

Consolidated Financial Results for the Three Months Ended June 30, 2022 (JPGAAP)



August 8, 2022

Name of listed company: Nissan Chemical Corporation

Stock Exchange: Tokyo

Code number: 4021

URL: <https://www.nissanchem.co.jp/>

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Scheduled submission date of quarterly report: August 12, 2022

Scheduled dividend payment date: —

Supplemental information: Yes

Financial results meeting : Yes (For institutional investors and analysts)

(Amounts rounded down to the nearest million yen)

1. Consolidated Financial Results for the Three Months Ended June 30, 2022 (From April 1, 2022 to June 30, 2022)

(1) Consolidated Operating Results (% indicates the rate of increase/decrease against the same period of the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2022	58,290	25.4	17,266	45.4	19,492	58.2	13,869	56.7
Three months ended June 30, 2021	46,499	(5.6)	11,875	21.1	12,323	18.3	8,849	16.3

(Note) Comprehensive income:
 Three months ended June 30, 2022 : 16,045 million yen ,99.2%
 Three months ended June 30, 2021 : 8,053 million yen ,(20.2%)

	Basic earnings per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2022	98.13	—
Three months ended June 30, 2021	61.73	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2022	277,231	209,712	74.5
As of March 31, 2022	279,687	208,009	73.6

(Reference) Shareholders' equity:
 As of June 30, 2022 : 206,663 million yen
 As of March 31, 2022 : 205,912 million yen

2. Cash Dividends

	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	—	50.00	—	72.00	122.00
Year ending March 31, 2023	—	—	—	—	—
Year ending March 31, 2023 (Outlook)	—	70.00	—	92.00	162.00

(Note) Revision of the latest released dividend outlook: Yes

3. Outlook of Consolidated Financial Results for the Fiscal Year Ending March 31, 2023 (From April 1, 2022 to March 31, 2023)

(% indicates the rate of increase/decrease against the same period of the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ending September 30, 2022	105,400	14.8	27,600	29.4	29,500	32.5	21,200	30.1	150.12
Year ending March 31, 2023	223,300	7.4	55,100	8.1	57,300	6.7	41,700	7.5	295.83

(Note) Revision of the latest released outlook of financial results: Yes

Please refer to "Revision of Financial Results Outlook, Interim Dividend Outlook and Year-ended Dividend Outlook" for details.

4. Notes

(1) Changes in significant consolidated subsidiaries

(Changes in specified subsidiaries involving changes in scope of consolidation) : Yes

Newly Included: 1 company (Company name: Nissan Bharat Rasayan Private Limited)

(2) Application of special accounting treatment to preparation of quarterly financial statements : None

(3) Changes of accounting policies and accounting estimates, and restatement

1. Changes of accounting policies due to revisions of accounting standards : Yes

2. Changes of accounting policies other than the above : None

3. Changes in accounting estimates : None

4. Restatements : None

(Note) Please refer to [2. Consolidated Financial Statements (4) Notes to Consolidated Financial Statements

"(Changes in Accounting Policies)"] on page 10 for further details.

(4) Number of shares outstanding (common shares)

1. Number of shares outstanding (including treasury shares)

As of June 30, 2022 : 142,000,000 shares

As of March 31, 2022 : 143,000,000 shares

2. Number of treasury shares

As of June 30, 2022 : 1,062,348 shares

As of March 31, 2022 : 1,383,611 shares

3. Average number of shares outstanding

As of June 30, 2022 : 141,334,912 shares

As of June 30, 2021 : 143,347,412 shares

(Note) The Company has introduced "Board Benefit Trust (BBT)" based on the resolution of Board of Directors' meeting held on July 30, 2019. The shares held by the Trust are included in the number of treasury shares at the end of the period, and they are included in the number of treasury shares deducted in calculating the average number of shares outstanding over the period. The number of shares held by the Trust (included in treasury shares) at the end of the period was 159,300 shares.

In addition, the average number of shares held by the Trust during the period was 160,083 shares.

This is not included in the average number of shares outstanding.

* Presentation regarding implementation status of quarterly review procedures

The financial release is not subject to quarterly review.

