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MEMBERSHIP

November 7, 2022

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

Company name: Hokuetsu Industries Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 6364  
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 Scheduled date to commence dividend payments: December 2, 2022  
 Scheduled date to file quarterly securities report: November 11, 2022  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(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

(Percentages indicate year-on-year changes.)

Six months ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2022	22,437	32.9	2,461	46.2	3,134	74.8	2,149	74.0
September 30, 2021	16,888	10.1	1,683	120.4	1,793	111.5	1,235	139.3

Note: Comprehensive income For the six months ended September 30, 2022: ¥2,442 million [101.1%]  
 For the six months ended September 30, 2021: ¥1,214 million [81.6%]

Six months ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
September 30, 2022	75.71	-
September 30, 2021	42.88	-

## (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2022	49,641	33,172	66.5	1,163.40
March 31, 2022	45,827	31,303	68.0	1,097.97

Reference: Equity

As of September 30, 2022: ¥33,025 million

As of March 31, 2022: ¥31,161 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	–	10.00	–	20.00	30.00
Fiscal year ending March 31, 2023	–	15.00			
Fiscal year ending March 31, 2023 (Forecast)			–	20.00	35.00

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

## 3. Consolidated earnings forecasts for the fiscal 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
Fiscal year ending March 31, 2023	44,500	21.4	5,250	47.1	5,400	33.2	3,672	33.6	129.38

Note: Revisions to the earnings forecasts most recently announced: None

**\* Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Application of specific accounting for preparing the quarterly consolidated financial statements: None
- (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	30,165,418 shares
As of March 31, 2022	30,165,418 shares

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

As of September 30, 2022	1,778,461 shares
As of March 31, 2022	1,784,261 shares

(iii) Average number of shares outstanding during the period

Six months ended September 30, 2022	28,388,814 shares
Six months ended September 30, 2021	28,807,657 shares

Note: The number of treasury shares at the end of the period includes the Company's shares (340,100 shares for the six months ended September 30, 2022 and 345,900 shares for the fiscal year ended March 31, 2022) held by "Custody Bank of Japan, Ltd. (Trust Account E)." The Company's shares held by "Custody Bank of Japan, Ltd. (Trust Account E)" are included in treasury shares, which is deducted from the average number of shares outstanding during the period (338,243 shares for the six months ended September 30, 2022 and 319,543 shares for the six months ended September 30, 2021).

\* Financial results reports are exempt from audit 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 this material are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Moreover, actual business and other results may differ from the forecast due to various factors going forward. Please refer to "1. Qualitative information on financial results for the period under review, (3) Explanation of consolidated earnings forecasts and other forward-looking statements" on page 4 for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

(How to obtain supplementary material on quarterly financial results)

The Company is scheduled to hold a financial results briefing for institutional investors and analysts on Friday, November 25, 2022.

Supplementary material on quarterly financial results to be used in this financial results briefing will be posted on the Company's website shortly after the briefing.

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## 1. Qualitative information on financial results for the period under review

### (1) Explanation of operating results

During the six months ended September 30, 2022 (April 1, 2022 to September 30, 2022), as the Japanese economy moved toward normalization of economic and social activities due to the easing of restrictions related to COVID-19, the ongoing shortage of raw materials, including semiconductors, and soaring prices were among the factors that exerted downward pressure on the Japanese economy. In the global economy, the outlook remained uncertain, mainly due to lockdowns in multiple regions in China, logistical disruptions brought about by the prolonged situation with Russia and Ukraine, and soaring energy prices and marine transportation costs, as well as exchange rate fluctuations caused by the abrupt depreciation of the yen.

Amid such circumstances, the Group has been working on its growth strategy to become a company that “pursues new value every time and contributes to society and industry” as stated in its medium-term management plan “Medium-Term Vision 2024.” The Group also has been continuing to follow the guidelines for preventing the spread of COVID-19 and striving to win orders in regions where the economies are rapidly recovering, while promoting efforts to improve profits through company-wide efficiency drives and cost-cutting initiatives.

