

**Consolidated Financial Results for the Second Quarter of the Fiscal Year  
Ending March 31, 2023 (April 1, 2022 to September 30, 2022)  
<Japanese GAAP>**

November 7, 2022

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 Scheduled date of filing of quarterly consolidated financial statements: November 10, 2022  
 Supplementary materials for financial results: Available  
 Organization of financial results briefing: Available (for institutional investors and analysts)  
 Scheduled date of commencement of dividend payment: December 1, 2022

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

**1. Consolidated financial results for the second quarter of Fiscal Year 2022  
(April 1, 2022 to September 30, 2022)**

(1) Operating Results (cumulative)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2022 Q2	113,507	9.6	12,953	2.2	16,352	17.7	11,309	10.3
FY2021 Q2	103,525	15.8	12,671	77.5	13,895	80.4	10,249	119.7

Note: Comprehensive income FY2022 Q2 ¥13,751 million---11.4%; FY2021 Q2 ¥12,346 million---114.4%

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
FY2022 Q2	170.50	—
FY2021 Q2	154.51	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	255,487	166,337	64.6
As of March 31, 2022	246,924	155,522	62.5

(Reference) Shareholders' equity FY2022 Q2 ¥164,978 million; As of March 31, 2022 (FY2021) ¥154,286 million

**2. Dividends**

	Annual dividends				
	End of 1st quarter	End of 1st half	End of 3rd quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2021	—	42.00	—	44.00	86.00
FY2022	—	46.00			
FY2022 (Forecast)			—	46.00	92.00

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

\*For revisions of forecasts of dividends, please see the "Notice of Dividends from Surplus and Revisions to Annual Forecasts of Dividends" released separately today.

### 3. Forecast of consolidated financial results for Fiscal Year 2022 (April 1, 2022 to March 31, 2023)

(Percentage figures represent changes from previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	235,000	8.7	27,000	2.8	31,500	3.0	22,200	0.7	334.68

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

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

#### \*Notes

- (1) Changes in significant subsidiaries during the consolidated quarter under review: None
- (2) Application of specific accounting methods in the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatements
  - 1) Changes in accounting policies due to revision of accounting standards: None
  - 2) Changes other than those in 1) above: None
  - 3) Changes in accounting estimates: None
  - 4) Restatements: None
- (4) Number of shares outstanding (ordinary shares)
  - 1) Number of shares issued at the end of the period (including treasury stock)
 

FY2022 Q2 (As of September 30, 2022)	67,811,917 shares
FY2021 (As of March 31, 2022)	67,811,917 shares
  - 2) Number of shares of treasury stock at the end of the period
 

FY2022 Q2 (As of September 30, 2022)	1,479,758 shares
FY2021 (As of March 31, 2022)	1,479,228 shares
  - 3) Average number of shares outstanding during the period
 

FY2022 Q2 (As of September 30, 2022)	66,332,399 shares
FY2021 Q2 (As of September 30, 2021)	66,333,551 shares

\*The consolidated financial results for the second quarter of the fiscal year ending March 31, 2023 are not subject to quarterly review by a certified public accountant or auditor.

\*Information concerning proper use of financial forecasts and other special notes

Information concerning forward-looking statements

Forward-looking statements concerning financial forecasts contained in these materials are based on information available to the Company when the forecasts were made and certain assumptions judged to be reasonable. However, the Company makes no guarantee that those forecasts will be achieved. Actual results may differ significantly from the forecasts due to a variety of factors.

Disclaimer: This is a Japanese-English translation of the summary of financial statements of the Company produced for your convenience. Since no auditor audited this report, officially only the Japanese version is assumed to be the summary of financial statements of the Company. This summary does not constitute any guarantee and the Company will not compensate any losses and/or damage stemming from actions taken based on these statements. In the case that there is any discrepancy between the Japanese and English versions, the Japanese version is assumed to be correct.

