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Consolidated Financial Results for the Six Months Ended September 30, 2023 (under Japanese GAAP)

November 10, 2023

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 13, 2023
 Scheduled date to commence dividend payments: December 4, 2023
 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, 2024 (from April 1, 2023 to September 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	%
Six months ended September 30, 2023	79,278	(10.4)	2,020	(46.9)	4,947	(32.8)	4,398	(6.8)
September 30, 2022	88,439	14.1	3,807	(35.3)	7,368	7.4	4,719	6.8

Note: Comprehensive income: Six months ended September 30, 2023 ¥6,616 million [4.6%]
 Six months ended September 30, 2022 ¥6,327 million [49.2%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	199.20	—
September 30, 2022	213.90	—

(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, 2023	209,144	153,606	72.0	6,817.81
March 31, 2023	202,182	148,994	72.2	6,617.11

Reference: Equity: As of September 30, 2023 ¥150,579 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	—	85.00			
Fiscal year ending March 31, 2024 (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, 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
Fiscal year ending March 31, 2024	160,000	(8.6)	5,000	(38.5)	6,500	(34.5)	5,000	(12.0)	226.43

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

*** Notes**

- (1) Significant changes in subsidiaries during the six months ended September 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 10, “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, 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 September 30, 2023	1,448,578 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 six months ended September 30, 2023	22,078,122 shares
For the six months ended September 30, 2022	22,064,368 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 4, “1. Qualitative information regarding financial results for the six months ended September 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.

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1. Qualitative information regarding financial results for the six months ended September 30, 2023

(1) Financial position and operating results

During the first six months (April 1, 2023 to September 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. In the global economy, amid continued monetary tightening and other factors, while the U.S. economy remained resilient, the European economy tended to slow down, and China's economic recovery has lagged due to factors such as sluggish exports and deteriorating real estate market conditions. In addition, resource and energy prices remained high and inflationary due to the prolonged situation in Russia and Ukraine, making the outlook uncertain.

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 involved mixed speculation over rising and falling prices from concerns over the global economic slowdown as well as supply concerns. Supply concerns have intensified and led to recent price spikes, meaning that the business environment remains unpredictable.

Under these circumstances, net sales for the period under review decreased by 10.4% year on year to ¥79,278 million, primarily due to a decrease in sales volume. In terms of profit, operating profit was ¥2,020 million (a decrease of 46.9% year on year), primarily due to a decrease in sales volume. Ordinary profit was ¥4,947 million (a decrease of 32.8% year on year), and profit attributable to owners of parent was ¥4,398 million (a decrease of 6.8% year on year), primarily due to recording of gain on sale of investment securities.

1) Business performance

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023	Change		FY2022
			(Amount)	(Change)	
Net sales	88,439	79,278	(9,161)	(10.4)%	174,973
Operating profit	3,807	2,020	(1,787)	(46.9)%	8,123
Ordinary profit	7,368	4,947	(2,420)	(32.8)%	9,918
Profit attributable to owners of parent	4,719	4,398	(321)	(6.8)%	5,684
Basic earnings per share	¥213.90	¥199.20	¥(14.70)	(6.9)%	¥257.57
ROA (Return on assets*)	7.2%	4.8%	—	(2.4) percentage point	4.9%
ROE (Return on equity)	6.4%	5.9%	—	(0.5) percentage point	3.9%
Currency exchange (US\$, CNY)	US\$=¥134.05 CNY=¥19.89	US\$=¥141.07 CNY=¥19.75		¥7.02 ¥(0.14)	US\$=¥135.51 CNY=¥19.75
Naphtha price in Japan	¥83,750/kl	¥65,400/kl		¥(18,350)/kl	¥76,600/kl

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

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

2) Business performance by segment

(Millions of yen)

	Six months ended September 30, 2022		Six months ended September 30, 2023		Change		FY2022	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Toiletries and Health Care	29,699	413	23,687	(973)	(6,012)	(1,386)	57,068	23
Petroleum and Automotives	23,913	1,304	24,818	1,075	905	(228)	48,279	2,936
Plastics and Textiles	14,145	1,383	12,222	1,139	(1,922)	(243)	28,177	2,783
Information and Electrics/Electronics	11,308	858	11,338	1,101	30	242	23,163	2,507
Environmental Protection, Construction and Others	9,373	623	7,211	338	(2,161)	(285)	18,284	1,373

<Toiletries and Health Care>

In the Toiletries segment, both the domestic and global markets for surfactants for liquid laundry detergents and polyethyleneglycol were sluggish and demand fell, causing a decline in sales.

