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Consolidated Financial Results for the First Six Months of the Fiscal Year Ending March 31, 2023 <under Japanese GAAP>

October 31, 2022

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 Listing: Tokyo Stock Exchange
 Securities code: 6368
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 Scheduled date to file quarterly securities report: November 9, 2022
 Scheduled date to commence dividend payments: December 5, 2022
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results presentation meeting: Yes (for institutional investors and analysts)

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated financial results for the first six months of the fiscal year ending March 31, 2023 (from April 1, 2022 to September 30, 2022)

(1) Consolidated operating results (cumulative) (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, 2022	62,117	24.2	6,510	72.6	7,451	77.7	5,027	86.4
September 30, 2021	50,001	10.3	3,771	18.5	4,193	28.0	2,696	29.6

Note: Comprehensive income: Six months ended September 30, 2022 ¥6,231 million [93.5%]
 Six months ended September 30, 2021 ¥3,220 million [55.4%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
September 30, 2022	109.67	—
September 30, 2021	58.70	—

The Company conducted a 4-for-1 common share split effective as of October 1, 2022. Basic earnings per share are calculated on the assumption that said share split was conducted at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
September 30, 2022	143,400	81,346	56.6
March 31, 2022	130,506	76,004	58.1

(Reference) Equity: As of September 30, 2022 ¥81,145 million As of March 31, 2022 ¥75,836 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	–	72.00	–	88.00	160.00
Fiscal year ending March 31, 2023	–	116.00			
Fiscal year ending March 31, 2023 (Forecast)			–	29.00	–

Note: Revisions to the forecast of cash dividends most recently announced: None

The Company conducted a 4-for-1 common share split effective as of October 1, 2022. The year-end dividend per share for the fiscal year ending March 31, 2023 (forecast) stated taking into account the effect of such share split, and the total annual dividend is stated as “–.” The year-end dividend per share for the fiscal year ending March 31, 2023 (forecast) that does not take the share split into account is ¥116, and the annual total of dividends per share is ¥232.

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2023	140,000	24.9	14,500	33.6	15,200	31.6	11,500	24.9	250.86

Note: Revisions to the earnings forecasts most recently announced: None

Basic earnings per share in the consolidated earnings forecasts for the fiscal year ending March 31, 2023 take into account the effect of the share split. The forecast for basic earnings per share that does not take the share split into account is ¥1,003.44.

*** Notes**

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

(2) Application of specific accounting for preparing the quarterly consolidated financial statements: Yes

Note: For more details, please refer to “Application of special accounting for preparing the quarterly consolidated financial statements” on page 11 of the attached material.

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

a. Changes in accounting policies due to revisions to accounting standards and other regulations: None

b. Changes in accounting policies due to other reasons: None

c. Changes in accounting estimates: None

d. Restatement: None

(4) Number of issued shares (common shares)

a. Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2022	46,359,700 shares
As of March 31, 2022	46,359,700 shares

b. Number of treasury shares at the end of the period

As of September 30, 2022	470,720 shares
As of March 31, 2022	541,020 shares

c. Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

For the six months ended September 30, 2022	45,842,128 shares
For the six months ended September 30, 2021	45,938,568 shares

Notes:

1. The Company conducted a 4-for-1 common share split effective as of October 1, 2022. Total number of issued shares at the end of the period, number of treasury shares at the end of the period, and average number of shares outstanding during the period are calculated on the assumption that said share split was conducted at the beginning of the previous fiscal year.
2. The Company has introduced an Officer Share Delivery Trust, and shares of the Company held by the Trust have been included in treasury shares excluded from the calculation of the number of treasury shares at the end of the period and the average number of shares outstanding during the period (cumulative from the beginning of the fiscal year).

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters
(Caution regarding forward-looking statements and others)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors. Please refer to “(3) Explanation regarding consolidated earnings forecasts and other forward-looking statements” in “1. Qualitative information regarding financial results for the first six months” on page 4 of the attached material for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

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1. Qualitative information regarding financial results for the first six months

(1) Explanation regarding operating results

During the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022), although the trend in the global economy was one of moderate recovery, the surge in worldwide inflation originating in energy and food prices, and concerns about slowing business conditions in the US, Europe, and China, due to the impact of monetary tightening among other factors, led to an intensifying sense of uncertainty regarding the outlook.

With regard to the environment in which the Organo Group operates, our main market of electronics saw a deterioration in conditions for semiconductor memory against a backdrop of slowing demand for smartphones, PCs and others, and there are signs that some customers are reducing production and investment. However, investment in cutting-edge fields where semiconductor miniaturization is being driven by competition, and in wafers and legacy semiconductors, remained at high levels. The general industry field trended toward recovery, as seen in the execution of capital investment plans that had been postponed due to the COVID-19 pandemic, and the social infrastructure field, such as electric power/water supply and sewage, remained strong.

