

Consolidated Financial Report for the 3rd Quarter of the Fiscal Year 2021 (April 1, 2021, through December 31, 2021)

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>

(Amounts less than one million yen are omitted)

1. Consolidated Financial Data of 3rd Quarter of FY2021

(1) Consolidated Financial Results (For Nine months ended December 31, 2021)

(Each percentage shows changes year-on-year)

	Net Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
3rd Quarter of FY2021	525,279	12.7	24,652	63.7	29,330	56.0	16,601	25.9
3rd Quarter of FY2020	466,283	-	15,064	-	18,800	-	13,190	-

(Note) Comprehensive income

3rd Quarter of FY2021 21,446 Million yen (41.3%) 3rd Quarter of FY2020 15,178 Million yen (-%)

	Earnings per share	Diluted income per share
	Yen	Yen
3rd Quarter of FY2021	53.35	-
3rdQuarter of FY2020	42.39	-

(Note) Nissui has adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020), etc., from the first quarter of the current consolidated fiscal year. Accordingly, all figures for the third quarter of the fiscal year ended March 31, 2021, have been retroactively adopted to the above accounting standards; thus, we do not describe the difference in percentage between the previous fiscal year and the year before.

(2) Consolidated Financial Position of 3rd Quarter

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
3rd Quarter of FY2021	519,898	204,735	35.8
FY2020	475,468	187,779	35.6

Ref.): Total shareholders' equity

As of December 31, 2021, 186,125 million yen As of March 31, 2021, 169,427 million yen

(Note) Nissui has adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No 29, March 31, 2020), etc., from the first quarter of the current consolidated fiscal year. Accordingly, the figures for the third quarter of the fiscal year ended March 31, 2021, have been retroactively adopted to the above accounting standards.

2. Dividend

	Dividend per share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Fiscal Year
	Yen	Yen	Yen	Yen	Yen
FY2020	-	4.00	-	5.50	9.50
FY2021	-	6.00			
FY2021(forecast)			-	5.00	11.00

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

3. Consolidated Forecast for FY2021(April 1, 2021, through March 31, 2022)

(Each percentage shows changes year-on-year)

	Net Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
FY2021	690,000	12.2	27,000	50.0	33,000	45.6	18,000	25.1	57.84

(Note) Revision during the current quarter to the consolidated forecast for FY2021: Yes

(Note) Nissui has adopted the “Accounting Standard for Revenue Recognition” (ASBJ Statement No.29, March 31, 2020), etc., from the first quarter of the current consolidated fiscal year. Accordingly, the percentage change from the previous year has retroactively adopted the above accounting standards.

* 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.: Yes
 - 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 first quarter)

3Q of FY2021	312,430,277	FY2020	312,430,277
3Q of FY2021	1,192,575	FY2020	1,296,387
3Q of FY2021	311,196,285	3Q of FY2020	311,140,270

(Note) Nissui has introduced the “Board Benefit Trust (BBT)” as its performance-linked stock-based compensation plan since FY2018, and its own shares remaining in the Trust is included as treasury shares. The number of treasury stocks at the end of the term was 223,600, and the average number of shares during the term was 266,748.

* 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 available information, and certain premises 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 6 of Qualitative information for the third quarter of the fiscal year ending March 31, 2022.

*Supplemental Documents for the 3rd Quarter of FY2021 was disclosed on TD-net (Timely Disclosure network) on the same day.

1. Qualitative information for the third quarter of the fiscal year ending March 31, 2022

(1) Explanation on consolidated financial results

Nissui has adopted the “Accounting Standard for Revenue Recognition” (ASBJ Statement No.29, March 31, 2020), etc., from the first quarter of the current consolidated fiscal year and compared and analyzed the same period of the previous year and the previous fiscal year, which had been adopted the accounting standard retroactively.

During the third quarter of the consolidated fiscal year under review, the Japanese economy witnessed corporate earnings improve, mainly in the manufacturing industry, thanks to the various economic policies launched by the Japanese Government. Also, personal consumption was recovering since the emergency declaration, and pre-emergency measures were lifted on September 30, 2021.

In terms of the global economy during the period subject to consolidated accounting from January to September, consumer spending and capital investment increased after the restriction on going out, etc., were gradually lifted in the background of vaccination spread. Meanwhile, the number of people infected with COVID-19 was rising in the United States and Europe at the same time.

While economic activities are recovering in Japan and overseas, we cannot see the end of the novel coronavirus because of the outbreak of mutant viruses. Also, the situation is still unclear as there is confusion in logistics caused by container shortage and rising shipping costs, along with hiking raw material prices and labor costs.

