

**Consolidated Financial Results**  
**for the Second Quarter of the Fiscal Year Ending February 28, 2021**  
**(Six Months Ended August 31, 2020)**

[Japanese GAAP]

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Securities code: 6312  
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Scheduled date of filing of Quarterly Report: October 6, 2020

Scheduled date of payment of dividend: -

Preparation of supplementary materials for quarterly financial results: Yes

Holding of quarterly financial results meeting: Yes (Only video distribution)

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

**1. Consolidated Financial Results for the Second Quarter (March 1, 2020 – August 31, 2020) of the Fiscal Year Ending February 28, 2021**

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Aug. 31, 2020	7,043	3.3	251	-	271	-	183	-
Six months ended Aug. 31, 2019	6,817	(25.2)	3	(99.4)	6	(99.1)	(7)	-

Note: Comprehensive income  
Six months ended Aug. 31, 2020: 88 million yen (-%)  
Six months ended Aug. 31, 2019: (108) million yen (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Aug. 31, 2020	10.98	-
Six months ended Aug. 31, 2019	(0.46)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Aug. 31, 2020	17,525	12,997	74.2	776.21
As of Feb. 29, 2020	18,505	13,243	71.6	790.94

Reference: Equity capital As of Aug. 31, 2020: 12,997 million yen As of Feb. 29, 2020: 13,243 million yen

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Feb. 29, 2020	-	0.00	-	20.00	20.00
Fiscal year ending Feb. 28, 2021	-	0.00			
Fiscal year ending Feb. 28, 2021 (forecast)			-	-	-

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

Note: Dividend forecast for the fiscal year ending February 28, 2021 has not been determined at this time.

**3. Consolidated Forecast for the Fiscal Year Ending February 28, 2021 (March 1, 2020 – February 28, 2021)**

(Percentages represent year-on-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
Full year	17,800	6.1	1,000	79.1	1,000	71.6	700	83.5	41.80

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

## \* Notes

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

Newly added: - Excluded: -

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

Note: Please refer to page 10 “(4) Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements” for details.

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

1) Changes in accounting policies due to revisions in accounting standards, others: None

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

3) Changes in accounting-based 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 Aug. 31, 2020:	18,400,000 shares	As of Feb. 29, 2020:	18,400,000 shares
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2) Number of treasury shares at the end of the period

As of Aug. 31, 2020:	1,655,480 shares	As of Feb. 29, 2020:	1,655,480 shares
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3) Average number of shares outstanding during the period

Six months ended Aug. 31, 2020: 16,744,520 shares      Six months ended Aug. 31, 2019: 16,744,520 shares

The current financial report is not subject to quarterly review by certified public accountants or auditing firms.

Cautionary statement with respect to forecasts of future performance and other special items

Forecasts regarding future performance in these materials are based on certain assumptions judged to be valid and information currently available to the Company. Actual performance may differ significantly from these forecasts for a number of reasons. Please refer to the section “Explanation of Consolidated Forecast and Other Forward-looking Statements” on page 3 of the attachments regarding preconditions or other related matters for forecasts shown above.

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

In the first half of the current fiscal year, there was a rapid economic downturn in Japan because of the global COVID-19 pandemic. In the second quarter of 2020, Japan's real GDP contracted at an annualized rate of 28.1% from the previous quarter, which is more than the decline during the global financial crisis. Economic activity has started to recover following the May 25 end of the state of emergency. However, due to concerns about a second wave of infections, the pace of this recovery is slow as the Japanese government aims to maintain the proper balance between measures for preventing the growth of infections and for maintaining economic activity.

The growth of COVID-19 infections on a global scale along with strict measures to deal with this crisis have severely impacted the economies of countries worldwide. Nevertheless, the economies of many countries are slowly recovering as governments take actions for both supporting their economies and stopping the spread of COVID-19.

In the pharmaceutical industry, which is the primary source of demand for Freund Group products, companies must take actions in response to changes in the business climate. Changes include heightened measures to hold down healthcare expenditures, such as national health insurance drug price revisions and the increasing use of generic drugs, and the rising cost of R&D programs as well as the associated risk. In addition, the benefits of measures by the Japanese government to increase the use of generic drugs are declining, resulting in a slow decline in the growth rate of the generic drug market.

The fiscal year ending in February 2021 is the first year of the Freund Group's Eighth Medium-term Management Plan covering the three-year period ending February 2023. This plan is centered on the themes of customers, new products, a global perspective and growth. In addition, the plan has the following seven goals.

