

Summary of Consolidated Financial Results [Japanese GAAP] For the Fiscal Year Ended March 31, 2022

May 12, 2022

Listed company: Nippon Kayaku Co., Ltd. (URL <https://www.nipponkayaku.co.jp/english/>)
Listed stock exchange: First Section, Tokyo Stock Exchange
Code No.: 4272

Representative (name, position): Atsuhiro Wakumoto, President
Director in charge of inquiries: Tsutomu Kawamura, Executive Director, General Manager of Finance & Accounting Division, Financial Group

Scheduled date of the Annual Shareholders Meeting: June 28, 2022
Scheduled date for start of dividend payments: June 29, 2022
Filing date of securities report: June 28, 2022
Preparation of supplementary materials for financial results: Yes
Financial results presentation meeting: Yes (for securities analysts and institutional investors)

1. Consolidated Business Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021–March 31, 2022) (Figures shown are rounded down to the nearest million yen.)

(1) Consolidated Operating Results

(Percentages indicate amount of change from the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2022	184,805	6.6	21,050	38.5	23,154	40.0	17,181	36.6
Fiscal year ended March 31, 2021	173,381	(1.0)	15,194	(13.1)	16,538	(8.3)	12,574	(1.9)

Note: Comprehensive income Fiscal year ended March 31, 2022: 26,123 million yen (11.8%)
Fiscal year ended March 31, 2021: 23,368 million yen (640.1%)

	Profit attributable to owners of parent per share—primary	Profit attributable to owners of parent per share—diluted	Return on equity	Ordinary income to total assets ratio	Operating income to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2022	101.70	101.65	7.3	7.6	11.4
Fiscal year ended March 31, 2021	73.62	73.61	5.8	5.8	8.8

Reference: Equity in earnings of affiliates
Fiscal year ended March 31, 2022: 210 million yen
Fiscal year ended March 31, 2021: 263 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2021	315,459	246,425	77.8	1,459.06
As of March 31, 2021	294,535	228,273	77.2	1,332.06

Reference: Equity As of March 31, 2022: 245,479 million yen
As of March 31, 2021: 227,506 million yen

Nippon Kayaku Co., Ltd.
Summary of Consolidated Financial Results [Japanese GAAP]
For the Fiscal Year Ended March 31, 2022

(3) Status of Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2022	23,141	(10,641)	(11,090)	52,962
Fiscal year ended March 31, 2021	24,408	(17,606)	(8,402)	47,483

2. Status of Dividends

	Dividend amount per share					Total dividend payment (year)	Dividend payout ratio (consolidated)	Dividend payout to net assets ratio (consolidated)
	End of first quarter	End of second quarter	End of third quarter	End of year	Year			
	Yen							
Fiscal year ended March 31, 2021	–	15.00	–	15.00	30.00	5,123	40.7	2.3
Fiscal year ended March 31, 2022	–	15.00	–	25.00	40.00	6,730	39.3	2.9
Fiscal year ending March 31, 2023 (forecast)	–	20.00	–	20.00	40.00		–	

3. Consolidated Business Results Forecasts for the Fiscal Year Ending March 31, 2023 (April 1, 2022–March 31, 2023)

(Percentages indicate amount of change from the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit attributable to owners of parent per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	97,100	9.3	8,700	(20.2)	9,300	(21.4)	6,000	(34.8)	35.66
Full year	196,800	6.5	18,400	(12.6)	19,400	(16.2)	14,000	(18.5)	83.21

Notes

- (1) Significant changes in subsidiaries during the fiscal period (changes in designated subsidiaries that result in changes in scope of consolidation): None
- (2) Changes to accounting policies and estimates and restatements
 - [1] Changes to accounting policies associated with revision of accounting standards or similar items: Yes
 - [2] Changes other than [1]: None
 - [3] Changes to accounting estimates: None
 - [4] Restatements: None

Note: See “3. Consolidated Financial Statements and Notes to Consolidated Financial Statements, (5) Notes to Consolidated Financial Statements (Changes to Accounting Policies)” on page 15 of the Supplementary Information for further details.
- (3) Number of shares issued (common stock)
 - [1] Number of shares issued at end of the fiscal period (including treasury stock)
 - As of March 31, 2022: 170,503,570 shares
 - As of March 31, 2021: 177,503,570 shares
 - [2] Number of treasury stock at end of the fiscal period
 - As of March 31, 2022: 2,257,985 shares
 - As of March 31, 2021: 6,710,650 shares
 - [3] Average number of shares during the fiscal period
 - Fiscal year ended March 31, 2022: 168,942,203 shares
 - Fiscal year ended March 31, 2021: 170,793,371 shares

Nippon Kayaku Co., Ltd.
Summary of Consolidated Financial Results [Japanese GAAP]
For the Fiscal Year Ended March 31, 2022

Reference: Overview of Non-consolidated Business Results

1. Non-consolidated Business Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021–March 31, 2022)

(1) Non-consolidated Operating Results

(Percentages indicate amount of change from the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income	
	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2022	124,023	7.3	11,593	22.9	16,080	19.5
Fiscal year ended March 31, 2021	115,618	8.5	9,436	4.0	13,459	(0.3)

	Net income		Net income per share		Diluted net income per share	
	Million yen	%	Yen		Yen	
Fiscal year ended March 31, 2022	12,609	(44.2)	74.63		–	
Fiscal year ended March 31, 2021	22,610	111.2	132.38		–	

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2022	236,430	184,800	78.2	1,098.36
As of March 31, 2021	230,810	180,428	78.2	1,056.38

Reference: Equity As of March 31, 2022: 184,800 million yen

As of March 31, 2021: 180,428 million yen

* Summary financial statements are not subject to audit by a certified public accountant or audit firm.

* Analysis related to appropriate use of the business results forecasts, and other notes

(Disclaimer concerning forward-looking statements)

The information in this report constitutes forward-looking statements regarding future events and performance. This information is based on the beliefs and assumptions of management in light of information currently available to it at the time of announcement and subject to a number of uncertainties that may affect future results. Actual business results may differ substantially from the forecasts herein due to various factors. For matters pertaining to business forecasts, please refer to 1. Overview of Operating Results, Financial Position, and Future Outlook, (4) Future Outlook” on page 5 of the Supplementary Information.

