



## Consolidated Financial Report for the First Quarter Ended June 30, 2021

August 3, 2021

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(Amounts rounded to the nearest million yen)

### 1. Consolidated Financial Results for the First Quarter Ended June 30, 2021

(From April 1, 2021 to June 30, 2021)

#### (1) Consolidated Operating Results

(% indicates the rate of increase / decrease to the same period of previous year)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
April – June 2021	146,290	8,900	8,926	4,755
April – June 2020	136,108 (17.5)%	(664)	(1,291)	(1,331)

(Note) Comprehensive Income: From April 1, 2021 to June 30, 2021: 4,203 Million Yen 156.3%  
 From April 1, 2020 to June 30, 2020: 1,640 Million Yen (51.8)%

	Net income per share (Yen)	Diluted net income per share (Yen)
April – June 2021	47.31	47.18
April – June 2020	(13.16)	—

(Note) The Corporate Group has adopted the “Accounting Standard for Revenue Recognition” (ASBJ Statement No.29, March 31, 2020) and other standards since the beginning of the consolidated first quarter of the fiscal year ending March 31, 2022, and that the respective figures reported in the consolidated financial results for the first quarter of the fiscal year ending March 31, 2022 show the amounts after which the above mentioned accounting standard is applied. In addition, the rates of increase and decrease in the respective figures compared with the same quarter of the previous fiscal year are not indicated.

#### (2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio (%)
June 30, 2021	762,963	375,206	46.4
March 31, 2021	769,710	380,635	46.6

(Reference) Shareholders' equity: As of June 30, 2021: 353,885 Million Yen  
 As of March 31, 2021: 359,013 Million Yen

[Shareholders' equity = Net assets – Share acquisition rights – Non-controlling interests]

(Note) The Corporate Group has adopted the “Accounting Standard for Revenue Recognition” (ASBJ Statement No.29, March 31, 2020) and other standards since the beginning of the consolidated first quarter of the fiscal year ending March 31, 2022, and that the respective figures reported in the consolidated financial results for the first quarter of the fiscal year ending March 31, 2022 show the amounts after which the above mentioned accounting standard is applied.

### 2. Cash Dividends

	Cash dividends per share (Yen)				
	First quarter	Second quarter	Third quarter	Year end	Annual
April 2020 – March 2021	—	45.00	—	45.00	90.00
April 2021 – March 2022	—	—	—	—	—
April 2021 – March 2022 (Forecast)	—	45.00	—	45.00	90.00

(Note) Revision of the latest forecast of cash dividends: No

### 3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2022

(From April 1, 2021 to March 31, 2022)

(% indicates the rate of increase / decrease to the same period of previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share(Yen)
April – September 2021	270,000	—	13,500	295.9%	11,500	656.6%	5,500	—	55.00
April 2021 – March 2022	570,000	—	37,000	42.8%	34,500	48.1%	21,000	(8.4)%	210.67

(Note) Revision of the latest forecast of consolidated financial results: No

Please take note that the “Accounting Standard for Revenue Recognition” (ASBJ Statement No.29, March 31, 2020) and other standards are applied from the first quarter of the fiscal year ending March 31, 2022, and that the above forecast of consolidated financial results shows the amounts after which the above mentioned accounting standard is applied. In addition, the rates of increase and decrease in net sales compared with the previous fiscal year and the same quarter of the previous fiscal year are not indicated.

#### (Notes)

(1) Changes in significant subsidiaries during the first quarter ended June 30, 2021: No

(Note) This item indicates whether there were changes in significant subsidiaries affecting the scope of consolidation during the first quarter ended June 30, 2021.

(2) Adoption of special accounting methods for presenting quarterly consolidated financial statements: Yes

(Note) For more details, please refer to “5. Consolidated Financial Statements (4) Notes to Quarterly Consolidated Financial Statements (Application of the specific accounting methods for preparing the quarterly consolidated financial statements)”.

