

Summary of 3rd Quarter Report for the Fiscal Year 2020 (April 1, 2020, through December 31, 2020)

Qualification: This is directly translated into English for readers' convenience, and all financial results conform with the accounting principles generally accepted in Japan.

Company: **Nippon Suisan Kaisha, Ltd.**

Listed on Tokyo Stock Exchange with the register code 1332

<https://www.nissui.co.jp/english/index.html>**1. Consolidated Financial Data of 3rd Quarter of FY2020****(1) Consolidated Financial Results (For nine months ended December 31)**

(Amounts less than one million yen are omitted)

| | Net Sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|-----------------------|-------------|-------|------------------|--------|-----------------|--------|---|--------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| 3rd quarter of FY2020 | 497,200 | (5.6) | 15,059 | (21.0) | 18,796 | (13.0) | 13,177 | (10.9) |
| 3rd quarter of FY2019 | 526,828 | (3.0) | 19,068 | (4.2) | 21,613 | (5.3) | 14,791 | (3.2) |

(Note): Each percentage figure shows changes from the previous year.

Comprehensive income of 3rd quarter of FY2020 15,165 Million yen (31.1%) 3rd quarter of FY2019 11,566 Million yen ((25.4) %)

| | Earnings share | Diluted income per share |
|-----------------------|----------------|--------------------------|
| | Yen | Yen |
| 3rd quarter of FY2020 | 42.35 | - |
| 3rd quarter of FY2019 | 47.54 | - |

(2) Consolidated Financial Position of 3rd Quarter

| | Total assets | Net assets | Equity ratio |
|-----------------------|--------------|-------------|--------------|
| | Million yen | Million yen | Million yen |
| 3rd quarter of FY2020 | 490,870 | 184,035 | 33.6 |
| FY2019 | 491,533 | 172,300 | 31.2 |

(Note): Total shareholders' equity

As of December 31, 2020 164,805 Million yen As of March 31, 2020 153,152 Million yen

2. Dividend

| | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | Fiscal Year |
|------------------|-------------|-------------|-------------|-------------|-------------|
| | Yen | Yen | Yen | Yen | Yen |
| FY2019 | - | 4.0 | - | 4.5 | 8.5 |
| FY2020 | - | 4.0 | - | | |
| FY2020(forecast) | | | | 4.5 | 8.5 |

(Note) Revision to dividend forecast during the current quarter: None

3. Consolidated Forecast for FY2020(April 1, 2020, through March 31, 2021)

| | 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 |
| FY2020 | 650,000 | (5.8) | 15,000 | (34.3) | 18,500 | (28.3) | 11,500 | (22.1) | 36.96 |

(Note) Revision during the current quarter to the consolidated forecast for FY2020: None

* Notes

1) Changes in the scope of consolidation due to transfer of significant subsidiaries during the term:
None

2) Adoption of accounting treatment unique to the preparation of quarterly consolidated financial statement: None

3) Changes in accounting policy, Changes in accounting estimate, and restatement:

i. Changes in accounting policy associated with the revision of the accounting standard, etc.: None

ii. Changes in accounting policy other than those stated above: None

iii. Changes in accounting estimate: None

iv. Restatement: None

4) Number of issued shares (Common stock)

i. Number of issued shares at the end of the term (Including treasury stock)

ii. Number of treasury stock at the end of the term

iii. The average number of shares during the term (For the current consolidated third quarter)

| | | | |
|---------------|-------------|--------------|-------------|
| 3rd of FY2020 | 312,430,277 | FY2019 | 312,430,277 |
| 3rd of FY2020 | 1,291,504 | FY2019 | 1,289,063 |
| 3rd of FY2020 | 311,140,270 | 3Q of FY2019 | 311,144,642 |

(Note) Nissui has introduced the “Board Benefit Trust (BBT)” as its performance-linked and share-based compensation plan since FY2018, and its own shares remaining in the Trust is included as treasury shares. The number of treasury stock at the end of the term and the average number of shares during the term is 330,500.

* The summary of financial results is not subject to audits.

*Explanation on the proper use of the forecasts and other noteworthy items

This report’s performance forecasts are based on information available at present, and certain premises are thought to be reasonable. Accordingly, the results may change substantially due to various factors. For conditions from which the premises for the forecasts were derived and the other noteworthy items relating to the use of the forecasts, please refer to “(3) Explanation on Consolidated Financial Forecasts” on page 7 of the Summary of 3rd Quarter Report for the Fiscal Year 2020 (Appendix).

