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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (J-GAAP)

October 29, 2021

Listed Company Name: Sanwa Holdings Corporation  
 Securities Code: 5929 URL <https://www.sanwa-hldgs.co.jp/english/>  
 Representative: Yasushi Takayama, Representative Director, President  
 Contact: Katsumi Fujii, General Manager, Corporate Planning Department  
 Scheduled Date to Submit Quarterly Securities Report: November 12, 2021  
 Scheduled Date to Start Dividend Payment: December 3, 2021  
 Preparation of Results Briefing Materials: Yes  
 Holding of Financial Results Briefing: Yes

Listing: Tokyo Stock Exchange

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(Amounts of less than one million yen have been truncated)

### 1. Consolidated Financial Results for the Six Months Ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

#### (1) Consolidated Operating Results

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2021	216,500	13.4	14,356	49.9	13,927	53.6	9,135	57.3
Six months ended September 30, 2020	190,949	-4.1	9,579	-13.4	9,069	-15.9	5,807	-16.4

Note: Comprehensive income  
 Six months ended September 30, 2021: 14,151 million yen (144.7%)  
 Six months ended September 30, 2020: 5,784 million yen (61.5%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2021	41.35	41.25
Six months ended September 30, 2020	26.29	26.22

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	377,405	192,109	50.5
As of March 31, 2021	375,159	181,387	47.9

Reference: Shareholders' equity  
 As of September 30, 2021: 190,435 million yen  
 As of March 31, 2021: 179,827 million yen

### 2. Dividends

	Full-year dividend				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	—	17.00	—	17.00	34.00
Fiscal year ending March 31, 2022	—	17.00			
Fiscal year ending March 31, 2022 (Forecast)			—	17.00	34.00

Note: Revision of dividends forecast since last announcement: None

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	457,000	7.0	34,000	2.8	32,700	1.7	21,600	1.6	97.77

Note: Revision of consolidated results forecast since last announcement: Yes

#### Notes:

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

New: — Excluded: —

(2) Application of special accounting treatments in preparing quarterly consolidated financial statements: Yes

Note: For details, please refer to "2. Quarterly Consolidated Financial Statements and Primary Notes (4) Notes to Quarterly Consolidated Financial Statements (Application of Accounting Treatments Specific to the Preparation of Quarterly Consolidated Financial Statements)" on page 10 of the attached materials.

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

1) Changes in accounting policies in accordance with revision of accounting standards: Yes

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

3) Changes in accounting estimates: None

4) Retrospective restatements: None

Note: For details, please refer to "2. Quarterly Consolidated Financial Statements and Primary Notes (4) Notes to Quarterly Consolidated Financial Statements (Changes in Accounting Policies)" on page 10 of the attached materials.

(4) Number of shares issued (common stock)

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

As of September 30, 2021 231,000,000 shares

As of March 31, 2021 231,000,000 shares

2) Number of treasury shares at the end of the period

As of September 30, 2021 10,063,425 shares

As of March 31, 2021 10,107,727 shares

3) Average number of shares during the period

April–September 2021 220,911,250 shares

April–September 2020 220,872,780 shares

The quarterly review procedure by a certified public accountant or an auditing firm does not apply to this Summary of Consolidated Financial Results.

#### Explanation regarding appropriate use of results forecast and additional notes

(Earnings forecasts and other forward-looking statements)

(1) Forward-looking statements

This document includes projections based on assumptions, forecasts, and plans for the future that are available on the day of its publication, and actual results may differ from the forecast figures stated in the document due to various risk factors and uncertainties. For further details regarding the earnings forecasts, please see "1. Qualitative Information regarding Financial Results for the Six Months Ended September 30, 2021, (3) Explanation of Consolidated Results Forecasts and Other Forward-looking Statements" on page 3 of the attached materials.

(2) Business results briefing for securities analysts and institutional investors

The Company will not be holding a business results briefing at a physical location, in light of the spread of the COVID-19 infection. However, the Company will hold an online business results briefing, and a streaming video of the briefing will be posted on the Company's website at a later date.

(Supplementary presentation materials for the quarterly results)

Supplementary materials for the quarterly results will be posted on the Company's website, along with a summary of the quarterly financial results report.