Under these conditions, the Organo Group proceeded to draw in orders and make deliveries for large-scale projects in Japan and overseas, while establishing supply chains and delivery frameworks in each country, and promoting a shift to digitalization such as of engineering operations and service solutions. We also engaged in initiatives to enhance R&D systems in such areas as next-generation ultrapure water systems and new separation and purification technologies, and to strengthen governance such as by developing risk management systems.

As a result, in the Group's financial results for the six months ended September 30, 2022, orders received increased by 32.8% year on year to ¥78,230 million, net sales increased by 24.2% to ¥62,117 million, operating profit increased by 72.6% to ¥6,510 million, ordinary profit increased by 77.7% to ¥7,451 million, profit attributable to owners of parent increased by 86.4% to ¥5,027 million, and our carry-over balance for order backlog as of September 30, 2022 was up 52.3% to ¥107,461 million, which were all record highs for the first six months.

Results by segment are as follows.

[Water Treatment Engineering Business Unit]

■Orders received

Orders received increased 38.7% year on year to ¥67,964 million. In the mainstay electronics field, the Organo Group succeeded in capturing orders for large-scale projects in Japan, such as semiconductors and wafers, while investment in cutting-edge semiconductors and other areas in Taiwan also remained at high levels. There were also investments in major semiconductor projects in China and in successive major projects in Malaysia, including legacy semiconductors. As a result, orders received expanded significantly year on year. In the general industry field, there was a recovery in capital investment in areas related to the pharmaceutical and electronics industries. The field of social infrastructure, which includes electric power/water supply and sewage, recorded a year-on-year decline to the presence in the previous fiscal year of a major order for a water supply/sewage project, but firm levels of orders were seen mainly in the Service Solutions Division in Japan.

■Net sales

Net sales increased 29.0% year on year to ¥52,083 million. In the mainstay electronics field, process delays occurred for some projects as a result of supply shortage of raw materials and other problems, primarily in the Plant Division. Nevertheless, sales grew due not only to the order backlog carried over from the previous year but also due to a large number of construction projects undertaken as a result of strong orders continuing in the period under review, the occurrence of translation differences in relation to overseas net sales as a result of the depreciation of the yen, and strength in maintenance, renovation/reconditioning, contracted processing services, etc. of the Service Solutions Division. On the other hand, the aforementioned process delays resulted in delays in the recognition of revenue for certain projects in the general industry field, which caused a slight year-on-year decline in net sales. However,

in the social infrastructure field, such as electric power/water supply and sewage, progress in construction for major electric power projects led to a year-on-year increase in sales.

■ Operating profit

Operating profit increased 78.6% year on year to ¥5,430 million. Mainly due to the effect of sales expansion centered on the electronics industry field, the growth in gross profit exceeded that of expenses, the bulk of which were related to personnel and other items, and resulted in a year-on-year increase in operating profit.

[Performance Products Business Unit]

■ Orders received/Net sales

Orders received increased 3.6% year on year to ¥10,266 million and net sales increased 4.3% year on year to ¥10,034 million. In the water treatment chemicals field, sales of wastewater treatment chemicals, chemicals for RO membrane treatment, and other chemicals for the electronics industry were steady. In the standard equipment and filters field, sales of small-scale pure water production equipment grew for medical institutions and research institutions. This included robust sales of Puric μ (mu), which was launched in the previous fiscal year. In the food products field, orders and sales increased primarily for various food additives.

■ Operating profit

Operating profit increased 47.8% year on year to ¥1,080 million. Due to sales expansion in each of the water treatment chemical, standard equipment and filters, and food products fields, as well as progress made in passing on costs in the form of price increases, etc., the Organo Group was able to offset the increase in raw material prices and costs such as personnel expenses, and record year-on-year growth in profit.

(2) Explanation regarding financial position

Assets, liabilities and net assets

Assets

Assets as of September 30, 2022 amounted to ¥143,400 million, an increase of ¥12,894 million from the previous fiscal year end. This was mainly due to increases of ¥9,718 million in notes and accounts receivable - trade, and contract assets and ¥9,620 million in work in process, despite a decline of ¥7,652 million in cash and deposits.

Liabilities

Liabilities as of September 30, 2022 amounted to ¥62,054 million, an increase of ¥7,552 million from the previous fiscal year end. This was mainly due to an increase of ¥5,462 million in short-term borrowings.