In the Health Care segment, sales of superabsorbent polymers decreased in volume in Japan and Asia, and sales declined.

As a result, total net sales in this segment decreased by 20.2% year on year, to ¥23,687 million. Operating loss was ¥973 million (compared to operating profit of ¥413 million during the same period of the previous fiscal year).

<Petroleum and Automotives>

In the Petroleum and Automotives segment, sales remained steady. This was due to flat sales of lubricant additives and a significant increase in sales of raw materials for polyurethane foams used in automobile seats and other applications, despite weak sales of thermoplastic polyurethane beads for interior parts of automobiles due to sluggish market conditions in China.

As a result, total net sales in this segment increased by 3.8% year on year, to ¥24,818 million. Operating profit was ¥1,075 million (a decrease of 17.5% 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 sluggish sales of chemicals for carbon fibers both in Japan and overseas and a decrease in demand for spin finish oil used in the manufacturing process of tire cord yarns and other items.

As a result, total net sales in this segment decreased by 13.6% year on year, to ¥12,222 million. Operating profit was ¥1,139 million (a decrease of 17.6% 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 remained sluggish, 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 increased by 0.3% year on year, to ¥11,338 million. Operating profit was ¥1,101 million (an increase of 28.2% 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 23.1% year on year, to ¥7,211 million. Operating profit was ¥338 million (a decrease of 45.8% year on year).

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

Total assets increased by ¥6,961 million compared with the end of the previous fiscal year, amounting to ¥209,144 million.

Net assets increased by ¥4,611 million from the end of the previous fiscal year, to ¥153,606 million.

Equity ratio fell by 0.2 percentage points from the end of the previous fiscal year, to 72.0%.

(2) Cash flows

Cash and cash equivalents ("cash") as of the end of the period under review amounted to ¥21,739 million. This marked an increase of ¥4,696 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 ¥10,055 million (compared to ¥6,667 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 ¥6,551 million, depreciation of ¥5,404 million and the increase in trade payables of ¥4,048 million, which outweighed the cash outflow mainly from the increase in trade receivables of ¥1,470 million and income taxes paid of ¥1,299 million.

Cash flows from investing activities

Net cash used in investing activities amounted to ¥3,222 million (compared to ¥6,459 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 ¥3,630 million.

Cash flows from financing activities

Net cash used in financing activities amounted to ¥2,698 million (compared to ¥2,158 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 ¥1,879 million.

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

In terms of earnings for the period under review, operating profit, ordinary profit, and profit attributable to owners of parent exceeded the earnings forecasts announced on August 4, 2023 ("previously announced forecasts"). Regarding the full-year earnings forecasts, although the impact of foreign exchange rates and the outlook for the global economy remain uncertain, ordinary profit and profit attributable to owners of parent are expected to exceed the previously announced forecasts. Accordingly, on November 6, 2023, we released "Notice of Revision of Consolidated Earnings Forecasts for the First Half and Full Year of the Fiscal Year Ending March 31, 2024."

(Millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Half-year consolidated earnings forecasts	79,300	2,000	4,900	4,400
[Progress to forecasts (%)]	[100.0]	[101.0]	[101.0]	[100.0]
Full-year consolidated earnings forecasts	160,000	5,000	6,500	5,000
[Progress to forecasts (%)]	[49.5]	[40.4]	[76.1]	[88.0]