(How to obtain the supplementary materials for financial results)

We have scheduled a briefing on financial results for securities analysts and institutional investors on Friday, May 13, 2022. The materials for the briefing will be posted on the corporate website.

Supplementary Information

Contents

1. Overview of Operating Results, Financial Position, and Future Outlook	2
(1) Overview of Operating Results for the Fiscal Year Ended March 31, 2022	2
(2) Overview of Financial Position for the Fiscal Year Ended March 31, 2022	3
(3) Overview of Cash Flows for the Fiscal Year Ended March 31, 2022	3
(4) Future Outlook	5
(5) Basic Policy Concerning Profit Distribution and Dividends for the Fiscal Year Ended March 31, 2022 and Fiscal Year Ending March 31, 2023	5
2. Basic Stance on Selection of Accounting Principles	6
3. Consolidated Financial Statements and Notes to Consolidated Financial Statements	7
(1) Consolidated Balance Sheets	7
(2) Consolidated Statements of Income & Consolidated Statements of Comprehensive Income	9
(3) Consolidated Statements of Changes in Net Assets	11
(4) Consolidated Statements of Cash Flows	13
(5) Notes to Consolidated Financial Statements	15
(Notes Regarding Assumptions for the Going Concern)	15
(Changes to Accounting Policies)	15
(Segment Information)	16
(Significant Subsequent Events)	18

1. Overview of Operating Results, Financial Position, and Future Outlook

(1) Overview of Operating Results for the Fiscal Year Ended March 31, 2022

In this fiscal year (April 1, 2021 to March 31, 2022), the global economy saw economic activity begin to return to normal and signs of economic recovery, due in part to progress on vaccinations for the novel coronavirus (COVID-19). However, the impacts of the semiconductor shortage and the automobile industry production cuts, caused by difficulty in procuring parts during the COVID-19 pandemic in Southeast Asia, were exacerbated in Japan and overseas.

In the functional chemicals business, the need for semiconductor materials is increasing as rapid advances in digital technology lead to higher performance high-speed (5G) communications devices and other digital equipment, and increasingly sophisticated electronic equipment in vehicles. The global trends in energy and resource conservation are also creating demand for development of new environmentally friendly materials and recycling technology.

In the pharmaceuticals industry, we contribute to extending the healthy lifespan of people in Japan through innovative drug development while ensuring a stable supply of high quality pharmaceuticals. We must do this to pass on a society to the next generation where all people in Japan can be assured of receiving quality medical care. Nippon Kayaku must swiftly and consistently engage in pharmaceutical research, development, manufacturing, and supply to meet these expectations.

The automotive industry saw a rebound from the slump in global demand caused by the global spread of the novel coronavirus, with the exception of a few regions. However, the pace of overall automobile production decelerated from the second quarter into the third quarter, owing to the impact of the semiconductor shortage. It is still unclear when the pandemic will end and the failure to resolve the global shortage of parts has also slowed the speed of recovery in automobile production subsequently.

Amid these conditions, the Nippon Kayaku Group worked to implement the key themes and resolve the mid- and long-term key issues outlined in “**KAYAKU Next Stage**,” the mid-term business plan launched in the fiscal year ended March 31, 2020, while also making active use of flextime, telecommuting, and other systems to accommodate the restrictions on corporate activity. We took these steps to ensure the safety of employees working in the Company and at Group companies while also promoting efficient workstyles aimed at minimizing the impact on our business.

As a result, consolidated net sales for the fiscal year ended March 31, 2022 totaled 184,805 million yen, an increase of 11,423 million yen (6.6%) year-on-year. Sales outperformed the previous fiscal year in all of the businesses.

Consolidated operating income totaled 21,050 million yen, an increase of 5,856 million yen (38.5%) year-on-year, outperforming the previous fiscal year in all businesses.

Consolidated ordinary income totaled 23,154 million yen, an increase of 6,615 million yen (40.0%) year-on-year, owing to foreign exchange gains.

Profit attributable to owners of parent was 17,181 million yen, an increase of 4,607 million yen (36.6%) year-on-year.

Regarding changes in accounting policies, the Company implemented the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, revised March 31, 2020) and other guidance from the beginning of this consolidated fiscal year. We have therefore used numbers based on calculation methods subject to different standards than in the previous fiscal year. See 3. Consolidated Financial Statements and Notes to Consolidated Financial Statements, (5) Notes to Consolidated Financial Statements (Changes to Accounting Policies) for further details.

Performance by business segment is as described below.

[1] Functional Chemicals Business

Sales rose to 77,152 million yen, an increase of 4,687 million yen (6.5%) year-on-year.

The functional materials business as a whole outperformed the previous fiscal year. The outperformance resulted from strong sales of semiconductor materials such as epoxy resins, MEMS, and other resin composites. The strong performance resulted from an increase in demand for IT equipment for telecommuting from home and other uses, in addition to the proliferation of high-speed (5G) communication devices and IoT, and increasingly sophisticated electronic equipment in vehicles. The semiconductor manufacturing equipment added through business acquisition also contributed to performance.

The color materials business as a whole outperformed the previous fiscal year. This outperformance was resulted from strong sales of colorants for inkjet printers for consumer use due to increased demand for printing while telecommuting from home as well as a rebound in demand for colorants for inkjet printers in industrial applications, materials for thermal paper, and dyes for textiles.

The catalyst business underperformed the previous fiscal year despite strong orders both in Japan and exports overseas. The underperformance resulted from sales pushed earlier into the previous period and postponements caused by delays in the construction of customers' plants due to COVID-19.

In the Polatechno business, a rebound in demand for polarizing films for LCD projectors and dye-type polariz-

This document is an English translation of parts of the Japanese-language original.
All financial information has been prepared in accordance with generally accepted accounting principles in Japan.

ing films, in addition to strong sales of components for X-ray analysis systems resulted in outperformance of the Polatechno business as a whole, compared with the previous fiscal year.