All of which has elicited the following results for the six months ended September 30, 2022:

	Six months ended September 30, 2021 (Millions of yen)	Six months ended September 30, 2022 (Millions of yen)	Year-on-year changes (%)
Net sales	16,888	22,437	32.9
[Domestic sales]	[9,666]	[11,809]	[22.2]
[International sales]	[7,221]	[10,628]	[47.2]
Operating profit	1,683	2,461	46.2
Ordinary profit	1,793	3,134	74.8
Profit attributable to owners of parent	1,235	2,149	74.0

Group operations are divided into two business segments, the status of each of which is as follows:

#### (Construction Machinery Business)

The key areas of this segment are engine compressors, engine generators and scissors lifters.

From a sales perspective, shipments of scissors lifters increased significantly against the backdrop of a recovery in privately funded new construction works in Japan. In overseas, although there were some factors that reduced sales, such as the continued suspension of shipments to Russia and the lockdowns in multiple regions in China, sales increased significantly due to a significant increase in orders from North America, a trend that continued from the previous fiscal year, and economic recovery triggered by the easing of restrictions related to COVID-19 in Southeast Asia. Additionally, the weakening of the yen against foreign currencies served as momentum for overseas as a whole, resulting in a significant increase in overall sales year on year. From a profit perspective, despite the rise in costs of steel and other materials, and transportation, which has been ongoing since the latter half of the previous fiscal year, the increase in sales and the effect of the record weak yen led an increase in profits year on year.

	Six months ended September 30, 2021 (Millions of yen)	Six months ended September 30, 2022 (Millions of yen)	Year-on-year changes (%)
Net sales	13,539	18,536	36.9
Segment profit	1,640	2,469	50.6

(Industrial Machinery Business)

The key areas of this segment are motor compressors, emergency generators, components and services.

From a sales perspective, despite sluggish shipments of emergency generators, shipments of our mainstay motor compressors remained strong due to the recovery of capital investment sentiment as well as our push to capture Japanese market share in order to achieve the targets set forth in the medium-term management plan. In addition, with the effect of OEM supply to KOBELCO COMPRESSORS CORPORATION, which started in the latter half of the previous fiscal year, overall sales increased year on year. From a profit perspective, product price hikes were unable to keep pace with the abrupt rise in raw material costs, resulting in a decrease in profits year on year.

	Six months ended September 30, 2021 (Millions of yen)	Six months ended September 30, 2022 (Millions of yen)	Year-on-year changes (%)
Net sales	3,348	3,900	16.5
Segment profit	544	536	(1.4)

(2) Explanation of financial position

(Assets, liabilities and net assets)

At the close of the second quarter under review, total assets of ¥49,641 million meant an increase of ¥3,814 million compared to the end of the previous fiscal year.

As described in “2. Quarterly consolidated financial statements and significant notes thereto, (3) Quarterly consolidated statement of cash flows,” current assets increased by ¥3,428 million to ¥35,920 million, mainly due to an increase in cash and deposits, as well as increases in notes and accounts receivable - trade, and contract assets, and merchandise and finished goods thanks to the growth of production and sales.

Non-current assets rose by ¥385 million to ¥13,721 million, mainly due to an increase in property, plant and equipment resulting from the construction of a branch in China, an increase in deferred tax assets, and an increase in investments in capital of subsidiaries and associates resulting from the application of the equity method.

The increase in current liabilities, rising by ¥1,688 million to ¥13,627 million, was mainly due to increases in notes and accounts payable - trade and electronically recorded obligations - operating thanks to the growth of production, and an increase in income taxes payable.

The increase in non-current liabilities, rising by ¥256 million to ¥2,841 million, was mainly due to an increase in bonds payable resulting from SDGs private placement bond issues.

