

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

November 10, 2022

Consolidated Financial Results for the Six Months Ended September 30, 2022 (Under Japanese GAAP)

Company name: Kurabo Industries Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 3106
 URL: <https://www.kurabo.co.jp/>
 Representative: Haruya Fujita, President
 Inquiries: Hiroshi Fujii, Director, Executive Officer, and Manager of Finance & Accounting Department
 Telephone: +81-6-6266-5188
 Scheduled date to file quarterly securities report: November 14, 2022
 Scheduled date to commence dividend payments: December 1, 2022
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
September 30, 2022	72,043	20.0	3,405	11.4	4,647	26.9	3,264	37.1
September 30, 2021	60,026	—	3,055	—	3,661	—	2,381	—

Note: Comprehensive income For the six months ended September 30, 2022: ¥3,983 million [96.2%]
 For the six months ended September 30, 2021: ¥2,030 million [—%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
September 30, 2022	167.23	—
September 30, 2021	118.17	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
September 30, 2022	172,561	98,693	56.3
March 31, 2022	167,285	97,415	57.4

Reference: Equity
 As of September 30, 2022: ¥97,088 million
 As of March 31, 2022: ¥96,016 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	–	0.00	–	70.00	70.00
Fiscal year ending March 31, 2023	–	35.00			
Fiscal year ending March 31, 2023 (Forecast)			–	35.00	70.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	153,000	15.7	7,400	(1.7)	8,700	(1.0)	6,000	7.1	310.05

Note: Revisions to the forecast of financial results most recently announced: Yes

* **Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements:
Yes

Note: For the details, please refer to “(Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements) in (4) Notes to quarterly consolidated financial statements in 2. Quarterly consolidated financial statements and significant notes thereto” on page 11 of the attached materials.

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2022	20,000,000 shares
As of March 31, 2022	20,756,228 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2022	848,746 shares
As of March 31, 2022	971,652 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	19,523,834 shares
Six months ended September 30, 2021	20,153,913 shares

Note: The Company has introduced the Board Benefit Trust, a share-based compensation plan for directors, etc. using a trust, and the Company’s shares held by the trust account are included in the number of treasury shares.

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements and others)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, the statements herein do not constitute assurances regarding the Company’s actual results. Actual financial and other results may differ substantially from the statements herein due to various factors. For matters regarding the above earnings forecasts, please refer to “(3) Explanation of consolidated financial forecasts and other forward-looking statements” of “1. Qualitative information regarding financial results for the six months ended September 30, 2022” on page 4 of the attached materials.

(Regarding the financial results briefing)

The Company plans to hold a financial results briefing for institutional investors and analysts on Thursday, November 17, 2022. The explanatory materials on financial results to be distributed at the briefing will be posted on the Company’s website following the briefing.

Attached Material

1. Qualitative information regarding financial results for the six months ended September 30, 2022	2
(1) Explanation of operating results	2
(2) Explanation of financial position	3
(3) Explanation of consolidated financial forecasts and other forward-looking statements.....	4
2. Quarterly consolidated financial statements and significant notes thereto.....	5
(1) Quarterly consolidated balance sheet.....	5
(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income	7
Quarterly consolidated statement of income (cumulative)	7
Quarterly consolidated statement of comprehensive income (cumulative)	8
(3) Quarterly consolidated statement of cash flows	9
(4) Notes to quarterly consolidated financial statements.....	11
(Notes on premise of going concern).....	11
(Notes on quarterly consolidated balance sheet).....	11
(Notes on significant changes in the amount of shareholders' equity)	11
(Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements)	11
(Additional information).....	11
(Segment information).....	12
(Relationship to revenue recognition).....	13
3. Others	15

1. Qualitative information regarding financial results for the six months ended September 30, 2022

(1) Explanation of operating results

During the first six months of the fiscal year ending March 31, 2023 (from April 1, 2022 to September 30, 2022), the Japanese economy showed signs of picking up amidst normalization of socioeconomic activities with the gradual easing of the impact of the COVID-19 pandemic and related restrictions.

On the other hand, the outlook remains uncertain due to higher raw material and energy prices, cost increases due to the depreciation of the yen, and supply shortages in semiconductors and electronic components, among other factors.