Segment profit totaled 11,501 million yen, an increase of 4,183 million yen (57.2%) year-on-year. This increase resulted from growth in sales in the functional materials and Polatechno businesses.

[2] Pharmaceuticals Business

Sales reached 52,083 million yen, an increase of 1,641 million yen (3.3%) year-on-year.

Pharmaceuticals in Japan were impacted by drug price revisions. Despite this, the contribution from the launch of the new generic anti-cancer drug PEMETREXED for I.V. Infusion in July combined with market penetration of the biomedicine PORTRAZZA® for lung cancer and growth in the switch to antibody biosimilars led to sales nearly on par with the previous fiscal year. Nippon Kayaku also concluded a domestic sales agreement for ALAGLIO® divided granules with SBI Pharmaceuticals Co., Ltd., which has approval for manufacture and sale of the photodynamic diagnostic agent. Nippon Kayaku launched sales in November 2021.

Sales of active pharmaceutical ingredients for the Japanese domestic market underperformed while sales of contract production outperformed the previous fiscal year. Sales of diagnostic drugs and exports outperformed the previous fiscal year as demand rebounded from the impact of COVID-19.

Segment profit totaled 8,645 million yen, an increase of 1,202 million yen (16.2%) year-on-year, owing to growth in sales of newly launched products and other products.

[3] Safety Systems Business

Sales reached 46,112 million yen, an increase of 4,115 million yen (9.8%) year-on-year.

During this consolidated fiscal year, automobile production was firm as vehicle demand rebounded during the first half, with the exception of a few regions. However, the speed of the rebound slowed during the second half due to the emergence of geopolitical risk on top of the global shortage in the supply of automobile parts.

Sales of airbag inflators in the domestic business outperformed the previous fiscal year due to strong demand in the first half of the period, while sales of micro gas generators for seatbelt pretensioners underperformed year-on-year. This resulted in year-on-year outperformance for the domestic business as a whole.

The overseas business outperformed the previous fiscal year in sales of airbag inflators and micro gas generators for seatbelt pretensioners, while underperforming the previous fiscal year in squib sales.

The increase in sales led to segment profit of 6,306 million yen, an increase of 866 million yen (15.9%) from the previous fiscal year.

[4] Other

Sales rose to 9,456 million yen, an increase of 979 million yen (11.5%) year-on-year.

In the agrochemicals business, exports underperformed and domestic sales outperformed the previous fiscal year. The agrochemicals business outperformed the previous fiscal year overall.

Sales in the real estate and other business increased compared to the previous fiscal year.

Segment profit totaled 1,842 million yen, an increase of 20 million yen (1.1%) year-on-year.

(2) Overview of Financial Position for the Fiscal Year Ended March 31, 2022

Total assets were 315,459 million yen, an increase of 20,924 million yen from the end of the previous consolidated fiscal year. The main increases were in merchandise and finished goods, an increase of 7,788 million yen; cash and deposits, an increase of 5,152 million yen; accounts receivable-trade, an increase of 3,486 million yen; and raw materials and stores, an increase of 2,595 million yen.

Liabilities were 69,034 million yen, an increase of 2,772 million yen compared to the end of the previous consolidated fiscal year. The main increases were in income taxes payable, an increase of 2,125 million yen; accounts payable-other, an increase of 1,502 million yen; and deferred tax liabilities, an increase of 1,046 million yen. The main decrease was in long-term loans payable, a decrease of 2,296 million yen.

Net assets were 246,425 million yen, an increase of 18,152 million yen compared to the end of the previous consolidated fiscal year. The main increases were in translation adjustments, an increase of 8,936 million yen; treasury stock, an increase of 5,248 million yen; and retained earnings, an increase of 3,959 million yen.

(3) Overview of Cash Flows for the Fiscal Year Ended March 31, 2022

	Fiscal year ended March 31, 2021 (April 1, 2020–March 31, 2021)	Fiscal year ended March 31, 2022 (April 1, 2021–March 31, 2022)	Comparative change

This document is an English translation of parts of the Japanese-language original.
All financial information has been prepared in accordance with generally accepted accounting principles in Japan.

Nippon Kayaku Co., Ltd.
Summary of Consolidated Financial Results [Japanese GAAP]
For the Fiscal Year Ended March 31, 2022

	Million yen		
Cash flows from operating activities	24,408	23,141	(1,267)
Cash flows from investing activities	(17,606)	(10,641)	6,965
Cash flows from financing activities	(8,402)	(11,090)	(2,687)
Cash and cash equivalents at end of the year	47,483	52,962	5,478

Net cash provided by operating activities amounted to 23,141 million yen (versus a cash inflow of 24,408 million yen in the previous fiscal year).

The positive cash flow was primarily generated from profit before income taxes of 23,700 million yen and depreciation and amortization of 13,570 million yen. The above factors more than compensated for an increase in inventories of 8,886 million yen, income tax paid of 4,058 million yen, and an increase in notes and accounts receivable-trade of 1,590 million yen.

Net cash used in investing activities totaled 10,641 million yen (versus a cash outflow of 17,606 million yen in the previous fiscal year).

The net outflow was mainly due to expenditures of 8,696 million yen for the purchase of property, plant and equipment, 1,628 million yen for the purchase of shares of subsidiaries resulting in change in scope of consolidation, 1,109 million yen in payments for long-term prepaid expenses, and 561 million yen for purchase of shares of subsidiaries and associates.

Net cash used in financing activities amounted to 11,090 million yen (versus a cash outflow of 8,402 million yen in the previous fiscal year). This was mainly due to expenditures of 5,070 million yen for dividends paid, 3,000 million yen for purchase of treasury stock, and 2,488 million yen for repayment of long-term loans.

Reflecting the above cash flow performance, the balance of cash and cash equivalents at the end of the fiscal year ended March 31, 2022 was 52,962 million yen, an increase of 5,478 million yen from the end of the previous fiscal year.