1. Qualitative information for the third quarter of the fiscal year ending March 31, 2021

(1) Explanation on consolidated financial results

During the first nine months of the consolidated fiscal year under review, the Japanese economy was significantly affected by the spread of the new coronavirus (COVID-19) infection. Both earnings and employment conditions deteriorated sharply, and consumer spending fell significantly. After the cancellation of the declaration of an emergency in late May, economic activity is gradually recovering. However, the outlook is uncertain due to the spread of infection resumed in November.

In terms of the global economy during the period subject to consolidated accounting from January to September, corporate earnings and consumer spending dropped rapidly due partly to the gradual emergence of impacts from COVID-19 in late February and declarations of an emergency and lockdowns taken place in the United States and European countries in March. Regulations were partially relaxed from late April, and economic activity resumed in stages, but the situation remains severe, with the infection re-spread in the United States and Europe.

The Company and its corporate group's sales of food for households were strong in both Japan and overseas countries thanks to increased household consumption due to the restriction on going out. However, dining out and tourism demand sharply declined, and marine products and food sales for hotels and restaurants decreased. In addition to the worsening marine products market condition due to the decreased demand, sales of products for convenience stores also exhibited impacts. In Japan and overseas, the business environment was severe in the aquaculture business due to falling unit sales prices and production cuts.

Under these circumstances, the consolidated financial results through the third quarter of the consolidated fiscal year under review were as follows: net sales were 497,200 million yen, down 29,628 million yen year-on-year; operating profit was 15,059 million yen, down 4,008 million yen year-on-year; ordinary profit was 18,796 million yen, down 2,817 million yen year-on-year; and the profit attributable to the owners of the parent company was 13,177 million yen, down 1,613 million yen year-on-year.

The Company and its corporate group are working on expanding and innovating the aquaculture business to reduce the marine environment's burden to help people worldwide be healthy from sustainable marine resources. We will continue to accelerate overseas expansion and sophisticate the aquaculture business, which are our main strategies, and provide products that respond to lifestyle changes, such as rapidly expanding remote work.

As for our measures against COVID-19, we will continue to implement workstyles for employees to realize the 3Cs, namely avoiding "closed spaces," "crowded places," and "close-contact settings," by combining "working from home" and "web meetings," etc., to prevent the spread of infection. We are committed to continuing with measures to prevent infection, ensuring our business partner's and employees' safety, and thereby fulfilling our responsibilities to produce and supply food.

(Unit: million yen)

| | Net Sales | Operating Profit | Ordinary Profit | Profit attributable to owners of parent |
|---------------------------|-----------|------------------|-----------------|---|
| 3Q of FY2020 | 497,200 | 15,059 | 18,796 | 13,177 |
| 3Q of FY2019 | 526,828 | 19,068 | 21,613 | 14,791 |
| Difference | (29,628) | (4,008) | (2,817) | (1,613) |
| Percentage difference (%) | 94.4% | 79.0% | 87.0% | 89.1% |

The summary by segment is as follows.

(Unit: million yen)

| | Net Sales | Increase/Decrease (Y-on-Y) | Y-on-Y | Operating Profit | Increase/Decrease (Y-on-Y) | Y-on-Y |
|----------------------|-----------|-------------------------------|--------|------------------|-------------------------------|--------|
| Marine Products | 202,059 | (22,522) | 90.0% | 5,303 | (5,161) | 50.7% |
| Food Products | 248,955 | (7,067) | 97.2% | 10,918 | 1,083 | 111.0% |
| Fine Chemicals | 19,231 | (963) | 95.2% | 1,917 | (46) | 97.6% |
| General Distribution | 12,884 | 115 | 100.9% | 1,809 | 224 | 114.2% |
| Other | 14,068 | 810 | 106.1% | 544 | 442 | 531.7% |
| Common Costs | - | - | -% | (5,433) | (549) | 111.3% |
| Total | 497,200 | (29,628) | 94.4% | 15,059 | (4,008) | 79.0% |

(Note) “Other” refers to Engineering (planning, design, construction of plants and equipment) business and Ship Operation Business, etc.

