(2,082)
Subtotal	6,551	3,388
Interest and dividends received	675	706
Interest paid	(18)	(39)
Income taxes paid	(1,902)	(1,286)
Net cash provided by (used in) operating activities	5,306	2,769
Cash flows from investing activities		
Purchase of non-current assets	(2,023)	(1,718)
Proceeds from sale of investment securities	—	1,764
Purchase of investment securities	(98)	—
Proceeds from collection of long-term loans receivable	0	73
Long-term loan advances	(111)	—
Other, net	(731)	(851)
Net cash provided by (used in) investing activities	(2,964)	(732)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	247	302
Net decrease (increase) in treasury shares	(0)	(0)
Dividends paid	(1,853)	(1,852)
Dividends paid to non-controlling interests	(100)	(175)
Other, net	(44)	(51)
Net cash provided by (used in) financing activities	(1,751)	(1,777)
Effect of exchange rate change on cash and cash equivalents	589	350
Net increase (decrease) in cash and cash equivalents	1,181	610
Cash and cash equivalents at beginning of period	18,171	17,042
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	333	—
Cash and cash equivalents at end of period	19,687	17,653

(4) Notes to quarterly consolidated financial statements

*Notes to going concern assumptions*

None

*Additional information*

*Changes in the presentation method*

“Loss on abandonment of inventories,” which was presented separately under “Non-operating expenses” in the quarterly consolidated statements of income, is included in “Cost of sales” from the first quarter of the fiscal year under review.

This is due to revisions in the method to evaluate the performance of individual business segments in conjunction with changes to the core system.

To reflect these changes in the presentation method, ¥46 million of “Loss on abandonment of inventories” under “Non-operating expenses” of the quarterly consolidated statements of income for the three months ended June 30, 2022 has been reclassified as “Cost of sales.”

*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 first 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 Three months ended June 30, 2022 (April 1, 2022 to June 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	15,124	11,526	7,126	5,938	4,620	44,336	–	44,336
Intersegment sales/transfers	–	–	–	–	27	27	(27)	–
Total	15,124	11,526	7,126	5,938	4,648	44,364	(27)	44,336
Segment profit (loss)	106	650	790	617	116	2,281	(371)	1,910

Notes: 1. Company-wide expenses of ¥371 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 Three months ended June 30, 2023 (April 1, 2023 to June 30, 2023)

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	11,278	11,862	6,287	5,864	3,622	38,914	–	38,914
Intersegment sales/transfers	–	–	–	–	25	25	(25)	–
Total	11,278	11,862	6,287	5,864	3,647	38,940	(25)	38,914
Segment profit (loss)	(586)	392	591	523	130	1,052	(348)	704

Notes: 1. Company-wide expenses of ¥348 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

The presentation method has been changed starting with the first quarter under review.

The contents of the said changes in the presentation method are indicated in “2. Quarterly consolidated financial statements and significant notes thereto, (4) Notes to quarterly consolidated financial statements, *Additional information*.”

Furthermore, provided segment information for the three months ended June 30, 2022 was created using adjusted figures.

<Reference>

[Information by geographic segment]

Three months ended June 30, 2022 (April 1, 2022 to June 30, 2022)

(Millions of yen)

	Japan	USA	China	Other	Total	Elimination or common assets	Consolidated total
Net sales							
(1) Sales to external customers	31,156	2,387	6,731	4,060	44,336	—	44,336
(2) Intersegment sales/transfers	2,586	19	401	222	3,230	(3,230)	—
Total	33,742	2,407	7,133	4,282	47,566	(3,230)	44,336
Operating profit (loss)	1,466	14	299	107	1,887	22	1,910

Three months ended June 30, 2023 (April 1, 2023 to June 30, 2023)

(Millions of yen)

	Japan	USA	China	Other	Total	Elimination or common assets	Consolidated total
Net sales							
(1) Sales to external customers	28,363	2,498	5,431	2,620	38,914	—	38,914
(2) Intersegment sales/transfers	2,272	—	597	165	3,035	(3,035)	—
Total	30,636	2,498	6,028	2,786	41,950	(3,035)	38,914
Operating profit (loss)	834	(28)	(3)	(190)	612	92	704

[Overseas net sales]

Three months ended June 30, 2022 (April 1, 2022 to June 30, 2022)

(Millions of yen)

	Asia	[Of which, China]	Americas	Other	Total
I. Overseas net sales	16,283	[9,586]	2,919	1,507	20,710
II. Consolidated net sales	—	[—]	—	—	44,336
III. Percentage of overseas net sales to consolidated net sales (%)	36.7	[21.6]	6.6	3.4	46.7

Three months ended June 30, 2023 (April 1, 2023 to June 30, 2023)

(Millions of yen)

	Asia	[Of which, China]	Americas	Other	Total
I. Overseas net sales	12,939	[6,984]	2,822	987	16,749
II. Consolidated net sales	—	[—]	—	—	38,914
III. Percentage of overseas net sales to consolidated net sales (%)	33.2	[17.9]	7.3	2.5	43.0

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 outside Japan

(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, 2023

(Millions of yen)

	1Q	2Q	3Q	4Q	Total
	April 2022 to June 2022	July 2022 to September 2022	October 2022 to December 2022	January 2023 to March 2023	Fiscal year ended March 31, 2023
Net sales	44,336	44,103	45,744	40,789	174,973
Operating profit	1,910	1,897	2,679	1,636	8,123
Ordinary profit	4,259	3,108	1,531	1,019	9,918
Profit attributable to owners of parent	2,536	2,182	1,564	(599)	5,684
Comprehensive income	3,986	2,341	230	(832)	5,725

Fiscal year ending March 31, 2024

(Millions of yen)

	1Q	Change (%)	
	April 2023 to June 2023	The same period of the previous fiscal year	The previous period
		April 2022 to June 2022	January 2023 to March 2023
Net sales	38,914	(12.2)	(4.6)
Operating profit	704	(63.1)	(56.9)
Ordinary profit	2,842	(33.3)	178.9
Profit attributable to owners of parent	2,960	16.7	—
Comprehensive income	3,787	(5.0)	—