

**Consolidated Financial Results for the Second Quarter of the Fiscal Year  
Ending March 31, 2022 (April 1, 2021 to September 30, 2021)  
<Japanese GAAP>**

November 8, 2021

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 Stock Exchange Listing: Tokyo Stock Exchange (Code number 5393)  
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 Scheduled date of filing of quarterly consolidated financial statements: November 11, 2021  
 Supplementary materials for financial results: Available  
 Organization of financial results briefing: Available (for institutional investors and analysts)  
 Scheduled date of commencement of dividend payment: December 1, 2021

(Fractional amounts of less than ¥1 million are discarded.)

**1. Consolidated financial results for the second quarter of the Fiscal Year 2021  
(April 1, 2021 to September 30, 2021)**

(1) Operating Results (cumulative)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2021 Q2	103,525	15.8	12,671	77.5	13,895	80.4	10,249	119.7
FY2020 Q2	89,370	(11.5)	7,137	(28.4)	7,700	(23.3)	4,666	(33.7)

Note: Comprehensive income FY2021 Q2 ¥12,346 million---114.4%; FY2020 Q2 ¥5,759 million---(19.7)%

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
FY2021 Q2	154.51	—
FY2020 Q2	70.34	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	230,330	146,560	63.2
As of March 31, 2021	219,602	136,450	61.7

(Reference) Shareholders' equity FY2021 Q2 ¥145,458 million; As of March 31, 2021 (FY2020) ¥135,429 million

**2. Dividends**

	Annual Dividends				
	End of 1st quarter	End of 1st half	End of 3rd quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2020	—	38.00	—	40.00	78.00
FY2021	—	42.00			
FY2021 (Forecast)			—	40.00	82.00

Note: Adjustments from the most recently released dividend forecast: None

### 3. Forecast of consolidated financial results for Fiscal Year 2021 (April 1, 2021 to March 31, 2022)

(Percentage figures represent changes from previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	210,000	6.9	25,000	27.4	26,000	22.2	18,000	68.0	271.36

Note: Adjustments from the most recently released consolidated results forecast: None

#### \*Notes

- (1) Changes in significant subsidiaries during the consolidated quarter under review: None
- (2) Application of specific accounting methods in the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatements
- |  |      |
|--|------|
| 1) Changes in accounting policies due to revision of accounting standards: | Yes  |
| 2) Changes other than those in 1) above:                                   | None |
| 3) Changes in accounting estimates:  | None |
| 4) Restatements:   | None |

#### (4) Number of shares outstanding (ordinary shares)

- |  |                   |
|--|-------------------|
| 1) Number of shares issued at the end of the period (including treasury stock) |                   |
| FY2021 Q2 (As of September 30, 2021)   | 67,811,917 shares |
| FY2020 (As of March 31, 2021)  | 67,811,917 shares |
| 2) Number of shares of treasury stock at the end of the period                 |                   |
| FY2021 Q2 (As of September 30, 2021)   | 1,478,812 shares  |
| FY2020 (As of March 31, 2021)  | 1,477,947 shares  |
| 3) Average number of shares outstanding during the period                      |                   |
| FY2021 Q2 (As of September 30, 2021)   | 66,333,551 shares |
| FY2020 Q2 (As of September 30, 2020)   | 66,335,006 shares |

\*The consolidated financial results for the second quarter of the fiscal year ending March 31, 2022 are not subject to quarterly review by a certified public accountant or auditor.

\*Information concerning proper use of financial forecasts and other special notes

Information concerning forward-looking statements

Forward-looking statements concerning financial forecasts contained in these materials are based on information available to the Company when the forecasts were made and certain assumptions judged to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual results may differ significantly from the forecasts due to a variety of factors. For items related to our earnings forecasts, etc., including underpinning assumptions and factors that could impact each item, please refer to "(3) Explanation of information related to future prospects including consolidated results forecasts" on page 3 in section "1. Qualitative information on the quarter under review."

Disclaimer: This is a Japanese-English translation of the summary of financial statements of the Company produced for your convenience. Since no auditor audited this report, officially only the Japanese version is assumed to be the summary of financial statements of the Company. This summary does not constitute any guarantee and the Company will not compensate any losses and/or damage stemming from actions taken based on these statements. In the case that there is any discrepancy between the Japanese and English versions, the Japanese version is assumed to be correct.