(3) Changes in accounting policies applied, changes in accounting estimates and retrospective restatement

Changes in accounting policies applied due to revisions of accounting standards: Yes

Changes in accounting policies other than the above: No

Changes in accounting estimates: No

Retrospective restatement: No

(Note) For more details, please refer to “5. Consolidated Financial Statements (4) Notes to Quarterly Consolidated Financial Statements (Changes in accounting policies)”.

(4) Number of shares outstanding (common stock)

	June 30, 2021	March 31, 2021
Numbers of shares outstanding at period end	106,200,107	106,200,107
Numbers of shares of treasury stock at period end	6,884,742	5,056,029

  

	April – June 2021	April – June 2020
Weighted-average number of shares outstanding during period	100,510,075	101,127,869

(Information regarding quarterly review procedures)

The financial information contained in this report is not subject to quarterly review procedures by independent auditors.

(Cautionary statement on forward-looking statements)

The performance forecast and other forward-looking statements contained in this material have been prepared on the basis of information available at this point and certain assumptions which are judged to be rational. It may be substantially different from the actual performance because of various factors such as economic conditions in key markets, supply and demand of products, the prices of raw material and fuel, interest rates, and exchange rates.

#### 4. Qualitative Information on Operating Results

##### (1) Overview of Operating Results

During the current term, net sales of the Company Group increased despite negative impact resulted from adoption of the Accounting Standard for Revenue Recognition, because sales volume of the products used in the automobile industry such as nylon, synthetic rubber and battery materials increased and pricing of the products such as nylon and caprolactam rose as well, as overall business performance started to recover from the demand slowdown due to the outbreak of COVID-19. Operating profit, ordinary profit and profit attributable to owners of parent also increased mainly because of positive impact by substantial increases in sales volume, particularly in the Chemicals Segment, as well as rising sales price of nylon and caprolactam.

As a result, the Company Group reports its consolidated results during the current term as follows:

Item	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
April – June 2021 ①	146.2	8.9	8.9	4.7
	164.9			
April – June 2020 ②	136.1	(0.6)	(1.2)	(1.3)
Difference ① - ②	10.1	9.5	10.2	6.0
	28.8			
Percentage change	—	—	—	—
	21.2%			

##### (2) Overview by Segment

Segment	April – June 2021 ①	April – June 2020 ②	Difference ① – ②	Percentage Change
Chemicals	76.7	52.5	24.1	—
	78.8		26.2	50.0%
Construction Materials	48.7	69.1	(20.4)	—
	66.1		(3.0)	(4.4)%
Machinery	21.4	16.7	4.7	—
	20.5		3.8	22.8%
Others	0.8	0.7	0.0	—
	0.8		0.0	13.0%
Adjustment	(1.4)	(3.1)	1.6	—
	(1.4)		1.6	—
Total	146.2	136.1	10.1	—
	164.9		28.8	21.2%

Segment	April – June 2021 ①	April – June 2020 ②	Difference ① – ②	Percentage Change
Chemicals	7.6	(2.7)	10.3	—
Construction Materials	0.6	1.9	(1.2)	(65.6)%
Machinery	0.7	0.2	0.4	196.8%
Others	0.0	0.0	0.0	88.4%
Adjustment	(0.2)	(0.1)	(0.0)	—
Total	8.9	(0.6)	9.5	—

(Note) The figures shown at the bottom of each table are reference values for expected results if the Accounting Standard for Revenue Recognition is not adopted.

Adjustment includes corporate expenses (general expenses that are not distributed to each reportable segment) and internal transactions between the segments.

#### Chemicals – Increases in both net sales and operating profit

##### ■ Engineering Plastics & Fine Chemicals

The Caprolactam Business recorded a net sales increase, thanks to an increase in sale volume supported by a firm demand, as well as sales prices increase backed by market price rises of raw materials such as benzene.