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## 1. Qualitative information on the quarter under review

### (1) Explanation of operating results

During FY2022 Q2, the Japanese economy showed signs of moderate recovery. In the manufacturing industry, although capital investment and production were on a recovery trend, exports remained broadly flat. Overseas, while some weaknesses remained in China, there were signs of a recovery, and the US and emerging economies recovered.

In these conditions, the Group's net sales rose 9.6% year on year to ¥113,507 million. This was due to high demand for products for semiconductor production equipment, despite the impact of adjustments to automotive production.

In terms of profits, operating income rose 2.2% year on year to ¥12,953 million, ordinary income rose 17.7% year on year to ¥16,352 million, and profit attributable to owners of parent rose 10.3% year on year to ¥11,309 million.

Net sales by segment for the second quarter of the fiscal year are as follows:

Sales in the **Energy and Industrial Plants Division** rose 9.5% year on year to ¥30,680 million, due to strong demand for petroleum refining and petrochemicals in particular.

Sales in the **Industrial Products Division** increased 7.0% year on year to ¥24,401 million. This was due to steady demand for electronic components, sealing materials for infrastructure, and inorganic thermal insulation materials in Japan, which offset stalled shipments of environmental products due to lockdowns in Chinese cities to contain the spread of COVID-19.

Sales in the **Advanced Products Division** rose 28.4% year on year to ¥21,609 million, owing to strong orders received from steady investment for logic and foundries while some uncertainty developed in some investments, due to decline of demand for semiconductor memory.

Sales in the **Autoparts Division** rose 4.0% year on year to ¥23,051 million, due to the continuing weak yen trend in the exchange market despite lockdowns in Chinese cities due to the spread of COVID-19 and continued adjustments to automotive production due to supply chain turmoil.

Sales in the **Building Materials Division** rose 0.4% year on year to ¥13,765 million, owing to strong demand for fireproof coating.

### (2) Explanation of financial position

#### 1) Assets, liabilities, and net assets

Total assets at the end of the second quarter of the consolidated fiscal year ending March 31, 2023 were ¥255,487 million, up ¥8,563 million compared with the end of the previous fiscal year. This was largely because construction in progress fell by ¥1,187 million, while raw materials and supplies rose by ¥2,943 million, buildings and structures rose by ¥2,773 million, notes and accounts receivable – trade rose by ¥2,262 million, and electronically recorded monetary claims rose by ¥1,477 million.

Liabilities at the end of the second quarter of the fiscal year ending March 31, 2023, were ¥89,150 million, down ¥2,251 million compared with the end of the previous fiscal year. This was largely a result of decreases in income taxes payable of ¥1,115 million and in accounts payable – other of ¥1,066 million.

Net assets at the end of the second quarter of the fiscal year ending March 31, 2023 were ¥166,337 million, up ¥10,814 million compared with the end of the previous fiscal year. This was largely because valuation difference on available-for-sale securities fell by ¥662 million, while retained earnings rose by ¥8,390 million and foreign currency translation adjustment rose by ¥2,873 million.

#### 2) Cash flows

Cash and cash equivalents at the end of the second quarter of the fiscal year ending March 31, 2023 (hereinafter, "cash") fell by ¥47 million compared with the end of the previous fiscal year, to ¥54,366 million. Cash flows and factors affecting cash flows are as follows:

##### (Net cash provided by operating activities)

Net cash provided by operating activities was ¥5,517 million (compared with receipts of ¥15,475 million in the same period of the previous fiscal year). This was primarily because, although cash decreased due to ¥5,811 million in income taxes paid and a ¥2,424 million increase in inventories, and a ¥1,921 million decrease of accounts payable – other, cash increased due to ¥16,206 million in income before income taxes.

(Net cash used in investing activities)

Net cash used in investing activities was ¥3,837 million (compared with expenditures of ¥846 million in the same period of the previous fiscal year), mainly reflecting a decrease in cash due to ¥4,180 million in expenditures for the acquisition of property, plant and equipment.