* Explanations regarding appropriate use of business outlook and other special notes

The business outlook contained in this report is based on information available at the time of disclosure.

Actual operating results may differ materially from the outlook due to various factors.

For supplemental information, please refer to our website.

The transcript of financial results briefing will be released on our website as well.

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1. Qualitative Information on Quarterly Results

(1) Business Performance

During the first quarter of the current fiscal year (April 1, 2022 to June 30, 2022), although consumer spending showed a recovery trend due to the relaxation of behavioral restrictions, the domestic economy did not achieve a full-fledged recovery due to soaring raw material prices, disruptions in the supply chain, and other factors. Under these circumstances, in the Chemicals Segment, sales of both Basic Chemicals and Fine Chemicals increased, despite the impact of problems with nitric acid plant. In the Performance Materials Segment, Semiconductor Materials performed well. In the Agricultural Chemicals Segment, sales increased. In the Healthcare segment, both healthcare business and "Custom Chemicals" (custom manufacturing and solution proposal business for pharmaceutical companies) were firm.

As a result, sales and each income exceeded the same period of the previous fiscal year and the outlooks announced in May. We also achieved record highs for operating income, ordinary income, and net income attributable to owners of the parent for the second consecutive year.

(Million yen, amount rounded down to the nearest million yen)

	1Q FY2021	1Q FY2022	Change	1Q FY2022 (Outlook) (Note)	Change from Outlook
Sales	46,499	58,290	+11,791	52,400	+5,890
Operating income	11,875	17,266	+5,390	14,600	+2,666
Ordinary income	12,323	19,492	+7,169	15,200	+4,292
Net income attributable to owners of parent	8,849	13,869	+5,020	11,200	+2,669

(Note) The outlook is described on page 10 of the FY2021 Presentation Materials (announced on May 13, 2022).

Explanations by segments are as below.

We changed our reporting segments from the first quarter of the current fiscal year. For supplemental information, please refer to [2.Consolidated Financial Statements (4) Notes to Consolidated Financial Statements "(Segment Information)"] on page 11.

The Chemicals Segment

In Basic chemicals, sales of melamine (adhesives agent for particle board), urea, AdBlue®* (high-grade urea solution) were strong. In Fine Chemicals, sales of "TEPIC" (powder coating agent for paint, sealants, etc.) and environmental chemicals (sterilizing and disinfecting agents for pools and septic tanks, etc.) also increase.

As a result, sales of this segment were 10,415 million yen (an increase of 1,582 million) and operating income was 1,716 million yen (an increase of 452 million yen). Compared to the outlook (Note), sales were above 0.2 billion yen and operating income was above 0.1 billion yen.

(Note) The outlook is described on page 24 of the FY2021 Presentation Materials (announced on May 13, 2022).

* AdBlue® is a registered trademark of the Verband der Automobilindustrie (VDA).

The Performance Materials Segment

In Display Materials, sales of "SUNEVER" (LCD alignment coating) for smartphones declined. In Semiconductor Materials, sales of anti-reflective coating for semiconductors (ARC®*) and multilayer materials (OptiStack®*) increased due to favorable customer operations. In Inorganic materials, sales of "SNOWTEX" for polishing electronic materials and hard coating, Organo / Monomer sol (various kinds of coating materials, resin additive) and Oilfield materials (for enhancing oil recovery) were steady.

As a result, sales of this segment were 21,774 million yen (an increase of 1,822 million) and operating income was 7,888 million yen (an increase of 959 million yen). Compared to the outlook (Note), sales were above 0.6 billion yen and operating income was above 0.8 billion yen.

(Note) The outlook is described on page 24 of the FY2021 Presentation Materials (announced on May 13, 2022).

* ARC®, OptiStack® are registered trademarks of Brewer Science, Inc.

The Agricultural Chemicals Segment

Sales of Fluralaner (active ingredients for veterinary pharmaceuticals) increased due to the completion of customer inventory adjustments in the previous fiscal year. In Japanese domestic market, sales of "ROUNDUP" (non-selective foliar application herbicide), "ALTAIR" (paddy rice herbicide), and "GRACIA" (insecticide) were firm. In the overseas market, sales increased significantly due to strong sales of "TARGA" (herbicide), "LEIMAY" (fungicide) and "GRACIA", as well as the shift in the timing of some shipments.

