



August 4, 2021

**Summary of Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2022  
(Three Months Ended June 30, 2021)**

**[Japanese GAAP]**

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Listing: Tokyo Stock Exchange, First Section  
 URL: <https://www.jcu-i.com/>

Scheduled date of filing of Quarterly Report: August 5, 2021  
 Scheduled date of payment of dividend: -  
 Preparation of supplementary materials for quarterly financial results: Yes  
 Holding of quarterly financial results meeting: None

Note: The original disclosure in Japanese was released on August 4, 2021 at 15:00. (GMT +9).

(All amounts are rounded down to the nearest million yen)

**1. Consolidated Financial Results for the Three Months Ended June 30, 2021 (April 1, 2021 – June 30, 2021)**

(1) Consolidated results of operations (Percentages represent year-over-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Jun. 30, 2021	5,517	12.1	1,940	40.8	2,046	43.9	1,390	42.9
Three months ended Jun. 30, 2020	4,921	2.7	1,377	7.7	1,422	10.1	972	7.1

Note: Comprehensive income (million yen) Three months ended Jun. 30, 2021: 2,416 (up 795.4%)  
 Three months ended Jun. 30, 2020: 269 (down 72.6%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Three months ended Jun. 30, 2021	52.95		-	
Three months ended Jun. 30, 2020	36.66		-	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Million yen		Million yen		%	
As of Jun. 30, 2021	35,468		29,463		83.1	
As of Mar. 31, 2021	35,224		27,703		78.6	

Reference: Shareholders' equity (million yen) As of Jun. 30, 2021: 29,463 As of Mar. 31, 2021: 27,703

**2. Dividends**

	Dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY3/21	-	25.00	-	25.00	50.00
FY3/22	-	-	-	-	-
FY3/22 (forecasts)	-	27.00	-	27.00	54.00

Note: Revisions to the most recently announced dividend forecast: None

**3. Consolidated Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 – March 31, 2022)**

(Percentages represent year-over-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	10,700	10.6	3,250	11.4	3,300	11.7	2,300	14.3	87.59
Full year	23,500	10.9	7,500	10.3	7,550	9.1	5,300	12.6	201.83

Note: Revisions to the most recently announced consolidated forecast: None

**\* Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in change in scope of consolidation): None

Newly added: -

Excluded: -

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

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

1) Changes in accounting policies due to revisions in accounting standards, others: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Restatements: None

(4) Number of outstanding shares (common stock)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Jun. 30, 2021:	27,865,318 shares	As of Mar. 31, 2021:	27,865,318 shares
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2) Number of treasury shares at the end of the period

As of Jun. 30, 2021:	1,608,393 shares	As of Mar. 31, 2021:	1,608,313 shares
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3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2021:	26,256,942 shares	Three months ended Jun. 30, 2020:	26,538,444 shares
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Note 1: The quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.

Note 2: Cautionary statement with respect to forward-looking statements and other special items

Forecasts of future performance in this report are based on assumptions judged to be valid and information currently available to the Company. Actual results may differ substantially from these forecasts for a number of reasons.

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

During the first quarter of the fiscal year ending March 31, 2022 (hereinafter the “period under review”), the Japanese economy saw continued sluggishness in the service industry and stagnated consumption due to greater self-restraint from going out under the declaration of state of emergency or the priority preventative measures. While manufacturers, who enjoyed the recovery of export, have increased their willingness to invest by resuming investments that had been postponed, non-manufacturers remained cautious, particularly among small and medium-sized companies, as the spread of COVID-19 is unlikely to end.

Overseas, in China, business investment by foreign companies has been expanding even in the midst of the US-China conflict because China has successfully contained the spread of COVID-19 to maintain economic growth than higher other countries and still has greater growth potential. In Europe and the United States, vigilance against highly contagious variants is ongoing though vaccination is progressing.

As for the business environment surrounding the JCU Group, with the 5G commercialization, IoT, and teleworking as keywords, the technological innovation and increased data communications volume contributed to an increase in demand for PWBs used for its infrastructures such as 5G base stations and data centers, and high-performance electronic devices. Demand for semiconductor package substrates was also brisk, reflecting strong growth in the semiconductor industry. In addition, the automobile industry also recovered, and both automobile production and sales increased mainly in China and Japan.