The Nylon Business recorded an increase in net sales because sales volume increased supported by a recovery in demand for products such as those used in the automobile industry, as well as an increase in sales price due to market price rises of caprolactam.

The Industrial Chemicals Business recorded a sales increase, thanks to increases in both production and shipment volume for the reason that there was no biennial inspection of the ammonia product factory.

The Fine Chemicals Business recorded an increase in net sales because sales volume of its products remained stable, particularly the products for automobiles.

Both net sales and operating profit increased in the Engineering Plastics & Fine Chemicals Businesses as a whole due to increasing sales volume supported by a recovery in demand and increasing sales price due to the rising market price of raw materials. In addition, there was no biennial inspection of the ammonia product factory.

##### ■ The Synthetic Rubber Business recorded increases in both net sales and operating profit because shipment of the products mainly used for tires remained strong, as well as the rising product price due to the market price rises of raw materials such as butadiene.

##### ■ Specialty Products

The Battery Materials Business recorded a sales increase, thanks to a sales volume increase supported by demand recovery of the products mounted on automobiles.

The Polyimide Business recorded an increase in net sales, because sales volume of the COF films mainly used on displays increased and demand for varnish used for organic EL panels remained stable.

Both net sales and operating profit increased in the Specialty Products Business as a whole because sales recovery in the Battery Materials Business greatly affected it overall.

##### ■ In the Pharmaceutical Business, net sales decreased and operating profit increased due to continued strong sales of drugs manufactured under contract that had been ordered in advance, in spite of weak sales of drugs developed by UBE.

##### ■ Both net sales and operating profit increased in the Chemicals Segment as a whole due to both sales volume and product pricing increasing, due to the recovery from the impact of the COVID-19 pandemic. In addition, there was no biennial inspection of the ammonia product factory.

#### Construction Materials – Decreases in both net sales and operating profit

##### ■ The Cement and Ready-Mixed Concrete Business recorded a decrease in net sales mainly due to a decrease in shipment resulted from completion of construction works for the earthquake disaster reconstruction and reactionary fall resulted from completion of construction works to extend the railways for bullet trains, as well as substantial negative impact that adoption of the Accounting Standard for Revenue Recognition had on Company Group's sales subsidiaries.

##### ■ The Calcia and Magnesia Business recorded an increase in net sales due to increases in sales volume of the quicklime used in the steel industry and the magnesia used in the steel and electric power industries, thanks to recovery of the demand.

##### ■ The Energy Business recorded a net sales decrease due to decline of electric power selling, because biennial inspection took place in the IPP power plant and due to extension of the repair period caused by malfunctioning of the equipment.

##### ■ The Construction Materials Segment as a whole recorded decreases in both net sales and operating profit mainly due to adoption of the Accounting Standard for Revenue Recognition and biennial inspection of the IPP power plant.

Machinery – Increases in both net sales and operating profit

- The Molding Machine Business recorded an increase in net sales because sales of the products used in the automobile industry remained strong in the China and North America markets, although recovery status of demand for the products differs depending on the market.
- The Industrial Machines Business recorded an increase in net sales thanks to the strong sales of products such as conveyors used in the electric power industry.
- The Steel Products Business recorded an increase in net sales because product pricing rose as raw material prices increased.
- The Machinery Segment as a whole recorded increases in both net sales and operating profit because strong sales of industrial machines and rising steel product pricing greatly affected the overall business.