As a result, sales of this segment were 19,728 million yen (an increase of 6,324 million yen) and operating income was 6,825 million yen (an increase of 2,777 million yen). Compared to the outlook (Note), sales were above 2.5 billion yen and operating income was above 1.1 billion yen.

(Note) The outlook is described on page 24 of the FY2021 Presentation Materials (announced on May 13, 2022).

The Healthcare Segment

Shipments of "LIVALO" (anti-cholesterol drug) to overseas were firm. In "Custom Chemicals", sales increased due to the concentration of shipments.

As a result, sales of this segment were 1,654 million yen (an increase of 584 million) and operating income was 757 million yen (an increase of 457 million yen). Compared to the outlook (Note), sales were above 0.1 billion yen and operating income was above 0.2 billion yen.

(Note) The outlook is described on page 24 of the FY2021 Presentation Materials (announced on May 13, 2022).

Trading

Sales of this segment were 23,656 million yen (an increase of 5,857 million yen) and operating income was 1,033 million yen (an increase of 369 million yen). Compared to the outlook (Note), sales were above 4.0 billion yen and operating income was above 0.4 billion yen.

(Note) The outlook is described on page 82 and 83 of the FY2021 Presentation Materials (announced on May 13, 2022).

Others

Sales of this segment were 6,537 million yen (an increase of 1,626 million yen) and operating income was 133 million yen (an increase of 65 million yen).

(2) Financial Position

(Position of Assets, Liabilities and Net Assets)

Total assets as of June 30, 2022 was 277,231 million yen (a decrease of 2,456 million yen from March 31, 2022). It is mainly due to the decrease of cash and deposits.

Also, total liabilities as of June 30, 2022 was 67,519 million yen (a decrease of 4,158 million yen). It is mainly due to the decrease of short-term loans payable.

Net assets as of June 30, 2022 was 209,712 million yen (an increase of 1,702 million yen).

As a result of these factors, equity ratio was 74.5% (an increase of 0.9% from March 31, 2022).

(Position of Cash Flow)

Deducting income taxes paid from income before income taxes and non-controlling interests, depreciation and gain and loss on working capital, net cash provided by operating activities for the three months ended June 30, 2022 was 13,107 million yen (11,849 million yen for the same period of the previous year).

Due to the investment on plant and equipment, net cash used in investing activities for the three months ended June 30, 2022 was 4,345 million yen (3,291 million yen).

Due to the decrease in loans payable, payment for dividends and share repurchase, net cash used in financing activities for the three months ended June 30, 2022 was 18,023 million yen (23,821 million yen).

Cash and cash equivalents at the end of this period decreased 8,407 million yen from March 31, 2022 after adjusting for the 852 million yen effect of exchange rate. Moreover, after adding the 3,116 million yen increase in cash and cash equivalents resulting from change in scope of consolidation, the balance stood at 29,366 million yen (17,121 million yen).

(3) Outlook of Consolidated Financial Results and Other Forward-looking Information

Outlook for the six months ending September 30, 2022 and the year ending March 31, 2023 were revised as follows based on the cumulative first quarter and demand forecast. The exchange rate for the second quarter and beyond is assumed to be 115 yen to the U.S. dollar.

Revision of consolidated financial results' outlook for the six months ending September 30, 2022 (April 1, 2022 to September 30, 2022)

(Billion yen, amounts rounded to the nearest billion yen)

	Previous outlook(A)	Revised outlook(B)	Increase or decrease (B-A)	Rate of change (%)	(Reference) Results for the previous fiscal year
Sales	101.1	105.4	+4.3	+4.3%	91.8
Operating income	26.0	27.6	+1.6	+6.2%	21.3
Ordinary income	26.3	29.5	+3.2	+12.2%	22.3
Net income attributable to owners of parent	19.3	21.2	+1.9	+9.8%	16.3
Basic earnings per share	136.77 yen	150.12 yen	+13.35 yen	+9.8%	113.94 yen

Revision of consolidated financial results' outlook for the year ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(Billion yen, amounts rounded to the nearest billion yen)