The results of operations of the JCU Group were as follows.

(Millions of yen, unless otherwise stated)

	Previous period (Apr. 1, 2020 – Jun. 30, 2020)	Current period (Apr. 1, 2021 – Jun. 30, 2021)	Year-over-year % change
Net sales	4,921	5,517	Up 12.1%
Operating profit	1,377	1,940	Up 40.8%
Ordinary profit	1,422	2,046	Up 43.9%
Profit attributable to owners of parent	972	1,390	Up 42.9%

As a result of the application of the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29 issued on March 31, 2020; hereinafter the “Revenue Recognition Accounting Standard”), net sales decreased by 27 million yen, and operating profit and ordinary profit both decreased by 12 million yen each for the period under review.

The results of operations by segment were as follows.

#### Chemicals Business

##### Chemicals for electronics industry

**China:** Demand for chemicals increased significantly due to the continued increase in demand for PWBs for high-performance electronic devices such as tablets and for servers, as well as the fact that some PWB manufacturers continued their operations even during the Chinese New Year holidays.

**Taiwan:** Demand for chemicals remained largely flat due to a decrease in the production of PWBs for smartphones, despite an increase in the production of semiconductor package substrates for high-performance electronic devices, servers, and Antenna-in-Package (AiP).

**Korea:** Demand for chemicals increased as semiconductor package substrate manufacturers increased capital investment due to strong demand for semiconductors.

##### Chemicals for decoration

**Japan:** Demand for chemicals increased significantly as exports of automobiles and automotive components remained at levels higher than before the COVID-19 pandemic.

**China:** Demand for chemicals increased significantly as the recovery trend in the automotive industry continued. Although there was no impact of a decrease in automobile production due to a shortage of semiconductors, we will continue to monitor the situation closely.

(Millions of yen, unless otherwise stated)

	Previous period (Apr. 1, 2020 – Jun. 30, 2020)	Current period (Apr. 1, 2021 – Jun. 30, 2021)	Year-over-year % change
Net sales	4,375	5,329	Up 21.8%
Segment profit	1,592	2,215	Up 39.1%

As a result of the application of the Revenue Recognition Accounting Standard, net sales and operating profit both decreased by 31 million yen and 14 million yen, respectively, for the period under review.

### Machine Business

The amount of orders received decreased substantially due to the continued cautious attitude toward new investment, although there were signs of recovery in capital investment for automotive components, represented by the resumption of postponed projects.

(Millions of yen, unless otherwise stated)

	Previous period (Apr. 1, 2020 – Jun. 30, 2020)	Current period (Apr. 1, 2021 – Jun. 30, 2021)	Year-over-year % change
Net sales	543	187	Down 65.4%
Segment profit (loss)	15	(45)	-
Orders received	224	313	Up 39.8%
Order backlog	909	278	Down 69.4%

As a result of the application of the Revenue Recognition Accounting Standard, net sales and operating profit both increased by 4 million yen and 1 million yen, respectively, for the period under review.

### Other businesses

The Other businesses posted sales of 0 million yen (down 91.7% year over year) with a segment loss of 4 million yen (as compared with a segment loss of 18 million yen a year earlier).

## (2) Explanation of Financial Position

### 1) Assets, liabilities and net assets

#### Assets

Total assets at the end of the period under review increased 244 million yen (up 0.7%) from the end of the previous fiscal year to 35,468 million yen.

Current assets increased 482 million yen (up 1.8%) to 27,206 million yen mainly due to increases in notes and accounts receivable-trade and contract assets, and inventories, which were partially offset by a decrease in cash and deposits.

Non-current assets decreased 237 million yen (down 2.8%) to 8,262 million yen mainly due to a decrease in deferred tax assets.

#### Liabilities

Total liabilities at the end of the period under review decreased 1,514 million yen (down 20.1%) from the end of the previous fiscal year to 6,005 million yen.

Current liabilities decreased 1,094 million yen (down 18.1%) to 4,955 million yen mainly due to decreases in notes and accounts payable-trade, income taxes payable as a result of the payment of income taxes, and provision for bonuses.