* 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 September 30, 2023
Assets		
Current assets		
Cash and deposits	17,114	21,817
Notes and accounts receivable - trade	45,326	47,157
Electronically recorded monetary claims - operating	917	989
Merchandise and finished goods	20,123	18,122
Semi-finished goods	4,986	5,592
Work in process	5	345
Raw materials and supplies	7,233	6,931
Other	2,080	2,469
Allowance for doubtful accounts	(464)	(464)
Total current assets	97,324	102,961
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,306	19,249
Machinery, equipment and vehicles, net	27,144	26,087
Land	8,879	8,898
Construction in progress	1,435	1,509
Other, net	3,024	2,905
Total property, plant and equipment	59,791	58,650
Intangible assets		
Software	1,170	6,921
Other	6,707	1,480
Total intangible assets	7,877	8,402
Investments and other assets		
Investment securities	27,575	29,042
Long-term loans receivable	4,145	4,493
Deferred tax assets	350	386
Retirement benefit asset	2,085	2,111
Other	3,064	3,129
Allowance for doubtful accounts	(32)	(32)
Total investments and other assets	37,188	39,130
Total non-current assets	104,857	106,182
Total assets	202,182	209,144

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	20,555	24,855
Electronically recorded obligations - operating	4,535	4,488
Short-term borrowings	7,847	7,517
Current portion of long-term borrowings	474	498
Accounts payable - other	5,828	3,930
Income taxes payable	1,321	1,852
Provision for bonuses	1,813	1,824
Provision for bonuses for directors (and other officers)	88	40
Electronically recorded obligations - non-operating	732	636
Other	3,737	3,446
Total current liabilities	46,938	49,091
Non-current liabilities		
Long-term borrowings	1,909	1,833
Deferred tax liabilities	2,772	3,090
Provision for stock-based compensation	391	383
Retirement benefit liability	53	58
Other	1,123	1,080
Total non-current liabilities	6,249	6,446
Total liabilities	53,187	55,538
Net assets		
Shareholders' equity		
Share capital	13,051	13,051
Capital surplus	13,270	13,270
Retained earnings	111,762	114,274
Treasury shares	(5,730)	(5,674)
Total shareholders' equity	132,353	134,921
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,816	9,866
Foreign currency translation adjustment	4,579	5,496
Remeasurements of defined benefit plans	317	293
Total accumulated other comprehensive income	13,714	15,657
Non-controlling interests	2,927	3,026
Total net assets	148,994	153,606
Total liabilities and net assets	202,182	209,144

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

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	88,439	79,278
Cost of sales	72,362	65,059
Gross profit	16,076	14,219
Selling, general and administrative expenses	12,269	12,199
Operating profit	3,807	2,020
Non-operating income		
Interest income	89	84
Dividend income	394	469
Rental income from real estate	66	70
Foreign exchange gains	2,622	2,327
Share of profit of entities accounted for using equity method	488	–
Other	88	362
Total non-operating income	3,750	3,314
Non-operating expenses		
Interest expenses	54	74
Rental costs on real estate	35	35
Share of loss of entities accounted for using equity method	–	113
Other	99	163
Total non-operating expenses	190	386
Ordinary profit	7,368	4,947
Extraordinary income		
Gain on sale of investment securities	–	2,030
Insurance claim income	13	–
Total extraordinary income	13	2,030
Extraordinary losses		
Loss on retirement of non-current assets	592	426
Loss on valuation of investment securities	103	–
Total extraordinary losses	696	426
Profit before income taxes	6,685	6,551
Income taxes	1,683	1,919
Profit	5,001	4,632
Profit attributable to non-controlling interests	282	234
Profit attributable to owners of parent	4,719	4,398

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	5,001	4,632
Other comprehensive income		
Valuation difference on available-for-sale securities	136	1,050
Foreign currency translation adjustment	1,189	957
Remeasurements of defined benefit plans, net of tax	(0)	(24)
Total other comprehensive income	1,325	1,983
Comprehensive income	6,327	6,616
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,006	6,341
Comprehensive income attributable to non-controlling interests	321	274