In this type of environment, based on the basic policy of “expand high-profit businesses and strengthen core businesses to achieve sustainable growth” in the medium-term corporate business plan “Progress '24” that came into effect in April 2022, the Group has focused on expanding sales for high-performance plastic products for semiconductor production against the backdrop of a booming semiconductor market, capturing casual clothing demand that is in a track of recovery, as well as expanding sales for high-performance and high value-added textiles materials as we worked toward a recovery in results in our core textile business. Furthermore, to respond to higher raw material and energy prices, the Group has passed on increased costs to our selling prices and worked to reduce costs to improve profits.

As a result, net sales for the period under review were ¥72.0 billion (up 20.0% YoY), operating profit was ¥3.4 billion (up 11.4% YoY), ordinary profit was ¥4.64 billion (up 26.9% YoY), and profit attributable to owners of parent was ¥3.26 billion (up 37.1% YoY).

Results by segment are as follows.

(Textiles)

Yarns experienced increased revenue both from domestic and overseas subsidiaries due to steady sales of high-performance products that we produce with our unique technologies.

Fabrics experienced increased revenue due to recovery in orders of casual clothing materials, mainly in overseas subsidiaries, as well as steady sales in uniform materials.

Textile products (Sewn products, etc.) experienced increased revenue from increased orders of casual wear.

In addition, we made steady progress with profitability improvement measures that we have been pursuing up until now.

As a result, net sales were ¥27.9 billion (up 45.4% YoY) with operating profit of ¥0.36 billion (operating loss of ¥0.4 billion in the same period of the previous fiscal year).

(Chemical Products)

Flexible polyurethane foam experienced an overall increase in revenue due to the recovery in sales for automotive interior at domestic and Chinese subsidiaries despite the impact of semiconductor shortages and difficulty in procuring parts due to the Shanghai lockdown, as well as from steady orders at our Brazilian subsidiary.

Functional resin products experienced increased revenue as high-performance plastic products for semiconductor production performed well against the backdrop of a booming semiconductor market, while sales of functional films for automobiles remained sluggish.

Housing construction products experienced increased revenue due to steady sales of exterior materials and heat-insulating materials.

Nonwoven fabrics experienced decreased revenue due to sluggish sales of hygiene materials.

As a result, net sales were ¥28.5 billion (up 18.2% YoY) with operating profit of ¥1.46 billion (up 14.7% YoY).

(Advanced Technology)

Electronics businesses experienced decreased revenue due to sluggish sales of AFVI systems for HDI/Flex PCB and FA-related devices at our subsidiaries due to difficulty in procuring parts caused by the disrupted global supply chain, despite a large-scale project at a subsidiary for silicon wafer cleaning equipment.

Engineering businesses experienced decreased revenue with few biomass plant-related facilities and large-scale plant-related projects.

Biomedical businesses experienced increased revenue due to steady overseas sales of mixer/deaerator and machine tools experienced decreased revenue due to sluggish performance both domestically and in North America.

As a result, net sales were ¥9.2 billion (down 14.8% YoY) with operating profit of ¥0.56 billion (down 56.3% YoY).

(Food and Services)

Freeze-dried foods experienced increased revenue with strong sales of molding soup due to demand for in-home foods.

Hotels and their related services experienced increased revenue due to relaxed restrictions on activity and support for the tourism business.

As a result, net sales were ¥4.4 billion (up 14.7% YoY) with operating profit of ¥0.24 billion (operating profit of ¥0.008 billion in the same period of the previous fiscal year).

(Real Estate)

Due to changes in certain leasing terms, real estate leasing recorded net sales of ¥1.8 billion (down 3.4% YoY) with operating profit of ¥1.27 billion (down 9.2% YoY).

(2) Explanation of financial position

(i) Assets, liabilities and net assets

Total assets at the end of the second quarter of the fiscal year ending March 31, 2023 increased by ¥5.2 billion from the end of the previous fiscal year to ¥172.5 billion mainly due to an increase in inventories, despite decreases in cash and deposits and investment securities.

Liabilities increased by ¥3.9 billion from the end of the previous fiscal year to ¥73.8 billion mainly due to an increase in short-term borrowings.

Net assets increased by ¥1.2 billion from the end of the previous fiscal year to ¥98.6 billion mainly due to an increase in foreign currency translation adjustment, despite a decrease in valuation difference on available-for-sale securities.

As a result of the above, the equity-to-asset ratio was 56.3%, down by 1.1 percentage points.