(Net cash used in financing activities)

Net cash used in financing activities was ¥3,241 million (compared with expenditures of ¥2,804 million in the same period of the previous fiscal year), because of a decrease in cash due to ¥2,917 million in cash dividends paid.

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

The full-year earnings forecasts for the fiscal year ending March 31, 2023, announced on May 9, 2022, have been revised, largely to reflect earnings progress in the second quarter of the consolidated fiscal year. For details, please see the "Notice of Revisions to Earnings Forecasts" released separately today.

The Company prepared these earnings forecasts based on the information available as of the day that these materials were released, and actual results could differ from forecasts depending on a variety of factors.

## 2. Consolidated financial statements and related notes

### (1) Quarterly consolidated balance sheets

	(Millions of yen)	
	FY2021 (As of March 31, 2022)	FY2022 Q2 (As of September 30, 2022)
<b>Assets</b>		
<b>Current Assets</b>		
Cash and deposits	54,597	54,566
Notes and accounts receivable – trade	32,031	34,293
Electronically recorded monetary claims	10,860	12,338
Accounts receivable from completed construction contracts	21,488	20,508
Merchandise and finished goods	18,727	19,468
Work in process	3,618	3,878
Raw materials and supplies	13,364	16,308
Costs on uncompleted construction contracts	1,010	1,718
Others	3,742	3,442
Allowance for doubtful accounts	(19)	(15)
<b>Total current assets</b>	159,422	166,508
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	62,657	66,860
Accumulated depreciation and impairment loss	(36,221)	(37,651)
Buildings and structures, net	26,436	29,209
Machinery, equipment and vehicles	80,968	85,018
Accumulated depreciation and impairment loss	(67,651)	(70,895)
Machinery, equipment and vehicles, net	13,317	14,123
Land	14,821	14,876
Lease assets	239	196
Accumulated depreciation	(153)	(110)
Lease assets, net	86	86
Construction in progress	4,983	3,796
Others	11,875	12,363
Accumulated depreciation and impairment loss	(9,669)	(10,007)
Other, net	2,206	2,356
<b>Total property, plant and equipment</b>	61,851	64,449
<b>Intangible assets</b>		
Software	772	811
Others	635	563
<b>Total intangible assets</b>	1,407	1,375
<b>Investments and other assets</b>		
Investment securities	17,151	16,216
Long-term loans receivable	364	363
Net defined benefit asset	1,463	1,495
Deferred tax assets	1,355	1,407
Others	3,936	3,699
Allowance for doubtful accounts	(28)	(27)
<b>Total investments and other assets</b>	24,242	23,154
<b>Total noncurrent assets</b>	87,502	88,979
<b>Total assets</b>	246,924	255,487

(Millions of yen)

	FY2021 (As of March 31, 2022)	FY2022 Q2 (As of September 30, 2022)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable – trade	22,542	21,968
Electronically recorded monetary obligations	14,421	14,884
Current portion of bonds	-	5,000
Short-term loans payable	10,145	10,445
Accounts payable – other	6,047	4,981
Income taxes payable	6,087	4,972
Advances received on uncompleted construction contracts	190	374
Provision for bonuses	3,268	4,352
Others	5,021	4,351
<b>Total current liabilities</b>	<b>67,725</b>	<b>71,329</b>
<b>Noncurrent liabilities</b>		
Bonds payable	13,000	8,000
Long-term loans payable	625	-
Deferred tax liabilities	1,921	1,701
Net defined benefit liability	4,467	4,541
Reserves for litigation losses	460	282
Others	3,202	3,296
<b>Total noncurrent liabilities</b>	<b>23,677</b>	<b>17,821</b>
<b>Total liabilities</b>	<b>91,402</b>	<b>89,150</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	12,128	12,128
Capital surplus	13,857	13,857
Retained earnings	123,904	132,295
Treasury stock	(4,059)	(4,060)
<b>Total shareholders' equity</b>	<b>145,830</b>	<b>154,220</b>
<b>Total other cumulative comprehensive income</b>		
Valuation difference on available-for-sale securities	8,911	8,248
Foreign currency translation adjustment	890	3,763
Remeasurements of defined benefit plans	(1,346)	(1,254)
<b>Total other cumulative comprehensive income</b>	<b>8,455</b>	<b>10,758</b>
<b>Non-controlling interests</b>	<b>1,235</b>	<b>1,358</b>
<b>Total net assets</b>	<b>155,522</b>	<b>166,337</b>
<b>Total liabilities and net assets</b>	<b>246,924</b>	<b>255,487</b>