○ **Attachment index**

<b>1. Qualitative information on the quarter under review</b> .....	2
(1) Explanation of operating results .....	2
(2) Explanation of financial position.....	2
(3) Explanation of information related to future prospects including consolidated results forecasts.....	3
<b>2. Consolidated financial statements and related notes</b> .....	4
(1) Quarterly consolidated balance sheets .....	4
(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income .....	6
Quarterly consolidated statements of income .....	6
Quarterly consolidated statement of comprehensive income.....	7
(3) Quarterly consolidated statements of cash flows.....	8
(4) Notes regarding quarterly consolidated financial statements .....	9
(Notes regarding going concern assumption) .....	9
(Notes regarding significant changes in shareholders' equity [if any]) .....	9
(Changes in accounting policies) .....	9
(Segment information) .....	10
<b>3. Supplementary materials</b> .....	11

## 1. Qualitative information on the quarter under review

### (1) Explanation of operating results

During the second quarter of the consolidated fiscal year, the economy remained in severe conditions due to the COVID-19 pandemic. In Japan, the manufacturing industry saw a recovery in capital investment and production, and exports continued to increase moderately. Overseas, emerging market economies have been hurt by the renewed spread of COVID-19, but the US economy is improving steadily and China has seen a moderate recovery.

In these conditions, the Group's net sales rose 15.8% year on year to ¥103,525 million, due to high demand for products for semiconductor production equipment and a recovery in demand for auto parts to pre-COVID-19 levels.

In terms of profits, operating income rose 77.5% year on year to ¥12,671 million, ordinary income rose 80.4% year on year to ¥13,895 million, and profit attributable to owners of the parent rose 119.7% year on year to ¥10,249 million.

The Company adopted the Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan Statement No. 29, March 31, 2020; hereinafter the Accounting Standard for Revenue Recognition), etc. from the start of the first quarter of the current consolidated fiscal year. As a result, compared with before the application of the standard, net sales in the second quarter of the fiscal year rose ¥1,230 million and operating income and ordinary income both increased by ¥82 million. For details, refer to "2. Consolidated financial statements and related notes (4) Notes regarding quarterly consolidated financial statements (Changes in accounting policies) and (Segment information) Segment information 2. Matters related to changes in reporting segments, etc."

Net sales by segment for the second quarter of the fiscal year are as follows:

Sales in the **Energy and Industrial Plants Division** fell 0.8% year on year to ¥28,030 million. This was due to a decline in the number of periodic repair projects for petroleum refining and petrochemical companies, despite a boost to sales from changes in the method of revenue recognition related to construction contracts due to application of the Accounting Standard for Revenue Recognition, etc.

Sales in the **Industrial Products Division** increased 9.4% year on year to ¥22,801 million owing to solid demand for fluororesin products and inorganic thermal insulation products driven by a recovery in the electronic components and semiconductor-related markets, and high demand for environmental products in the Chinese market.

Sales in the **Advanced Products Division** rose 49.3% year on year to ¥16,826 million, owing to strong demand for semiconductors.

Sales in the **Autoparts Division** rose 37.4% year on year to ¥22,160 million, as demand for automobiles has been recovering in Japan and overseas since the third quarter of the previous fiscal year following a decline in the second quarter of fiscal 2020 with the spread of COVID-19.

Sales in the **Building Materials Division** rose 6.6% year on year to ¥13,706 million, mainly reflecting changes in the method of revenue recognition for construction contracts due to the application of the Accounting Standard for Revenue Recognition, etc., even though the pandemic resulted in the delay and postponement of construction projects as well as a decline in demand.

### (2) Explanation of financial position

#### 1) Assets, liabilities, and net assets

Total assets at the end of the second quarter of the fiscal year ending March 31, 2022, were ¥230,330 million, up ¥10,727 million compared with the end of the previous fiscal year. This reflected a decline of ¥4,450 million in costs on uncompleted construction contracts and increases of ¥12,450 million in cash and deposits, ¥1,351 million in raw materials and supplies, ¥695 million in merchandise and finished goods, and ¥473 million in work in process.