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## 1. Qualitative Information regarding Financial Results for the Six Months Ended September 30, 2021

### (1) Explanation of Operating Results

During the six months ended September 30, 2021, the external environment surrounding the Sanwa Group continued to be challenging, primarily due to the government's intermittent declarations of a state of emergency in Japan. However, signs of a gradual recovery were observed in corporate activities, on the back of expectations for an economic recovery due to the full-scale implementation of vaccinations against COVID-19. In the U.S., a trend toward recovery continued due to the effects of additional economic stimulus measures and the spread of vaccinations. In Europe, although harsh conditions continued, expectations for an economic recovery grew as restrictions on activities were gradually eased, on the back of the spread of vaccinations. In Asia, the Chinese economy, in particular continued on a trend toward recovery. Meanwhile, there are concerns regarding the impact on the economic recovery of tight supply and demand associated with a recovery of economic activities, supply shortages and soaring prices of raw materials and components due to supply chain disruptions amidst the COVID-19 pandemic, as well as global labor shortages.

Under these circumstances, the Sanwa Group has extended the period of the Third Mid-Term Management Plan, "Sanwa Global Vision 2020," which was originally planned to be completed in fiscal 2020, by one year to fiscal 2021, and has continued to work on the following strategies, in addition to appropriate responses to the COVID-19 pandemic in order to accomplish the strategies set forth in the Mid-Term Management Plan, which were affected by the spread of COVID-19.

As basic strategies for our core business, in Japan, the Group worked to strengthen systems to grow and expand business as an access system company, by establishing our position in each business field. In the U.S., Overhead Door Corporation, which celebrated the 100th anniversary of its founding, maintained and expanded its core business segments while focusing on entering adjacent business fields, and in April 2021 acquired Won-Door Corporation, a manufacturer and seller of horizontal sliding doors. In Europe, the Group strove to further expand the industrial segment and promote digitalization in the entire European area. As basic strategies for our growing business, the Group promoted a strengthening of service businesses in Japan, the U.S., and Europe, while working on restructuring sales and production systems and strengthening its management structure, with the aim of enhancing operation bases of its Asia business. In addition, in order to respond to supply shortages and soaring prices of raw materials and components, Group companies strived to secure procurement, pass on costs to sale prices, and reduce costs.

As a result, net sales for the six months ended September 30, 2021 amounted to ¥216,500 million, a 13.4% year-on-year increase. In terms of profits, operating profit amounted to ¥14,356 million, a 49.9% year-on-year increase, ordinary profit amounted to ¥13,927 million, a 53.6% year-on-year increase, and profit attributable to owners of parent amounted to ¥9,135 million, a 57.3% year-on-year increase.

### (2) Explanation of Financial Position

#### (Assets, Liabilities, and Net Assets)

As of September 30, 2021, total assets increased by ¥2,245 million from the end of the previous fiscal year, to ¥377,405 million, due to an increase in non-current assets resulting from the acquisition of Won-Door Corporation, despite a decrease in inventories due mainly to the application of the accounting standard for revenue recognition. Liabilities decreased by ¥8,475 million from the end of the previous fiscal year, to ¥185,296 million, due mainly to decreases in accrued consumption taxes and income taxes payable. Net assets increased by ¥10,721 million from the end of the previous fiscal year, to ¥192,109 million, due mainly to increases in retained earnings and foreign currency translation adjustment.

As a result, the shareholders' equity ratio rose by 2.5 points from the end of the previous fiscal year, to 50.5%.

#### (Cash Flows)

As of September 30, 2021, cash and cash equivalents (hereinafter, "cash") decreased by ¥5,792 million from the end of the previous fiscal year, to ¥82,003 million. Cash flows by category during the six months ended September 30, 2021 are as follows.

Net cash provided by operating activities amounted to ¥9,636 million (net cash of ¥23,067 million was provided in the same period of the previous fiscal year), due mainly to an increase in working capital, in addition to the

recording of profit before income taxes.

Net cash used in investing activities amounted to ¥12,589 million (net cash of ¥2,296 million was used in the same period of the previous fiscal year), due mainly to the purchase of shares of subsidiaries and purchase of property, plant and equipment and intangible assets.

