

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

February 7, 2022

Company Name: **NICHIAS Corporation**
 Stock Exchange Listing: Tokyo Stock Exchange (Code number 5393)
 URL: <https://www.nichias.co.jp/nichias-E/>
 Representative: Toshiyuki Takei, President and Chief Executive Officer
 Inquiries: Kiminori Nakata, Representative Director and Senior Managing Executive Officer
 Phone: +81-3-4413-1111
 Scheduled date of filing of quarterly consolidated financial statements: February 10, 2022
 Supplementary materials for financial results: Available
 Organization of financial results briefing: None
 Scheduled date of commencement of dividend payment: —

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

1. Consolidated financial results for the third quarter of Fiscal Year 2021

(April 1, 2021 to December 31, 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 Q3	159,820	15.3	20,071	62.6	22,080	68.4	15,978	88.9
FY2020 Q3	138,671	(9.1)	12,345	(17.3)	13,112	(15.2)	8,458	(19.8)

Note: Comprehensive income FY2021 Q3 ¥18,894 million---(74.9)%; FY2020 Q3 ¥10,805 million---(5.4)%

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
FY2021 Q3	240.88	—
FY2020 Q3	127.51	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2021	235,496	150,322	63.3
As of March 31, 2021	219,602	136,450	61.7

(Reference) Shareholders' equity FY2021 Q3 ¥149,156 million; As of March 31, 2021 (FY2020) ¥135,429 million

2. Dividends

	Annual Dividends				
	End of 1 st quarter	End of 1 st half	End of 3 rd quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2020	—	38.00	—	40.00	78.00
FY2021	—	42.00	—	—	—
FY2021 (Forecast)	—	—	—	44.00	86.00

Note: Adjustments from the most recently released dividend forecast: Yes

*For details of the revisions to our dividend forecast, please see the "Notice of Revision to Dividend Forecast (Dividend Increase)" released separately today.

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	215,500	9.7	26,000	32.5	28,000	31.6	19,000	77.3	286.43

Note: Adjustments from the most recently released consolidated results forecast: Yes

*For details of the revisions to our earnings forecasts, please see the "Notice of Revisions to Earnings Forecasts" released separately today.

*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 Q3 (As of December 31, 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 Q3 (As of December 31, 2021) | 1,479,073 shares |
| FY2020 (As of March 31, 2021) | 1,477,947 shares |
| 3) Average number of shares outstanding during the period | |
| FY2021 Q3 (As of December 31, 2021) | 66,333,363 shares |
| FY2020 Q3 (As of December 31, 2020) | 66,334,854 shares |

*The consolidated financial results for the third 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.

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.

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1. Qualitative information on the quarter under review

(1) Explanation of operating results

During the third quarter of the consolidated fiscal year, the recovery in the Japanese economy was soft despite a gradual easing of the severe conditions caused by the COVID-19 pandemic. In the manufacturing industry, the recovery in capital investment and production came to a standstill, and exports remained broadly flat. Overseas, the US economy recovered and emerging countries showed signs of improvement, but the pace of recovery in China slowed.

In these conditions, the Group's net sales rose 15.3% year on year to ¥159,820 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 62.6% year on year to ¥20,071 million, ordinary income rose 68.4% year on year to ¥22,080 million, and profit attributable to owners of the parent rose 88.9% year on year to ¥15,978 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 third quarter of the fiscal year rose ¥4,216 million and operating income and ordinary income both increased by ¥544 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 third quarter of the fiscal year are as follows:

Sales in the **Energy and Industrial Plants Division** rose 0.3% year on year to ¥42,880 million, primarily owing to 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 11.3% year on year to ¥35,737 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 52.6% year on year to ¥26,329 million, owing to strong demand for semiconductors.

Sales in the **Autoparts Division** rose 21.9% year on year to ¥33,384 million, as demand has been recovering in Japan and overseas since the third quarter of the previous fiscal year following a decline in the third quarter of fiscal year 2020 with the spread of COVID-19.