Reference: Trends in Cash Flow Indicators

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Equity ratio (%)	72.9	73.6	75.2	77.2	77.8
Market-value-based equity ratio (%)	78.7	77.1	61.0	62.0	61.9
Ratio of cash flow to interest-bearing liabilities (years)	0.7	0.5	0.8	0.8	0.7
Interest coverage ratio	125.7	146.6	152.4	202.1	273.9

Equity ratio: Equity divided by total assets

Market-value-based equity ratio: Total market value of shares divided by total assets

Ratio of cash flow to interest-bearing liabilities: Interest-bearing debt divided by operating cash flows

Interest coverage ratio: Operating cash flows divided by interest payments

Notes 1: Each indicator is calculated using consolidated financial figures.

2: The total market value of shares is calculated on the number of total shares outstanding (less treasury stock) at end of year.

3: Operating cash flows makes use of the cash flows from operating activities.

4: Interest-bearing debt includes all liabilities declared in the Consolidated Balance Sheets on which interest is paid.

(4) Future Outlook

The resumption of economic activities from the COVID-19 pandemic can be expected to spur a rebound in the future business environment surrounding the Nippon Kayaku Group. However, high resource prices stemming from Russia's invasion of Ukraine and disruption in the supply chain, mainly in marine shipping, are causing concern over a downswing in the economy.

The Nippon Kayaku Group launched "**KAYAKU Vision 2025 (KV25)**," our mid-term business plan which began in the fiscal year ending March 31, 2023, amid these conditions.

This document is an English translation of parts of the Japanese-language original.
All financial information has been prepared in accordance with generally accepted accounting principles in Japan.

The Nippon Kayaku Group aims to respond flexibly to changes in the business environment and pursue optimal use of operating capital to increase the shareholder value, as well as expand existing businesses in global growth markets, accelerate the development of new businesses and new products, and enhance profits.

- We are developing unique products in the functional chemicals business. In the functional materials business, the products being developed include high-performance resins for printed circuit boards used in proliferating high-speed (5G) communications in the information and communications fields and the increasingly sophisticated electronic equipment in vehicles, epoxy resins used in carbon fiber-reinforced plastics, and cleaners used for semiconductors. In the color materials business, such products include colorants for inkjet printers in industrial applications, materials for image sensors, and dichromatic colorants for light-controlled glass. In the catalyst business, products under development include high-yield catalysts for the manufacture of acrylic acid and methacrylic acid, which contribute to energy and resource conservation, and catalysts for manufacturing completely green hydrogen using solar energy to contribute to the realization of a hydrogen-based society. In the Polatechno business, such products include durable polarizing films for head-up displays required for installation in vehicles and high-powered components for X-ray analysis systems.
- In the pharmaceuticals business, we will work to achieve market penetration of PORTRAZZA®, a biomedicine for lung cancer; ALAGLIO® divided granules, a photodynamic diagnostic agent; and the antibody biosimilars, INFLIXIMAB BS and TRASTUZUMAB BS. We are also working to expand our product line-up in cancer-related areas as a key initiative. This includes expansion of distinctive generic drugs created through ingenuity in pharmaceutical formulations.
- In the safety systems business, we will work to develop new products in airbag inflators, micro gas generators for seatbelt pretensioners, squibs, actuators for vehicle hood-raising devices to protect pedestrians, and other products. We will also focus on developing new automotive safety components for rapidly evolving automated driving technologies.

In the fiscal year ending March 31, 2023, Nippon Kayaku forecasts net sales of 196,800 million yen, an increase of 6.5% year-on-year; operating income of 18,400 million yen, a decrease of 12.6% year-on-year; ordinary income of 19,400 million yen, a decrease of 16.2% year-on-year; and profit attributable to owners of parent of 14,000 million yen, a decrease of 18.5% year-on-year.

The main exchange rate assumption for the business results forecast is JPY110/USD.

(5) Basic Policy Concerning Profit Distribution and Dividends for the Fiscal Year Ended March 31, 2022 and Fiscal Year Ending March 31, 2023

[1] Basic Policy Concerning Profit Distribution

The Nippon Kayaku Group focuses heavily on returning profits to shareholders. A medium-term payout ratio has been set at roughly 40% of profit attributable to owners of parent. This takes into account stable and consistent profit returns and the level of retained earnings. Retained earnings are to be allocated for capital investment and R&D investment in growing businesses to enhance the value of the Nippon Kayaku Group.

We expect to increase the year-end dividend for the fiscal year ended March 31, 2022 to 25 yen per share, another 3 yen per share in addition to the 7 yen per share increase to 22 yen per share announced on January 28, 2022. Combined with the dividend paid at the end of the second-quarter, total dividends per share for the full year will be 40 yen.

[2] Basic Policy Concerning Profit Distribution and Dividends for the Fiscal Year Ending March 31, 2023

The Nippon Kayaku Group focuses heavily on returning profits to shareholders. We have set the payout ratio at 40% of more of profit attributable to owners of parent during **KV25**, the mid-term business plan beginning in fiscal year ending March 31, 2023. This takes into account stable and consistent profit returns and the level of retained earnings. The Company will also be flexible in acquiring treasury shares as part of the return to shareholders, while securing sufficient retained earnings. Retained earnings will be used to invest in R&D, capital, and other investment and lending targeting sustained growth aimed at future development. We will target ROE of 8% or higher in the final fiscal year of **KV25** and will continue to enhance corporate value.

The dividend for next fiscal year is forecast at 40 yen per share. This will consist of a dividend of 20 yen per share at the end of the second quarter and a year-end dividend of 20 yen per share.

2. Basic Stance on Selection of Accounting Principles

The Nippon Kayaku Group, for the time being, employs generally accepted accounting principles in Japan to prepare its consolidated financial statements. This decision takes into account comparability of different fiscal periods in the consolidated financial statements and with industry peers.

It should be noted that the Company plans to adopt the use of the International Financial Reporting Standards (IFRS) in a timely and adequate fashion should certain circumstances in Japan and abroad give rise to this need.

This document is an English translation of parts of the Japanese-language original.
All financial information has been prepared in accordance with generally accepted accounting principles in Japan.