Net cash used in financing activities amounted to ¥4,311 million (net cash of ¥977 million was used in the same period of the previous fiscal year), due mainly to dividends paid.

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

The consolidated results forecasts for the fiscal year ending March 31, 2022 that were announced on May 14, 2021 were revised, as follows.

Compared to the forecasts at the beginning of the fiscal year, the net sales forecast has been revised to ¥457,000 million, an increase of ¥7,000 million. Profit forecasts have remained unchanged at ¥34,000 million for operating profit, ¥32,700 million for ordinary profit, and ¥21,600 million for profit attributable to owners of parent.

The forecast for net sales was revised upward in light of progress in passing on soaring prices of raw materials to sale prices, mainly at overseas subsidiaries. Meanwhile, although results for the first half of the fiscal year exceeded the forecasts at the beginning of the fiscal year, the forecasts for profits have remained unchanged, taking into account soaring prices of raw materials and the impact of supply chain issues.

The dividend forecasts for the current fiscal year have remained unchanged, at an annual dividend of ¥34.0 per share (¥17.0 per share for both interim and year-end dividends).

The above results forecasts were calculated based on the information available as of the date of the announcement. Actual results may differ from the forecast figures due to changes in the environment and business conditions.

## 2. Quarterly Consolidated Financial Statements and Primary Notes

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	76,805	68,013
Notes and accounts receivable - trade	76,388	-
Notes and accounts receivable - trade, and contract assets	-	78,412
Electronically recorded monetary claims - operating	10,910	9,039
Securities	13,002	14,501
Merchandise and finished goods	9,119	12,201
Work in process	25,444	14,479
Raw materials	26,192	32,299
Other	4,598	5,356
Allowance for doubtful accounts	(1,858)	(2,026)
<b>Total current assets</b>	<b>240,602</b>	<b>232,278</b>
Non-current assets		
Property, plant and equipment		
Buildings, net	21,248	22,081
Land	21,607	22,278
Other, net	26,559	28,186
<b>Total property, plant and equipment</b>	<b>69,415</b>	<b>72,546</b>
Intangible assets		
Goodwill	4,913	9,210
Other	15,862	18,708
<b>Total intangible assets</b>	<b>20,776</b>	<b>27,919</b>
Investments and other assets		
Investment securities	28,976	29,163
Retirement benefit asset	7,756	7,992
Other	8,194	8,018
Allowance for doubtful accounts	(563)	(512)
<b>Total investments and other assets</b>	<b>44,364</b>	<b>44,661</b>
<b>Total non-current assets</b>	<b>134,556</b>	<b>145,127</b>
<b>Total assets</b>	<b>375,159</b>	<b>377,405</b>

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	51,986	51,516
Current portion of bonds payable	20,000	20,000
Short-term borrowings	6,004	6,187
Current portion of long-term borrowings	1,050	1,050
Income taxes payable	6,243	2,810
Provision for bonuses	6,313	6,513
Other	40,258	35,069
Total current liabilities	131,856	123,147
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	19,140	19,036
Provision for retirement benefits for directors (and other officers)	443	482
Retirement benefit liability	13,566	13,469
Other	8,764	9,160
Total non-current liabilities	61,915	62,148
Total liabilities	193,771	185,296
<b>Net assets</b>		
Shareholders' equity		
Share capital	38,413	38,413
Capital surplus	39,902	39,729
Retained earnings	105,450	111,276
Treasury shares	(9,990)	(9,946)
Total shareholders' equity	173,776	179,473
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,066	2,167
Deferred gains or losses on hedges	(8)	(89)
Foreign currency translation adjustment	5,130	9,963
Remeasurements of defined benefit plans	(1,137)	(1,079)
Total accumulated other comprehensive income	6,051	10,962
Share acquisition rights	279	285
Non-controlling interests	1,280	1,387
Total net assets	181,387	192,109
<b>Total liabilities and net assets</b>	<b>375,159</b>	<b>377,405</b>

(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
(Quarterly Consolidated Statements of Income)  
(For the Six Months Ended September 30)

(Millions of yen)