1. Group solidarity and collaboration
2. Always use the customer's perspective
3. Make innovation a priority
4. Global management of the Freund Group
5. Progress based on a strategy for growth
6. Business process and working style reforms
7. Make compliance/governance a priority

While focusing on these goals, the overall objective is to structure business operations so that performance is not vulnerable to a change in conditions in any particular market where the Freund Group operates. In the current fiscal year, all group companies are working on reaching the consolidated targets of sales of 17,800 million yen and an operating profit of 1,000 million yen.

Net sales increased 3.3% year-over-year to 7,043 million yen, operating profit was 251 million yen (compared with operating profit of 3 million yen in the same period of the previous fiscal year), in part because a U.S. subsidiary received a COVID-19 subsidy of about 2.1 million dollars from the U.S. government, ordinary profit was 271 million yen (compared with ordinary profit of 6 million yen in the same period of the previous fiscal year), and profit attributable to owners of parent was 183 million yen (compared with loss attributable to owners of parent of 7 million yen in the same period of the previous fiscal year).

Results by business segment were as follows.

### Machinery Business Segment

In the machinery segment, where granulating and coating equipment are the main products, sales and operating profit were higher due to strong sales even though some export shipments were delayed by the COVID-19 crisis.

As a result, net sales increased 4.1% year-over-year to 4,125 million yen and segment profit was 255 million yen (compared with segment loss of 119 million yen in the same period of the previous fiscal year).

## Chemicals Business Segment

Sales and operating profit for pharmaceutical excipients used for oral drugs declined in part because deliveries of some products were postponed to the third quarter or afterward.

Sales and operating profit of food preservatives also decreased. The main reason was lower sales of souvenirs for tourists and confectionery products at department stores because of the spread of COVID-19.

Sales and operating profit for the production of health food products for other companies increased as these companies increased their inventories of these products.

As a result, net sales increased 2.3% year-over-year to 2,917 million yen and segment profit decreased 40.2% to 228 million yen.

## (2) Explanation of Financial Position

Total assets decreased 979 million yen from the end of the previous fiscal year to 17,525 million yen at the end of the second quarter. This mainly reflected decreases in notes and accounts receivable-trade of 1,006 million yen, electronically recorded monetary claims-operating of 231 million yen, merchandise and finished goods of 94 million yen and other, net under property, plant and equipment including machinery, equipment and vehicles of 71 million yen, while there were increases in cash and deposits of 429 million yen and work in process of 79 million yen.

Total liabilities decreased 733 million yen from the end of the previous fiscal year to 4,528 million yen at the end of the second quarter. This mainly reflected decreases in electronically recorded obligations-operating of 739 million yen and notes and accounts payable-trade of 516 million yen, while there was an increase of advances received of 511 million yen.

Net assets decreased 246 million yen from the end of the previous fiscal year to 12,997 million yen at the end of the second quarter. This mainly reflected a decrease of 151 million yen in retained earnings.

## Cash Flows

The balance of cash and cash equivalents at the end of the second quarter was 4,743 million yen, up 429 million yen over the end of the previous fiscal year (this compares with a decrease of 503 million yen in the same period of the previous fiscal year).

The cash flow components and the main reasons for changes are as described below.

### a. Cash flows from operating activities

Net cash provided by operating activities was 977 million yen (compared with net cash provided of 289 million yen in the same period of the previous fiscal year). Although there were negative factors including a decrease in trade payables of 1,192 million yen, there were positive factors including a decrease in trade receivables of 1,211 million yen, an increase in advances received of 529 million yen and depreciation of 196 million yen.

### b. Cash flows from investing activities

Net cash used in investing activities was 171 million yen (compared with net cash used of 414 million yen in the same period of the previous fiscal year). There was a payment for the purchase of property, plant and equipment of 206 million yen.

### c. Cash flows from financing activities

Net cash used in financing activities was 366 million yen (compared with net cash used of 359 million yen in the same period of the previous fiscal year). This was mainly the result of dividends paid of 333 million yen.

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

There are no revisions to the full year consolidated forecasts for the fiscal year ending February 28, 2021, which were disclosed in the Consolidated Financial Results for the Fiscal Year Ended February 29, 2020 dated April 24, 2020.