Net Assets

Net assets as of September 30, 2022 amounted to ¥81,346 million, an increase of ¥5,341 million from the previous fiscal year end. This was mainly due to an increase of ¥4,014 million in retained earnings resulting from the recording of profit attributable to owners of parent.

Cash flows

Cash and cash equivalents (hereinafter, “cash”) as of September 30, 2022 decreased by ¥7,652 million from the previous fiscal year end to ¥12,545 million.

Cash flows from operating activities

Net cash used in operating activities for the six months ended September 30, 2022 was ¥10,848 million. This was mainly because there was an increase in cash due to profit before income taxes of ¥7,446 million while there was a decrease in cash due to an increase in inventories of ¥10,412 million and an increase in trade receivables and contract assets of ¥7,328 million. (Net cash of ¥3,435 million was used in the six months ended September 30, 2021.)

Cash flows from investing activities

Net cash used in investing activities for the six months ended September 30, 2022 was ¥779 million. This was mainly due to purchase of property, plant and equipment of ¥687 million. (Net cash of ¥1,056 million was used in the six months ended September 30, 2021.)

Cash flows from financing activities

Net cash provided by financing activities for the six months ended September 30, 2022 was ¥3,162 million. This was mainly because there was a decrease in cash due to dividends paid of ¥1,012 million and repayments of long-term borrowings of ¥1,000 million while there was an increase in cash due to a net increase in short-term borrowings of ¥5,256 million. (Net cash of ¥2,658 million was used in the six months ended September 30, 2021.)

(3) Explanation regarding consolidated earnings forecasts and other forward-looking statements

Turning to full-year earnings forecast, orders received, net sales, and profits have all exceeded initial plans, and are expected to achieve new record highs for the second consecutive year. With regard to orders received, in our main market of electronics, investment in cutting-edge semiconductors and other areas in Taiwan is expected to remain at high levels, in addition to which semiconductor investment in China remains brisk, and orders in Malaysia for legacy semiconductors, among others, are expected to exceed initial expectations. Accordingly, we anticipate orders received of ¥170,000 million, an increase of 25.3% year on year. Due to strong orders centered on the electronics industry, we expect overseas sales in areas such as Taiwan, China, and Malaysia to expand, and thus expect net sales of ¥140,000 million, an increase of 24.9% year on year. On the profit side, reflecting the impact of expanded sales, we expect operating profit of ¥14,500 million, up 33.6% year on year, ordinary profit of ¥15,200 million, up 31.6%, and profit attributable to owners of parent of ¥11,500 million, up 24.9%.

2. Quarterly consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	20,198	12,545
Notes and accounts receivable - trade, and contract assets	52,926	62,644
Electronically recorded monetary claims - operating	1,862	1,732
Investments in leases	11,293	10,086
Merchandise and finished goods	5,264	5,781
Work in process	6,735	16,355
Raw materials and supplies	1,456	1,825
Other	3,133	4,777
Allowance for doubtful accounts	(6)	(6)
Total current assets	102,862	115,743
Non-current assets		
Property, plant and equipment		
Buildings and structures	18,873	19,194
Accumulated depreciation	(12,707)	(12,991)
Buildings and structures, net	6,166	6,203
Machinery, equipment and vehicles	5,826	6,610
Accumulated depreciation	(5,117)	(5,251)
Machinery, equipment and vehicles, net	709	1,358
Land	12,257	12,270
Construction in progress	1,115	40
Other	5,346	5,753
Accumulated depreciation	(4,601)	(4,674)
Other, net	745	1,079
Total property, plant and equipment	20,995	20,952
Intangible assets	1,082	995
Investments and other assets		
Investment securities	2,058	2,151
Retirement benefit asset	624	732
Deferred tax assets	2,369	2,369
Other	979	593
Allowance for doubtful accounts	(464)	(138)
Total investments and other assets	5,566	5,707
Total non-current assets	27,644	27,656
Total assets	130,506	143,400

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	18,795	18,140
Electronically recorded obligations - operating	5,575	7,270
Short-term borrowings	9,933	15,395
Income taxes payable	1,444	2,113
Contract liabilities	1,820	3,701
Provision for bonuses	1,477	1,762
Provision for product warranties	296	354
Provision for loss on construction contracts	46	35
Provision for share awards for directors (and other officers)	123	50
Other	3,559	2,554
Total current liabilities	43,072	51,378
Non-current liabilities		
Long-term borrowings	5,695	4,695
Deferred tax liabilities	53	185
Retirement benefit liability	5,512	5,633
Other	168	161
Total non-current liabilities	11,429	10,675
Total liabilities	54,501	62,054
Net assets		
Shareholders' equity		
Share capital	8,225	8,225
Capital surplus	7,508	7,508
Retained earnings	59,619	63,633
Treasury shares	(734)	(612)
Total shareholders' equity	74,617	78,755
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	434	401
Deferred gains or losses on hedges	(0)	-
Foreign currency translation adjustment	575	1,767
Remeasurements of defined benefit plans	208	221
Total accumulated other comprehensive income	1,218	2,390
Non-controlling interests	168	200
Total net assets	76,004	81,346
Total liabilities and net assets	130,506	143,400