3. Consolidated Financial Statements and Notes to Consolidated Financial Statements

(1) Consolidated Balance Sheets

	As of March 31, 2021	As of March 31, 2022
	Million yen	
Assets		
Current assets		
Cash and deposits	33,306	38,459
Notes and accounts receivable-trade	56,893	-
Notes receivable-trade	-	1,612
Accounts receivable-trade	-	59,107
Electronically recorded monetary claims-operating	1,930	1,868
Securities	14,811	15,186
Merchandise and finished goods	28,996	36,784
Work in process	926	1,149
Raw materials and stores	15,305	17,901
Other	4,748	3,832
Allowance for doubtful accounts	(66)	(57)
Total current assets	156,852	175,843
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	42,925	43,469
Machinery, equipment and vehicles, net	27,405	26,923
Land	9,088	9,264
Construction in progress	6,057	6,074
Other, net	3,504	3,329
Total property, plant and equipment	88,980	89,060
Intangible assets		
Goodwill	2,543	3,016
Other	4,294	4,569
Total intangible assets	6,837	7,586
Investments and other assets		
Investment securities	33,651	33,511
Long-term loans receivable	632	681
Long-term prepaid expenses	842	1,489
Net defined benefit asset	4,246	4,572
Deferred tax assets	595	866
Other	1,920	1,911
Allowance for doubtful accounts	(23)	(63)
Total investments and other assets	41,864	42,970
Total non-current assets	137,683	139,616
Total assets	294,535	315,459

This document is an English translation of parts of the Japanese-language original.
All financial information has been prepared in accordance with generally accepted accounting principles in Japan.

Nippon Kayaku Co., Ltd.
Summary of Consolidated Financial Results [Japanese GAAP]
For the Fiscal Year Ended March 31, 2022

	As of March 31, 2021	As of March 31, 2022
	Million yen	
Liabilities		
Current liabilities		
Notes and accounts payable-trade	17,631	18,011
Short-term loans payable	3,632	3,176
Current portion of bonds payable	–	4,000
Accounts payable-other	8,115	9,617
Accrued expenses	5,059	5,953
Income taxes payable	871	2,997
Provision for sales returns	17	–
Provision for sales rebates	469	–
Refund liability	–	490
Provision for directors' bonuses	206	177
Other	1,488	1,335
Total current liabilities	37,491	45,760
Non-current liabilities		
Bonds payable	12,000	8,000
Long-term loans payable	3,770	1,474
Deferred tax liabilities	8,078	9,124
Provision for directors' retirement benefits	14	21
Provision for repairs	53	–
Net defined benefit liability	419	380
Long-term deposits received	3,747	3,488
Other	685	784
Total non-current liabilities	28,769	23,273
Total liabilities	66,261	69,034
Net assets		
Shareholders' equity		
Common stock	14,932	14,932
Additional paid-in capital	15,754	15,759
Retained earnings	191,606	195,566
Treasury stock	(7,872)	(2,624)
Total shareholders' equity	214,420	223,633
Accumulated other comprehensive income		
Unrealized holding gains on other securities	10,096	9,818
Translation adjustments	1,694	10,630
Remeasurements of defined benefit plans	1,294	1,396
Total accumulated other comprehensive income	13,085	21,846
Non-controlling interests	767	945
Total net assets	228,273	246,425
Total liabilities and net assets	294,535	315,459

This document is an English translation of parts of the Japanese-language original.
All financial information has been prepared in accordance with generally accepted accounting principles in Japan.

Nippon Kayaku Co., Ltd.
Summary of Consolidated Financial Results [Japanese GAAP]
For the Fiscal Year Ended March 31, 2022

(2) Consolidated Statements of Income & Consolidated Statements of Comprehensive Income
Consolidated Statements of Income

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
	Million yen	
Net sales	173,381	184,805
Cost of sales	117,067	120,837
Gross profit on sales	56,314	63,967
Reversal of provision for sales returns	20	-
Provision for sales returns	17	-
Net gross profit	56,318	63,967
Selling, general and administrative expenses		
Selling expenses	18,187	18,816
General and administrative expenses	22,936	24,099
Total selling, general, and administrative expenses	41,124	42,916
Operating income	15,194	21,050
Non-operating income		
Interest income	169	178
Dividend income	707	813
Equity in earnings of affiliates	263	210
Foreign exchange gains	-	596
Insurance dividends received	124	11
Other	769	683
Total non-operating income	2,034	2,495
Non-operating expenses		
Interest expense	105	82
Foreign exchange losses	248	-
Expenses from under-utilized real estate	66	48
Other losses	269	260
Total non-operating expenses	689	391
Ordinary income	16,538	23,154
Extraordinary income		
Gain on sale of non-current assets	84	1,394
Gain on sales of investment securities	1,735	390
Total extraordinary income	1,819	1,785
Extraordinary loss		
Loss on disposal of non-current assets	441	618
Impairment loss	-	91
Loss on liquidation of subsidiaries and associates	393	-
Loss on valuation of investment securities	-	528
Total extraordinary loss	835	1,238
Profit before income taxes	17,523	23,700
Income taxes-current	3,703	5,728
Income taxes-deferred	1,229	727
Total income taxes	4,932	6,455
Profit	12,590	17,244
Profit attributable to non-controlling interests	16	63
Profit attributable to owners of parent	12,574	17,181

This document is an English translation of parts of the Japanese-language original.
All financial information has been prepared in accordance with generally accepted accounting principles in Japan.

Nippon Kayaku Co., Ltd.
Summary of Consolidated Financial Results [Japanese GAAP]
For the Fiscal Year Ended March 31, 2022

Consolidated Statements of Comprehensive Income

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
	Million yen	
Profit	12,590	17,244
Other comprehensive income		
Unrealized holding gains on other securities	2,241	(274)
Translation adjustments	6,346	9,054
Remeasurements of defined benefit plans	2,201	106
Share of other comprehensive income of companies accounted for by the equity-method	(10)	(7)
Total other comprehensive income	10,778	8,878
Comprehensive income	23,368	26,123
Comprehensive income attributable to:		
Owners of parent	23,290	25,942
Non-controlling interests	78	180

This document is an English translation of parts of the Japanese-language original.
All financial information has been prepared in accordance with generally accepted accounting principles in Japan.