(1) Marine Products Business

The Marine Products segment is engaged in the fishery, aquaculture, and seafood processing and trading businesses.

<Overview of the third quarter of the consolidated fiscal year under review>

We recorded 202,059 million yen (down 22,522 million yen year-on-year) in the sales and operating profit of 5,303 million yen (down 5,161 million yen year-on-year) in the Marine Products Business.

In the Marine Products Business, demand for dining out and tourism fell sharply both in Japan and overseas, and sales of marine products for hotels and restaurants declined. It was also greatly affected by the deterioration of the fisheries market due to the decrease in demand.

Fishery Business: Both revenue and income decreased year-on-year.

[Japan]

- Sardine catches were strong, but the catch of horse mackerel and buri yellowtail were sluggish, and fish prices were also weak.

[South America]

- Both revenue and income declined since Southernblue whiting catch was slow while Hoki caught well.

Aquaculture Business: Both revenue and income decreased year-on-year.

[Japan]

- Sales of farmed fish to mass retailers increased thanks to increased consumption in households due to self-restraint from going out. However, in addition to falling sales prices, many farmed tunas died due to the typhoon, resulting in higher costs and lower profits.

[South America]

- Both revenue and income decreased in the salmon/trout business due to the decline in sales volume because of reducing production in addition to falling sales prices.

Seafood Processing and Trading Business: Both revenue and income decreased year-on-year.

[Japan]

- Both revenue and income decreased as the sales volume of salmon/trout declined, and the sales price of buri yellowtail went down.

[North America]

- Both revenue and income decreased as the yield decreased in Alaskan pollock's surimi and fillet and increased labor costs.

[Europe]

- Both revenue and income decreased as sales for dining out and cruise ship has shrunk.

(2) Food Products Business

The Food Products segment is engaged in the food processing and chilled foods businesses.

<Overview of the third quarter of the consolidated fiscal year under review>

We recorded 248,955 million yen (down 7,067 million yen year-on-year) in sales and operating profit of 10,918 million yen (up 1,083 million yen year-on-year) in the Food Products Business.

Processed Foods Business: Revenue decreased, but income increased year-on-year.

- Income increased by covering the struggling commercial foods thanks to the strong sales in frozen food and chilled food for household use both in Japan and overseas.

Chilled Foods Business: Both revenue and income decreased year-on-year.

- Although there has been a gradual recovery trend since the state of emergency was lifted, both revenue and income decreased since orders for convenience stores decreased as an increase in work from home and decrease in demand for tourism caused low turnout.

(3) Fine Chemicals Business

The Fine Chemicals segment is engaged in the manufacture and sale of pharmaceutical raw materials, functional raw materials (Note 1), functional foods (Note 2), diagnostic medicines, and test drug.

<Overview of the third quarter of the consolidated fiscal year under review>

We recorded 19,231 million yen (down 963 million yen year-on-year) in sales and operating profit of 1,917 million yen (down 46 million yen year-on-year) in the Fine Chemicals Business.

[Pharmaceutical Raw Materials, Functional Raw Materials and Functional Foods]

- Income increased as functional raw materials and functional foods sold well while revenue decreased in pharmaceutical raw materials.

[Clinical Diagnostic and Test Drug]

- Although sales of diagnostic equipment increased, both revenue and income declined as products' sale composition ratio changed to the one with high-cost ratios, and we sold our pharmaceutical sales business.

(4) General Distribution Business

The General Distribution segment is engaged in the cold storage, transportation, and customs clearing businesses.

<Overview of the third quarter of the consolidated fiscal year under review>

We recorded 12,884 million yen (up 115 million yen year-on-year) in sales and operating profit of 1,809 million yen (up 224 million yen year-on-year) in the General Distribution Business.

• Although cargo movements were slowing down, revenue and income increased due to the new operation of Osaka Maishima Logistics Center Building No. 2 and cost reduction effect.