Non-current liabilities decreased 420 million yen (down 28.6%) to 1,049 million yen mainly due to a decrease in long-term accounts payable-other included in “other” as a result of payment for transition to a defined contribution plan.

**Net assets**

Net assets at the end of the period under review increased 1,759 million yen (up 6.4%) from the end of the previous fiscal year to 29,463 million yen. This was due to increases in retained earnings from profit attributable to owners of parent and foreign currency translation adjustment, which were partially offset by a decrease in retained earnings as a result of payment of cash dividends.

**(3) Explanation of Consolidated Forecast and Other Forward-looking Statements**

Regarding the future outlook, demand for chemicals for decoration of automotive components is expected to pick up slightly in the long run despite the US-China trade friction. Chemicals demand for electronics is projected to expand particularly for semiconductor package substrates in conjunction with the proliferation of 5G and further technological innovation. Given these circumstances, JCU's long-term goal is to become *a global company that continues to grow in a sustainable fashion*. To be more specific, we want to be an enterprise whose business is closely linked with ESG and SDGs and that can thrive in any country. To that end, we have formulated a new medium-term management plan called "Next 50 Innovation 2nd" (covering the period from the fiscal year ending March 31, 2022 to the fiscal year ending March 31, 2024) and we will be implementing this plan based on a basic policy of *strengthening core businesses* and *building an operational foundation from an ESG perspective*. Regarding the first half and the full-year consolidated forecasts for the fiscal year ending March 31, 2022, there are no revisions to the forecasts announced on May 10, 2021.

**2. Quarterly Consolidated Financial Statements and Notes****(1) Quarterly Consolidated Balance Sheet**

(Thousands of yen)

	FY3/21 (As of Mar. 31, 2021)	First quarter of FY3/22 (As of Jun. 30, 2021)
Assets		
Current assets		
Cash and deposits	16,674,852	15,736,563
Notes and accounts receivable-trade	7,195,195	-
Notes and accounts receivable-trade, and contract assets	-	7,947,473
Merchandise and finished goods	1,902,772	2,194,915
Work in process	52,530	57,572
Raw materials and supplies	548,113	792,390
Other	473,323	608,158
Allowance for doubtful accounts	(122,527)	(130,624)
Total current assets	26,724,260	27,206,449
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,320,861	3,388,817
Machinery, equipment and vehicles, net	897,695	908,925
Tools, furniture and fixtures, net	442,201	443,393
Land	522,824	522,824
Leased assets, net	57,055	54,840
Construction in progress	72,342	75,012
Total property, plant and equipment	5,312,981	5,393,813
Intangible assets		
Other	62,462	61,540
Total intangible assets	62,462	61,540
Investments and other assets		
Investment securities	1,938,702	1,900,775
Deferred tax assets	795,067	507,948
Other	390,729	398,308
Total investments and other assets	3,124,498	2,807,032
Total non-current assets	8,499,943	8,262,386
Total assets	35,224,203	35,468,836

(Thousands of yen)

	FY3/21 (As of Mar. 31, 2021)	First quarter of FY3/22 (As of Jun. 30, 2021)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	1,378,652	1,139,396
Electronically recorded obligations-operating	859,887	796,769
Short-term borrowings	247,360	252,867
Current portion of long-term borrowings	387,610	341,356
Lease obligations	12,207	12,314
Income taxes payable	1,203,817	581,159
Provision for bonuses	404,562	200,205
Advances received	35,684	63,731
Other	1,520,635	1,568,121
<b>Total current liabilities</b>	<b>6,050,416</b>	<b>4,955,921</b>
<b>Non-current liabilities</b>		
Long-term borrowings	613,357	540,416
Lease obligations	75,716	72,600
Retirement benefit liability	71,751	78,423
Deferred tax liabilities	45,542	59,797
Asset retirement obligations	246,125	248,456
Other	417,635	50,046
<b>Total non-current liabilities</b>	<b>1,470,128</b>	<b>1,049,740</b>
<b>Total liabilities</b>	<b>7,520,544</b>	<b>6,005,662</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,235,517	1,235,517
Capital surplus	1,176,972	1,176,972
Retained earnings	29,236,578	29,970,391
Treasury shares	(4,000,041)	(4,000,381)
<b>Total shareholders' equity</b>	<b>27,649,026</b>	<b>28,382,499</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	231,754	217,495
Foreign currency translation adjustment	(177,121)	863,178
<b>Total accumulated other comprehensive income</b>	<b>54,632</b>	<b>1,080,674</b>
<b>Total net assets</b>	<b>27,703,658</b>	<b>29,463,174</b>
<b>Total liabilities and net assets</b>	<b>35,224,203</b>	<b>35,468,836</b>