(3) Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	6,685	6,551
Depreciation	5,027	5,404
Loss on retirement of non-current assets	592	426
Increase (decrease) in provision for bonuses	82	0
Increase (decrease) in retirement benefit asset and liability	(29)	(58)
Increase (decrease) in provision for bonuses for directors (and other officers)	(64)	(48)
Increase (decrease) in provision for stock-based compensation	47	50
Interest and dividend income	(484)	(553)
Interest expenses	54	74
Share of loss (profit) of entities accounted for using equity method	(488)	113
Loss (gain) on sale of investment securities	—	(2,030)
Loss (gain) on valuation of investment securities	103	—
Decrease (increase) in trade receivables	(1,307)	(1,470)
Decrease (increase) in inventories	(5,259)	1,960
Increase (decrease) in trade payables	5,730	4,048
Other, net	(2,401)	(3,765)
Subtotal	8,289	10,702
Interest and dividends received	776	744
Interest paid	(55)	(91)
Income taxes paid	(2,344)	(1,299)
Net cash provided by (used in) operating activities	6,667	10,055
Cash flows from investing activities		
Purchase of non-current assets	(4,863)	(3,630)
Proceeds from sale of investment securities	—	2,062
Purchase of investment securities	(118)	—
Proceeds from collection of long-term loans receivable	190	81
Long-term loan advances	(450)	(386)
Other, net	(1,217)	(1,349)
Net cash provided by (used in) investing activities	(6,459)	(3,222)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	609	(390)
Repayments of long-term borrowings	(700)	(150)
Net decrease (increase) in treasury shares	(1)	(1)
Dividends paid	(1,871)	(1,879)
Dividends paid to non-controlling interests	(100)	(175)
Other, net	(94)	(101)
Net cash provided by (used in) financing activities	(2,158)	(2,698)
Effect of exchange rate change on cash and cash equivalents	529	561
Net increase (decrease) in cash and cash equivalents	(1,420)	4,696
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	17,085	21,739

(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, ¥124 million of “Loss on abandonment of inventories” under “Non-operating expenses” of the quarterly consolidated statements of income for the six months ended September 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 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, 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	413	1,304	1,383	858	623	4,583	(775)	3,807

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.

II Six months ended September 30, 2023 (April 1, 2023 to September 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	23,687	24,818	12,222	11,338	7,211	79,278	–	79,278
Intersegment sales/transfers	–	–	–	–	72	72	(72)	–
Total	23,687	24,818	12,222	11,338	7,283	79,350	(72)	79,278
Segment profit (loss)	(973)	1,075	1,139	1,101	338	2,681	(661)	2,020

Notes: 1. Company-wide expenses of ¥661 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 six months ended September 30, 2022 was created using adjusted figures.

<Reference>

[Information by geographic segment]

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)	3,110	45	327	358	3,841	(33)	3,807

Six months ended September 30, 2023 (April 1, 2023 to September 30, 2023)

(Millions of yen)

	Japan	USA	China	Other	Total	Elimination or common assets	Consolidated total
Net sales							
(1) Sales to external customers	56,732	5,090	12,156	5,299	79,278	—	79,278
(2) Intersegment sales/transfers	4,813	15	1,127	479	6,435	(6,435)	—
Total	61,546	5,105	13,283	5,778	85,714	(6,435)	79,278
Operating profit (loss)	2,304	(15)	74	(467)	1,895	124	2,020

[Overseas net sales]

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

Six months ended September 30, 2023 (April 1, 2023 to September 30, 2023)

(Millions of yen)

	Asia	[Of which, China]	Americas	Other	Total
I. Overseas net sales	26,590	[14,583]	6,000	2,403	34,993
II. Consolidated net sales	—	[—]	—	—	79,278
III. Percentage of overseas net sales to consolidated net sales (%)	33.5	[18.4]	7.6	3.0	44.1

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	April 2022 to March 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	2Q	Change (%)	
	April 2023 to June 2023	July 2023 to September 2023	The same period of the previous fiscal year	The previous period
			July 2022 to September 2022	April 2023 to June 2023
Net sales	38,914	40,363	(8.5)	3.7
Operating profit	704	1,315	(30.7)	86.6
Ordinary profit	2,842	2,105	(32.3)	(25.9)
Profit attributable to owners of parent	2,960	1,437	(34.2)	(51.5)
Comprehensive income	3,787	2,828	20.8	(25.3)