Liabilities at the end of the second quarter of the fiscal year ending March 31, 2022, were ¥83,769 million, up ¥617 million compared with the end of the previous fiscal year. This was largely because provision for bonuses rose ¥884 million and electronically recorded monetary obligations rose ¥839 million, while notes and accounts payable – trade fell ¥1,079 million.

Net assets at the end of the second quarter of the fiscal year ending March 31, 2022, were ¥146,560 million, up ¥10,109 million compared with the end of the previous fiscal year. This was largely a result of increases in retained earnings of ¥8,024 million and in valuation difference on available-for-sale securities of ¥1,148 million.

## 2) Cash flows

Cash and cash equivalents at the end of the second quarter of the fiscal year ending March 31, 2022 (hereinafter, "cash"), increased by ¥12,182 million compared with the end of the previous fiscal year to ¥51,772 million. Cash flows and factors affecting cash flows are as follows:

### (Net cash provided by [used in] operating activities)

Net cash provided by operating activities was ¥15,475 million (compared with receipts of ¥8,061 million in the same period of the previous fiscal year).

This was primarily because although cash decreased due to ¥3,741 million in income taxes paid and a ¥2,098 million increase in inventories, cash increased due to ¥14,022 million in income before income taxes, a ¥5,376 million decrease in trade receivables, and ¥3,083 million in depreciation & amortization.

### (Net cash provided by [used in] investing activities)

Net cash used in investing activities was ¥846 million (compared with expenditures of ¥3,188 million in the same period of the previous fiscal year).

This mainly reflected an increase in cash due to ¥1,547 million in proceeds from liquidation of affiliated companies and a decrease in cash due to ¥1,918 million in expenditures for the acquisition of property, plant and equipment.

### (Net cash provided by [used in] financing activities)

Net cash used in financing activities was ¥2,804 million (compared with expenditures of ¥2,715 million in the same period of the previous fiscal year).

This was mainly because of a decrease in cash due to ¥2,650 million in cash dividends paid.

## (3) Explanation of information related to future prospects including consolidated results forecasts

There is no amendment to our consolidated earnings forecasts for the fiscal year ending March 31, 2022, disclosed in the "Notice of Revisions to Earnings Forecasts" on October 18, 2021.

The Company prepared these earnings forecasts based on the information available as of the day that these materials were released, and actual results could differ from forecasts depending on a variety of factors.

## 2. Consolidated financial statements and related notes

### (1) Quarterly consolidated balance sheets

	(Millions of yen)	
	FY2020 (As of March 31, 2021)	FY2021 Q2 (As of September 30, 2021)
<b>Assets</b>		
Current Assets		
Cash and deposits	39,799	52,249
Notes and accounts receivable – trade	29,589	29,261
Electronically recorded monetary claims	10,508	10,576
Accounts receivable from completed construction contracts	18,869	18,831
Merchandise and finished goods	15,401	16,096
Work in process	2,823	3,296
Raw materials and supplies	9,591	10,942
Costs on uncompleted construction contracts	5,851	1,401
Other	3,229	3,274
Allowance for doubtful accounts	(18)	(18)
Total current assets	135,645	145,912
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	59,520	60,744
Accumulated depreciation and impairment loss	(34,880)	(35,784)
Buildings and structures, net	24,640	24,960
Machinery, equipment and vehicles	78,226	81,574
Accumulated depreciation and impairment loss	(66,161)	(68,111)
Machinery, equipment and vehicles, net	12,064	13,462
Land	14,118	14,132
Lease assets	372	366
Accumulated depreciation	(251)	(284)
Lease assets, net	120	81
Construction in progress	4,885	2,797
Other	10,500	10,982
Accumulated depreciation and impairment loss	(8,940)	(9,257)
Other, net	1,560	1,725
Total property, plant and equipment	57,391	57,159
Intangible assets		
Software	761	803
Other	574	526
Total intangible assets	1,335	1,330
Investments and other assets		
Investment securities	18,379	18,824
Net defined benefit asset	1,635	1,663
Deferred tax assets	1,301	1,330
Other	3,945	4,137
Allowance for doubtful accounts	(30)	(27)
Total investments and other assets	25,230	25,928
Total noncurrent assets	83,957	84,418
Total assets	219,602	230,330