**(2) Quarterly Consolidated Statements of Income and Comprehensive Income****Quarterly Consolidated Statement of Income  
(For the Three-month Period)**

(Thousands of yen)

	First three months of FY3/21 (Apr. 1, 2020 – Jun. 30, 2020)	First three months of FY3/22 (Apr. 1, 2021 – Jun. 30, 2021)
Net sales	4,921,668	5,517,021
Cost of sales	1,952,403	1,971,073
Gross profit	2,969,265	3,545,948
Selling, general and administrative expenses		
Salaries and allowances	582,495	546,362
Bonuses	172,922	161,737
Retirement benefit expenses	33,959	34,716
Depreciation	105,715	88,354
Provision of allowance for doubtful accounts	-	904
Other	696,223	773,361
Total selling, general and administrative expenses	1,591,317	1,605,436
Operating profit	1,377,948	1,940,511
Non-operating income		
Interest income	18,173	7,553
Dividend income	16,499	16,482
Foreign exchange gains	-	43,427
Subsidy income	28,454	47,448
Reversal of allowance for doubtful accounts	24,102	-
Other	8,443	4,907
Total non-operating income	95,673	119,819
Non-operating expenses		
Interest expenses	2,532	2,043
Foreign exchange losses	21,036	-
Share of loss of entities accounted for using equity method	23,014	10,741
Other	4,226	751
Total non-operating expenses	50,810	13,537
Ordinary profit	1,422,811	2,046,793
Extraordinary income		
Gain on sale of non-current assets	1,574	472
Gain on sale of investment securities	-	385
Total extraordinary income	1,574	857
Extraordinary losses		
Loss on sale of non-current assets	-	34
Loss on retirement of non-current assets	257	266
Loss on liquidation of subsidiaries	-	1,775
Total extraordinary losses	257	2,076
Profit before income taxes	1,424,128	2,045,574
Income taxes-current	324,317	339,262
Income taxes-deferred	126,169	316,073
Total income taxes	450,486	655,335
Profit	973,642	1,390,238
Profit attributable to non-controlling interests	854	-
Profit attributable to owners of parent	972,788	1,390,238

**Quarterly Consolidated Statement of Comprehensive Income**  
**(For the Three-month Period)**

(Thousands of yen)

	First three months of FY3/21 (Apr. 1, 2020 – Jun. 30, 2020)	First three months of FY3/22 (Apr. 1, 2021 – Jun. 30, 2021)
Profit	973,642	1,390,238
Other comprehensive income		
Valuation difference on available-for-sale securities	12,106	(14,258)
Foreign currency translation adjustment	(579,853)	1,022,283
Share of other comprehensive income of entities accounted for using equity method	(136,042)	18,017
Total other comprehensive income	(703,788)	1,026,041
Comprehensive income	269,853	2,416,280
Comprehensive income attributable to:		
Owners of parent	271,854	2,416,280
Non-controlling interests	(2,000)	-

**(3) Notes to Quarterly Consolidated Financial Statements****Going Concern Assumption**

Not applicable.