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

	(Millions of yen)	
	FY2021 Q2 (From April 1, 2021 to September 30, 2021)	FY2022 Q2 (From April 1, 2022 to September 30, 2022)
Net sales		
Net sales of merchandise and finished goods	76,452	86,600
Net sales of completed construction contracts	27,073	26,907
Total net sales	103,525	113,507
Cost of sales		
Cost of merchandise and finished goods sold	54,540	63,700
Cost of sales of completed construction contracts	23,082	22,969
Total cost of sales	77,622	86,670
Gross profit	25,903	26,836
Selling, general and administrative expenses		
Selling expenses	3,965	4,323
General and administrative expenses	9,266	9,559
Total selling, general and administrative expenses	13,231	13,882
Operating income	12,671	12,953
Non-operating income		
Interest income	41	41
Dividends income	227	278
Foreign exchange gain	386	2,046
Rent income	275	285
Equity in earnings of affiliates	38	20
Subsidies for employment adjustment	121	141
Gains on sales of investment securities	-	378
Other	291	360
Total non-operating income	1,382	3,554
Non-operating expenses		
Interest expenses	62	60
Other	96	95
Total non-operating expenses	158	156
Ordinary income	13,895	16,352
Extraordinary income		
Gain on sales of noncurrent assets	5	15
Gain on liquidation of affiliates	311	-
Total extraordinary income	316	15
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	67	48
Provision for litigation loss reserves	32	66
Loss related to COVID-19 pandemic	16	-
Loss due to disasters	73	46
Total extraordinary losses	189	161
Income before income taxes	14,022	16,206
Income taxes – current	4,126	4,916
Income taxes – deferred	(420)	(86)
Total income taxes	3,706	4,829
Net income	10,316	11,376
Net income attributable to non-controlling interests	67	67
Profit attributable to owners of the parent	10,249	11,309



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

	(Millions of yen)	
	FY2021 Q2 (From April 1, 2021 to September 30, 2021)	FY2022 Q2 (From April 1, 2022 to September 30, 2022)
Net income	10,316	11,376
Other comprehensive income		
Valuation difference on available-for-sale securities	1,148	(662)
Foreign currency translation adjustment	832	2,945
Remeasurement of defined benefit plans	49	92
Total other comprehensive income	2,029	2,374
Comprehensive income	12,346	13,751
Breakdown		
Comprehensive income attributable to owners of the parent company	12,256	13,611
Comprehensive income attributable to non-controlling interests	89	139

## (3) Quarterly consolidated statements of cash flows

(Millions of yen)