(Millions of yen)

	FY2020 (As of March 31, 2021)	FY2021 Q2 (As of September 30, 2021)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable – trade	19,184	18,104
Electronically recorded monetary obligations	12,240	13,080
Current portion of bonds	400	200
Short-term loans payable	6,805	7,125
Accounts payable – other	4,887	4,802
Income taxes payable	3,750	4,128
Advances received on uncompleted construction contracts	1,188	254
Provision for bonuses	3,175	4,060
Other	4,224	4,766
Total current liabilities	55,857	56,523
Noncurrent liabilities		
Bonds payable	13,000	13,000
Long-term loans payable	3,912	3,620
Deferred tax liabilities	2,264	2,609
Net defined benefit liability	4,352	4,425
Reserves for litigation losses	837	741
Other	2,928	2,848
Total noncurrent liabilities	27,294	27,246
Total liabilities	83,151	83,769
<b>Net assets</b>		
Shareholders' equity		
Capital stock	12,128	12,128
Capital surplus	13,857	13,857
Retained earnings	106,880	114,905
Treasury stock	(4,056)	(4,058)
Total shareholders' equity	128,810	136,832
Total other cumulative comprehensive income		
Valuation difference on available-for-sale securities	8,922	10,070
Foreign currency translation adjustment	(1,027)	(217)
Remeasurements of defined benefit plans	(1,275)	(1,225)
Total other cumulative comprehensive income	6,618	8,626
Non-controlling interests	1,021	1,102
Total net assets	136,450	146,560
<b>Total liabilities and net assets</b>	<b>219,602</b>	<b>230,330</b>

(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income  
Quarterly consolidated statements of income  
Second quarter of consolidated fiscal year

	(Millions of yen)	
	FY2020 Q2 (From April 1, 2020 to September 30, 2020)	FY2021 Q2 (From April 1, 2021 to September 30, 2021)
Net sales		
Net sales of merchandise and finished good	63,720	76,452
Net sales of completed construction contracts	25,650	27,073
Total net sales	89,370	103,525
Cost of sales		
Cost of merchandise and finished goods sold	47,624	54,540
Cost of sales of completed construction contracts	21,716	23,082
Total cost of sales	69,340	77,622
Gross profit	20,029	25,903
Selling, general and administrative expenses		
Selling expenses	3,976	3,965
General and administrative expenses	8,916	9,266
Total selling, general and administrative expenses	12,892	13,231
Operating income	7,137	12,671
Non-operating income		
Interest income	48	41
Dividends income	236	227
Foreign exchange gain	—	386
Rent income	259	275
Equity in earnings of affiliates	29	38
Subsidies for employment adjustment	251	121
Other	337	291
Total non-operating income	1,162	1,382
Non-operating expenses		
Interest expenses	69	62
Foreign exchange losses	328	—
Other	200	96
Total non-operating expenses	599	158
Ordinary income	7,700	13,895
Extraordinary income		
Gain on sales of noncurrent assets	377	5
Subsidy income	51	—
Gain on liquidation of affiliates	—	311
Total extraordinary income	429	316
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	76	67
Loss on reduction of noncurrent assets	45	—
Provision for litigation loss reserves	590	32
Loss related to COVID-19 pandemic	104	16
Loss due to disasters	—	73
Total extraordinary losses	816	189
Income before income taxes	7,313	14,022
Income taxes – current	2,549	4,126
Income taxes – deferred	71	(420)
Total income taxes	2,621	3,706
Net income	4,691	10,316
Net income attributable to non-controlling interests	25	67
Profit attributable to owners of the parent	4,666	10,249



Quarterly consolidated statement of comprehensive income  
 Second quarter of consolidated fiscal year

(Millions of yen)