Nippon Kayaku Co., Ltd.
Summary of Consolidated Financial Results [Japanese GAAP]
For the Fiscal Year Ended March 31, 2022

(3) Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2021 (April 1, 2020–March 31, 2021)

	Shareholders' equity				
	Common stock	Additional Paid-in Capital	Retained earnings	Treasury stock	Total shareholders' equity
Million yen					
Balance at beginning of the fiscal year	14,932	15,757	184,156	(7,871)	206,975
Changes during the fiscal year					
Dividends paid			(5,123)		(5,123)
Profit attributable to owners of parent			12,574		12,574
Purchase of treasury stock				(0)	(0)
Change in treasury stocks of parent arising from transactions with non-controlling shareholders		(3)			(3)
Net change in items other than shareholders' equity					
Total changes during the fiscal year	–	(3)	7,450	(0)	7,445
Balance at end of the fiscal year	14,932	15,754	191,606	(7,872)	214,420

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Unrealized holding gains on other securities	Translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Million yen						
Balance at beginning of the fiscal year	7,856	(4,589)	(897)	2,369	675	210,019
Changes during the fiscal year						
Dividends paid				–		(5,123)
Profit attributable to owners of parent				–		12,574
Purchase of treasury stock				–		(0)
Change in treasury stocks of parent arising from transactions with non-controlling shareholders				–		(3)
Net change in items other than shareholders' equity	2,240	6,283	2,191	10,715	92	10,808
Total changes during the fiscal year	2,240	6,283	2,191	10,715	92	18,253
Balance at end of the fiscal year	10,096	1,694	1,294	13,085	767	228,273

This document is an English translation of parts of the Japanese-language original.
All financial information has been prepared in accordance with generally accepted accounting principles in Japan.

Nippon Kayaku Co., Ltd.
Summary of Consolidated Financial Results [Japanese GAAP]
For the Fiscal Year Ended March 31, 2022

Fiscal year ended March 31, 2021 (April 1, 2021–March 31, 2022)

	Shareholders' equity				
	Common stock	Additional Paid-in Capital	Retained earnings	Treasury stock	Total shareholders' equity
	Million yen				
Balance at beginning of the fiscal year	14,932	15,754	191,606	(7,872)	214,420
Cumulative effects of changes in accounting policies			17		17
Restated balance	14,932	15,754	191,623	(7,872)	214,437
Changes during the fiscal year					
Dividends paid			(5,085)		(5,085)
Profit attributable to owners of parent			17,181		17,181
Purchase of treasury stock				(3,000)	(3,000)
Cancellation of treasury shares			(8,147)	8,147	–
Disposal of treasury shares		0		0	0
Transfer-restricted stock remuneration		(0)	(5)	101	95
Change in treasury stocks of parent arising from transactions with non-controlling shareholders		5			5
Net change in items other than shareholders' equity					
Total changes during the fiscal year	–	5	3,942	5,248	9,195
Balance at end of the fiscal year	14,932	15,759	195,566	(2,624)	223,633

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Unrealized holding gains on other securities	Translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
	Million yen					
Balance at beginning of the fiscal year	10,096	1,694	1,294	13,085	767	228,273
Cumulative effects of changes in accounting policies						17
Restated balance	10,096	1,694	1,294	13,085	767	228,290
Changes during the fiscal year						
Dividends paid						(5,085)
Profit attributable to owners of parent						17,181
Purchase of treasury stock						(3,000)
Cancellation of treasury shares						–
Disposal of treasury shares						0
Transfer-restricted stock remuneration						95
Change in treasury stocks of parent arising from transactions with non-controlling shareholders						5
Net change in items other than shareholders' equity	(277)	8,936	102	8,760	178	8,939
Total changes during the fiscal year	(277)	8,936	102	8,760	178	18,135
Balance at end of the fiscal year	9,818	10,630	1,396	21,846	945	246,425

This document is an English translation of parts of the Japanese-language original.
All financial information has been prepared in accordance with generally accepted accounting principles in Japan.

Nippon Kayaku Co., Ltd.
Summary of Consolidated Financial Results [Japanese GAAP]
For the Fiscal Year Ended March 31, 2022

(4) Consolidated Statements of Cash Flows

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Million yen		
Cash flows from operating activities		
Profit before income taxes	17,523	23,700
Depreciation and amortization	12,810	13,570
Impairment loss	–	91
Loss on liquidation of subsidiaries and associates	366	–
Amortization of goodwill	663	529
Increase (decrease) in other provisions	(12)	(48)
Interest and dividend income	(876)	(992)
Interest expense	105	82
Foreign exchange losses (gains)	(1,635)	(2,192)
Equity in (earnings) losses of affiliates	(263)	(210)
Gain on sales of property, plant and equipment	(84)	(1,394)
Loss (gain) on disposal of property, plant and equipment	441	618
Loss (gain) on valuation of investment securities	–	528
Loss (gain) on sales of investment securities	(1,735)	(390)
(Increase) decrease in notes and accounts receivable-trade	(3,734)	(1,590)
(Increase) decrease in inventories	3,542	(8,886)
(Increase) decrease in prepaid expenses	(140)	(76)
(Increase) decrease in accounts receivable-other	527	602
(Increase) decrease in advance payments	(44)	53
Increase (decrease) in notes and accounts payable-trade	1,214	(330)
Increase (decrease) in notes and accounts payable-other	(83)	390
Increase (decrease) in accrued expenses	258	784
Increase (decrease) in net defined benefit liability	42	48
(Increase) decrease in net defined benefit asset	147	(299)
Other	314	872
Subtotal	29,347	25,461
Interest and dividends received	1,043	1,278
Interest paid	(120)	(84)
Income tax paid	(5,878)	(4,058)
Income tax refund	17	543
Net cash provided by operating activities	24,408	23,141
Cash flows from investing activities		
Net decrease (increase) in time deposits	(124)	(48)
Proceeds from withdrawal of time deposits	248	70
Short-term loan advances	(226)	–
Purchase of property, plant and equipment	(12,827)	(8,696)
Proceeds from sales of property, plant and equipment	96	1,529
Purchase of intangible assets	(360)	(412)
Purchase of investment securities	(504)	(150)
Proceeds from sales of investment securities	2,229	529
Proceeds from redemption of investment securities	167	199
Purchase of shares of subsidiaries and associates	(146)	(561)
Collection of long-term loans receivable	0	5
Payments for long-term prepaid expenses	(351)	(1,109)
Payment for retirement of property, plant and equipment	(336)	(359)
Payments for acquisition of businesses	(5,512)	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(1,628)
Other	40	(9)
Net cash used in investing activities	(17,606)	(10,641)

This document is an English translation of parts of the Japanese-language original.
All financial information has been prepared in accordance with generally accepted accounting principles in Japan.