	Previous outlook(A)	Revised outlook(B)	Increase or decrease (B-A)	Rate of change (%)	(Reference) Results for the previous fiscal year
Sales	219.0	223.3	+4.3	+2.0%	208.0
Operating income	53.5	55.1	+1.6	+3.0%	51.0
Ordinary income	54.1	57.3	+3.2	+5.9%	53.7
Net income attributable to owners of parent	39.6	41.7	+2.1	+5.3%	38.8
Basic earnings per share	280.90 yen	295.83 yen	+14.93 yen	+5.3%	271.88 yen

Revision of consolidated sales and operating income outlook for the year ending March 31, 2023

(Billion yen, amounts rounded to the nearest billion yen)

	Sales		Operating income	
	Previous	Revised	Previous	Revised
Chemicals	38.6	38.8	2.2	2.3
Performance Materials	89.9	88.9	30.5	30.2
Agricultural Chemicals	72.9	75.4	19.5	20.6
Healthcare	5.9	6.0	2.1	2.3
Trading	83.7	87.7	2.3	2.7
Others	26.5	26.9	0.8	0.7
Adjustment	(98.5)	(100.4)	(3.9)	(3.7)
Total	219.0	223.3	53.5	55.1

(4) Basic Policy on Distribution of Earnings

The Company's basic policy of profit allocation is returning to shareholders by improving company value through increasing revenue in the medium and long terms.

In medium-term business plan "Vista2027" Stage I launched from April 2022, the company aims to realize dividend payout ratio to be 55% and total payout ratio to be 75% after FY2022.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	34,658	29,366
Notes and accounts receivable - trade, and contract assets	79,979	80,045
Merchandise and finished goods	37,664	40,859
Work in process	15	160
Raw materials and supplies	14,496	14,765
Accounts receivable - other	2,824	1,942
Short-term loans receivable	1,541	1,629
Other	4,140	3,887
Allowance for doubtful accounts	(41)	(35)
Total current assets	175,279	172,619
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	24,284	24,022
Other, net	28,893	32,889
Total property, plant and equipment	53,177	56,911
Intangible assets		
Software	1,736	1,635
Other	10,044	10,394
Total intangible assets	11,780	12,030
Investments and other assets		
Investment securities	30,217	29,806
Long-term loans receivable	3,323	0
Deferred tax assets	918	319
Net defined benefit asset	1,844	2,484
Other	3,256	3,168
Allowance for doubtful accounts	(110)	(110)
Total investments and other assets	39,450	35,669
Total non-current assets	104,408	104,611
Total assets	279,687	277,231

(Million yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	19,043	18,525
Short-term loans payable	20,981	18,816
Current portion of long-term loans payable	552	552
Income taxes payable	8,710	5,583
Provision for bonuses	2,285	726
Other	14,398	16,980
Total current liabilities	65,971	61,183
Non-current liabilities		
Long-term loans payable	1,182	1,182
Deferred tax liabilities	69	608
Provision for business structure improvement	698	611
Provision for loss on business of subsidiaries and affiliates	626	626
Provision for share-based remuneration for directors (and other officers)	200	170
Net defined benefit liability	290	328
Other	2,638	2,807
Total non-current liabilities	5,706	6,335
Total liabilities	71,678	67,519
Net assets		
Shareholders' equity		
Capital stock	18,942	18,942
Capital surplus	13,613	13,613
Retained earnings	172,393	169,802
Treasury shares	(8,261)	(6,884)
Total shareholders' equity	196,688	195,473
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,304	8,637
Foreign currency translation adjustment	898	2,159
Remeasurements of defined benefit plans	21	393
Total accumulated other comprehensive income	9,223	11,190
Non-controlling interests	2,097	3,048
Total net assets	208,009	209,712
Total liabilities and net assets	279,687	277,231

(2) Consolidated Statements of Income / Consolidated Statements

- Consolidated Statements of Income

(Million yen)