(Note 1) EPA, DHA, and others mainly used as ingredients of health supplements and infant formula

(Note 2) Supplements such as EPA, DHA, and “i-mark S,” food for specified health uses (FOSHU), for online business

(2) Explanation on the consolidated financial position

State of assets, liabilities, and net assets

(Unit: million yen)

| | FY2019 | 3Q of FY2020 | Increase/Decrease |
|-------------------------|---------|--------------|-------------------|
| Current Assets | 253,115 | 250,934 | (2,181) |
| (Inventories) | 131,053 | 126,332 | (4,721) |
| Non-current Assets | 238,417 | 239,936 | 1,518 |
| Total Assets | 491,533 | 490,870 | (663) |
| Current Liabilities | 196,895 | 165,047 | (31,847) |
| Non-current Liabilities | 122,337 | 141,787 | 19,449 |
| Total Liabilities | 319,233 | 306,835 | (12,398) |
| Total Net Assets | 172,300 | 184,035 | 11,734 |

Assets

Total assets decreased by 663 million yen compared to the end of the previous consolidated fiscal year to 490,870 million yen (down 0.1%).

Current assets decreased by 2,181 million yen to 250,934 million yen (down 0.9%). The main reason for this was cash and deposit decreased by 16,303 million yen by establishing a commitment line and inventory decreased by 4,721 million yen as we enhanced control. In comparison, notes and accounts receivable trade increased by 17,770 million yen.

Non-current assets increased by 1,518 million yen to 239,936 million yen (up 0.6%), mainly due to an increase in investment securities by 4,573 million yen due to the rise in stock prices.

Liabilities

Total liabilities decreased by 12,398 million yen compared to the end of the previous consolidated fiscal year to 306,835 million yen (down 3.9%)

Current liabilities decreased by 31,847 million yen to 165,047 million yen (down 16.2%), mainly because of a decrease in short-term borrowings by 42,515 million yen due to the procurement of low interest and stable long-term borrowings and repayment of short-term borrowing. Also, notes and accounts payable trade increased by 9,126 million yen.

Non-current liabilities increased by 19,449 million yen to 141,787 million yen (up 15.9%). As mentioned in the factors for the decrease in current liabilities, the main reason was an increase in long-term borrowings by 19,353 million yen.

Net Assets

Total net assets increased by 11,734 million yen compared to the previous consolidated fiscal year's end to 184,035 million yen (up 6.8%). This was mainly due to posting profit attributable to owners of the parent of 13,177 million yen, payment of dividends of surplus by 2,648 million yen, an increase in valuation difference on other securities of 3,294 million yen, as stated in the factors behind the increase in non-current assets, and a decrease in foreign currency translation adjustment by 1,816 million yen due to appreciating yen.

(3) Explanation on Consolidated Financial Forecasts

At this moment, there is no revision in the forecast of financial results for the fiscal year ending March 2021, disclosed on November 5, 2020.

2. 3rd Quarter Consolidated Financial Statements
(1) Consolidated Balance Sheet

Millionyen

| | FY2019 As of Mar. 31, 2020 | 3rd Quarter of FY2020 As of Dec. 31, 2020 |
|---------------------------------------|-------------------------------|--|
| Assets | | |
| Current assets | | |
| Cash and deposits | 27,371 | 11,068 |
| Notes and accounts receivable - trade | 79,962 | 97,732 |
| Merchandise and finished goods | 68,300 | 64,840 |
| Work in process | 28,740 | 27,723 |
| Raw materials and supplies | 34,012 | 33,767 |
| Other | 15,032 | 16,155 |
| Allowance for doubtful accounts | (303) | (354) |
| Total current assets | 253,115 | 250,934 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 61,515 | 61,494 |
| Other, net | 86,526 | 85,397 |
| Total property, plant and equipment | 148,042 | 146,891 |
| Intangible assets | | |
| Goodwill | 669 | 501 |
| Other | 9,690 | 9,345 |
| Total intangible assets | 10,360 | 9,846 |
| Investments and other assets | | |
| Investment securities | 65,258 | 69,832 |
| Other | 19,567 | 18,068 |
| Allowance for doubtful accounts | (4,810) | (4,702) |
| Total investments and other assets | 80,015 | 83,197 |
| Total non-current assets | 238,417 | 239,936 |
| Total assets | 491,533 | 490,870 |