Sales in the **Building Materials Division** rose 12.1% year on year to ¥21,488 million due to an easing of the impact of the delay and postponement of construction projects due to the spread of the pandemic, and a recovery in demand for flooring business.

(2) Explanation of financial position

1) Assets, liabilities, and net assets

Total assets at the end of the third quarter of the consolidated fiscal year ending March 31, 2022, were ¥235,496 million, up ¥15,893 million compared with the end of the previous fiscal year. This was largely because cash and deposits rose by ¥4,681 million, electronically recorded monetary claims rose by ¥2,430 million, land rose by ¥2,154 million, raw materials and supplies rose by ¥2,105 million, and merchandise and finished goods rose by ¥2,069 million.

Liabilities at the end of the third quarter of the fiscal year ending March 31, 2022, were ¥85,174 million, up ¥2,022 million compared with the end of the previous fiscal year. This was largely because electronically recorded monetary obligations rose ¥1,431 million and deposits, etc. included in other current liabilities rose ¥1,338 million, while provision for bonuses fell ¥890 million.

Net assets at the end of the third quarter of the fiscal year ending March 31, 2022, were ¥150,322 million, up ¥13,871 million compared with the end of the previous fiscal year. This was largely due to increases of ¥10,967 million in retained earnings, ¥1,532 million in valuation difference on available-for-sale securities, and ¥1,157 million in foreign currency translation adjustment.

2) Cash flows

Cash and cash equivalents at the end of the third quarter of the fiscal year ending March 31, 2022 (hereinafter, "cash"), increased by ¥4,476 million compared with the end of the previous fiscal year to ¥44,066 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 ¥15,880 million (compared with receipts of ¥9,816 million in the same period of the previous fiscal year).

This was primarily because although cash decreased due to ¥6,945 million in income taxes paid and a ¥3,953 million increase in inventories, cash increased due to ¥22,138 million in income before income taxes, ¥4,833 million in depreciation & amortization, and a ¥1,164 million increase in notes and accounts payable – trade.

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

Net cash used in investing activities was ¥6,140 million (compared with expenditures of ¥4,425 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 ¥7,250 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 ¥5,901 million (compared with expenditures of ¥5,520 million in the same period of the previous fiscal year).

This was because of a decrease in cash due to ¥5,411 million in cash dividends paid.

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

The full-year earnings forecasts for the fiscal year ending March 31, 2022, announced on October 18, 2021, have been revised, largely to reflect earnings progress in the third quarter of the consolidated fiscal year. For details, please see the "Notice of Revisions to Earnings Forecasts" released separately today.

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 Q3 (As of December 31, 2021)
Assets		
Current Assets		
Cash and deposits	39,799	44,480
Notes and accounts receivable – trade	29,589	31,051
Electronically recorded monetary claims	10,508	12,939
Accounts receivable from completed construction contracts	18,869	20,738
Merchandise and finished goods	15,401	17,470
Work in process	2,823	3,364
Raw materials and supplies	9,591	11,696
Costs on uncompleted construction contracts	5,851	1,375
Other	3,229	3,281
Allowance for doubtful accounts	(18)	(19)
Total current assets	135,645	146,378
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	59,520	62,373
Accumulated depreciation and impairment loss	(34,880)	(36,144)
Buildings and structures, net	24,640	26,229
Machinery, equipment and vehicles	78,226	82,007
Accumulated depreciation and impairment loss	(66,161)	(68,643)
Machinery, equipment and vehicles, net	12,064	13,363
Land	14,118	16,273
Lease assets	372	363
Accumulated depreciation	(251)	(300)
Lease assets, net	120	62
Construction in progress	4,885	3,641
Other	10,500	11,452
Accumulated depreciation and impairment loss	(8,940)	(9,445)
Other, net	1,560	2,007
Total property, plant and equipment	57,391	61,578
Intangible assets		
Software	761	786
Other	574	535
Total intangible assets	1,335	1,321
Investments and other assets		
Investment securities	18,379	19,418
Net defined benefit asset	1,635	1,663
Deferred tax assets	1,301	1,260
Other	3,945	3,904
Allowance for doubtful accounts	(30)	(29)
Total investments and other assets	25,230	26,217
Total noncurrent assets	83,957	89,117
Total assets	219,602	235,496