Others – Increases in both net sales and operating profit

## 5. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	80,304	65,690
Notes and accounts receivable - trade	149,615	—
Notes and accounts receivable - trade, and contract assets	—	151,643
Merchandise and finished goods	35,748	39,480
Work in process	19,362	20,297
Raw materials and supplies	32,724	37,143
Other	14,536	14,496
Allowance for doubtful accounts	(562)	(561)
<b>Total current assets</b>	<b>331,727</b>	<b>328,188</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	90,249	89,601
Machinery, equipment and vehicles, net	139,009	136,177
Land	76,110	76,053
Other, net	25,855	25,539
<b>Total property, plant and equipment</b>	<b>331,223</b>	<b>327,370</b>
Intangible assets		
Goodwill	720	738
Other	6,950	7,371
<b>Total intangible assets</b>	<b>7,670</b>	<b>8,109</b>
Investments and other assets		
Investment securities	59,484	60,030
Other	40,141	39,733
Allowance for doubtful accounts	(708)	(629)
<b>Total investments and other assets</b>	<b>98,917</b>	<b>99,134</b>
<b>Total non-current assets</b>	<b>437,810</b>	<b>434,613</b>
Deferred assets	173	162
<b>Total assets</b>	<b>769,710</b>	<b>762,963</b>

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	90,831	98,823
Short-term borrowings	38,031	38,734
Current portion of bonds payable	10,000	10,000
Income taxes payable	3,196	2,291
Provision for bonuses	6,446	9,395
Other provisions	1,034	940
Other	50,902	49,789
Total current liabilities	200,440	209,972
Non-current liabilities		
Bonds payable	60,000	50,000
Long-term borrowings	101,245	100,030
Provisions	2,075	2,279
Retirement benefit liability	7,745	7,564
Asset retirement obligations	2,087	2,096
Other	15,483	15,816
Total non-current liabilities	188,635	177,785
Total liabilities	389,075	387,757
<b>Net assets</b>		
Shareholders' equity		
Share capital	58,435	58,435
Capital surplus	40,659	40,649
Retained earnings	259,806	259,373
Treasury shares	(12,380)	(16,642)
Total shareholders' equity	346,520	341,815
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,080	4,061
Deferred gains or losses on hedges	3	(18)
Foreign currency translation adjustment	7,720	7,358
Remeasurements of defined benefit plans	690	669
Total accumulated other comprehensive income	12,493	12,070
Share acquisition rights	547	505
Non-controlling interests	21,075	20,816
Total net assets	380,635	375,206
Total liabilities and net assets	769,710	762,963

## (2) Consolidated Statements of Income / Consolidated Statements of Comprehensive Income

## • Consolidated Statements of Income

For the first quarter ended June 30, 2020 and 2021

(Millions of yen)

	April 1, 2020 - June 30, 2020	April 1, 2021 - June 30, 2021
Net sales	136,108	146,290
Cost of sales	117,813	117,605
Gross profit	18,295	28,685
Selling, general and administrative expenses	18,959	19,785
Operating profit (loss)	(664)	8,900
Non-operating income		
Interest income	56	50
Dividend income	438	469
Rental income	242	280
Amortization of negative goodwill	10	14
Share of profit of entities accounted for using equity method	7	162
Foreign exchange gains	—	93
Other	347	403
Total non-operating income	1,100	1,471
Non-operating expenses		
Interest expenses	224	218
Rental expenses	158	163
Foreign exchange losses	203	—
Other	1,142	1,064
Total non-operating expenses	1,727	1,445
Ordinary profit (loss)	(1,291)	8,926
Extraordinary income		
Gain on sale of non-current assets	—	13
Gain on sale of investment securities	19	5
Gain on bargain purchase	145	—
Gain on extinguishment of tie-in shares	514	45
Total extraordinary income	678	63
Extraordinary losses		
Loss on disposal of non-current assets	181	79
Loss on valuation of investment securities	—	32
Total extraordinary losses	181	111
Profit (loss) before income taxes	(794)	8,878
Income taxes	854	3,809
Profit (loss)	(1,648)	5,069
Profit (loss) attributable to non-controlling interests	(317)	314
Profit (loss) attributable to owners of parent	(1,331)	4,755



• Consolidated Statements of Comprehensive Income  
For the first quarter ended June 30, 2020 and 2021

(Millions of yen)