**Significant Changes in Shareholders' Equity**

## I. First three months of FY3/21 (Apr. 1, 2020 – Jun. 30, 2020)

## Amount of cash dividends paid

Resolution	Type of shares	Total amount of dividends (Thousands of yen)	Dividends per share (Yen)	Record date	Effective date	Source of dividends
Board of Directors meeting held on May 26, 2020	Common stock	663,461	25.00	March 31, 2020	June 11, 2020	Retained earnings

## II. First three months of FY3/22 (Apr. 1, 2021 – Jun. 30, 2021)

## Amount of cash dividends paid

Resolution	Type of shares	Total amount of dividends (Thousands of yen)	Dividends per share (Yen)	Record date	Effective date	Source of dividends
Board of Directors meeting held on May 25, 2021	Common stock	656,425	25.00	March 31, 2021	June 10, 2021	Retained earnings

**Changes in Accounting Policies**

## Application of the Accounting Standard for Revenue Recognition

We have applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29 issued on March 31, 2020; hereinafter the “Revenue Recognition Accounting Standard”) from the beginning of the period under review. When control of a promised good or service is transferred to a customer, we recognize revenue at the amount expected to be received in exchange for the good or service.

The main changes resulting from the application of the Revenue Recognition Accounting Standard are as follows:

## (1) Variable consideration

For sales rebates, we previously applied the method of changing the consideration when its amount was fixed. We have changed it to the method of estimating the amount of the variable portion of the consideration for the transaction and including in the transaction price only the portion that is very unlikely to cause a significant reduction in the recognized revenue.

## (2) Performance obligations satisfied at a point in time

For the sale of chemicals, some of our consolidated subsidiaries previously recognized revenue at the time of shipment, but have now changed their method of recognizing revenue at the time of arrival.

## (3) Performance obligation satisfied over time

For construction contracts, we previously applied the percentage-of-completion method when achievements in the progress of construction were considered certain. We have changed it to the method of recognizing revenue over time as the performance obligation to transfer the goods or services to a customer is satisfied when control over the goods or services is transferred to the customer over time. Measuring progress towards satisfaction of a performance obligation is based on the ratio of construction costs incurred by the end of each reporting period to the total estimated construction costs. For construction contracts where the period from the date of commencement of the contract to the time when the performance obligation is expected to be completely satisfied is very short, we apply the alternative treatment. In that case, we do not recognize revenue over time, but recognize revenue when the performance obligation is completely satisfied.

The application of the Revenue Recognition Accounting Standard is pursuant to the transitional treatment prescribed in the proviso of Paragraph 84 of the Revenue Recognition Accounting Standard. The cumulative effect of the retrospective application, assuming the new accounting policy had been applied to periods prior to

the beginning of the period under review, was added to or subtracted from the beginning balance of retained earnings for the period under review, and then the new accounting policy was applied to the said beginning balance. However, by applying the method prescribed in Paragraph 86 of the Revenue Recognition Accounting Standard, the new accounting policy has not been applied retrospectively to contracts for which substantially all revenues had been recognized in accordance with the previous treatment before the beginning of the period under review.

As a result, net sales for the period under review decreased by 27 million yen; cost of sales decreased by 40 million yen; selling, general and administrative expenses increased by 25 million yen; and operating profit, ordinary profit and profit before income taxes decreased by 12 million yen each. The impact on the balance of retained earnings at the beginning of the period under review is immaterial.

Due to the application of the Revenue Recognition Accounting Standard, “Notes and accounts receivable-trade” presented under “Current assets” in the consolidated balance sheet for the previous fiscal year has now been included in “Notes and accounts receivable-trade, and contract assets” in the consolidated balance sheet for the period under review. In accordance with the transitional treatment prescribed in Paragraph 89-2 of the Revenue Recognition Accounting Standard, reclassification based on the new presentation method has not been carried out for the previous fiscal year.

In addition, in accordance with the transitional treatment prescribed in Paragraph 28-15 of the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12 issued on March 31, 2020), disaggregated revenue arising from contracts with customers in the first quarter of the previous fiscal year is not presented.

#### Application of the Accounting Standard for Fair Value Measurement

We have applied the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30 issued on July 4, 2019; hereinafter the “Fair Value Measurement Accounting Standard”) from the beginning of the period under review. In accordance with the transitional treatment prescribed in Paragraph 19 of the Fair Value Measurement Accounting Standard and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10 issued on July 4, 2019), we have decided to prospectively apply the new accounting policy prescribed in the Fair Value Measurement Accounting Standard. This decision has no impact on the quarterly financial statements for the period under review.