Net assets increased by ¥1,869 million to ¥33,172 million, mainly due to an increase in retained earnings and an increase in foreign currency translation adjustment resulting from the weaker yen in exchange rates.

Consequently, the equity ratio at the end of the second quarter under review decreased by 1.5 points to 66.5% compared with the end of the previous fiscal year.

(Cash flows)

The level of cash and cash equivalents at the end of the second quarter under review increased by ¥1,578 million to ¥12,192 million compared with the end of the previous fiscal year.

Cash flows provided by operating activities was ¥2,301 million (compared with cash provided of ¥2,056 million in the corresponding period of the previous fiscal year), mainly due to profit before income taxes, despite income taxes paid.

Cash flows used in investing activities was ¥645 million (compared with cash used of ¥374 million in the corresponding period of the previous fiscal year), mainly due to purchase of property, plant and equipment, despite proceeds from redemption of investment securities.

Cash flows used in financing activities was ¥319 million (compared with cash used of ¥1,200 million in the corresponding period of the previous fiscal year), mainly due to dividends paid, despite proceeds from issuance of bonds.

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

The full-year consolidated earnings forecasts for the fiscal year ending March 31, 2023 have been revised from the earnings forecasts announced on May 10, 2022. For details, please refer to the “Notice of Revisions to Earnings Forecasts and Cash Dividends Forecasts” announced on October 28, 2022.

Please note that in light of the recent trends of operating results, the Company plans to revise the consolidated numerical targets stated in the medium-term management plan “Medium-Term Vision 2024” announced on May 30, 2022.

(4) Basic policy on profit distribution, and dividends for the current fiscal year

From the Company’s perspective, returning profit to shareholders is one of its top management priorities. As a general rule, dividends commensurate with earnings will continue to be paid, while efficiently using retained earnings for investments aiming to strengthen the business structure and boost profitability going forward.

Concerning the annual dividends for the current fiscal year, the Company plans to pay a year-end dividend of ¥35 per share as announced in the “Notice of Revisions to Earnings Forecasts and Cash Dividends Forecasts” announced on October 28, 2022, in addition to payment of an interim dividend of ¥15 per share with the record date of September 30, 2022, as resolved at the Board of Directors meeting held on November 7, 2022.

## 2. Quarterly consolidated financial statements and significant notes thereto

### (1) Quarterly consolidated balance sheet

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	10,943,932	12,522,306
Notes and accounts receivable - trade, and contract assets	15,045,324	16,357,078
Merchandise and finished goods	4,044,849	4,550,661
Work in process	207,934	252,048
Raw materials and supplies	1,223,282	1,550,225
Other	1,082,865	733,316
Allowance for doubtful accounts	(56,172)	(45,036)
Total current assets	32,492,016	35,920,601
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	8,859,613	8,874,256
Accumulated depreciation	(4,443,267)	(4,569,621)
Buildings and structures, net	4,416,346	4,304,635
Machinery, equipment and vehicles	8,656,006	8,665,931
Accumulated depreciation	(6,391,950)	(6,524,759)
Machinery, equipment and vehicles, net	2,264,055	2,141,172
Land	2,006,579	2,209,759
Construction in progress	168,639	272,348
Other	1,564,706	1,602,780
Accumulated depreciation	(1,430,233)	(1,458,782)
Other, net	134,473	143,998
Total property, plant and equipment	8,990,094	9,071,913
Intangible assets	65,228	117,203
<b>Investments and other assets</b>		
Investment securities	2,984,889	2,891,715
Investments in capital of subsidiaries and associates	528,753	634,709
Deferred tax assets	561,703	722,005
Other	210,492	298,479
Allowance for doubtful accounts	(5,876)	(14,941)
Total investments and other assets	4,279,963	4,531,968
Total non-current assets	13,335,285	13,721,085
Total assets	45,827,302	49,641,687