	FY2020 Q2 (From April 1, 2020 to September 30, 2020)	FY2021 Q2 (From April 1, 2021 to September 30, 2021)
Net income	4,691	10,316
Other comprehensive income		
Valuation difference on available-for-sale securities	1,549	1,148
Foreign currency translation adjustment	(643)	832
Remeasurements of defined benefit plans	161	49
Total other comprehensive income	1,067	2,029
Comprehensive income	5,759	12,346
Breakdown		
Comprehensive income attributable to owners of the parent company	5,738	12,256
Comprehensive income attributable to non-controlling interests	20	89

## (3) Quarterly consolidated statements of cash flows

	(Millions of yen)	
	FY2020 Q2 (From April 1, 2020 to September 30, 2020)	FY2021 Q2 (From April 1, 2021 to September 30, 2021)
Net cash provided by (used in) operating activities		
Income before income taxes	7,313	14,022
Depreciation & amortization	3,184	3,083
Loss (gain) on sales of property, plant and equipment	(377)	(5)
Loss (gain) on liquidation of affiliates	—	(311)
Increase (decrease) in net defined benefit liability	67	73
Increase (decrease) in provision for bonuses	451	879
Interest and dividends income received	(285)	(269)
Interest expenses	69	62
Foreign exchange losses (gains)	410	(376)
Decrease (increase) in notes and accounts receivable – trade	6,578	5,376
Decrease (increase) in inventories	(1,442)	(2,098)
Decrease (increase) in costs on uncompleted construction contracts	(1,948)	(219)
Increase (decrease) in notes and accounts payable – trade	(2,889)	(436)
Increase (decrease) in accounts payable – other	(1,373)	(684)
Increase (decrease) in accrued expenses	(24)	69
Increase (decrease) in advances received on uncompleted construction contracts	876	9
Increase (decrease) in provisions for litigation losses	585	(95)
Loss on reduction of noncurrent assets	45	—
Subsidy income	(51)	—
Subsidies for employment adjustment	(251)	(121)
Loss related to COVID-19 pandemic	104	16
Loss due to disasters	—	73
Decrease (increase) in net defined benefit asset	(62)	(28)
Other	(233)	19
Subtotal	<u>10,746</u>	<u>19,042</u>
Interest and dividends income received	285	269
Interest expenses paid	(68)	(60)
Proceeds from subsidy income	51	23
Subsidies for employment adjustment received	219	16
Loss related to COVID-19 pandemic paid	(56)	(16)
Loss due to disaster paid	—	(69)
Income taxes paid	(3,128)	(3,741)
Income taxes refund	12	11
Net cash provided by (used in) operating activities	<u>8,061</u>	<u>15,475</u>
Net cash provided by (used in) investing activities		
Net decrease (increase) in time deposits	406	(267)
Expenditures for the acquisition of property, plant and equipment	(3,935)	(1,918)
Proceeds from sales of property, plant and equipment	402	8
Expenditures for the acquisition of intangible fixed assets	(133)	(140)
Proceeds from sales of investment securities	0	—
Payments of loans receivable	(0)	(3)
Collection of loans receivable	1	2
Proceeds from liquidation of affiliated companies	—	1,547
Other	68	(73)
Net cash provided by (used in) investing activities	<u>(3,188)</u>	<u>(846)</u>
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	117	20
Proceeds from long-term borrowings	500	117
Repayment of long-term loans payable	(500)	—
Redemption of bonds	(200)	(200)
Cash dividends paid	(2,518)	(2,650)
Net decrease (increase) in treasury stock	(1)	(2)
Dividends paid to non-controlling interests	(8)	(9)
Other	(105)	(80)
Cash flows from financing activities	<u>(2,715)</u>	<u>(2,804)</u>
Effect of exchange rate change on cash and cash equivalents	(381)	358
Net increase (decrease) in cash and cash equivalents	<u>1,775</u>	<u>12,182</u>
Cash and cash equivalents at beginning of period	<u>33,108</u>	<u>39,589</u>
Cash and cash equivalents at end of period	<u>34,883</u>	<u>51,772</u>

(4) Notes regarding quarterly consolidated financial statements

(Notes regarding going concern assumption)

Not applicable

(Notes regarding significant changes in shareholders' equity [if any])

Not applicable

(Changes in accounting policies)

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

The Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan Statement No. 29, March 31, 2020; hereinafter the "Accounting Standard for Revenue Recognition"), etc. has been applied from the beginning of the first quarter of the consolidated fiscal year. Under this standard, revenue is recognized as the amount expected to be received in exchange for goods or services when control of the promised goods or services are transferred to the customer. The main changes due to the adoption of this standard are as follows:

- Revenue recognition related to construction contracts

The Company had previously used the percentage of completion method for construction when the results of work in progress could be recognized, and the completed-contract method for other construction. However, excluding construction that involves small amounts of money or will be completed in a very short period of time, we have adopted a method of recognizing revenue over a certain period of time as we meet our performance obligations.