	FY2021 Q2 (From April 1, 2021 to September 30, 2021)	FY2022 Q2 (From April 1, 2022 to September 30, 2022)
Net cash provided by (used in) operating activities		
Income before income taxes	14,022	16,206
Depreciation & amortization	3,083	3,486
Loss (gain) on sales of property, plant and equipment	(5)	(15)
Loss (gain) on liquidation of affiliates	(311)	-
Loss (gain) on sales of investment securities	-	(378)
Decrease (increase) in net defined benefit assets	(28)	(31)
Increase (decrease) in net defined benefit liability	73	73
Increase (decrease) in provision for bonuses	879	1,062
Interest and dividends income received	(269)	(320)
Interest expenses	62	60
Foreign exchange losses (gains)	(376)	(1,495)
Decrease (increase) in notes and accounts receivable – trade	5,376	(1,717)
Decrease (increase) in inventories	(2,098)	(2,424)
Decrease (increase) in costs on uncompleted construction contracts	(219)	(713)
Increase (decrease) in notes and accounts payable – trade	(436)	(1,496)
Increase (decrease) in accounts payable – other	(684)	(1,921)
Increase (decrease) in accrued expenses	69	278
Increase (decrease) in advances received on uncompleted construction contracts	9	153
Increase (decrease) in provisions for litigation losses	(95)	(178)
Subsidies for employment adjustment	(121)	(141)
Loss related to COVID-19 pandemic	16	-
Loss due to disasters	73	46
Other	19	509
Subtotal	19,042	11,042
Interest and dividends income received	269	320
Interest expenses paid	(60)	(63)
Proceeds from subsidy income	23	38
Subsidies for employment adjustment received	16	7
Loss related to COVID-19 pandemic paid	(16)	-
Loss due to disaster paid	(69)	(19)
Income taxes paid	(3,741)	(5,811)
Income taxes refund	11	2
Net cash provided by (used in) operating activities	15,475	5,517
Net cash provided by (used in) investing activities		
Net decrease (increase) in time deposits	(267)	(0)
Expenditures for the acquisition of property, plant and equipment	(1,918)	(4,180)
Proceeds from sales of property, plant and equipment	8	31
Expenditures for the acquisition of intangible fixed assets	(140)	(110)
Proceeds from sales of investment securities	-	394
Payments of loans receivable	(3)	(0)
Collection of loans receivable	2	1
Proceeds from liquidation of affiliated companies	1,547	-
Other	(73)	26
Net cash provided by (used in) investing activities	(846)	(3,837)

(Millions of yen)

	FY2021 Q2 (From April 1, 2021 to September 30, 2021)	FY2022 Q2 (From April 1, 2022 to September 30, 2022)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	20	100
Proceeds from long-term borrowings	117	-
Repayment of long-term loans payable	-	(300)
Redemption of bonds	(200)	-
Cash dividends paid	(2,650)	(2,917)
Net decrease (increase) in treasury stock	(2)	(1)
Dividends paid to non-controlling interests	(9)	(16)
Other	(80)	(105)
Cash flows from financing activities	(2,804)	(3,241)
Effect of exchange rate change on cash and cash equivalents	358	1,513
Net increase (decrease) in cash and cash equivalents	12,182	(47)
Cash and cash equivalents at beginning of period	39,589	54,414
Cash and cash equivalents at end of period	51,772	54,366

(4) Notes regarding quarterly consolidated financial statements

(Notes regarding going concern assumption)

Not applicable

(Notes regarding significant changes in shareholders' equity [if any])

Not applicable

(Segment information)

Segment information

I. Second quarter of fiscal year 2021 (April 1, 2021 to September 30, 2021)

1. Information on net sales and profit (loss) by reporting segment

(Millions of yen)

	Reporting segments						Adjustments	Quarterly consolidated profit/loss posted
	Energy and Industrial Plants	Industrial Products	Advanced Products	Autoparts	Building Materials	Total		
Net sales								
Net sales to external customers	28,030	22,801	16,826	22,160	13,706	103,525	—	103,525
Intersegment sales or transfers	—	4,026	—	—	—	4,026	(4,026)	—
Total	28,030	26,828	16,826	22,160	13,706	107,552	(4,026)	103,525
Segment profit	2,596	3,916	3,716	2,302	139	12,671	—	12,671

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

Not applicable

II. Second quarter of fiscal year 2022 (April 1, 2022 to September 30, 2022)

1. Information on net sales and profit (loss) by reporting segment

(Millions of yen)