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

	(Thousands of yen)	
	FY2/20 (As of Feb. 29, 2020)	Second quarter of FY2/21 (As of Aug. 31, 2020)
<b>Assets</b>		
Current assets		
Cash and deposits	4,314,123	4,743,190
Notes and accounts receivable-trade	5,013,789	4,007,400
Electronically recorded monetary claims-operating	417,513	185,925
Merchandise and finished goods	647,754	553,280
Work in process	1,390,426	1,469,563
Raw materials and supplies	1,013,444	1,033,871
Prepaid expenses	139,944	148,312
Other	261,804	188,754
Allowance for doubtful accounts	(5,471)	(5,268)
Total current assets	13,193,328	12,325,031
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,418,559	1,425,587
Land	1,231,252	1,180,672
Other, net	1,560,069	1,488,269
Total property, plant and equipment	4,209,880	4,094,529
Intangible assets		
Software	19,811	19,034
Other	76,270	71,270
Total intangible assets	96,081	90,304
Investments and other assets		
Deferred tax assets	208,497	213,407
Other	802,939	807,722
Allowance for doubtful accounts	(5,400)	(5,400)
Total investments and other assets	1,006,036	1,015,729
Total non-current assets	5,311,999	5,200,563
<b>Total assets</b>	<b>18,505,327</b>	<b>17,525,595</b>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	1,754,324	1,237,952
Electronically recorded obligations-operating	1,367,537	628,369
Short-term borrowings	32,829	-
Income taxes payable	61,729	110,086
Advances received	775,289	1,286,568
Provision for bonuses	237,693	197,911
Provision for bonuses for directors (and other officers)	6,000	15,500
Other	788,516	805,348
Total current liabilities	5,023,920	4,281,736
Non-current liabilities		
Retirement benefit liability	165,114	161,555
Asset retirement obligations	31,683	46,414
Other	40,661	38,582
Total non-current liabilities	237,458	246,552
<b>Total liabilities</b>	<b>5,261,378</b>	<b>4,528,289</b>

	(Thousands of yen)	
	FY2/20	Second quarter of FY2/21
	(As of Feb. 29, 2020)	(As of Aug. 31, 2020)
Net assets		
Shareholders' equity		
Share capital	1,035,600	1,035,600
Capital surplus	1,289,513	1,289,513
Retained earnings	11,964,299	11,813,246
Treasury shares	(773,363)	(773,363)
Total shareholders' equity	13,516,050	13,364,997
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,680	18,996
Foreign currency translation adjustment	(298,749)	(399,132)
Remeasurements of defined benefit plans	12,967	12,443
Total accumulated other comprehensive income	(272,101)	(367,691)
Total net assets	13,243,948	12,997,305
Total liabilities and net assets	18,505,327	17,525,595

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

	(Thousands of yen)	
	First six months of FY2/20 (Mar. 1, 2019 – Aug. 31, 2019)	First six months of FY2/21 (Mar. 1, 2020 – Aug. 31, 2020)
Net sales	6,817,515	7,043,727
Cost of sales	4,400,935	4,779,948
Gross profit	2,416,580	2,263,779
Selling, general and administrative expenses	2,413,308	2,012,694
Operating profit	3,271	251,084
Non-operating income		
Interest income	3,406	292
Dividend income	6,144	5,615
Technical support fee income	3,154	4,039
Compensation income	-	3,183
Other	7,201	12,790
Total non-operating income	19,907	25,920
Non-operating expenses		
Interest expenses	151	279
Foreign exchange losses	16,276	4,496
Other	630	927
Total non-operating expenses	17,058	5,704
Ordinary profit	6,120	271,301
Extraordinary income		
Gain on sales of non-current assets	9,997	4,237
Gain on sales of investment securities	2,200	-
Total extraordinary income	12,197	4,237
Extraordinary losses		
Impairment loss	203	-
Loss on sales of non-current assets	-	4,697
Loss on retirement of non-current assets	210	4,534
Loss on valuation of investment securities	750	-
Total extraordinary losses	1,163	9,231
Profit before income taxes	17,154	266,307
Income taxes	24,896	82,469
Profit (loss)	(7,741)	183,837
Profit (loss) attributable to owners of parent	(7,741)	183,837



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

(Thousands of yen)

	First six months of FY2/20 (Mar. 1, 2019 – Aug. 31, 2019)	First six months of FY2/21 (Mar. 1, 2020 – Aug. 31, 2020)
Profit (loss)	(7,741)	183,837
Other comprehensive income		
Valuation difference on available-for-sale securities	(15,622)	5,316
Foreign currency translation adjustment	(84,482)	(100,382)
Remeasurements of defined benefit plans, net of tax	(568)	(523)
Total other comprehensive income	(100,672)	(95,590)
Comprehensive income	(108,414)	88,247
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(108,414)	88,247

**(3) Quarterly Consolidated Statement of Cash Flows**

(Thousands of yen)