(ii) Cash flows

Cash and cash equivalents (hereinafter “cash”) at the end of the second quarter of the fiscal year ending March 31, 2023 decreased by ¥2.18 billion from the end of the previous fiscal year to ¥11.88 billion (¥13.56 billion at the end of the same period of the previous fiscal year). The respective cash flow positions and the factors thereof are as follows.

Cash flows from operating activities

Net cash used in operating activities in the six months ended September 30, 2022 was ¥1.71 billion (compared to ¥5.67 billion in net cash provided by operating activities in the six months ended September 30, 2021). This was mainly due to decreases in cash of ¥6.34 billion from an increase in inventories for future sales and ¥1.27 billion from a decrease in trade payables, despite profit before income taxes of ¥4.8 billion and internal reserves for depreciation of ¥2.52 billion.

Cash flows from investing activities

Net cash used in investing activities in the period under review was ¥1.97 billion (compared to ¥1.66 billion in net cash used in investing activities in the same period of the previous fiscal year). This was mainly due to purchase of property, plant and equipment and intangible assets of ¥2.22 billion.

Cash flows from financing activities

Net cash provided by financing activities in the period under review was ¥1.08 billion (compared to ¥12.6 billion in net cash used in financing activities in the same period of the previous fiscal year). This was mainly

due to a net increase in short-term borrowings of ¥4.62 billion, despite dividends paid of ¥1.38 billion and purchase of treasury shares of ¥1.29 billion.

(3) Explanation of consolidated financial forecasts and other forward-looking statements

Regarding our full-year (April 1, 2022 to March 31, 2023) consolidated financial forecasts, based on recent trends in financial results, we have revised our financial forecasts announced on August 9, 2022.

For details on these revisions, please see the “Notification on Differences between Financial Forecasts and Actual Results for the First Six Months of the Fiscal Year Ending March 31, 2023 and Revisions to Full-Year Consolidated Financial Forecasts” separately disclosed today.

Furthermore, regarding the fire accident (“Notification on the Possibility of the Occurrence of Damages to the Company” released on July 27, 2022) that occurred on June 30, 2022, which is described in “Notes on quarterly consolidated balance sheet (Contingent liabilities),” although there is a possibility that the Company may incur damages, the impact of such damages has not been determined at this point in time, and is therefore not taken into account in these consolidated financial forecasts.

The Company will announce any specific impact on earnings in the future as soon as it becomes clear.

2. Quarterly consolidated financial statements and significant notes thereto

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	14,116	11,924
Notes and accounts receivable - trade, and contract assets	35,513	35,479
Merchandise and finished goods	12,133	14,521
Work in process	7,587	10,026
Raw materials and supplies	5,751	8,253
Other	3,340	4,652
Allowance for doubtful accounts	(44)	(44)
Total current assets	78,397	84,812
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,642	23,423
Other, net	26,043	26,618
Total property, plant and equipment	49,686	50,041
Intangible assets	1,378	1,512
Investments and other assets		
Investment securities	33,975	32,455
Other	4,060	3,981
Allowance for doubtful accounts	(212)	(242)
Total investments and other assets	37,823	36,194
Total non-current assets	88,888	87,749
Total assets	167,285	172,561
Liabilities		
Current liabilities		
Notes and accounts payable - trade	22,419	21,769
Short-term borrowings	8,864	14,367
Income taxes payable	1,630	1,570
Provision for bonuses	1,478	1,472
Other	8,369	8,764
Total current liabilities	42,761	47,943
Non-current liabilities		
Long-term borrowings	3,499	3,222
Provision for retirement benefits for directors (and other officers)	207	209
Provision for share-based compensation	74	102
Retirement benefit liability	12,963	12,930
Other	10,363	9,458
Total non-current liabilities	27,109	25,924
Total liabilities	69,870	73,868

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Net assets		
Shareholders' equity		
Share capital	22,040	22,040
Capital surplus	15,210	15,210
Retained earnings	59,293	59,558
Treasury shares	(2,082)	(1,766)
Total shareholders' equity	94,461	95,042
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,410	9,391
Deferred gains or losses on hedges	52	164
Foreign currency translation adjustment	(8,637)	(7,257)
Remeasurements of defined benefit plans	(270)	(252)
Total accumulated other comprehensive income	1,555	2,046
Non-controlling interests	1,398	1,604
Total net assets	97,415	98,693
Total liabilities and net assets	167,285	172,561