Consolidated Balance Sheet

Million yen

| | FY2019 As of Mar. 31, 2020 | 3rd Quarter of FY2020 As of Dec. 31, 2020 |
|---|-------------------------------|--|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 35,476 | 44,603 |
| Short-term borrowings | 120,877 | 78,362 |
| Income taxes payable | 2,119 | 3,405 |
| Accrued expenses | 23,280 | 28,181 |
| Provisions | 3,742 | 1,251 |
| Other | 11,398 | 9,243 |
| Total current liabilities | 196,895 | 165,047 |
| Non-current liabilities | | |
| Long-term borrowings | 100,361 | 119,714 |
| Provisions | 146 | 151 |
| Retirement benefit liability | 12,450 | 11,629 |
| Other | 9,380 | 10,292 |
| Total non-current liabilities | 122,337 | 141,787 |
| Total liabilities | 319,233 | 306,835 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 30,685 | 30,685 |
| Capital surplus | 21,621 | 21,655 |
| Retained earnings | 96,237 | 106,653 |
| Treasury shares | (474) | (476) |
| Total shareholders' equity | 148,069 | 158,518 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 8,839 | 12,134 |
| Deferred gains or losses on hedges | 264 | (344) |
| Foreign currency translation adjustment | 186 | (1,629) |
| Remeasurements of defined benefit plans | (4,208) | (3,874) |
| Total accumulated other comprehensive income | 5,082 | 6,286 |
| Non-controlling interests | 19,148 | 19,230 |
| Total net assets | 172,300 | 184,035 |
| Total liabilities and net assets | 491,533 | 490,870 |

(2) Consolidated Income Statements

Million yen

| | 3rd Quarter of FY2019 (Nine months ended Dec. 31, 2019) | 3rd Quarter of FY2020 (Nine months ended Dec. 31, 2020) |
|---|--|--|
| Net sales | 526,828 | 497,200 |
| Cost of sales | 424,081 | 400,252 |
| Gross profit | 102,747 | 96,948 |
| Selling, general and administrative expenses | 83,679 | 81,888 |
| Operating profit | 19,068 | 15,059 |
| Non-operating income | | |
| Interest income | 184 | 165 |
| Dividend income | 444 | 374 |
| Foreign exchange gains | 28 | 98 |
| Gain on sales of investment securities | — | 36 |
| Share of profit of entities accounted for using equity method | 2,597 | 2,607 |
| Subsidy income | 326 | 1,012 |
| Miscellaneous income | 452 | 585 |
| Total non-operating income | 4,033 | 4,881 |
| Non-operating expenses | | |
| Interest expenses | 1,214 | 1,031 |
| Loss on sales of investment securities | — | 2 |
| Miscellaneous expenses | 273 | 111 |
| Total non-operating expenses | 1,487 | 1,145 |
| Ordinary profit | 21,613 | 18,796 |
| Extraordinary income | | |
| Gain on sales of non-current assets | 192 | 353 |
| Gain on sales of investment securities | 53 | 1,895 |
| Gain on sales of shares of subsidiaries and associates | 9 | — |
| Gain on change in equity | 11 | — |
| Total extraordinary income | 267 | 2,249 |
| Extraordinary losses | | |
| Loss on disposal of non-current assets | 302 | 266 |
| Loss on sales of investment securities | 0 | 3 |
| Loss on valuation of investment securities | 128 | 77 |
| Loss on disaster | — | 772 |
| Loss on relocation of factory | 103 | — |
| Total extraordinary losses | 535 | 1,119 |
| Profit before income taxes | 21,345 | 19,927 |
| Income taxes-current | 4,819 | 4,957 |
| Income taxes-deferred | 1,292 | 1,340 |
| Total income taxes | 6,111 | 6,298 |
| Profit | 15,234 | 13,628 |
| Profit attributable to non-controlling interests | 442 | 450 |
| Profit attributable to owners of parent | 14,791 | 13,177 |

Consolidated Statements of comprehensive income

Million yen

| | 3rd Quarter of FY2019 (Nine months ended Dec. 31, 2019) | 3rd Quarter of FY2020 (Nine months ended Dec. 31, 2020) |
|---|--|--|
| Profit | 15,234 | 13,628 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 486 | 3,242 |
| Deferred gains or losses on hedges | 127 | (396) |
| Foreign currency translation adjustment | (2,337) | (1,602) |
| Remeasurements of defined benefit plans, net of tax | (84) | 334 |
| Share of other comprehensive income of entities accounted for using equity method | (1,859) | (40) |
| Total other comprehensive income | (3,667) | 1,537 |
| Comprehensive income | 11,566 | 15,165 |
| (Breakdown) | | |
| Comprehensive income attributable to owners of parent | 11,058 | 14,382 |
| Comprehensive income attributable to non-controlling interests | 507 | 783 |

(3) Notice concerning the consolidated financial statements

(Notes on-premise of existing companies)
Not applicable.