	(Millions of yen)	
	FY2020 (As of March 31, 2021)	FY2021 Q3 (As of December 31, 2021)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	19,184	19,630
Electronically recorded monetary obligations	12,240	13,672
Current portion of bonds	400	-
Short-term loans payable	6,805	8,065
Accounts payable – other	4,887	5,755
Income taxes payable	3,750	2,948
Advances received on uncompleted construction contracts	1,188	327
Provision for bonuses	3,175	2,285
Other	4,224	5,563
Total current liabilities	55,857	58,248
Noncurrent liabilities		
Bonds payable	13,000	13,000
Long-term loans payable	3,912	2,621
Deferred tax liabilities	2,264	3,221
Net defined benefit liability	4,352	4,448
Reserves for litigation losses	837	741
Other	2,928	2,892
Total noncurrent liabilities	27,294	26,926
Total liabilities	83,151	85,174
Net assets		
Shareholders' equity		
Capital stock	12,128	12,128
Capital surplus	13,857	13,857
Retained earnings	106,880	117,847
Treasury stock	(4,056)	(4,059)
Total shareholders' equity	128,810	139,774
Total other cumulative comprehensive income		
Valuation difference on available-for-sale securities	8,922	10,454
Foreign currency translation adjustment	(1,027)	129
Remeasurements of defined benefit plans	(1,275)	(1,201)
Total other cumulative comprehensive income	6,618	9,382
Non-controlling interests	1,021	1,165
Total net assets	136,450	150,322
Total liabilities and net assets	219,602	235,496

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

	(Millions of yen)	
	FY2020 Q3 (From April 1, 2020 to December 31, 2020)	FY2021 Q3 (From April 1, 2021 to December 31, 2021)
Net sales		
Net sales of merchandise and finished goods	99,776	118,009
Net sales of completed construction contracts	38,894	41,810
Total net sales	138,671	159,820
Cost of sales		
Cost of merchandise and finished goods sold	73,897	84,572
Cost of sales of completed construction contracts	32,899	35,328
Total cost of sales	106,797	119,900
Gross profit	31,873	39,919
Selling, general and administrative expenses		
Selling expenses	6,074	6,101
General and administrative expenses	13,453	13,746
Total selling, general and administrative expenses	19,527	19,847
Operating income	12,345	20,071
Non-operating income		
Interest income	68	58
Dividends income	368	412
Foreign exchange gain	-	810
Rent income	388	418
Equity in earnings of affiliates	38	65
Subsidies for employment adjustment	288	127
Gains on sales of investment securities	208	-
Other	365	383
Total non-operating income	1,727	2,276
Non-operating expenses		
Interest expenses	121	105
Foreign exchange losses	607	-
Other	230	162
Total non-operating expenses	960	268
Ordinary income	13,112	22,080
Extraordinary income		
Gain on sales of noncurrent assets	384	6
Subsidy income	135	-
Gain on liquidation of affiliates	-	311
Total extraordinary income	519	317
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	112	114
Loss on reduction of noncurrent assets	45	-
Provision for litigation loss reserves	590	32
Loss related to COVID-19 pandemic	103	39
Loss due to disasters	-	73
Total extraordinary losses	852	259
Income before income taxes	12,779	22,138
Income taxes – current	3,644	5,982
Income taxes – deferred	623	74
Total income taxes	4,267	6,057
Net income	8,511	16,081
Net income attributable to non-controlling interests	53	103
Profit attributable to owners of the parent	8,458	15,978

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

(Millions of yen)

	FY2020 Q3 (From April 1, 2020 to December 31, 2020)	FY2021 Q3 (From April 1, 2021 to December 31, 2021)
Net income	8,511	16,081
Other comprehensive income		
Valuation difference on available-for-sale securities	2,812	1,532
Foreign currency translation adjustment	(764)	1,206
Remeasurements of defined benefit plans	244	73
Total other comprehensive income	2,293	2,813
Comprehensive income	10,805	18,894
Breakdown		
Comprehensive income attributable to owners of the parent company	10,761	18,741
Comprehensive income attributable to non-controlling interests	44	153