(2) Consolidated statement of income and consolidated statement of comprehensive income**Consolidated statement of income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)	Six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)
Net sales	50,001	62,117
Cost of sales	37,597	46,009
Gross profit	12,404	16,108
Selling, general and administrative expenses	8,632	9,597
Operating profit	3,771	6,510
Non-operating income		
Interest income	11	14
Dividend income	16	21
Foreign exchange gains	381	909
Share of profit of entities accounted for using equity method	60	100
Other	48	95
Total non-operating income	520	1,140
Non-operating expenses		
Interest expenses	53	72
Loss on valuation of derivatives	38	123
Other	5	4
Total non-operating expenses	97	200
Ordinary profit	4,193	7,451
Extraordinary income		
Gain on sale of non-current assets	–	4
Gain on sale of investment securities	22	2
Gain on sale of right to use facilities	11	–
Total extraordinary income	34	6
Extraordinary losses		
Loss on abandonment of non-current assets	12	11
Loss on sale of right to use facilities	13	–
Total extraordinary losses	25	11
Profit before income taxes	4,202	7,446
Income taxes	1,501	2,410
Profit	2,700	5,035
Profit attributable to non-controlling interests	3	7
Profit attributable to owners of parent	2,696	5,027

Consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)	Six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)
Profit	2,700	5,035
Other comprehensive income		
Valuation difference on available-for-sale securities	(5)	(33)
Deferred gains or losses on hedges	–	0
Foreign currency translation adjustment	493	1,215
Remeasurements of defined benefit plans, net of tax	32	13
Share of other comprehensive income of entities accounted for using equity method	(1)	(0)
Total other comprehensive income	520	1,195
Comprehensive income	3,220	6,231
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,210	6,199
Comprehensive income attributable to non-controlling interests	9	31

(3) Consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)	Six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)
Cash flows from operating activities		
Profit before income taxes	4,202	7,446
Depreciation	594	798
Increase (decrease) in provisions	188	35
Increase (decrease) in retirement benefit liability	101	140
Decrease (increase) in retirement benefit asset	(128)	(121)
Interest and dividend income	(28)	(35)
Interest expenses	53	72
Foreign exchange losses (gains)	(37)	(385)
Share of loss (profit) of entities accounted for using equity method	(60)	(100)
Loss (gain) on valuation of derivatives	38	123
Loss on abandonment of non-current assets	12	11
Loss (gain) on sale of property, plant and equipment	-	(4)
Loss (gain) on sale of investment securities	(22)	(2)
Loss (gain) on sale of right to use facilities	1	-
Decrease (increase) in trade receivables and contract assets	(2,939)	(7,328)
Decrease (increase) in investments in leases	(2,772)	1,206
Decrease (increase) in inventories	1,902	(10,412)
Increase (decrease) in trade payables	(2,679)	(223)
Other, net	444	(479)
Subtotal	(1,127)	(9,258)
Interest and dividends received	40	48
Interest paid	(63)	(77)
Income taxes refund (paid)	(2,286)	(1,628)
Other, net	2	66
Net cash provided by (used in) operating activities	(3,435)	(10,848)
Cash flows from investing activities		
Purchase of property, plant and equipment	(974)	(687)
Proceeds from sale of property, plant and equipment	-	5
Purchase of intangible assets	(166)	(96)
Purchase of investment securities	(7)	(299)
Proceeds from sale of investment securities	63	6
Proceeds from collection of loans receivable	-	300
Proceeds from sale of right to use facilities	32	-
Other, net	(4)	(7)
Net cash provided by (used in) investing activities	(1,056)	(779)

(Millions of yen)

	Six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)	Six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,628)	5,256
Repayments of long-term borrowings	(300)	(1,000)
Dividends paid	(713)	(1,012)
Other, net	(16)	(81)
Net cash provided by (used in) financing activities	(2,658)	3,162
Effect of exchange rate change on cash and cash equivalents	199	813
Net increase (decrease) in cash and cash equivalents	(6,950)	(7,652)
Cash and cash equivalents at beginning of period	12,804	20,198
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	314	–
Cash and cash equivalents at end of period	6,168	12,545