	First six months of FY2/20 (Mar. 1, 2019 – Aug. 31, 2019)	First six months of FY2/21 (Mar. 1, 2020 – Aug. 31, 2020)
Cash flows from operating activities		
Profit before income taxes	17,154	266,307
Depreciation	177,037	196,160
Impairment loss	203	-
Increase (decrease) in allowance for doubtful accounts	(3,276)	-
Increase (decrease) in provision for bonuses	(31,021)	(39,601)
Increase (decrease) in provision for bonuses for directors (and other officers)	(26,000)	9,500
Interest and dividend income	(9,550)	(5,907)
Interest expenses	151	279
Foreign exchange losses (gains)	15,715	744
Loss (gain) on sales of property, plant and equipment	(9,997)	459
Loss on retirement of property, plant and equipment	210	4,534
Decrease (increase) in trade receivables	513,823	1,211,311
Decrease (increase) in inventories	(1,028,562)	(50,597)
Decrease (increase) in other assets	(78,116)	73,059
Increase (decrease) in trade payables	170,886	(1,192,928)
Increase (decrease) in advances received	783,652	529,802
Increase (decrease) in other liabilities	(97,763)	15,182
Other, net	(1,050)	(8,053)
Subtotal	393,494	1,010,253
Interest and dividends received	9,550	5,907
Interest paid	(151)	(279)
Income taxes refund	19,469	-
Income taxes paid	(132,565)	(46,663)
Other, net	-	8,097
Net cash provided by (used in) operating activities	289,797	977,314
Cash flows from investing activities		
Purchase of property, plant and equipment	(440,928)	(206,860)
Proceeds from sales of property, plant and equipment	17,926	52,796
Payments for retirement of property, plant and equipment	(201)	(2,037)
Purchase of intangible assets	(3,000)	(2,209)
Payments for asset retirement obligations	-	(4,700)
Purchase of investment securities	(1,143)	(1,776)
Proceeds from sales of investment securities	4,200	-
Proceeds from cancellation of insurance funds	9,661	-
Payments of guarantee deposits	(1,449)	(28,729)
Proceeds from refund of guarantee deposits	147	21,635
Net cash provided by (used in) investing activities	(414,788)	(171,881)

	(Thousands of yen)	
	First six months of FY2/20 (Mar. 1, 2019 – Aug. 31, 2019)	First six months of FY2/21 (Mar. 1, 2020 – Aug. 31, 2020)
Cash flows from financing activities		
Repayments of short-term borrowings	-	(32,160)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(25,398)	-
Repayments of lease obligations	(1,820)	(1,214)
Dividends paid	(332,440)	(333,349)
Net cash provided by (used in) financing activities	(359,658)	(366,724)
Effect of exchange rate change on cash and cash equivalents	(19,202)	(9,641)
Net increase (decrease) in cash and cash equivalents	(503,851)	429,067
Cash and cash equivalents at beginning of period	5,534,431	4,314,123
Cash and cash equivalents at end of period	5,030,580	4,743,190

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

##### **Going Concern Assumption**

Not applicable.

##### **Significant Changes in Shareholders' Equity**

Not applicable.

##### **Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements**

The tax expenses are calculated by first estimating the effective tax rate after the application of tax effect accounting with respect to profit before income taxes during the fiscal year in which the period falls, and multiplying that rate by the profit before income taxes for the period. However, the Company uses the statutory effective tax rate to calculate tax expenses for cases in which using the estimated tax rate gives a noticeably irrational result.

##### **Additional Information**

The COVID-19 pandemic is affecting the Freund Group's operations as shipments of products in the Machinery Business were delayed and sales of food preservatives in the Chemicals Business declined because of slow sales of confectionery products associated with closings and reduced operating hours of amusement parks and department stores.

Accounting estimates for the impairment losses on non-current assets, recoverability of deferred tax assets and other items are based on the assumption that the impact of COVID-19 will slowly decline during the current fiscal year.

**Segment and Other Information****Segment information**

I First six months of FY2/20 (Mar. 1, 2019 – Aug. 31, 2019)

**1. Information related to net sales and profit or loss for each reportable segment** (Thousands of yen)

	Machinery Business	Chemicals Business	Total	Adjustment (Note 1)	Amounts shown on quarterly consolidated statement of income (Note 2)
Net sales					
(1) External sales	3,964,804	2,852,711	6,817,515	-	6,817,515
(2) Inter-segment sales and transfers	-	-	-	-	-
Total	3,964,804	2,852,711	6,817,515	-	6,817,515
Segment profit (loss)	(119,964)	382,440	262,476	(259,204)	3,271

Notes: 1. Contents of adjustments are as follows.

The negative adjustment of 259,204 thousand yen to segment profit (loss) includes corporate expenses that are not allocated to any of the reportable segments. Corporate expenses mainly consist of general and administrative expenses that are not attributable to any of the reportable segments.