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income**Quarterly consolidated statement of income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	60,026	72,043
Cost of sales	47,390	58,522
Gross profit	12,636	13,521
Selling, general and administrative expenses	9,580	10,115
Operating profit	3,055	3,405
Non-operating income		
Interest income	5	36
Dividend income	533	646
Share of profit of entities accounted for using equity method	–	17
Foreign exchange gains	77	708
Other	256	206
Total non-operating income	872	1,614
Non-operating expenses		
Interest expenses	91	140
Share of loss of entities accounted for using equity method	16	–
Expenses on inactive noncurrent assets	89	105
Other	69	126
Total non-operating expenses	267	372
Ordinary profit	3,661	4,647
Extraordinary income		
Gain on sale of investment securities	402	224
Gain on sale of non-current assets	124	–
Total extraordinary income	526	224
Extraordinary losses		
Loss on disposal of non-current assets	7	71
Loss on valuation of shares of subsidiaries and associates	212	–
Business restructuring expenses	103	–
Total extraordinary losses	322	71
Profit before income taxes	3,865	4,800
Income taxes	1,497	1,476
Profit	2,367	3,324
Profit (loss) attributable to non-controlling interests	(13)	59
Profit attributable to owners of parent	2,381	3,264

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	2,367	3,324
Other comprehensive income		
Valuation difference on available-for-sale securities	(736)	(1,018)
Deferred gains or losses on hedges	(12)	111
Foreign currency translation adjustment	337	1,510
Remeasurements of defined benefit plans, net of tax	73	18
Share of other comprehensive income of entities accounted for using equity method	0	38
Total other comprehensive income	(336)	659
Comprehensive income	2,030	3,983
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,015	3,755
Comprehensive income attributable to non-controlling interests	14	227

(3) Quarterly consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	3,865	4,800
Depreciation	2,567	2,520
Increase (decrease) in retirement benefit liability	113	(82)
Increase (decrease) in provision for directors' share-based compensation expenses	13	27
Increase (decrease) in allowance for doubtful accounts	(35)	(19)
Interest and dividend income	(539)	(682)
Interest expenses	91	140
Foreign exchange losses (gains)	74	(191)
Share of loss (profit) of entities accounted for using equity method	16	(17)
Loss (gain) on sale of property, plant and equipment and intangible assets	(133)	1
Loss on retirement of property, plant and equipment and intangible assets	6	4
Loss (gain) on sale of short-term and long-term investment securities	(402)	(224)
Loss on valuation of shares of subsidiaries and associates	212	-
Decrease (increase) in trade receivables and contract assets	2,249	969
Decrease (increase) in inventories	(2,609)	(6,347)
Increase (decrease) in trade payables	1,646	(1,273)
Increase (decrease) in leasehold and guarantee deposits received	1	5
Other, net	(843)	(389)
Subtotal	6,295	(759)
Interest and dividends received	549	695
Interest paid	(82)	(135)
Subsidies received	140	85
Income taxes paid	(1,226)	(1,603)
Net cash provided by (used in) operating activities	5,676	(1,718)
Cash flows from investing activities		
Decrease (increase) in time deposits	17	6
Purchase of property, plant and equipment and intangible assets	(1,999)	(2,227)
Proceeds from sale of property, plant and equipment and intangible assets	136	6
Purchase of investment securities	(7)	(7)
Proceeds from sale of investment securities	442	335
Loan advances	(167)	(3)
Proceeds from collection of loans receivable	0	49
Other, net	(86)	(138)
Net cash provided by (used in) investing activities	(1,663)	(1,978)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(8,959)	4,624
Proceeds from long-term borrowings	16	–
Repayments of long-term borrowings	(307)	(289)
Purchase of treasury shares	(1,534)	(1,291)
Repayments of lease liabilities	(83)	(70)
Dividends paid	(1,240)	(1,389)
Other, net	(496)	(497)
Net cash provided by (used in) financing activities	(12,606)	1,087
Effect of exchange rate change on cash and cash equivalents	98	422
Net increase (decrease) in cash and cash equivalents	(8,494)	(2,186)
Cash and cash equivalents at beginning of period	22,059	14,073
Cash and cash equivalents at end of period	13,564	11,887

(4) Notes to quarterly consolidated financial statements

(Notes on premise of going concern)

Not applicable.

(Notes on quarterly consolidated balance sheet)

(Contingent liabilities)

On June 30, 2022, a fire broke out at the logistics facility Ami No. 2 Logistics Center of SBS Flec Co., Ltd. (location: 6-1 Hoshinosato, Ami-machi, Inashiki-gun, Ibaraki) at which the Company's Chemical Products Division had conducted heat-insulating work. The fire was extinguished on July 5, 2022.