(3) Quarterly consolidated statements of cash flows

(Millions of yen)

	FY2020 Q3 (From April 1, 2020 to December 31, 2020)	FY2021 Q3 (From April 1, 2021 to December 31, 2021)
Net cash provided by (used in) operating activities		
Income before income taxes	12,779	22,138
Depreciation & amortization	4,821	4,833
Loss (gain) on sales of property, plant and equipment	(383)	(6)
Loss (gain) on liquidation of affiliates	-	(311)
Increase (decrease) in net defined benefit liability	73	96
Increase (decrease) in provision for bonuses	(1,182)	(895)
Interest and dividends income received	(436)	(471)
Interest expenses	121	105
Foreign exchange losses (gains)	460	(633)
Decrease (increase) in notes and accounts receivable – trade	2,413	(493)
Decrease (increase) in inventories	(774)	(3,953)
Decrease (increase) in costs on uncompleted construction contracts	(3,308)	(192)
Increase (decrease) in notes and accounts payable – trade	(1,232)	1,164
Increase (decrease) in accounts payable – other	(1,081)	(27)
Increase (decrease) in accrued expenses	(92)	(45)
Increase (decrease) in advances received on uncompleted construction contracts	1,874	84
Loss (gain) on sales of investment securities	(208)	-
Increase (decrease) in provisions for litigation losses	583	(95)
Loss on reduction of noncurrent assets	45	-
Subsidy income	(135)	-
Subsidies for employment adjustment	(288)	(127)
Loss related to COVID-19 pandemic	103	39
Loss due to disasters	-	73
Decrease (increase) in net defined benefit asset	(97)	(28)
Other	972	1,249
Subtotal	15,028	22,504
Interest and dividends income received	436	471
Interest expenses paid	(119)	(100)
Proceeds from subsidy income	135	23
Subsidies for employment adjustment received	273	26
Loss related to COVID-19 pandemic paid	(55)	(39)
Loss due to disaster paid	-	(73)
Income taxes paid	(5,950)	(6,945)
Income taxes refund	69	13
Net cash provided by (used in) operating activities	9,816	15,880
Net cash provided by (used in) investing activities		
Net decrease (increase) in time deposits	662	(208)
Expenditures for the acquisition of property, plant and equipment	(5,591)	(7,250)
Proceeds from sales of property, plant and equipment	473	32
Expenditures for the acquisition of intangible fixed assets	(186)	(197)
Proceeds from sales of investment securities	216	-
Payments of loans receivable	(3)	(34)
Collection of loans receivable	3	3
Proceeds from liquidation of affiliated companies	-	1,547
Other	0	(32)
Net cash provided by (used in) investing activities	(4,425)	(6,140)

(Millions of yen)

	FY2020 Q3 (From April 1, 2020 to December 31, 2020)	FY2021 Q3 (From April 1, 2021 to December 31, 2021)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	116	(40)
Proceeds from long-term borrowings	500	118
Repayment of long-term loans payable	(500)	-
Redemption of bonds	(400)	(400)
Cash dividends paid	(5,008)	(5,411)
Net decrease (increase) in treasury stock	(1)	(3)
Dividends paid to non-controlling interests	(8)	(9)
Other	(218)	(156)
Cash flows from financing activities	(5,520)	(5,901)
Effect of exchange rate change on cash and cash equivalents	(230)	637
Net increase (decrease) in cash and cash equivalents	(360)	4,476
Cash and cash equivalents at beginning of period	33,108	39,589
Cash and cash equivalents at end of period	32,747	44,066