	Six Months Ended September 30, 2020 (From April 1, 2020 to September 30, 2020)	Six Months Ended September 30, 2021 (From April 1, 2021 to September 30, 2021)
Net sales	190,949	216,500
Cost of sales	134,797	151,435
Gross profit	56,151	65,064
Selling, general and administrative expenses	46,572	50,708
Operating profit	9,579	14,356
Non-operating income		
Interest income	120	56
Dividend income	187	200
Foreign exchange gains	-	155
Other	178	141
Total non-operating income	485	553
Non-operating expenses		
Interest expenses	246	255
Foreign exchange losses	202	-
Share of loss of entities accounted for using equity method	143	220
Other	402	505
Total non-operating expenses	995	981
Ordinary profit	9,069	13,927
Extraordinary income		
Gain on sale of non-current assets	9	12
Gain on sale of investment securities	23	0
Refund of surcharges	84	-
Total extraordinary income	118	13
Extraordinary losses		
Loss on sale and retirement of non-current assets	16	20
Business restructuring expenses for subsidiaries	7	7
Loss on liquidation of subsidiaries and associates	2	2
Loss on corrective measures for product defects	37	-
Other	12	3
Total extraordinary losses	77	33
Profit before income taxes	9,109	13,907
Income taxes	3,257	4,667
Profit	5,852	9,240
Profit attributable to non-controlling interests	45	104
Profit attributable to owners of parent	5,807	9,135



(Quarterly Consolidated Statements of Comprehensive Income)  
(For the Six Months Ended September 30)

(Millions of yen)

	Six Months Ended September 30, 2020 (From April 1, 2020 to September 30, 2020)	Six Months Ended September 30, 2021 (From April 1, 2021 to September 30, 2021)
Profit	5,852	9,240
Other comprehensive income		
Valuation difference on available-for-sale securities	378	100
Deferred gains or losses on hedges	(29)	(80)
Foreign currency translation adjustment	(689)	4,764
Remeasurements of defined benefit plans, net of tax	294	58
Share of other comprehensive income of entities accounted for using equity method	(22)	67
Total other comprehensive income	(68)	4,911
Comprehensive income	5,784	14,151
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,744	14,011
Comprehensive income attributable to non-controlling interests	40	140

## (3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Six Months Ended September 30, 2020 (From April 1, 2020 to September 30, 2020)	Six Months Ended September 30, 2021 (From April 1, 2021 to September 30, 2021)
<b>Cash flows from operating activities</b>		
Profit before income taxes	9,109	13,907
Depreciation	4,999	5,155
Amortization of goodwill	797	991
Refund of surcharges	(84)	-
Increase (decrease) in allowance for doubtful accounts	328	8
Increase (decrease) in provision for bonuses	(396)	111
Increase or decrease in retirement benefit asset and liability	12	(407)
Interest and dividend income	(307)	(256)
Interest expenses	246	255
Share of loss (profit) of entities accounted for using equity method	143	220
Decrease (increase) in trade receivables	21,682	3,211
Decrease (increase) in inventories	(4,024)	4,288
Increase (decrease) in trade payables	(8,774)	(1,416)
Other, net	5,715	(8,136)
Subtotal	29,448	17,934
Interest and dividends received	321	264
Interest paid	(250)	(241)
Proceeds from refund of surcharges	84	-
Income taxes paid	(6,536)	(8,321)
Net cash provided by (used in) operating activities	23,067	9,636
<b>Cash flows from investing activities</b>		
Purchase of short-term and long-term investment securities	(1,429)	(1,710)
Proceeds from sale of short-term and long-term investment securities	2,969	4,001
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(11,146)
Purchase of property, plant and equipment and intangible assets	(3,557)	(3,789)
Loan advances	(61)	(69)
Proceeds from collection of loans receivable	97	71
Other, net	(314)	53
Net cash provided by (used in) investing activities	(2,296)	(12,589)