Nippon Kayaku Co., Ltd.
Summary of Consolidated Financial Results [Japanese GAAP]
For the Fiscal Year Ended March 31, 2022

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
	Million yen	
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	267	(397)
Repayment of long-term loans	(3,456)	(2,488)
Purchase of treasury shares of subsidiaries	(11)	(68)
Purchase of treasury stock	(0)	(3,000)
Dividends paid	(5,110)	(5,070)
Dividends paid to non-controlling interests	(7)	(26)
Other	(82)	(39)
Net cash provided by financing activities	(8,402)	(11,090)
Effect of exchange rate change on cash and cash equivalents	2,421	4,068
Increase (decrease) in cash and cash equivalents	820	5,478
Cash and cash equivalents at beginning of the year	46,663	47,483
Cash and cash equivalents at end of the year	47,483	52,962

This document is an English translation of parts of the Japanese-language original.
All financial information has been prepared in accordance with generally accepted accounting principles in Japan.

(5) Notes to Consolidated Financial Statements
(Notes Regarding Assumptions for the Going Concern)
No items to report

(Changes to Accounting Policies)

(Implementation of the Accounting Standard for Revenue Recognition and related guidance)

The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, revised March 31, 2020; hereafter, the “Revenue Recognition Accounting Standard”) and related guidance were implemented from the beginning of the first quarter of consolidated fiscal year ended March 31, 2022. Under this standard, the amount the company expects to receive in exchange for goods and services is recognized as revenue when control over the promised goods or services is transferred to the customer. Nippon Kayaku and its domestic consolidated subsidiaries previously recognized revenue at the time of shipment, with the exception of consigned goods. Under this revised standard, the fulfillment obligation will be deemed satisfied and revenue will be recognized when the products are delivered to the customer, for domestic sales, and when the products arrive at the location agreed upon with the customer, for export sales. In some transactions, the full amount the company expected to receive in exchange for goods or services was recognized as revenue. However, the Company has changed this method and now recognizes the net amount after deducting the amount paid to the supplier from the full amount to be received from the customer in transactions where the Nippon Kayaku Group serves as an agent in providing good or services to the customer.

The implementation of the Revenue Recognition Accounting Standards and related guidance follows the transitional treatment in the exception clause of Paragraph 84 of the Revenue Recognition Accounting Standard. The new accounting standard was applied to the balance of retained earnings from the beginning of the period and retained earnings were adjusted for the cumulative impact assuming application of the new accounting standard retroactively before the beginning of the accounting period for the first quarter of consolidated fiscal year ended March 31, 2022. However, we have applied the method specified in Paragraph 86 of the Revenue Recognition Accounting Standard and have not retroactively applied the new accounting policy to contracts for which nearly all of the revenue recognized prior to the beginning of the first quarter of consolidated fiscal year ended March 31, 2022 was handled according to the previous accounting method.

In the Consolidated Balance Sheets for the previous fiscal year, “Notes and accounts receivable-trade” was presented in “Current assets.” This is presented as “Notes receivable-trade” and “Accounts receivable-trade” from the fiscal year ended March 31, 2022. The “Provision for sales rebates” presented in “Current liabilities” in the Consolidated Balance Sheets for the previous fiscal year, is presented as “Refund liability” from fiscal year ended March 31, 2022. However, the consolidated financial statements of the previous fiscal year have not been restated according to the new method, as provided by the transitional treatment specified in Paragraph 89-2 of the Revenue Recognition Accounting Standard.

The impact of these changes on the balance of retained earnings at the beginning of the period, consolidated profit and loss, and per share information for the consolidated fiscal year ended March 31, 2022 is minor.

(Implementation of the Accounting Standard for Fair Value Measurement)

The Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019; hereafter, “Fair Value Accounting Standard”) and related guidance were implemented from the beginning of the first quarter of consolidated fiscal year ended March 31, 2022. In accordance with the transitional treatment specified in Paragraph 19 of the Fair Value Accounting Standard and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019), the new accounting policy specified in the Fair Value Accounting Standard and related guidance will be applied in the future. The change did not have any impact on the quarterly consolidated financial statements.

(Segment Information)

[1] Summary of reportable segments

The reportable segments of the Nippon Kayaku Group are structural units of the Group for which separate financial information can be acquired. These segments are subject to be examined periodically by the Board of Directors in order to evaluate business results and make decisions on the allocation of business resources.

Business groups are established by product and service for each reportable segment within the Nippon Kayaku Group. Each group develops comprehensive domestic and overseas strategies for the products and services it handles, and introduces business activities accordingly.

In light of this, the Nippon Kayaku Group primarily consists of product- and service-specific segments that are based on business divisions. “Functional chemicals business,” “Pharmaceuticals business,” and “Safety systems business” are three reportable segments.

The types of main products and services provided by the reportable segments are shown in the table below.