(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 third quarter of the current consolidated fiscal year, sales rose ¥4,216 million, cost of sales rose ¥4,059 million, selling, general and administrative expenses declined ¥387 million, and operating income, ordinary income, and income before income taxes each increased by ¥544 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. Third quarter of fiscal year 2020 (April 1, 2020 to December 31, 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	42,733	32,123	17,258	27,383	19,170	138,671	—	138,671
Intersegment sales or transfers	—	6,320	—	—	—	6,320	(6,320)	—
Total	42,733	38,444	17,258	27,383	19,170	144,991	(6,320)	138,671
Segment profit (loss)	4,778	4,385	2,257	994	(69)	12,345	—	12,345

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

Not applicable

II. Third quarter of fiscal year 2021 (April 1, 2021 to December 31, 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	42,880	35,737	26,329	33,384	21,488	159,820	—	159,820
Intersegment sales or transfers	—	6,076	—	—	—	6,076	(6,076)	—
Total	42,880	41,814	26,329	33,384	21,488	165,896	(6,076)	159,820
Segment profit	4,173	6,572	5,764	3,221	339	20,071	—	20,071

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 third quarter of the current consolidated fiscal year, Energy and Industrial Plants sales increased by ¥2,952 million and segment profit rose by ¥405 million, Industrial Products sales decreased by ¥144 million, Advanced Products sales decreased by ¥88 million, Building Materials sales increased by ¥1,496 million, and segment profit rose by ¥139 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)

	Q1-Q3 Cumulative			Full Year					
	FY2020	FY2021		FY2017	FY2018	FY2019	FY2020	FY2021	
	Result	Result	Change	Result	Result	Result	Result	Forecast	Change
Net sales	138,671	159,820	15.3%	197,495	215,495	208,876	196,372	215,500	9.7%
Operating income	12,345	20,071	62.6%	21,357	22,629	20,427	19,616	26,000	32.5%
Operating margin (%)	8.9%	12.6%		10.8%	10.5%	9.8%	10.0%	12.1%	
Ordinary income	13,112	22,080	68.4%	21,804	23,171	21,633	21,279	28,000	31.6%
Ordinary income margin (%)	9.5%	13.8%		11.0%	10.8%	10.4%	10.8%	13.0%	
Profit attributable to owners of the parent	8,458	15,978	88.9%	14,956	15,861	14,674	10,715	19,000	77.3%
Net income margin (%)	6.1%	10.0%		7.6%	7.4%	7.0%	5.5%	8.8%	
Basic earnings per share (yen)	127.51	240.88	88.9%	222.73	238.70	221.21	161.53	286.43	77.3%
Total assets	212,125	235,496	11.0%	196,459	206,426	208,076	219,602	—	—
Net assets	132,987	150,322	13.0%	109,705	117,774	127,233	136,450	—	—
Shareholders' equity	132,015	149,156	13.0%	109,195	116,786	126,297	135,429	—	—
Equity ratio (%)	62.2%	63.3%		55.6%	56.6%	60.7%	61.7%	—	—
Interest-bearing debt	25,738	25,431	(1.2)%	23,818	26,065	26,077	25,861	—	—
Interest-bearing debt ratio (%)	12.1%	10.8%		12.1%	12.6%	12.5%	11.8%	—	—
Capital expenditures	5,569	8,182	46.9%	12,772	12,816	8,978	7,703	11,500	49.3%
Depreciation & amortization	4,821	4,833	0.2%	4,800	5,760	6,274	6,536	6,300	(3.6)%
R&D expenses	4,588	4,105	(10.5)%	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 third 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	Q3	Change
Net sales	43,048	46,322	49,300	57,700	52,272	51,253	56,294	14.2%
Operating income	3,803	3,333	5,208	7,270	6,600	6,071	7,399	42.1%
Operating margin (%)	8.8%	7.2%	10.6%	12.6%	12.6%	11.8%	13.1%	
Ordinary income	3,320	4,380	5,412	8,166	7,208	6,686	8,184	51.2%
Ordinary income margin (%)	7.7%	9.5%	11.0%	14.2%	13.8%	13.0%	14.5%	
Profit attributable to owners of the parent	1,829	2,836	3,792	2,257	5,416	4,832	5,728	51.1%
Net income margin (%)	4.3%	6.1%	7.7%	3.9%	10.4%	9.4%	10.2%	

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.