	Six Months Ended September 30, 2020 (From April 1, 2020 to September 30, 2020)	Six Months Ended September 30, 2021 (From April 1, 2021 to September 30, 2021)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(120)	29
Proceeds from long-term borrowings	7,751	58
Repayments of long-term borrowings	(4,437)	(171)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(201)
Net decrease (increase) in treasury shares	29	15
Dividends paid	(3,754)	(3,755)
Dividends paid to non-controlling interests	-	(25)
Other, net	(446)	(260)
Net cash provided by (used in) financing activities	(977)	(4,311)
Effect of exchange rate change on cash and cash equivalents	(61)	1,378
Net increase (decrease) in cash and cash equivalents	19,732	(5,884)
Cash and cash equivalents at beginning of period	54,618	87,795
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	883	-
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	-	92
Cash and cash equivalents at end of period	75,233	82,003

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on the Going Concern Assumption)

Not applicable.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)

Not applicable.

(Application of Accounting Treatments Specific to the Preparation of Quarterly Consolidated Financial Statements)

(Calculation of Tax Expenses)

The Company reasonably estimates an effective tax rate after applying tax effect accounting to profit before income taxes for the fiscal year in which the second quarter of the fiscal year ending March 31, 2022 is included, and calculates tax expenses by multiplying quarterly profit before income taxes by the estimated effective tax rate. However, in cases where the calculation of tax expenses using the estimated effective tax rate yields a result that is considered not to be reasonable to a significant extent, the statutory tax rate is used. Note that income taxes - deferred is included in income taxes.

(Changes in Accounting Policies)

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

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, issued on March 31, 2020; hereinafter, the "Revenue Recognition Accounting Standard"), etc. from the beginning of the first quarter of the fiscal year ending March 31, 2022, and has recognized revenue at the amount expected to be received in exchange for promised goods or services at the time the control of such goods or services is transferred to the customer. The Company and its consolidated subsidiaries in Japan had previously adopted the percentage-of-completion method for construction contracts involving construction work for which the outcome of the progress of such construction projects by the end of the current fiscal year can be reliably recognized (the progress of construction work is estimated by the cost-to-cost method), and the completed-contract method for other construction projects. However, as a result of application of the Revenue Recognition Accounting Standard, when the outcome of a performance obligation to be satisfied over a certain period can be reasonably measured, revenue is recognized according to the ratio of the actual costs to the estimated total costs (the input method), except for projects involving a very short construction period. For cases in which the outcome of a performance obligation cannot be reasonably measured, revenue is recognized only to the extent of the incurred costs. Further, if a performance obligation is satisfied at a certain point in time, revenue is recognized when the construction work is completed.

The Company applies the Revenue Recognition Accounting Standard, etc. in accordance with the transitional treatment provided for in the proviso of paragraph 84 of the Revenue Recognition Accounting Standard. Accordingly, the cumulative effect of the retrospective application, in the case in which the new accounting policy had been applied to periods prior to the beginning of the first quarter of the fiscal year ending March 31, 2022, is added to or deducted from the balance of retained earnings at the beginning of the first quarter of the fiscal year ending March 31, 2022, and the new accounting policy is applied from the balance at the beginning of the period. However, the new accounting policy is not retrospectively applied to contracts for which essentially all of the amount of revenue had been recognized in accordance with the previous treatment in periods prior to the beginning of the first quarter of the fiscal year ending March 31, 2022, by applying the method provided for in paragraph 86 of the Revenue Recognition Accounting Standard. In addition, the Company has applied the method provided for in (1) of the second part of paragraph 86 of the Revenue Recognition Accounting Standard. Accordingly, contract modifications made prior to the beginning of the first quarter of the fiscal year ending March 31, 2022 are accounted for based on the contract terms after reflecting all modifications, and the cumulative effect of such modifications is added to or deducted from the balance of retained earnings at the beginning of the first quarter of the fiscal year ending March 31, 2022.

Consequently, net sales for the six months ended September 30, 2021 increased by ¥2,112 million, cost of sales and selling, general and administrative expenses increased by ¥1,965 million, and operating profit, ordinary profit, and profit before income taxes increased by ¥146 million, respectively. Retained earnings at the beginning of the period increased by ¥373 million.