	Three Months Ended June 30, 2021	Three Months Ended June 30, 2022
Net sales	46,499	58,290
Cost of sales	22,671	28,026
Gross profit	23,828	30,263
Selling, general and administrative expenses	11,952	12,997
Operating income	11,875	17,266
Non-operating income		
Interest income	4	48
Dividend income	270	258
Equity in earnings of affiliates	178	232
Foreign exchange gains	-	1,694
Other	178	187
Total non-operating income	631	2,420
Non-operating expenses		
Interest expenses	31	41
Loss on disposal of non-current assets	112	83
Foreign exchange losses	13	-
Other	26	69
Total non-operating expenses	183	194
Ordinary income	12,323	19,492
Extraordinary income	-	-
Extraordinary losses	-	-
Income before income taxes and non-controlling interests	12,323	19,492
Income taxes - current	2,159	4,560
Income taxes - deferred	1,244	843
Total income taxes	3,403	5,403
Net income	8,920	14,089
Net income attributable to non-controlling interests	70	219
Net income attributable to owners of parent	8,849	13,869

- Consolidated Statements of Comprehensive Income

(Million yen)

	Three Months Ended June 30, 2021	Three Months Ended June 30, 2022
Net income	8,920	14,089
Other comprehensive income		
Valuation difference on available-for-sale securities	(852)	332
Foreign currency translation adjustment	1	1,250
Remeasurements of defined benefit plans, net of tax	(15)	372
Share of other comprehensive income of entities accounted for using equity method	(0)	0
Total other comprehensive income	(866)	1,955
Comprehensive income	8,053	16,045
(Comprehensive income attributable to)		
Owners of parent	7,983	15,663
Non-controlling interests	69	382

(3) Consolidated Statements of Cash Flows

(Million yen)

	Three Months Ended June 30, 2021	Three Months Ended June 30, 2022
Cash flows from operating activities		
Income before income taxes and non-controlling interests	12,323	19,492
Depreciation	2,248	2,451
Amortization of goodwill	25	25
Interest and dividend income	(275)	(306)
Interest expenses	31	41
Loss (gain) on disposal of non-current assets	112	83
Decrease (increase) in notes and accounts receivable - trade	7,537	257
Decrease (increase) in inventories	(3,196)	(3,381)
Increase (decrease) in notes and accounts payable - trade	(644)	(1,153)
Other	273	2,661
Subtotal	18,436	20,171
Interest and dividend income received	514	490
Interest expenses paid	(29)	(38)
Income taxes paid	(7,071)	(7,515)
Net cash provided by (used in) operating activities	11,849	13,107
Cash flows from investing activities		
Purchase of investment securities	(78)	(441)
Proceeds from sales of investment securities	-	0
Purchase of shares of subsidiaries	-	(25)
Purchase of property, plant and equipment	(2,812)	(3,449)
Payments for retirement of property, plant and equipment	(74)	(79)
Purchase of intangible assets	(450)	(328)
Net decrease (increase) in short-term loans receivable	129	(16)
Purchase of long-term prepaid expenses	(23)	(5)
Other	19	1
Net cash provided by (used in) investing activities	(3,291)	(4,345)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(8,430)	(2,706)
Cash dividends paid	(8,341)	(10,208)
Dividends paid to non-controlling interests	(48)	(105)
Share repurchase	(4,755)	(5,000)
Setting up the trust for share repurchase	(2,245)	-
Other	0	(2)
Net cash provided by (used in) financing activities	(23,821)	(18,023)
Effect of exchange rate change on cash and cash equivalents	4	852
Net increase (decrease) in cash and cash equivalents	(15,258)	(8,407)
Cash and cash equivalents at beginning of period	32,380	34,658
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	-	3,116
Cash and cash equivalents at end of period	17,121	29,366

(4) Notes to Consolidated Financial Statements

(Notes on Assumption of Going Concern)

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

The Company made a stock payment of 4,700 shares to the eligible party on April 26, 2022 based on the trust agreement of the Board Benefit Trust (BBT) resolved by the Board of Director's meeting on July 30, 2019. As a result, treasury shares decreased by 22 million yen during the first quarter of current consolidated fiscal year. Also, the Company canceled 1,000,000 treasury shares on May 10, 2022 based on the resolution of Board of Directors' meeting held on April 26, 2022. As a result, retained earnings and treasury shares decreased by 6,354 million yen during the first quarter of current consolidated fiscal year.