The Company and its corporate group showed improvement in the aquaculture business inside and outside Japan. Sales of marine products improved following the recovery of economic activity. On the other hand, the Japanese fishery and Alaskan pollock processing business struggled. The sales for household and foodservice in the food products business stayed firm in Europe and the USA.

Under these circumstances, the consolidated financial results through the third quarter of the consolidated fiscal year under review were as follows: net sales were 525,279 million yen, up 58,995 million yen year-on-year; operating profit was 24,652 million yen, up 9,588 million yen year-on-year; ordinary profit was 29,330 million yen, up 10,529 million yen year-on-year.

Regarding extraordinary profit or loss, there were indications of impairment on non-current assets of UniSea, Inc., one of the consolidated companies of Nissui, in the United States. As a result of evaluating the collectability of the fixed assets by estimating future cash flows considering the current business environment, we posted 5,002 million yen as the impairment loss for the 3rd Quarter of the fiscal year ending March 31, 2022. Thus, the profit attributable to the owners of the parent company was 16,601 million yen, up 3,411 million yen year-on-year. (For the details, please refer to” Notice concerning recording of extraordinary loss (impairment loss)” disclosed today.)

We once again discuss our medium-to-long-term vision and strategies to realize our vision in the current fiscal year and make steady efforts to strengthen the constitution for the upcoming mid-to-long-term management plan.

Specifically, we will position it as “time to solidify the foundation for overcoming weak points, developing strengths, and regrowing,” and rebuild our domestic aquaculture business and chilled business immediately in addition to the launch of sales of pure EPA active pharmaceutical ingredients for overseas market. Also, we will expand and strengthen products that are delicious and contribute to health that responds to the changes in lifestyles and needs, such as restrictions on going out and increasing work from home on a global scale.

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 FY2021	525,279	24,652	29,330	16,601
3Q of FY2020	466,283	15,064	18,800	13,190
Difference	58,995	9,588	10,529	3,411
Percentage difference (%)	112.7%	163.7%	156.0%	125.9%

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	217,934	24,928	112.9%	11,281	6,029	214.8%
Food Products	250,143	22,821	110.0%	13,440	2,487	122.7%
Fine Chemicals	24,378	5,381	128.3%	3,038	1,098	156.6%
General Distribution	12,161	(728)	94.3%	1,797	(11)	99.4%
Other (Note)	20,661	6,592	146.9%	811	266	148.9%
Common Costs	-	-	-%	(5,716)	(283)	105.2%
Total	525,279	58,995	112.7%	24,652	9,588	163.7%

(Note) "Other" refers to Engineering (planning, design, construction of plants and equipment) business, 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 217,934 million yen (up 24,928 million yen year-on-year) in the sales and operating profit of 11,281 million yen (up 6,029 million yen year-on-year) in the Marine Products Business.

Fishery Business: Revenue decreased, but income increased year on year.

• In Japan, both revenue and income decreased as the catch of skipjack and buri yellowtail were poor. Income increased in South America as the countermeasure costs for coronavirus decreased compared to the last year.

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

[Japan]

• The sales price of buri yellowtail and Coho salmon were steady. Also, the cost reduction in tuna farming, which struggled last year, effect the result. As a result, both revenue and income increased.

[South America]

• Both sales and profit increased thanks to the increasing sales volume of salmon/trout.

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

[Japan]

• Revenue and income increased as the fish price rose since the sales price of main species such as salmon/trout increased.

[North America]

• Revenue and income increased as the sales were steady following the recovery of economic activities. However, the production volume of fillet and pollock roe declined due to the epidemic of COVID-19 at pollock processing factories in Alaska, USA. In addition, there was an increase in cost for countermeasures for coronavirus than expected.

[Europe]

• Both revenue and income increased as the sales were firm after economic activities improved.

(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 250,143 million yen (up 22,821 million yen year-on-year) in sales and operating profit of 13,440 million yen (up 2,487 million yen year-on-year).

Processed Foods Business: Both revenue and income increased year-on-year.

[Japan]

• Revenue increased but income decreased due to rising material costs such as surimi while sales were steady.

[North America and Europe]

• Revenue and income grew as sales for foodservice expanded as the demand for dining out improved, whereas sales for household use stayed healthy.

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

• Income increased as the sales of chilled lunch boxes (Note1) and rice balls for convenience stores improved. Also, there was a cost reduction effect.