**Segment and Other Information**

## I. First three months of FY3/21 (Apr. 1, 2020 – Jun. 30, 2020)

## 1. Information related to sales and profit or loss for each reportable segment

(Thousands of yen)

	Reportable segment			Other (Note 1)	Total	Adjustments (Note 2)	Amounts shown on quarterly consolidated statement of income (Note 3)
	Chemicals Business	Machine Business	Subtotal				
Sales							
Sales to outside customers	4,375,325	543,058	4,918,384	3,284	4,921,668	-	4,921,668
Inter-segment sales and transfers	-	1,554	1,554	-	1,554	(1,554)	-
Total	4,375,325	544,612	4,919,938	3,284	4,923,222	(1,554)	4,921,668
Segment profit (loss)	1,592,834	15,437	1,608,272	(18,275)	1,589,996	(212,047)	1,377,948

Notes: 1. The “Other” businesses segment represents business activities that are not included in either of the two reportable segments, and includes businesses engaged in color processing with the sputtering technology, drinking water, and wine.

2. Details of the adjustments to segment profit (loss) are as follows.

To segment profit

(Thousands of yen)

	First three months of FY3/21 (Apr. 1, 2020 – Jun. 30, 2020)
Inter-segment transaction elimination	-
Corporate expenses*	(212,047)
Total	(212,047)

\* Corporate expenses mainly include general and administrative expenses that cannot be attributed to any reportable segment.

3. Segment profit (loss) is adjusted with operating profit shown on the quarterly consolidated statement of income.

## 2. Information related to impairment losses on non-current assets or goodwill, etc. for each reportable segment

Significant impairment losses related to non-current assets

Not applicable.

Significant change in goodwill

Not applicable.

Significant gain on bargain purchase

Not applicable.

## II. First three months of FY3/22 (Apr. 1, 2021 – Jun. 30, 2021)

## 1. Information related to sales and profit or loss for each reportable segment

(Thousands of yen)

	Reportable segment			Other (Note 1)	Total	Adjustments (Note 2)	Amounts shown on quarterly consolidated statement of income (Note 3)
	Chemicals Business	Machine Business	Subtotal				
Sales							
Sales to outside customers	5,329,116	187,634	5,516,750	271	5,517,021	-	5,517,021
Inter-segment sales and transfers	-	-	-	-	-	-	-
Total	5,329,116	187,634	5,516,750	271	5,517,021	-	5,517,021
Segment profit (loss)	2,215,598	(45,939)	2,169,659	(4,357)	2,165,301	(224,789)	1,940,511

Notes: 1. The “Other” businesses segment represents business activities that are not included in either of the two reportable segments, and includes the cultivation and sales of grapevine for wine production and grape seedlings.

2. Details of the adjustments to segment profit (loss) are as follows.

To segment profit	(Thousands of yen)
	First three months of FY3/22 (Apr. 1, 2021 – Jun. 30, 2021)
Inter-segment transaction elimination	-
Corporate expenses*	(224,789)
Total	(224,789)

\* Corporate expenses mainly include general and administrative expenses that cannot be attributed to any reportable segment.

3. Segment profit (loss) is adjusted with operating profit shown on the quarterly consolidated statement of income.

2. Information related to impairment losses on non-current assets or goodwill, etc. for each reportable segment

Significant impairment losses related to non-current assets

Not applicable.

Significant change in goodwill

Not applicable.

Significant gain on bargain purchase

Not applicable.

3. Changes in reportable segments

As stated in the “Changes in Accounting Policies” section, the Company has applied the Accounting Standard for Revenue Recognition from the beginning of the period under review and changed the accounting method for revenue recognition, and therefore, the measurement method for profit or loss in the business segment has been changed as well.

Compared with the previous accounting method, the effect of this change was to decrease sales and segment profit in the Chemicals Business segment by 31,617 thousand yen and 14,006 thousand yen, respectively, and to increase sales and segment profit in the Machine Business segment by 4,352 thousand yen and 1,959 thousand yen, respectively, in the period under review.

*\* This summary report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*