Regarding application of the Accounting Standard for Revenue Recognition, etc., in accordance with the transitional treatment stipulated in the provision of Article 84 of the Accounting Standard for Revenue Recognition, the cumulative impact of retroactive application of new accounting policies prior to the beginning of the first quarter of the consolidated fiscal year is added to or subtracted from retained earnings at the beginning of the first quarter of the consolidated fiscal year, and the new accounting policy has been applied from the balance at the beginning of the quarter.

As a result, in the second quarter of the current consolidated fiscal year, sales rose ¥1,230 million, cost of sales rose ¥1,407 million, selling, general and administrative expenses declined ¥259 million, and operating income, ordinary income, and income before income taxes each increased by ¥82 million. In addition, the balance of retained earnings at the beginning of the period increased by ¥428 million.

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

The Accounting Standard for Fair Value Measurement (Accounting Standards Board of Japan Statement No. 30, July 4, 2019; hereinafter the "Accounting Standard for Fair Value Measurement"), etc. has been applied from the beginning of the first quarter of the current consolidated fiscal year. In accordance with the transitional treatment stipulated in paragraph 19 of the Accounting Standard for Fair Value Measurement and the Accounting Standard for Financial Instruments (Accounting Standards Board of Japan Statement No. 10, July 4, 2019) paragraph 44-2, the new accounting policy stipulated by the Accounting Standard for Fair Value Measurement, etc. will be applied in the future. This will not have an impact on quarterly consolidated financial statements.

(Segment information)

Segment information

I. Second quarter of fiscal year 2020 (April 1, 2020 to September 30, 2020)

1. Information on net sales and profit (loss) by reporting segment

(Millions of yen)

	Reporting segments						Adjustments	Quarterly consolidated profit/loss posted
	Energy and Industrial Plants	Industrial Products	Advanced Products	Autoparts	Building Materials	Total		
Net sales								
Net sales to external customers	28,259	20,844	11,272	16,131	12,862	89,370	—	89,370
Intersegment sales or transfers	—	4,467	—	—	—	4,467	(4,467)	—
Total	28,259	25,312	11,272	16,131	12,862	93,838	(4,467)	89,370
Segment profit (loss)	3,203	2,683	1,378	82	(210)	7,137	—	7,137

2. Information related to impairment loss of noncurrent assets and goodwill by reporting segment:

Not applicable

II. Second quarter of fiscal year 2021 (April 1, 2021 to September 30, 2021)

1. Information on net sales and profit (loss) by reporting segment

(Millions of yen)

	Reporting segments						Adjustments	Quarterly consolidated profit/loss posted
	Energy and Industrial Plants	Industrial Products	Advanced Products	Autoparts	Building Materials	Total		
Net sales								
Net sales to external customers	28,030	22,801	16,826	22,160	13,706	103,525	—	103,525
Intersegment sales or transfers	—	4,026	—	—	—	4,026	(4,026)	—
Total	28,030	26,828	16,826	22,160	13,706	107,552	(4,026)	103,525
Segment profit	2,596	3,916	3,716	2,302	139	12,671	—	12,671

2. Matters related to changes in reporting segments, etc.

As noted in the changes in accounting policies, we have applied the Accounting Standard for Revenue Recognition, etc. from the start of the first quarter of the consolidated fiscal year, and due to the change in the accounting method for revenue recognition, the method for calculating profit or loss for business segments has been changed in the same manner.

As a result, compared with under the previous accounting method, in the second quarter of the current consolidated fiscal year, Energy and Industrial Plants sales increased by ¥645 million and segment profit rose by ¥66 million, Industrial Products sales decreased by ¥101 million, Advanced Products sales decreased by ¥56 million, Building Materials sales increased by ¥742 million and segment profit rose by ¥15 million.