	April 1, 2020 - June 30, 2020	April 1, 2021 - June 30, 2021
Profit (loss)	(1,648)	5,069
Other comprehensive income		
Valuation difference on available-for-sale securities	359	(14)
Deferred gains or losses on hedges	(152)	(21)
Foreign currency translation adjustment	3,056	(1,045)
Remeasurements of defined benefit plans, net of tax	144	(20)
Share of other comprehensive income of entities accounted for using equity method	(119)	234
Total other comprehensive income	3,288	(866)
Comprehensive income	1,640	4,203
Comprehensive income attributable to owners of parent	1,282	4,332
Comprehensive income attributable to non-controlling interests	358	(129)

## (3) Consolidated Statements of Cash Flows

(Millions of yen)

	April 1, 2020 - June 30, 2020	April 1, 2021 - June 30, 2021
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	(794)	8,878
Depreciation and amortization	9,021	9,068
Amortization of negative goodwill	(10)	(14)
Increase (decrease) in allowance for doubtful accounts	0	(95)
Interest and dividend income	(494)	(519)
Interest expenses	224	218
Share of loss (profit) of entities accounted for using equity method	(7)	(162)
Loss (gain) on sale of non-current assets	(5)	(33)
Decrease (increase) in trade receivables	25,090	(1,698)
Decrease (increase) in inventories	(2,112)	(9,174)
Increase (decrease) in trade payables	(12,791)	6,948
Other, net	3,520	3,953
Subtotal	21,642	17,370
Interest and dividends received	1,171	1,239
Interest paid	(198)	(289)
Income taxes paid	(4,418)	(3,999)
Net cash provided by (used in) operating activities	18,197	14,321
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(7,902)	(9,412)
Proceeds from sale of property, plant and equipment	45	34
Purchase of investment securities	(2)	(2)
Proceeds from sale of investment securities	58	409
Purchase of shares of subsidiaries and associates	(1,613)	(92)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	66	—
Decrease (increase) in short-term loans receivable	(236)	(208)
Other, net	(20)	5
Net cash provided by (used in) investing activities	(9,604)	(9,266)

(Millions of yen)

	April 1, 2020 - June 30, 2020	April 1, 2021 - June 30, 2021
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	29	1,015
Proceeds from long-term borrowings	299	250
Repayments of long-term borrowings	(1,720)	(1,824)
Proceeds from issuance of bonds	9,950	—
Redemption of bonds	—	(10,000)
Purchase of treasury shares	(1)	(4,318)
Dividends paid	(4,562)	(4,554)
Dividends paid to non-controlling interests	(196)	(130)
Other, net	(271)	(231)
<b>Net cash provided by (used in) financing activities</b>	<b>3,528</b>	<b>(19,792)</b>
Effect of exchange rate change on cash and cash equivalents	438	72
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>12,559</b>	<b>(14,665)</b>
Cash and cash equivalents at beginning of period	40,609	79,646
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	371	57
<b>Cash and cash equivalents at end of period</b>	<b>53,539</b>	<b>65,038</b>

#### (4) Notes to Quarterly Consolidated Financial Statements

(Note to events and conditions which indicate there could be substantial doubt about going concern assumption)

None.

(Note to significant changes in shareholders' equity)

None.

(Application of the specific accounting methods for preparing the quarterly consolidated financial statements)

Tax expenses are calculated by estimating an effective tax rate for net income based on reasonable assumptions of an effective tax rate after application of tax effect accounting for net income before tax for the consolidated fiscal year, including the current term, and by multiplying the quarterly net income before tax by the estimated tax rate of net income. However, for subsidiaries for which calculating tax expenses using the said estimation of the effective tax rate would significantly lack rationality, tax expenses are calculated by using the statutory effective tax rate.

Income taxes adjustment is included in income taxes.

(Changes in accounting policies)

(Application of “Accounting Standard for Revenue Recognition,” etc.)

The “Accounting Standard for Revenue Recognition” (ASBJ Statement No.29, March 31, 2020) and other standards are applied from the first quarter of the fiscal year ending March 31, 2022. We now recognize revenue in the amount that expects to receive in exchange for promised goods or services at the time control of the goods or services are transferred to a customer.