(3) Fine Chemicals Business

The Fine Chemicals segment is engaged in manufacturing and selling pharmaceutical raw materials, functional raw materials (Note2), functional foods (Note 3), diagnostic medicines, and test drugs.

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

We recorded 24,378 million yen (up 5,381 million yen year-on-year) in sales and operating profit of 3,038 million yen (up 1,098 million yen year-on-year) in the Fine Chemicals Business.

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

• Revenue and income increased thanks to the strong mail-order sales of functional foods.

[Clinical Diagnostic and Test Drug]

• Revenue and income increased as PCR testing agents for the COVID-19 and culture media for overseas sold well.

(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 12,161 million yen (down 728 million yen year-on-year) in sales and operating profit of 1,797 million yen (down 11 million yen year-on-year) in the General Distribution Business.

• Revenue decreased due to the partial business transfer.

(Note 1) Products that can reduce food loss can be sold for a more extended period and kept fresh than lunch boxes for ordinary temperature by distributing and selling in a refrigerated state (around five centigrade).

(Note 2) EPA, DHA, and others, mainly used as ingredients of health supplements and infant formula

(Note 3) Supplements such as "Sesame soy milk" functional food and "i-mark S," food for specified health uses (FOSHU), mainly for online business

(2) Explanation on the consolidated financial position

State of assets, liabilities, and net assets

(Unit: million yen)

	FY2020	3Q of FY2021	Increase/Decrease
Current Assets	231,808	276,897	45,088
(Inventories)	129,081	138,878	9,797
Non-current Assets	243,660	243,000	(659)
Total Assets	475,468	519,898	44,429
Current Liabilities	153,711	183,208	29,496
Non-current Liabilities	133,977	131,954	(2,023)
Total Liabilities	287,689	315,162	27,473
Total Net Assets	187,779	204,735	16,956

Assets

Total assets increased by 44,429 million yen compared to the end of the previous consolidated fiscal year to 519,898 million yen (up 9.3%).

Current assets increased by 45,088 million yen to 276,897 million yen (up 19.5%). The main reason for this was notes and accounts receivable increased by 31,769 million yen, and inventory increased by 9,797 million yen because of increased sales.

Non-current assets decreased by 659 million yen to 243,000 million yen (down 0.3%).

Liabilities

Total liabilities increased by 27,473 million yen compared to the end of the previous consolidated fiscal year to 315,162 million yen (up 9.5%).

Current liabilities increased by 29,496 million yen to 183,208 million yen (up 19.2%), mainly because of an increase in short-term borrowings by 20,250 million yen due to increased demand for working capital and so on.

Non-current liabilities decreased by 2,023 million yen to 131,954 million yen (down 1.5%). The main reason was a decrease in long-term borrowings by 4,987 million yen by payback.

Net Assets

Total net assets increased by 16,956 million yen compared to the end of the previous consolidated fiscal year to 204,735 million yen (up 9.0%), mainly due to posting profit attributable to owners of the parent of 16,601 million yen, payment of dividends of surplus by 3,583 million yen, and an increase in foreign currency translation adjustment by 4,961 million yen due to weak yen.

(3) Explanation on Consolidated Financial Forecasts

We have revised the financial forecasts for the fiscal year ending March 31, 2022, announced on November 5, 2021. For details, please refer to the "Notice concerning revision (upward revision) of full-year earnings forecast" announced today (February 4, 2022).

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

Million yen

	FY2020 As of Mar. 31, 2021	3rd Quarter of FY2021 As of Dec. 31, 2021
Assets		
Current assets		
Cash and deposits	10,986	14,315
Notes and accounts receivable-trade	76,042	107,812
Securities	—	26
Merchandise and finished goods	68,221	73,200
Work in process	26,050	27,915
Raw materials and supplies	34,809	37,762
Other	16,035	16,274
Allowance for doubtful accounts	(338)	(409)
Total current assets	231,808	276,897
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	61,072	59,031
Other, net	86,355	84,461
Total property, plant and equipment	147,428	143,493
Intangible assets		
Goodwill	452	703
Other	9,339	10,621
Total intangible assets	9,791	11,325
Investments and other assets		
Investment securities	38,076	36,286
Shares of subsidiaries and associates	34,566	37,951
Long-term loans receivable	1,438	1,061
Retirement benefit asset	229	292
Deferred tax assets	2,331	2,662
Other	14,369	14,770
Allowance for doubtful accounts	(4,573)	(4,842)
Total investments and other assets	86,440	88,182
Total non-current assets	243,660	243,000
Total assets	475,468	519,898