(Notes Regarding Significant Changes in the Amount of Shareholder's Equity)
Not applicable.

(Segment Information, etc.)

1. 3rd Quarter of the previous Fiscal Year (April 1, 2019 - December 31, 2019)

1. Information of net sales and profit (loss) by reportable segment

| | Information by business segments | | | | | Other (Note1) | Total | Adjustement (Note 2) | Consolidated (Note.3) |
|---------------------------------------|----------------------------------|------------------|-------------------|-------------------------|---------|------------------|---------|-------------------------|--------------------------|
| | Marine Products | Food Products | Fine Chemicals | General Distribution | Total | | | | |
| Sales | | | | | | | | | |
| (1) Sales to third parties | 224,582 | 256,022 | 20,195 | 12,769 | 513,570 | 13,258 | 526,828 | - | 526,828 |
| (2) Inter-segment sales and transfers | 11,888 | 2,626 | 223 | 7,509 | 22,248 | 1,451 | 23,699 | (223,699) | - |
| Total | 236,471 | 258,649 | 20,419 | 20,279 | 535,818 | 14,709 | 550,528 | (23,699) | 526,828 |
| Segment income (loss) | 10,465 | 9,835 | 1,964 | 1,584 | 23,849 | 102 | 23,951 | (4,883) | 19,068 |

(Note)

1. The "Other" segment includes the building/repair of ships, engineering, and other businesses not included in the reportable segments.
2. The (4,883) million yen segment income adjustment comprises 58 million yen in inter-segment transactions and (4,942) million yen in corporate expenses not allocated to the segments. Corporate expenses comprise mainly selling, general and administrative expenses not allocated to the segments.
3. Segment income is adjusted to reflect operating profit as recorded in the quarterly consolidated statement of income.

2. Information regarding impairment loss on non-current assets and goodwill by reportable segment

(Significant impairment loss on non-current assets)
Not applicable.

(Significant changes in the amount of goodwill)
Not applicable.

(Significant gain on negative goodwill)
Not applicable.

2. 3rd Quarter of the current Fiscal Year (April 1, 2020 -December 31, 2020)

1. Information of net sales and profit (loss) by reportable segment

Million yen

| | Information by business segments | | | | | Other (Note1) | Total | Adjustement (Note 2) | Consolidated (Note.3) |
|---------------------------------------|----------------------------------|------------------|-------------------|-------------------------|---------|------------------|---------|-------------------------|--------------------------|
| | Marine Products | Food Products | Fine Chemicals | General Distribution | Total | | | | |
| Sales | | | | | | | | | |
| (1) Sales to third parties | 202,059 | 248,955 | 19,231 | 12,884 | 483,131 | 14,068 | 497,200 | - | 497,200 |
| (2) Inter-segment sales and transfers | 10,999 | 1,396 | 213 | 7,449 | 20,058 | 1,567 | 21,626 | (21,626) | - |
| Total | 213,059 | 250,351 | 19,445 | 20,334 | 503,190 | 15,636 | 518,826 | (21,626) | 497,200 |
| Segment income (loss) | 5,303 | 10,918 | 1,917 | 1,809 | 19,948 | 544 | 20,493 | (5,433) | 15,059 |

(Note)

- The “Other” segment includes the building/repair of ships, engineering, and other businesses not included in the reportable segments.
- The (5,433) million yen segment income adjustment comprises 49 million yen in inter-segment transactions and (5,842) million yen in corporate expenses not allocated to the segments. Corporate expenses comprise mainly selling, general and administrative expenses not allocated to the segments.
- Segment income is adjusted to reflect operating profit as recorded in the quarterly consolidated statement of income.

2. Information regarding impairment loss on non-current assets and goodwill by reportable segment

(Significant impairment loss on non-current assets)

Not applicable.

(Significant changes in the amount of goodwill)

Not applicable.

(Significant gain on negative goodwill)

Not applicable.