Reportable segment	Sales segment	Main products and services
Functional chemicals business	Functional materials	Epoxy resins, maleimide resins, epoxy resin hardeners, reactive flame retardants, acrylic acid esters, UV-curable resins for resist, resist for MEMS (liquid and dry film resist), cleaners for LCDs and semiconductors, liquid crystal sealants, semiconductor manufacturing equipment (laminator, remover, moulder, UV curing equipment)
	Color materials	Colorants for inkjet printers, dyes for inkjet textile printing, inks for industrial inkjet printers, Image sensor materials, dichotomous colorants for dimmable glass, near infrared absorbers, dyes for textiles and paper, colorants for resins, materials for thermal paper
	Catalysts	Catalysts for the production of acrylic acid, acrolein and methacrylic acid
	Polatechno Group	Components for LCD displays, LCD projector components, components for X-ray analysis systems
Pharmaceuticals business		Anti-cancer drugs, biological drugs, cardiovascular agents, vitamin compounds and other metabolic agents, diagnostic drugs, embolization materials, pharmaceutical API and intermediates, food and food additives, preservatives for food quality
Safety systems business		Airbag inflators, micro gas generators for seatbelt pretensioners, squibs

[2] Methods for calculating the amounts for sales, profit (loss), assets, liabilities, and other items by reportable segment

The accounting treatment of the reportable segments is generally the same as described in Significant Accounting Policies for Preparing Consolidated Financial Statements. The profit reported in each reportable segment is operating profit. Intersegment sales and transfers are calculated based primarily on market prices and manufacturing costs.

Nippon Kayaku Co., Ltd.
Summary of Consolidated Financial Results [Japanese GAAP]
For the Fiscal Year Ended March 31, 2022

[3] Information concerning the amounts for sales, profit (loss), assets, liabilities, and other items by reportable segment

Fiscal year ended March 31, 2021 (April 1, 2020–March 31, 2021)

	Reportable segments				Other (Note 1)	Total	Adjust- ments (Note 2)	Consoli- dated (Note 3)
	Functional chemicals business	Pharma- ceuticals business	Safety systems business	Total				
Million yen								
Sales								
Sales to third parties	72,465	50,441	41,997	164,904	8,477	173,381	–	173,381
Intersegment sales and transfers	137	0	–	137	97	235	(235)	–
Total	72,602	50,442	41,997	165,041	8,575	173,616	(235)	173,381
Segment profit	7,317	7,443	5,439	20,201	1,821	22,023	(6,828)	15,194
Segment assets	94,223	54,296	68,920	217,440	19,705	237,146	57,389	294,535
Other items								
Depreciation and amortization	4,849	1,822	4,886	11,557	691	12,249	560	12,810
Amortization of goodwill	633	–	–	633	30	663	–	663
Impairment loss	–	–	–	–	–	–	–	–
Changes in the amount of property, plant and equipment and intangible assets	10,941	1,474	3,186	15,602	611	16,214	426	16,640

Note 1: “Other” indicates a business segment that is not included in the reportable segments, including the agro-chemicals business and real estate business.

Note 2: The amounts of adjustments are as shown below.

(1) The 6,828 million yen downward adjustment to segment profit reflects a negative 6,825 million yen in corporate expense not allocable to the reportable segments and 3 million yen in eliminations for intersegment transactions. The corporate expense is mainly a general and administrative expense that is not attributed to the reportable segments.

(2) The 57,389 million yen adjustment to segment assets factors in 57,461 million yen in corporate assets not allocable to reportable segments and a negative 72 million yen in eliminations for intersegment transactions. Corporate assets primarily consist of excess operating funds (cash and securities) and long-term investment funds (investment securities, etc.) belonging to the parent company.

(3) The 560 million yen adjustment to depreciation and amortization is related to corporate assets.

(4) The 426 million yen increase adjustment to property, plant and equipment and intangible assets is related to the administrative divisions of the parent company head office.

Note 3: Segment profit has been adjusted to correspond with the total operating income as shown in the consolidated statements of income.

Nippon Kayaku Co., Ltd.
Summary of Consolidated Financial Results [Japanese GAAP]
For the Fiscal Year Ended March 31, 2022

Fiscal year ended March 31, 2022 (April 1, 2021–March 31, 2022)

	Reportable segments				Other (Note 1)	Total	Adjust- ments (Note 2)	Consoli- dated (Note 3)
	Functional chemicals business	Pharma- ceuticals business	Safety systems business	Total				
Million yen								
Sales								
Sales to third parties	77,152	52,083	46,112	175,348	9,456	184,805	–	184,805
Intersegment sales and transfers	143	0	–	144	105	249	(249)	–
Total	77,296	52,083	46,112	175,492	9,561	185,054	(249)	184,805
Segment profit	11,501	8,645	6,306	26,453	1,842	28,296	(7,245)	21,050
Segment assets	124,105	58,133	61,710	243,950	19,903	263,853	51,606	315,459
Other items								
Depreciation and amortization	5,031	1,859	5,451	12,342	701	13,043	527	13,570
Amortization of goodwill	529	–	–	529	–	529	–	529
Impairment loss	91	–	–	91	–	91	–	91
Changes in the amount of property, plant and equipment and intangible assets	3,642	1,752	2,485	7,880	851	8,731	356	9,088

Note 1: “Other” indicates a business segment that is not included in the reportable segments, including the agro-chemicals business and real estate business.

Note 2: The amounts of adjustments are as shown below.

(1) The 7,245 million yen downward adjustment to segment profit reflects a negative 7,234 million yen in corporate expense not allocable to the reportable segments and 11 million yen in eliminations for intersegment transactions. The corporate expense is mainly a general and administrative expense that is not attributed to the reportable segments.

(2) The 51,606 million yen adjustment to segment assets factors in 55,828 million yen in corporate assets not allocable to reportable segments and a negative 4,222 million yen in eliminations for intersegment transactions. Corporate assets primarily consist of excess operating funds (cash and securities) and long-term investment funds (investment securities, etc.) belonging to the parent company.

(3) The 527 million yen adjustment to depreciation and amortization is related to corporate assets.

(4) The 356 million yen increase adjustment to property, plant and equipment and intangible assets is related to the administrative divisions of the parent company head office.

Note 3: Segment profit has been adjusted to correspond with the total operating income as shown in the consolidated statements of income.

(Significant Subsequent Events)

No items to report

This document is an English translation of parts of the Japanese-language original.
All financial information has been prepared in accordance with generally accepted accounting principles in Japan.