In addition, the Company repurchased 683,300 treasury shares based on the resolution of Board of Directors' meeting held on May 13, 2022. As a result, treasury shares increased by 4,999 million yen during the first quarter of current consolidated fiscal year.

(Changes in Accounting Policies)

(Application of "Implementation Guidance on Accounting Standard for Fair Value Measurement")

The company adopted "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021) from the first quarter of the fiscal year ending March 31, 2023. Based on the transitional treatment prescribed in Paragraph 27-2 of "Implementation Guidance on Accounting Standard for Fair Value Measurement", we have decided to apply the new accounting policies set forth by "Implementation Guidance on Accounting Standard for Fair Value Measurement" into the future. This change had no impact on the quarterly consolidated financial statements.

(Additional information)

(Adoption of the group tax sharing system)

The company and some of its domestic subsidiaries have transitioned from the consolidated taxation system to the group tax sharing system from the current first quarter ended June 30, 2022. Accordingly, corporate, local corporate income taxes, and tax-effect accounting are accounted for and disclosed in accordance with "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (PITF No. 42, August 12, 2021. Hereinafter "PITF 42"). In addition, based on Article 32 (1) of PITF 42, the effects of the change in accounting policies due to the adoption of PITF 42 are deemed negligible.

(Segment Information)

1. Information Regarding Sales, Income (Loss) of Reportable Segments

1) For the Three Months Ended June 30, 2021 (From April 1, 2021 to June 30, 2021)

(Million yen)

	Chemicals	Performance Materials	Agricultural Chemicals	Healthcare	Trading	Others	Total	Adjustment (1)(2)	Consolidated Total
Net Sales									
Sales to outside customers	6,093	17,031	12,612	1,069	12,527	1,878	51,212	(4,713)	46,499
Intersegment Sales	2,739	2,920	791	-	5,272	3,032	14,756	(14,756)	-
Total Sales	8,833	19,951	13,403	1,069	17,799	4,911	65,969	(19,469)	46,499
Segment Income or Loss (Operating Income or Loss)	1,263	6,929	4,048	299	664	68	13,273	(1,397)	11,875

Notes: (1) The (4,713) million yen adjustment in sales to outside customers includes (4,718) million yen in the elimination of agent transactions, and 5 million yen sales not attributable to any reporting segment.

(2) The (1,397) million yen adjustment in segment income includes (136) million yen in intersegment eliminations, 5 million yen sales not attributable to any reporting segment, and (1,267) million yen corporate expenses not attributable to any reportable segment. The corporate expenses are mainly group administrative expenses which do not belong to any segment.

2) For the Three Months Ended June 30, 2022 (From April 1, 2022 to June 30, 2022)

(Million yen)

	Chemicals	Performance Materials	Agricultural Chemicals	Healthcare	Trading	Others	Total	Adjustment (1)(2)	Consolidated Total
Net Sales									
Sales to outside customers	7,313	17,910	17,644	1,654	17,426	2,874	64,824	(6,533)	58,290
Intersegment Sales	3,102	3,863	2,084	-	6,229	3,662	18,942	(18,942)	-
Total Sales	10,415	21,774	19,728	1,654	23,656	6,537	83,766	(25,476)	58,290
Segment Income or Loss (Operating Income or Loss)	1,716	7,888	6,825	757	1,033	133	18,355	(1,089)	17,266

Notes: (1) The (6,533) million yen adjustment in sales to outside customers includes (6,535) million yen in the elimination of agent transactions, and 1 million yen sales not attributable to any reporting segment.

(2) The (1,089) million yen adjustment in segment income includes 201 million yen in intersegment eliminations, 1 million yen sales not attributable to any reporting segment, and (1,292) million yen corporate expenses not attributable to any reportable segment. The corporate expenses are mainly group administrative expenses which do not belong to any segment.

2. Matters related to changes in reporting segments

(Changes in reporting segments)

Following the revision to our organizational structure, from April 1, 2022, the Healthcare segment was transferred from the Pharmaceuticals segment, and the company has changed the segment to which some divisions are attributed. Furthermore, the segment information for the first quarter of the previous fiscal year is presented based on the changed reporting segments.