The cause of the fire is still under investigation by fire authorities. Depending on the cause of the fire and the results of discussions with concerned parties, there is a possibility that the Company may incur damages.

(Notes on significant changes in the amount of shareholders' equity)

1. Purchase of treasury shares

At the board of directors meeting held on May 12, 2022, the Company resolved to acquire treasury shares based on the provisions in Article 156 of the Companies Act, applied by replacing the provisions of Article 165, Paragraph 3 of the same Act, and is proceeding with the acquisition of treasury shares through market purchases on the Tokyo Stock Exchange from May 13, 2022 to December 31, 2022, with up to a total of 1,100,000 shares to be acquired at up to a total acquisition price of ¥2.0 billion. As a result, treasury shares increased by ¥1,290 million (632,800 shares) during the first six months of the fiscal year ending March 31, 2023.

2. Cancellation of treasury shares

At the board of directors meeting held on May 12, 2022, the Company resolved to cancel treasury shares based on the provisions of Article 178 of the Companies Act, and on May 23, 2022, the cancellation of 756,228 shares of treasury shares was carried out. This led to a decrease in retained earnings and treasury shares by ¥1,607 million each during the period under review.

As a result, treasury shares were ¥1,766 million at the end of the second quarter of the fiscal year ending March 31, 2023.

(Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements)

(Calculation of cost of tax)

The effective tax rate after applying the accounting effect of taxes on profit before taxes for the consolidated fiscal year including the quarter under review is reasonably estimated, and profit before taxes is multiplied by the estimated effective tax rate to calculate cost of tax. However, if the calculation of the cost of tax using the estimated effective tax rate results in significantly unreasonable results, the effective statutory tax rate is used.

(Additional information)

(Fire accident)

Regarding the fire accident described in "Notes on quarterly consolidated balance sheet (Contingent liabilities)," the cause of the fire is still under investigation by fire authorities and we have not yet determined the details and the amount of damage to the Company resulting from the fire at this point in time. The Company will announce any specific impact on earnings in the future as soon as it becomes clear.

(Impact of COVID-19)

There were no significant changes to the impact of COVID-19 described in the financial statements for the fiscal year ended March 31, 2022 (Additional information).

(Segment information)

I Six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

Information on the amounts of sales and profit or loss by reportable segment

(Millions of yen)

	Reportable segments						Adjustments (Note 1)	Amount recorded in the quarterly consolidated statement of income (Note 2)
	Textiles	Chemical Products	Advanced Technology	Food and Services	Real Estate	Total		
Sales								
Sales to outside customers	19,259	24,129	10,853	3,856	1,928	60,026	–	60,026
Intersegment sales or transfers	22	41	231	19	249	563	(563)	–
Total	19,282	24,170	11,084	3,875	2,177	60,590	(563)	60,026
Segment profit (loss)	(409)	1,280	1,296	8	1,406	3,583	(527)	3,055

(Notes) 1. The segment profit or loss adjustment of negative ¥527 million includes company-wide expenses of negative ¥517 million and other adjustments of negative ¥10 million. Company-wide expenses are mainly R&D expenses not attributable to the reportable segment.

2. Segment profit or loss is adjusted with operating profit in the quarterly consolidated statements of income.

II Six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

Information on the amounts of sales and profit or loss by reportable segment

(Millions of yen)

	Reportable segments						Adjustments (Note 1)	Amount recorded in the quarterly consolidated statement of income (Note 2)
	Textiles	Chemical Products	Advanced Technology	Food and Services	Real Estate	Total		
Sales								
Sales to outside customers	27,994	28,515	9,245	4,424	1,863	72,043	–	72,043
Intersegment sales or transfers	19	52	122	22	219	437	(437)	–
Total	28,014	28,568	9,368	4,447	2,082	72,481	(437)	72,043
Segment profit	365	1,469	566	242	1,276	3,920	(514)	3,405

(Notes) 1. The segment profit adjustment of negative ¥514 million includes company-wide expenses of negative ¥517 million and other adjustments of ¥3 million. Company-wide expenses are mainly R&D expenses not attributable to the reportable segment.