2. Segment profit (loss) is adjusted to be consistent with operating profit recorded in the quarterly consolidated statement of income.

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

In the Machinery Business segment, the Company has recognized impairment losses related to non-current assets of 203 thousand yen.

**3. Information by region****Net sales**

In addition to the disclosure of information required by the “Accounting Standard for Quarterly Financial Statements,” the Company provides information by region (net sales) based on the “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” for the purpose of providing investors with useful information.

(Thousands of yen)

Japan	United States	Latin America	Europe	Other	Total
5,329,792	757,822	235,980	210,217	283,703	6,817,515

Notes: 1. Classification of net sales is based on the location of the client and categorized by country or region.

2. Groupings of countries and regions other than Japan are determined by geographic proximity and mutual operational relationships. Major countries and regions in each geographic segment are as follows.

- (1) Latin America: Brazil, etc.
- (2) Europe: France, UK, etc.
- (3) Other: Asia, etc.

## II First six months of FY2/21 (Mar. 1, 2020 – Aug. 31, 2020)

## 1. Information related to net sales and profit or loss for each reportable segment (Thousands of yen)

	Machinery Business	Chemicals Business	Total	Adjustment (Note 1)	Amounts shown on quarterly consolidated statement of income (Note 2)
Net sales					
(1) External sales	4,125,972	2,917,755	7,043,727	-	7,043,727
(2) Inter-segment sales and transfers	-	-	-	-	-
Total	4,125,972	2,917,755	7,043,727	-	7,043,727
Segment profit	255,922	228,548	484,471	(233,386)	251,084

Notes: 1. Contents of adjustments are as follows.

The negative adjustment of 233,386 thousand yen to segment profit includes corporate expenses that are not allocated to any of the reportable segments. Corporate expenses mainly consist of general and administrative expenses that are not attributable to any of the reportable segments.

2. Segment profit is adjusted to be consistent with operating profit recorded in the quarterly consolidated statement of income.

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

Not applicable.

## 3. Information by region

## Net sales

In addition to the disclosure of information required by the “Accounting Standard for Quarterly Financial Statements,” the Company provides information by region (net sales) based on the “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” for the purpose of providing investors with useful information.

(Thousands of yen)

Japan	United States	Latin America	Europe	Other	Total
5,803,123	401,651	119,800	199,469	519,681	7,043,727

Notes: 1. Classification of net sales is based on the location of the client and categorized by country or region.

2. Groupings of countries and regions other than Japan are determined by geographic proximity and mutual operational relationships. Major countries and regions in each geographic segment are as follows.

- (1) Latin America: Brazil, etc.
- (2) Europe: France, UK, etc.
- (3) Other: Asia, etc.

### 3. Others

#### Orders and Sales

##### (1) Orders received

(Thousands of yen)

Operating segment	First six months of FY2/20 (Mar. 1, 2019 – Aug. 31, 2019)		First six months of FY2/21 (Mar. 1, 2020 – Aug. 31, 2020)	
	Amount	Year-on-year (%)	Amount	Year-on-year (%)
Machinery Business	5,311,232	81.5	6,705,850	126.3

Notes: 1. No orders received are shown for the Chemicals Business because production is based on sales plans rather than specific orders.

2. Orders received are based on selling prices; inter-segment transactions have been eliminated.

3. Orders received do not include consumption taxes.

##### (2) Order backlog

(Thousands of yen)

Operating segment	First six months of FY2/20 (Mar. 1, 2019 – Aug. 31, 2019)		First six months of FY2/21 (Mar. 1, 2020 – Aug. 31, 2020)	
	Amount	Year-on-year (%)	Amount	Year-on-year (%)
Machinery Business	6,846,714	109.8	7,330,154	107.1

Notes: 1. No order backlog is shown for the Chemicals Business because production is based on sales plans rather than specific orders.

2. Order backlog is based on selling prices; inter-segment transactions have been eliminated.

3. Order backlog does not include consumption taxes.

##### (3) Sales

(Thousands of yen)

Operating segment	First six months of FY2/20 (Mar. 1, 2019 – Aug. 31, 2019)		First six months of FY2/21 (Mar. 1, 2020 – Aug. 31, 2020)	
	Amount	Composition (%)	Amount	Composition (%)
Machinery Business	3,964,804	58.2	4,125,972	58.6
Chemicals Business	2,852,711	41.8	2,917,755	41.4
Total	6,817,515	100.0	7,043,727	100.0

Notes: 1. Sales are based on selling prices; inter-segment transactions have been eliminated.

2. Sales do not include consumption taxes.

*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.*