As a result of the application of the Revenue Recognition Accounting Standard, "Notes and accounts receivable -

trade,” which was presented under “Current assets” in the consolidated balance sheets of the previous fiscal year, is included in “Notes and accounts receivable - trade, and contract assets” from the first quarter of the fiscal year ending March 31, 2022. In accordance with the transitional treatment provided for in paragraph 89-2 of the Revenue Recognition Accounting Standard, financial statements for the previous fiscal year have not been reclassified based on the new presentation method. Furthermore, in accordance with the transitional treatment provided for in paragraph 28-15 of the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12, issued on March 31, 2020), the information on the breakdown of revenue from contracts with customers for the six months ended September 30, 2020 is not stated.

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

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, issued on July 4, 2019; hereinafter, the “Fair Value Measurement Accounting Standard”), etc. from the beginning of the first quarter of the fiscal year ending March 31, 2022. Accordingly, new accounting policies provided for in the Fair Value Measurement Accounting Standard will continue to be applied, in accordance with the transitional treatment provided for in paragraph 19 of the Fair Value Measurement Accounting Standard and paragraph 44-2 of the “Accounting Standards for Financial Instruments” (ASBJ Statement No. 10, issued on July 4, 2019). The application of these standards does not affect the quarterly consolidated financial statements.

(Segment Information, etc.)

I. Six months ended September 30, 2020 (From April 1, 2020 to September 30, 2020)

1. Net sales and income or loss by reportable segment

(Millions of yen)

	Reportable segment					Adjustments (Note 1)	Quarterly consolidated statements of income (Note 2)
	Japan	North America	Europe	Asia	Total		
Net sales							
Sales to customers	102,012	53,833	32,185	2,887	190,918	31	190,949
Intersegment sales or transfers	53	43	21	0	119	(119)	-
Total	102,066	53,877	32,206	2,888	191,038	(88)	190,949
Segment income (loss)	9,063	2,155	(9)	33	11,243	(1,663)	9,579

Notes: 1. Adjustments are as follows:

(1) Net sales

- Other net sales ¥31 million
- Elimination of intersegment transactions ¥(119) million

(2) Segment income (loss)

- Other income ¥31 million
- Corporate expenses ¥(711) million
- Amortization of goodwill ¥(797) million
- Other adjustments ¥(185) million
- Elimination of intersegment transactions ¥0 million

Items marked as "Other" involve incidental activities associated with management operations.

Corporate expenses primarily consist of general and administrative expenses that are not attributable to any of the reportable segments.

2. Segment income (loss) is reconciled to the operating profit of the quarterly consolidated statements of income.

3. The major countries and regions in each reportable segment are as follows:

North America: USA, Canada, etc.

Europe: Germany, France, Italy, Netherlands, England, etc.

Asia: China, Hong Kong, Taiwan, and Vietnam

2. Impairment losses on non-current assets or goodwill, etc. by reportable segment

Not applicable.

II. Six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)

1. Net sales and income by reportable segment

(Millions of yen)

	Reportable segment					Adjustments (Note 1)	Quarterly consolidated statements of income (Note 2)
	Japan	North America	Europe	Asia	Total		
Net sales							
Sales to customers	106,822	64,569	41,797	3,279	216,468	31	216,500
Intersegment sales or transfers	23	28	20	-	72	(72)	-
Total	106,845	64,598	41,818	3,279	216,541	(41)	216,500
Segment income	10,831	3,210	2,288	76	16,407	(2,051)	14,356

Notes: 1. Adjustments are as follows:

(1) Net sales

- Other net sales ¥31 million
- Elimination of intersegment transactions ¥(72) million

(2) Segment income

- Other income ¥31 million
- Corporate expenses ¥(800) million
- Amortization of goodwill ¥(991) million
- Other adjustments ¥(290) million
- Elimination of intersegment transactions ¥0 million

Items marked as "Other" involve incidental activities associated with management operations.

Corporate expenses primarily consist of general and administrative expenses that are not attributable to any of the reportable segments.

2. Segment income is reconciled to the operating profit of the quarterly consolidated statements of income.

3. The major countries and regions in each reportable segment are as follows:

North America: USA, Canada, etc.

Europe: Germany, France, Italy, Netherlands, England, etc.

Asia: China, Hong Kong, Taiwan, and Vietnam

2. Impairment losses on non-current assets or goodwill, etc. by reportable segment

Not applicable.