2. Segment profit is adjusted with operating profit in the quarterly consolidated statements of income.

(Relationship to revenue recognition)

Information on disaggregation of revenue from contracts with customers

[Breakdown by type of goods or services]

Six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

(Millions of yen)

	Reportable segments					Total
	Textiles	Chemical Products	Advanced Technology	Food and Services	Real Estate	
Yarns	6,572	–	–	–	–	6,572
Fabrics	9,333	–	–	–	–	9,333
Textile products (Sewn products, etc.)	5,789	–	–	–	–	5,789
Flexible polyurethane foam	–	8,019	–	–	–	8,019
Functional resin products	–	9,679	–	–	–	9,679
Housing construction products	–	3,930	–	–	–	3,930
Electronics businesses	–	–	5,626	–	–	5,626
Engineering businesses	–	–	3,312	–	–	3,312
Freeze-dried foods	–	–	–	3,154	–	3,154
Services	–	–	–	721	–	721
Others	–	4,373	2,732	–	–	7,106
Intersegment sales	(2,436)	(1,872)	(818)	(19)	–	(5,146)
Revenue from contracts with customers	19,259	24,129	10,853	3,856	–	58,098
Other revenue	–	–	–	–	1,928	1,928
Sales to outside customers	19,259	24,129	10,853	3,856	1,928	60,026

Six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(Millions of yen)

	Reportable segments					Total
	Textiles	Chemical Products	Advanced Technology	Food and Services	Real Estate	
Yarns	9,046	–	–	–	–	9,046
Fabrics	11,920	–	–	–	–	11,920
Textile products (Sewn products, etc.)	10,508	–	–	–	–	10,508
Flexible polyurethane foam	–	9,854	–	–	–	9,854
Functional resin products	–	11,282	–	–	–	11,282
Housing construction products	–	5,001	–	–	–	5,001
Electronics businesses	–	–	5,064	–	–	5,064
Engineering businesses	–	–	2,054	–	–	2,054
Freeze-dried foods	–	–	–	3,311	–	3,311
Services	–	–	–	1,135	–	1,135
Others	–	4,409	2,682	–	–	7,092
Intersegment sales	(3,480)	(2,032)	(555)	(22)	–	(6,091)
Revenue from contracts with customers	27,994	28,515	9,245	4,424	–	70,180
Other revenue	–	–	–	–	1,863	1,863
Sales to outside customers	27,994	28,515	9,245	4,424	1,863	72,043

3. Others

(Reference information)

(1) Changes in the number of employees (consolidated)

(Persons)

As of Sept. 30, 2020	4,233
As of Sept. 30, 2021	4,237
As of Sept. 30, 2022	4,180
As of Mar. 31, 2021	4,313
As of Mar. 31, 2022	4,164

Note: In addition to the above, there are also temporary employees and part-timers (981 as of Sept. 30, 2022).

(2) Changes in the balance of interest-bearing debt (consolidated)

(Millions of yen)

As of Sept. 30, 2020	20,456
As of Sept. 30, 2021	13,138
As of Sept. 30, 2022	17,590
As of Mar. 31, 2021	22,154
As of Mar. 31, 2022	12,364

Note: Total amount of long-term and short-term borrowings.

(3) Trends in amount of capital investment and depreciation (consolidated)

(Millions of yen)

	Amount of capital investment	Depreciation
Six months ended Sept. 30, 2020	2,900	2,465
Six months ended Sept. 30, 2021	1,563	2,567
Six months ended Sept. 30, 2022	2,096	2,520
Fiscal year ended Mar. 31, 2021	4,718	5,115
Fiscal year ended Mar. 31, 2022	3,608	5,191
Fiscal year ending Mar. 31, 2023 (Forecast)	6,600	5,200

(4) Forecast of full-year financial results for the fiscal year ending March 31, 2023 (consolidated)
(Millions of yen)

		Fiscal year ended Mar. 31, 2022	Fiscal year ending Mar. 31, 2023 (Forecast)
Net sales	Textiles	44,669	55,100
	Chemical Products	51,695	60,000
	Advanced Technology	23,593	25,000
	Food and Services	8,461	9,200
	Real Estate	3,795	3,700
	Total	132,215	153,000
Operating profit	Textiles	(177)	400
	Chemical Products	2,978	3,300
	Advanced Technology	2,776	2,100
	Food and Services	271	400
	Real Estate	2,746	2,300
	Eliminations and corporate	(1,067)	(1,100)
Total	7,528	7,400	
Ordinary profit		8,783	8,700
Profit attributable to owners of parent		5,602	6,000