Consolidated Balance Sheet

Million yen

	FY2020 As of Mar. 31, 2021	3rd Quarter of FY2021 As of Dec. 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable-trade	41,704	50,309
Short-term borrowings	68,577	88,828
Income taxes payable	4,207	3,752
Accrued expenses	22,884	29,363
Provisions	3,479	1,649
Other	12,857	9,305
Total current liabilities	153,711	183,208
Non-current liabilities		
Long-term borrowings	112,230	107,242
Provisions	121	65
Retirement benefit liability	10,428	10,737
Other	11,197	13,908
Total non-current liabilities	133,977	131,954
Total liabilities	287,689	315,162
Net assets		
Shareholders' equity		
Share capital	30,685	30,685
Capital surplus	21,658	21,156
Retained earnings	107,781	120,799
Treasury shares	(476)	(414)
Total shareholders' equity	159,648	172,227
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,881	12,592
Deferred gains or losses on hedges	92	848
Foreign currency translation adjustment	(1,056)	3,905
Remeasurements of defined benefit plans	(3,139)	(3,447)
Total accumulated other comprehensive income	9,778	13,898
Non-controlling interests	18,352	18,610
Total net assets	187,779	204,735
Total liabilities and net assets	475,468	519,898

(2) Consolidated Income Statements

Million yen

	3rd Quarter of FY2020 (Nine months ended Dec. 31, 2020)	3rd Quarter of FY2021 (Nine months ended Dec. 31, 2021)
Net sales	466,283	525,279
Cost of sales	392,524	438,409
Gross profit	73,758	86,869
Selling, general and administrative expenses	58,694	62,216
Operating profit	15,064	24,652
Non-operating income		
Interest income	165	129
Dividend income	374	423
Foreign exchange gains	98	—
Gain on sale of investment securities	36	—
Share of profit of entities accounted for using equity method	2,607	2,703
Subsidy income	1,012	2,214
Miscellaneous income	585	340
Total non-operating income	4,881	5,810
Non-operating expenses		
Interest expenses	1,031	864
Foreign exchange losses	—	97
Loss on sale of investment securities	2	0
Miscellaneous expenses	111	169
Total non-operating expenses	1,145	1,133
Ordinary profit	18,800	29,330
Extraordinary income		
Gain on sale of non-current assets	353	79
Gain on sale of investment securities	1,895	341
Insurance claim income	—	1,025
Gain on change in equity	—	58
Total extraordinary income	2,249	1,504
Extraordinary losses		
Loss on disposal of non-current assets	266	353
Impairment losses	—	5,077
Loss on sale of investment securities	3	—
Loss on valuation of investment securities	77	—
Loss on disaster	772	669
Loss related to disaster	—	18
Total extraordinary losses	1,119	6,118
Profit before income taxes	19,931	24,715
Income taxes-current	4,957	6,250
Income taxes-deferred	1,332	1,068
Total income taxes	6,290	7,318
Profit	13,641	17,397
Profit attributable to non-controlling interests	450	795
Profit attributable to owners of parent	13,190	16,601

Consolidated Statements of comprehensive income

Million yen

	3rd Quarter of FY2020 (Nine months ended Dec. 31, 2020)	3rd Quarter of FY2021 (Nine months ended Dec. 31, 2021)
Profit	13,641	17,397
Other comprehensive income		
Valuation difference on available-for-sale securities	3,242	(1,220)
Deferred gains or losses on hedges	(396)	636
Foreign currency translation adjustment	(1,602)	4,383
Remeasurements of defined benefit plans, net of tax	334	(306)
Share of other comprehensive income of entities accounted for using equity method	(40)	555
Total other comprehensive income	1,537	4,048
Comprehensive income	15,178	21,446
(Breakdown)		
Comprehensive income attributable to owners of parent	14,394	20,721
Comprehensive income attributable to non-controlling interests	783	724

(3) Notice concerning the consolidated financial statements

(Notes on Going Concern)

Not applicable.

(Notes Regarding Significant Changes in the Amount of Shareholder's Equity)

Not applicable.

(Changes of accounting policy)

(Application of accounting standards for revenue recognition)

Nissui applied "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc., from the beginning of the first quarter of the consolidated accounting period. When control of a promised good or service is transferred to the customer, revenue is recognized at the amount expected to be received in exchange for the good or service.

As a result, the consideration paid to customers, such as rebates, which were previously recorded in selling, general and administrative expenses, is deducted from sales. In Material supplied for a fee, in the past, the transaction volume related to this transaction was recognized as revenue, and the disappearance of raw materials, etc., provided for a fee was identified.