The main changes resulted from the above application are as follows.

(1) Revenue recognition policies regarding agent transaction

In some transactions, we had so far recognized revenue in the total amount of proceeds that we expect to receive from a customer as revenue. However, we currently recognize revenue from the transaction where the Company Group (Company Group itself or its agent) acts as an agent, in the net amount in which the amount payable to a supplier is deducted from the amount receivable from a customer.

(2) Revenue recognition for performance requirements met over a period of time

Among contracts applying the completed-contract method, those with performance requirements met over a period of time will change to a recognition method which estimates the degree of progress on said performance fulfillment and determines revenue based on this progression, except for those for which this period of time is extremely short. In addition, estimating the degree of progress on fulfillment of performance requirements will use an input method based on the ratio of cost accrued to total estimated cost.

Based on the transitional treatment outlined in Article 84 of the “Accounting Standard for Revenue Recognition,” the cumulative effect of retroactively applying the new accounting policy to periods prior to the beginning of the fiscal year ending March 31, 2022 is reflected in the balance of retained earnings at the beginning of the fiscal year ending March 31, 2022.

However, based on the method outlined in the Article 86 of the Accounting Standard for Revenue Recognition, we have not retroactively applied the new accounting policy to the contracts in which almost all of the revenue amount had been recognized prior to the beginning of the current term in accordance with the previous treatment. In addition, based on Article 86 (1) of the Accounting Standard for Revenue Recognition, we have implemented accounting process of the contracts modified prior to the beginning of the current term by applying the contract conditions made after reflecting all the modifications to the contracts, and added or deducted the cumulative effects on retained earnings.

As the result, net sales, cost of sales, and selling, general and administrative expenses decreased respectively by 18,684 million yen, 18,803 million yen and 21 million yen. Operating profit, ordinary profit and profit before income taxes increased respectively by 140 million yen, 145 million yen and 145 million yen. In addition, balance of retained earnings at the beginning of the year decreased by 648 million yen.

Due to the application of these accounting standards, “Notes and accounts receivable-trade” in “Current Assets” in the consolidated balance sheets have been reclassified as “Notes and accounts receivable-trade, and contract assets” from the first quarter of the fiscal year ending March 31, 2022. Based on the transitional treatment stipulated in Article 89-2 of the “Accounting Standard for Revenue Recognition” comparative information for the previous fiscal year has not been restated to reflect the new method of presentation.

(Application of “Accounting Standard for Fair Value Measurement,” etc.)

The “Accounting Standard for Fair Value Measurement” (ASBJ Statement No.30, July 4, 2019) and other standards are applied from the first quarter of the fiscal year ending March 31, 2022. Based on the transitional treatment prescribed in Paragraph 19 of the “Accounting Standard for Fair Value Measurement” and Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No.10, July 4, 2019), we have decided to apply the new accounting policies set forth by the “Accounting Standard for Fair Value Measurement” into the future. These changes had no impact on the quarterly consolidated financial statements.

## 6. Segment Information

### (1) Information concerning Net Sales and Operating Profit by Reportable Business Segment

For the First Quarter Ended June 30, 2020 (April 1, 2020 to June 30, 2020)

(Millions of yen)

	Reported segment					Adjustment (note 1)	Amount recorded in consolidated statements of income (note 2)
	Chemicals	Construction Materials	Machinery	Others	Total		
Net sales							
External sales	52,444	66,824	16,380	460	136,108	—	136,108
Internal sales or transfers	154	2,372	344	258	3,128	(3,128)	—
Total	52,598	69,196	16,724	718	139,236	(3,128)	136,108
Segment profit or loss (operating profit or loss)	(2,748)	1,938	250	43	(517)	(147)	(664)

(Note 1) (147) million yen for adjustment for Segment profit or loss includes 7 million yen for the elimination of transaction between the Segments and (154) million yen for company-wide cost that is not allocated to each reported Segment. Company-wide cost consists mainly of administration and general expense that is not attributed to each reported Segment.