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(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	4,237,599	5,173,080
Electronically recorded obligations - operating	4,052,298	4,385,328
Short-term borrowings	100,000	100,000
Current portion of bonds payable	-	60,000
Income taxes payable	904,937	1,175,771
Provision for bonuses	683,160	935,751
Provision for bonuses for directors (and other officers)	50,240	40,524
Provision for product warranties	18,600	20,950
Other	1,892,029	1,735,986
Total current liabilities	11,938,864	13,627,392
Non-current liabilities		
Bonds payable	-	240,000
Deferred tax liabilities	2,440	2,777
Provision for share awards	174,896	182,545
Provision for share awards for directors (and other officers)	124,106	111,094
Retirement benefit liability	2,049,661	2,067,011
Asset retirement obligations	114,438	119,424
Other	119,457	118,756
Total non-current liabilities	2,585,000	2,841,611
Total liabilities	14,523,865	16,469,003
<b>Net assets</b>		
Shareholders' equity		
Share capital	3,416,544	3,416,544
Capital surplus	3,887,594	3,887,594
Retained earnings	24,278,736	25,853,620
Treasury shares	(1,354,354)	(1,348,301)
Total shareholders' equity	30,228,520	31,809,457
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	999,897	1,013,954
Foreign currency translation adjustment	20,966	281,338
Remeasurements of defined benefit plans	(87,775)	(79,358)
Total accumulated other comprehensive income	933,088	1,215,933
Non-controlling interests	141,827	147,292
Total net assets	31,303,436	33,172,683
Total liabilities and net assets	45,827,302	49,641,687

(2) Quarterly consolidated statements of income and comprehensive income  
Quarterly consolidated statement of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	16,888,033	22,437,381
Cost of sales	12,474,278	16,587,413
Gross profit	4,413,754	5,849,967
Selling, general and administrative expenses		
Packing and transportation costs	353,825	675,299
Provision of allowance for doubtful accounts	(44,961)	(1,997)
Provision for product warranties	1,870	2,350
Remuneration, salaries and allowances for directors (and other officers)	950,367	991,415
Provision for bonuses	330,184	386,922
Provision for bonuses for directors (and other officers)	26,740	20,244
Retirement benefit expenses	54,547	57,754
Provision for share awards	7,878	6,050
Provision for share awards for directors (and other officers)	12,136	13,053
Other	1,037,282	1,237,003
Total selling, general and administrative expenses	2,729,870	3,388,095
Operating profit	1,683,884	2,461,872
Non-operating income		
Interest income	3,082	4,078
Dividend income	32,582	43,287
Share of profit of entities accounted for using equity method	38,485	41,375
Foreign exchange gains	13,171	574,918
Other	45,897	20,765
Total non-operating income	133,219	684,425
Non-operating expenses		
Interest expenses	5,162	3,980
Bond issuance costs	-	3,024
Other	18,797	4,407
Total non-operating expenses	23,960	11,412
Ordinary profit	1,793,143	3,134,886
Extraordinary income		
Gain on disposal of non-current assets	5,105	309
Gain on sale of investment securities	2,050	9,371
Total extraordinary income	7,156	9,681
Extraordinary losses		
Loss on disposal of non-current assets	9,948	6,364
Total extraordinary losses	9,948	6,364
Profit before income taxes	1,790,352	3,138,202
Income taxes - current	625,230	1,148,720
Income taxes - deferred	(79,252)	(170,347)
Total income taxes	545,977	978,372
Profit	1,244,374	2,159,830
Profit attributable to non-controlling interests	9,240	10,404
Profit attributable to owners of parent	1,235,134	2,149,425

Quarterly consolidated statement of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	1,244,374	2,159,830
Other comprehensive income		
Valuation difference on available-for-sale securities	(122,781)	14,056
Foreign currency translation adjustment	56,004	192,596
Remeasurements of defined benefit plans, net of tax	7,046	8,416
Share of other comprehensive income of entities accounted for using equity method	29,883	67,774
Total other comprehensive income	(29,847)	282,845
Comprehensive income	1,214,527	2,442,675
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,205,286	2,432,270
Comprehensive income attributable to non-controlling interests	9,240	10,404