However, if the transaction is obliged to buy back, the revenue and the disappearance of raw materials provided for a fee are not recognized. In addition, in some transactions, the total amount of consideration received from customers was recognized as revenue in the past, but for transactions for which the role of the group is an agent, revenue is recognized as a net amount obtained by deducting the purchase amount of the product from the amount received from the customer. Changes in the accounting policy are applied retroactively in principle, and for the previous quarter and the last consolidated fiscal year, the quarterly consolidated financial statements and consolidated financial statements after retroactive application are used.

As a result, net sales for the third quarter of the previous fiscal year decreased by 30,916 million yen, and operating profit, ordinary profit, and net income before tax increased by 4 million yen, respectively, compared to before the retroactive application. In addition, the balance of retained earnings at the beginning of the previous fiscal year decreased by 85 million yen since the cumulative impact was reflected in the net assets at the beginning of the last fiscal year.

(Application of accounting standards for market value calculation)

"Accounting Standard for Market Value Calculation" (ASBJ Statement No. 30, July 4, 2019), etc., was applied from the beginning of the first quarter of this consolidated accounting period. Following Paragraph 19 of the Accounting Standard for Market Value Calculation and the transitional treatment stipulated in Paragraph 44-2 of "Accounting Standard for Financial Instruments" (Corporate Accounting Standard No. 10, July 4, 2019), the new accounting policy stipulated by the market value accounting standards, etc. will be applied in the future. There is no impact on the quarterly consolidated financial statements.

(Segment Information, etc.)

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

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

(Unit: Million yen)

	Information by business segments					Other (Note1)	Total	Adjustment (Note 2)	Consolidated (Note.3)
	Marine Products	Food Products	Fine Chemicals	General Distribution	Total				
Sales									
(1) Sales to third parties	193,005	227,322	18,997	12,889	452,214	14,068	466,283	-	466,283
(2) Inter-segment sales and transfers	10,999	1,397	225	7,449	20,070	1,567	21,638	(21,638)	-
Total	204,005	228,719	19,222	20,339	472,285	15,636	487,992	(21,638)	466,283
Segment income (loss)	5,251	10,952	1,939	1,808	19,952	544	20,497	(5,433)	15,064

(Note)

- 1 The "Other" segment includes the building/repairing ships, engineering, and other businesses not included in the reportable segments.
 - 2 The (5,433) million yen segment income adjustment comprises 49 million yen in inter-segment transactions and (5,482) million yen in corporate expenses not allocated to the segments. Corporate expenses include 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 income statement.
- 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, 2021 -December 31, 2021)

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

(Unit: 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	217,934	250,143	24,378	12,161	504,618	20,661	525,279	-	525,279
(2) Inter-segment sales and transfers	10,496	996	271	8,095	19,860	1,489	21,350	(21,350)	-
Total	228,431	251,140	24,650	20,256	524,478	22,151	546,629	(21,350)	525,279
Segment income (loss)	11,281	13,440	3,038	1,797	29,558	811	30,369	(5,716)	24,652

(Note)

- The "Other" segment includes the building/repairing ships, engineering, and other businesses not included in the reportable segments.
 - The (5,716) million yen segment income adjustment comprises (40) million yen in inter-segment transactions and (5,675) million yen in corporate expenses not allocated to the segments. Corporate expenses include 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 income statement.
2. Information regarding impairment loss on non-current assets and goodwill by reportable segment

(Significant impairment loss on non-current assets)

We posted impairment loss on non-current assets in Marine Products Segment business, and the amount for the 3rd Quarter of FY2021 was 5,002 million yen.

(Significant changes in the amount of goodwill)

Not applicable.

(Significant gain on negative goodwill)

Not applicable.

3. Explanation of the change of reporting segment

As described in Changes of accounting policy, Nissui has adopted the "Accounting Standard for Revenue Recognition, etc." from the first quarter of the current consolidated fiscal year and a new accounting standard for income recognition. Following the accounting treatment method change, measuring the profit or loss of the business segment has also been changed.

Since the change of accounting policies has been retroactively adopted, the segment information for the previous year's third quarter was retroactively applied.

As a result, compared with the figures before adjustment, sales amount to the external customers are up 4 million yen in the general distribution business, and down 9,053 million yen in the marine products business, 21,633 million yen in the food products business, 234 million yen in the fine chemical business.

Segment income is up 34 million yen in the food products business, 22 million yen in the fine chemical business, down 51 million yen in the marine products business, and 0 million yen in the general distribution business.