	Reporting segments						Adjustments	Quarterly consolidated profit/loss posted
	Energy and Industrial Plants	Industrial Products	Advanced Products	Autoparts	Building Materials	Total		
Net sales								
Net sales to external customers	30,680	24,401	21,609	23,051	13,765	113,507	—	113,507
Intersegment sales or transfers	—	5,014	—	—	—	5,014	(5,014)	—
Total	30,680	29,416	21,609	23,051	13,765	118,521	(5,014)	113,507
Segment profit (loss)	3,607	3,987	4,991	679	(311)	12,953	—	12,953

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

Not applicable

### 3. Supplementary materials

#### Financial results supplementary materials

(Percentage figures represent changes from previous fiscal year)

#### (1) Key consolidated financial figures (Trends)

(Millions of yen)

	First half			Full Year					
	FY2021	FY2022		FY2018	FY2019	FY2020	FY2021	FY2022	
	Result	Result	Change	Result	Result	Result	Result	Forecast	Change
Net sales	103,525	113,507	9.6%	215,495	208,876	196,372	216,236	235,000	8.7%
Operating income	12,671	12,953	2.2%	22,629	20,427	19,616	26,264	27,000	2.8%
Operating margin (%)	12.2%	11.4%		10.5%	9.8%	10.0%	12.1%	11.5%	
Ordinary income	13,895	16,352	17.7%	23,171	21,633	21,279	30,572	31,500	3.0%
Ordinary income margin (%)	13.4%	14.4%		10.8%	10.4%	10.8%	14.1%	13.4%	
Profit attributable to owners of the parent	10,249	11,309	10.3%	15,861	14,674	10,715	22,034	22,200	0.7%
Net income margin (%)	9.9%	10.0%		7.4%	7.0%	5.5%	10.2%	9.4%	
Basic earnings per share (yen)	154.51	170.50	10.3%	238.70	221.21	161.53	332.18	334.68	0.8%
Total assets	230,330	255,487	10.9%	206,426	208,076	219,602	246,924	—	—
Net assets	146,560	166,337	13.5%	117,774	127,233	136,450	155,522	—	—
Shareholders' equity	145,458	164,978	13.4%	116,786	126,297	135,429	154,286	—	—
Equity ratio (%)	63.2%	64.6%		56.6%	60.7%	61.7%	62.5%	—	—
Interest-bearing debt	25,652	25,444	(0.8)%	26,065	26,077	25,861	25,652	—	—
Interest-bearing debt ratio (%)	11.1%	10.0%		12.6%	12.5%	11.8%	10.4%	—	—
Capital expenditures	2,337	4,382	87.5%	12,816	8,978	7,703	11,355	10,700	(5.8)%
Depreciation & amortization	3,083	3,486	13.1%	5,760	6,274	6,536	6,616	7,100	7.3%
R&D expenses	2,746	2,773	1.0%	5,976	6,132	6,168	6,110	6,000	(1.8)%

The Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan Statement No. 29; March 31, 2020), etc. has been applied from the beginning of FY2021, and major management indicators, etc. for FY2021 reflect the application of these accounting standards.

#### (2) Quarterly consolidated operating results (Trends)

(Millions of yen)

	FY2021				FY2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Change
Net sales	52,272	51,253	56,294	56,416	54,617	58,889	14.9%
Operating income	6,600	6,071	7,399	6,193	6,589	6,364	4.8%
Operating margin (%)	12.6%	11.8%	13.1%	11.0%	12.1%	10.8%	
Ordinary income	7,208	6,686	8,184	8,492	8,263	8,088	21.0%
Ordinary income margin (%)	13.8%	13.0%	14.5%	15.1%	15.1%	13.7%	
Profit attributable to owners of the parent	5,416	4,832	5,728	6,056	5,617	5,691	17.8%
Net income margin (%)	10.4%	9.4%	10.2%	10.7%	10.3%	9.7%	

All forecasts and plans that are not historical facts in this document are future business results-related forecasts; these are based on information and data currently available to the company, and various uncertain factors could cause actual results to differ.