(4) Notes to quarterly consolidated financial statements

Notes on premise of going concern

No items to report

Notes on substantial changes in the amount of shareholders' equity

No items to report

Application of special accounting for preparing the quarterly consolidated financial statements

Calculation of tax expenses

The Company and some of its consolidated subsidiaries have reasonably estimated the effective tax rate after the application of tax effect accounting to the profit before income taxes for the fiscal year including the second quarter ended September 30, 2022, and tax expenses are calculated by multiplying profit before income taxes by this estimated effective tax rate. However, in cases where the calculation of tax expenses using such estimated effective tax rate yields a result that is not reasonable to a significant extent, the amount of significant difference other than temporary differences, etc. is added to or deducted from the profit before income taxes, and the result is multiplied by the statutory income tax rate.

Additional information

Impact arising due to the proliferation of COVID-19

There has been no material change in the assumptions regarding the impact of COVID-19 described in the annual securities report (Additional information) (Impact arising due to the proliferation of COVID-19) for the previous fiscal year.

Segment information, etc.

[Segment information]

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

1. Information relating to net sales and profit by each reportable segment

(Millions of yen)

	Reportable Segment			Adjustment	Amount recorded in the consolidated statement of income (Note)
	Water Treatment Engineering Business Unit	Performance Products Business Unit	Total		
Net sales					
Sales to external customers	40,378	9,623	50,001	–	50,001
Intersegment sales or transfers	0	166	166	(166)	–
Total	40,378	9,789	50,168	(166)	50,001
Segment profit	3,040	730	3,771	–	3,771

Note: The figures for segment profit are based on operating profit, and there are no discrepancies with the operating profit shown in the consolidated statement of income.

II Six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)

1. Information relating to net sales and profit by each reportable segment

(Millions of yen)

	Reportable Segment			Adjustment	Amount recorded in the consolidated statement of income (Note)
	Water Treatment Engineering Business Unit	Performance Products Business Unit	Total		
Net sales					
Sales to external customers	52,083	10,034	62,117	–	62,117
Intersegment sales or transfers	0	179	179	(179)	–
Total	52,083	10,214	62,297	(179)	62,117
Segment profit	5,430	1,080	6,510	–	6,510

Note: The figures for segment profit are based on operating profit, and there are no discrepancies with the operating profit shown in the consolidated statement of income.

Significant subsequent events

Share split and partial amendments to the Articles of Incorporation in accordance with the share split

The Company resolved at a meeting of its Board of Directors held on May 12, 2022, to implement a share split and make partial amendments to the Articles of Incorporation in relation to the share split. The resolution took effect on October 1, 2022.

(1) Purpose of the share split

The purpose of the share split is to create a more investment-friendly environment and broaden the investment base by reducing the price per investment unit of the Company's shares.

(2) Outline of the share split

(i) Method of share split

The Company implemented a 4-for-1 share split of common shares owned by shareholders recorded in the closing register of shareholders with a record date of September 30, 2022.

(ii) Increase in the number of shares due to the share split

Total number of issued shares before the share split	11,589,925 shares
Increase in the number of shares due to the share split	34,769,775 shares
Total number of issued shares after the share split	46,359,700 shares
Total number of shares authorized to be issued after the share split	101,568,000 shares

(iii) Schedule of the share split

Public notice of record date: September 14, 2022
Record date: September 30, 2022
Effective date: October 1, 2022

(iv) Effect on per share information

The effect on per share information is presented in the relevant location.

(3) Partial amendments to the Articles of Incorporation in relation to the share split

(i) Reason for the amendments to the Articles of Incorporation

In conjunction with the share split, pursuant to Article 184, paragraph 2 of the Companies Act, the Company amended the total number of authorized shares prescribed in Article 6 (Total Number of Shares Authorized to Be Issued) of the Articles of Incorporation of the Company on October 1, 2022.

(ii) Details of the amendments to the Articles of Incorporation

The details of the amendments are as follows.

(Underlines indicate amended sections)

Before Amendments	After Amendments
Article 6. (Total Number of Shares Authorized to Be Issued) The total number of shares authorized to be issued by the Company shall be <u>25,392,000 shares</u> .	Article 6. (Total Number of Shares Authorized to Be Issued) The total number of shares authorized to be issued by the Company shall be <u>101,568,000 shares</u> .

(iii) Schedule for the amendments to the Articles of Incorporation

Date of Board of Directors resolution: May 12, 2022
Effective date: October 1, 2022

(4) Other

The amount of the Company's share capital did not change as a result of the share split.