(3) Quarterly consolidated statement of cash flows

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,790,352	3,138,202
Depreciation	429,342	442,204
Increase (decrease) in retirement benefit liability	25,396	29,461
Increase (decrease) in provision for share awards	14,189	10,990
Increase (decrease) in provision for share awards for directors (and other officers)	12,004	13,054
Increase (decrease) in allowance for doubtful accounts	(44,961)	(2,070)
Increase (decrease) in provision for product warranties	1,870	2,350
Interest and dividend income	(35,664)	(47,366)
Interest expenses	5,162	3,980
Share of loss (profit) of entities accounted for using equity method	(38,485)	(41,375)
Loss (gain) on sale of investment securities	(2,050)	(9,371)
Loss (gain) on disposal of property, plant and equipment	4,842	6,054
Decrease (increase) in trade receivables	768,251	(822,036)
Decrease (increase) in inventories	(819,804)	(572,619)
Increase (decrease) in trade payables	657,756	1,248,115
Decrease (increase) in consumption taxes refund receivable	(225,146)	303,272
Increase (decrease) in accrued consumption taxes	(106,152)	(10,076)
Other, net	182,990	(538,535)
Subtotal	2,619,892	3,154,235
Interest and dividends received	35,745	47,389
Interest paid	(4,951)	(4,202)
Income taxes paid	(593,727)	(896,161)
Net cash provided by (used in) operating activities	2,056,959	2,301,260
<b>Cash flows from investing activities</b>		
Payments into time deposits	(330,154)	(330,159)
Proceeds from withdrawal of time deposits	330,149	330,156
Purchase of property, plant and equipment	(700,404)	(759,799)
Proceeds from sale of property, plant and equipment	5,292	244
Purchase of intangible assets	(16,880)	(14,687)
Purchase of investment securities	(376)	(375)
Proceeds from sale of investment securities	9,450	19,958
Proceeds from redemption of investment securities	327,930	108,970
Proceeds from collection of loans receivable	250	250
Proceeds from divestments	180	170
Net cash provided by (used in) investing activities	(374,563)	(645,273)

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	Six months ended September 30, 2021	Six months ended September 30, 2022
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	21,120	-
Repayments of long-term borrowings	(187,500)	-
Proceeds from issuance of bonds	-	300,000
Redemption of bonds	(500,000)	-
Repayments of lease liabilities	(8,502)	(9,004)
Purchase of treasury shares	(30,036)	(29,864)
Dividends paid	(493,172)	(575,517)
Dividends paid to non-controlling interests	(2,090)	(4,940)
Net cash provided by (used in) financing activities	(1,200,180)	(319,325)
Effect of exchange rate change on cash and cash equivalents	54,350	241,710
Net increase (decrease) in cash and cash equivalents	536,564	1,578,371
Cash and cash equivalents at beginning of period	11,049,865	10,613,775
Cash and cash equivalents at end of period	11,586,430	12,192,146

(4) Notes to quarterly consolidated financial statements

(Notes on the going-concern assumption)

Not applicable.

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

Not applicable.

(Additional information)

(Transactions of delivering the Company's own shares to employees, etc. through trusts)

The Company concludes transactions as part of efforts to deliver its own shares to employees, etc. through trust for the purpose of providing benefits to employees. As regards to how such trust agreements are usually accounted for, the Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts (ASBJ PITF No. 30, March 26, 2015), has been applied and the relevant accounting treatment implemented in accordance with the relevant guidelines.

i) Transaction overview

The Company issues points to its employees based on their individual contributions and other factors, and when they acquire entitlements under certain conditions, they will receive shares in the Company equivalent to the points thus granted. The shares to be provided to employees are acquired ahead of time using money set up in advance in a trust, then segregated and managed as trust assets.

ii) Company shares remaining in trust

The Company's shares remaining in the trust are recorded as treasury shares under net assets at their book value in the trust (excluding the incidental expenses incurred). The book value and number of such treasury shares were ¥202,876 thousand and 200,400 shares for the previous fiscal year and ¥228,490 thousand and 226,400 shares in the second quarter under review.