3. Information related to impairment loss of noncurrent assets and goodwill by reporting segment:

Not applicable

### 3. Supplementary materials

#### Financial results supplementary materials

(Percentage figures represent changes from previous fiscal year)

(1) Key consolidated financial figures (Trends)

(Millions of yen)

	First half			Full Year					
	FY2020 Result	FY2021		FY2017 Result	FY2018 Result	FY2019 Result	FY2020 Result	FY2021	
		Result	Change					Forecast	Change
Net sales	89,370	103,525	15.8%	197,495	215,495	208,876	196,372	210,000	6.9%
Operating income	7,137	12,671	77.5%	21,357	22,629	20,427	19,616	25,000	27.4%
Operating margin (%)	8.0%	12.2%		10.8%	10.5%	9.8%	10.0%	11.9%	
Ordinary income	7,700	13,895	80.4%	21,804	23,171	21,633	21,279	26,000	22.2%
Ordinary income margin (%)	8.6%	13.4%		11.0%	10.8%	10.4%	10.8%	12.4%	
Profit attributable to owners of the parent	4,666	10,249	119.7%	14,956	15,861	14,674	10,715	18,000	68.0%
Net income margin (%)	5.2%	9.9%		7.6%	7.4%	7.0%	5.5%	8.6%	
Basic earnings per share (yen)	70.34	154.51	119.7%	222.73	238.70	221.21	161.53	271.36	68.0%
Total assets	208,660	230,330	10.4%	196,459	206,426	208,076	219,602	—	—
Net assets	130,463	146,560	12.3%	109,705	117,774	127,233	136,450	—	—
Shareholders' equity	129,514	145,458	12.3%	109,195	116,786	126,297	135,429	—	—
Equity ratio (%)	62.1%	63.2%		55.6%	56.6%	60.7%	61.7%	—	—
Interest-bearing debt	25,933	25,652	(1.1)%	23,818	26,065	26,077	25,861	—	—
Interest-bearing debt ratio (%)	12.4%	11.1%		12.1%	12.6%	12.5%	11.8%	—	—
Capital expenditures	4,279	2,337	(45.4)%	12,772	12,816	8,978	7,703	11,500	49.3%
Depreciation & amortization	3,184	3,083	(3.2)%	4,800	5,760	6,274	6,536	6,300	(3.6)%
R&D expenses	2,988	2,746	(8.1)%	5,692	5,976	6,132	6,168	6,000	(2.7)%

\*1The Company has applied the "Partial Amendments to 'Accounting Standard for Tax Effect Accounting'" (Accounting Standards Board of Japan Statement No. 28, February 16, 2018) beginning in FY2018. These accounting standards have been retroactively applied to the figures for major management indicators for FY2017.

\*2The Company carried out a reverse stock split on a one-for-two basis on October 1, 2018. Basic earnings per share are calculated based on the assumption that the reverse stock split was carried out at the beginning of FY2017.

\*3The Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan Statement No. 29, March 31, 2020), etc. has been applied from the beginning of the first quarter of the consolidated fiscal year, and major management indicators, etc., for the second quarter reflect the application of these accounting standards.

(2) Quarterly consolidated operating results (Trends)

(Millions of yen)

	FY2020				FY2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Change
Net sales	43,048	46,322	49,300	57,700	52,272	51,253	10.6%
Operating income	3,803	3,333	5,208	7,270	6,600	6,071	82.1%
Operating margin (%)	8.8%	7.2%	10.6%	12.6%	12.6%	11.8%	
Ordinary income	3,320	4,380	5,412	8,166	7,208	6,686	52.7%
Ordinary income margin (%)	7.7%	9.5%	11.0%	14.2%	13.8%	13.0%	
Profit attributable to owners of the parent	1,829	2,836	3,792	2,257	5,416	4,832	70.4%
Net income margin (%)	4.3%	6.1%	7.7%	3.9%	10.4%	9.4%	

All forecasts and plans that are not historical facts in this document are future business results-related forecasts. These are based on information and data currently available to the company, and various uncertain factors could cause actual results to differ.