(Note 2) Segment profit or loss is adjusted with operating profit or loss recorded in the consolidated statements of income.

### (2) Information Concerning Impairment Loss for Non-current Assets and Goodwill by Reportable Segment

(Material gain on bargain purchase)

Gain on negative goodwill of 145 million yen generated acquisition of shares of Premium Composite Technology North America, Inc. to convert it to our consolidated subsidiary was recorded in the Chemicals Segment.

For the First Quarter Ended June 30, 2021 (April 1, 2021 to June 30, 2021)

(Millions of yen)

	Reported segment					Adjustment (note 1)	Amount recorded in consolidated statements of income (note 2)
	Chemicals	Construction Materials	Machinery	Others	Total		
Net sales							
External sales	76,584	47,971	21,249	486	146,290	—	146,290
Internal sales or transfers	184	730	192	323	1,429	(1,429)	—
Total	76,768	48,701	21,441	809	147,719	(1,429)	146,290
Segment profit (operating profit)	7,617	667	742	81	9,107	(207)	8,900

(Note 1) (207) million yen for adjustment for Segment profit includes 10 million yen for the elimination of transaction between the Segments and (217) million yen for company-wide cost that is not allocated to each reported Segment. Company-wide cost consists mainly of administration and general expense that is not attributed to each reported Segment.

(Note 2) Segment profit is adjusted with operating profit recorded in the consolidated statements of income.

### (3) Information Concerning Changes in Reported Segments

(Changes in accounting policies)

As described in the "Changes in accounting policies" section, we have adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020) and other standards since the first quarter of the fiscal year ending March 31, 2022, and modified the method for accounting process as well as the method for calculation profit or loss of each Business Segment.

As the result, net sales of some Segments in the current term were increased or decreased in comparison with the previous calculation method: specifically net sales of Chemicals, Construction Materials and Others Segments decreased respectively by 2,112 million yen, 17,467 million yen and 2 million yen, while net sales of the Machinery Segment increased by 897 million yen. In addition, profit of Chemicals and Machinery Segments increased respectively by 77 million yen and 64 million yen, while profit of Others Segment decreased by 1 million yen.

## (Reference) Consolidated Key Indicators

(Billions of yen – except where noted)

	April – June 2020	April – June 2021	April 2021 – March 2022 (forecast)	April 2020 – March 2021
Capital investment	10.8	6.7	44.0	37.1
Depreciation and amortization	9.0	9.0	36.0	36.3
Research and development expenses	2.7	2.8	12.5	11.4
Adjusted operating profit *1	(0.1)	9.5	38.0	28.0
Interest-bearing debt	202.1	204.3	185.0	214.7
Shareholders' equity *2	329.1	353.8	360.0	359.0
Total assets	725.0	762.9	755.0	769.7
D/E ratio (times)	0.61	0.58	0.51	0.60
Shareholders' equity ratio (%)	45.4	46.4	47.7	46.6
Return on sales - ROS (%) *3 *6	(0.5)	6.1 5.3	6.5 5.7	4.2
Return on assets - ROA (%) *4	—	—	5.0	3.7
Return on equity - ROE (%) *5	—	—	5.8	6.6
Number of employees	11,120	11,113	10,900	10,897

\*1 Adjusted operating profit: Operating profit + Interest and dividend income + Share of profit of entities accounted for using equity method

\*2 Shareholders' equity: Net assets – Share acquisition rights – Non-controlling interests

\*3 ROS: Operating profit / Net sales

\*4 ROA: Adjusted operating profit / Average total assets

\*5 ROE: Profit attributable to owners of parent / Average shareholders' equity

\*6 The figures shown at the bottom of the table are reference values for expected results if the Accounting Standard for Revenue Recognition is not adopted.