(Performance-linked share-based remuneration scheme for officers)

The Company has entered into transactions to issue its shares through a trust to directors (excluding those appointed as audit committee members and outside directors), executive officers and directors appointed as audit committee members (excluding outside directors) (hereinafter referred to as "Officers") for the purpose of providing incentives to the Officers. As regards how such trust agreements are usually accounted for, the Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts (ASBJ PITF No. 30, March 26, 2015), has been applied and the relevant accounting treatment implemented in accordance with the relevant guidelines.

i) Transaction overview

The Company will award certain points to the Officers according to the monthly remuneration amount, achievement level, etc. for the relevant fiscal year, and will provide the Company's shares according to the accumulated points when the officer retires. The shares to be provided to the Officers are acquired ahead of time using money set up in advance in a trust, then segregated and managed as trust assets.

ii) Company shares remaining in trust

The Company's shares remaining in the trust are recorded as treasury shares under net assets at their book value in the trust (excluding the incidental expenses incurred). The book value and number of such treasury shares were ¥144,890 thousand and 145,500 shares for the previous fiscal year and ¥113,223 thousand and 113,700 shares in the second quarter under review.

(Segment information)

Six months ended September 30, 2021

i) Information on net sales and profit or loss by reportable segment, and disaggregation of revenue

(Thousands of yen)

	Construction Machinery Business	Industrial Machinery Business	Total
Net sales			
Finished goods	12,748,380	2,292,472	15,040,852
Components	486,464	525,680	1,012,145
Services	305,076	529,958	835,034
Revenue from contracts with customers	13,539,921	3,348,111	16,888,033
Other revenue	–	–	–
Sales to external customers	13,539,921	3,348,111	16,888,033
Transactions with other segments	–	–	–
Total	13,539,921	3,348,111	16,888,033
Segment profit	1,640,227	544,314	2,184,541

ii) Differences between the total amount of profit or loss in reportable segments and the amount recorded on the quarterly consolidated statement of income, and details thereof (Reconciliation)

(Thousands of yen)

Profit	Amount
Total for reportable segments	2,184,541
Corporate expenses (Note)	(500,657)
Operating profit on the quarterly consolidated statement of income	1,683,884

Note: Corporate expenses mainly comprise general and administrative expenses and R&D expenses outside the scope of the reportable segments.

iii) Information on impairment loss of non-current assets and goodwill by reportable segments

Not applicable.

Six months ended September 30, 2022

i) Information on net sales and profit or loss by reportable segment, and disaggregation of revenue

(Thousands of yen)

	Construction Machinery Business	Industrial Machinery Business	Total
Net sales			
Finished goods	17,457,771	2,754,948	20,212,719
Components	615,388	557,873	1,173,262
Services	463,655	587,743	1,051,398
Revenue from contracts with customers	18,536,815	3,900,565	22,437,381
Other revenue	—	—	—
Sales to external customers	18,536,815	3,900,565	22,437,381
Transactions with other segments	—	—	—
Total	18,536,815	3,900,565	22,437,381
Segment profit	2,469,508	536,795	3,006,304

ii) Differences between the total amount of profit or loss in reportable segments and the amount recorded on the quarterly consolidated statement of income, and details thereof (Reconciliation)

(Thousands of yen)

Profit	Amount
Total for reportable segments	3,006,304
Corporate expenses (Note)	(544,431)
Operating profit on the quarterly consolidated statement of income	2,461,872

Note: Corporate expenses mainly comprise general and administrative expenses and R&D expenses outside the scope of the reportable segments.

iii) Information on impairment loss of non-current assets and goodwill by reportable segments

Not applicable.