

# **Consolidated Financial Summary Cumulative Third Quarter of FY2023**

(April 1, 2022 – December 31, 2022)

## **TS TECH Co.,Ltd.**

This document is an English translation of the Japanese language version of the consolidated financial summary that TS TECH Co., Ltd. has produced as a reference purpose.

In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



## Consolidated Financial Summary for the Third Quarter of FY2023 (under IFRS)

February 3, 2023

Company name: TS TECH CO., LTD. Stock exchange listing: Tokyo Stock Exchange  
 Stock code: 7313 URL: <https://www.tstech.co.jp>  
 Representative: Masanari Yasuda, President  
 Contact: Takeshi Otsuka, General Manager, Corporate Communication Department Tel. 048-462-1121  
 Scheduled date for filing of quarterly securities report: February 13, 2023  
 Scheduled date of commencement of dividend payment: —  
 Preparation of supplementary explanatory material: None  
 Quarterly results briefing: None

(Amounts of less than one million yen are rounded down to the nearest million yen)

### 1. Consolidated Financial Results for the Cumulative Third Quarter of FY2023 (April 1, 2022 – December 31, 2022)

#### (1) Consolidated Financial Results (Cumulative Total)

(%: year-on-year change)

	Revenue		Operating income		Income before tax		Net income		Income attributable to owners of parent		Total comprehensive income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Third quarter of FY2023	302,473	17.2	10,300	-31.8	13,147	-24.4	7,698	-40.7	3,467	-57.3	14,071	-20.8
Third quarter of FY2022	258,036	-0.0	15,110	-27.5	17,391	-41.1	12,984	-45.0	8,119	-54.2	17,770	-24.9

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Third quarter of FY2023	26.72	—
Third quarter of FY2022	60.47	—

#### (2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
	Million yen	Million yen	Million yen	%	Yen
Third quarter of FY2023	401,399	314,929	292,053	72.8	2,290.46
FY2022	415,985	325,583	296,855	71.4	2,234.73

### 2. Cash Dividends

	Annual cash dividends per share				
	End of 1Q	End of 2Q	End of 3Q	End of year	Annual
	Yen	Yen	Yen	Yen	Yen
FY2022	—	26.00	—	28.00	54.00
FY2023	—	30.00	—	—	—
FY2023 (forecast)	—	—	—	33.00	63.00

(Note) Revision from the most recent announcement of cash dividends forecasts: No

### 3. Consolidated Forecasts for FY2023 (April 1, 2022 – March 31, 2023)

(%: year-on-year change)

	Revenue		Operating income		Income before tax		Net income		Income attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2023	415,000	18.6	20,000	-13.0	22,800	-11.8	15,100	-19.7	9,400	-24.3	72.76

(Note) Revision from the most recent announcement of consolidated financial forecasts: No

\*Notes

(1) Changes in important subsidiaries during the quarter : None  
 (Changes in significant subsidiaries affecting the scope of consolidation during this period)  
 New subsidiaries — companies Excluded subsidiaries — companies

(2) Changes in accounting policies and accounting estimates  
 1) Changes in accounting policies required by IFRS : None  
 2) Changes other than 1) : None  
 3) Changes in accounting estimates : None

(3) Number of shares issued (common stock)

1) Number of shares issued at the end of the term including treasury stock	3Q of FY2023	136,000,000 shares	FY2022	136,000,000 shares
2) Number of treasury stock at the end of the term	3Q of FY2023	8,491,036 shares	FY2022	3,162,967 shares
3) Average number of shares during the term (cumulative)	3Q of FY2023	129,776,234 shares	3Q of FY2022	134,278,533 shares

\*This quarterly financial statement is exempt from quarterly reviews.

\*Explanation regarding the appropriate use of forecasts of financial results and other notes

The consolidated forecasts presented on the previous page are projections made by management at TS TECH Co., Ltd. (hereinafter the “Company”) on the basis of information available at the time of preparation. For that reason, they involve risks and uncertainties. Accordingly, we request that readers of this document avoid making investment decisions based exclusively on these forecasts. Please bear in mind the possibility that actual results may differ materially from these forecasts due to various important factors. Readers are asked to proceed to “(3) Qualitative Information Concerning Consolidated Forecasts” on page 4 for assumptions and other information that form the premise for the operating results forecast on the previous page.

○Table of Contents

1. Qualitative Information Concerning Quarterly Results .....	2
(1) Qualitative Information Concerning Consolidated Financial Results.....	2
(2) Qualitative Information Concerning Consolidated Financial Positions.....	4
(3) Qualitative Information Concerning Consolidated Forecasts .....	4
2. Condensed Quarterly Consolidated Financial Statements and Significant Notes Thereto .....	5
(1) Condensed Quarterly Consolidated Statement of Financial Position .....	5
(2) Condensed Quarterly Consolidated Statements of Income and Comprehensive Income .....	7
(3) Condensed Quarterly Consolidated Statement of Changes in Equity.....	9
(4) Condensed Quarterly Consolidated Statement of Cash Flows.....	11
(5) Notes Concerning Condensed Quarterly Consolidated Financial Statements .....	13

## 1. Qualitative Information Concerning Quarterly Results

### (1) Qualitative Information Concerning Consolidated Financial Results

Revenue for the cumulative third quarter of FY2023 (April 1, 2022 – December 31, 2022) reached 302,473 million yen on a consolidated basis, an increase of 44,437 million yen (17.2%) from the same period in FY2022, mainly due to the exchange rate impact and an improved model mix offsetting the impact of lower production by customers stemming from semiconductor supply shortages.

Looking at profits, operating income stood at 10,300 million yen, a decrease of 4,809 million yen (31.8%) year on year due to the impact of lower production, offsetting cost-cutting measures. Income attributable to owners of parent amounted to 3,467 million yen, a decrease of 4,651 million yen (57.3%) year on year.

\*USD/JPY average cumulative 3Q exchange rate... FY2022: ¥111.1 FY2023: ¥136.5

\*CNY/JPY average cumulative 3Q exchange rate... FY2022: ¥17.3 FY2023: ¥19.9

Operating performance by segment is as follows.

(Japan)

(Unit: Million yen)

	Cumulative third quarter of FY2022	Cumulative third quarter of FY2023	Difference	Change
Revenue	62,588	63,206	618	1.0%
Operating income	5,154	4,384	-770	-14.9%

Main factors for year-on-year change

Revenue	Revenue remained unchanged year on year primarily due to increased development revenue and the exchange rate impact, offsetting a change in model mix.
Operating income	Operating income decreased primarily due to temporary expenses resulting from a review of the human resources plan, offsetting cost-cutting measures.

(Americas)

(Unit: Million yen)

	Cumulative third quarter of FY2022	Cumulative third quarter of FY2023	Difference	Change
Revenue	104,314	138,006	33,691	32.3%
Operating income/loss	(2,307)	(5,094)	-2,787	—%

Main factors for year-on-year change

Revenue	Revenue increased primarily due to the exchange rate impact and an improved model mix, offsetting the impact of lower production by customers stemming from semiconductor supply shortages.
Operating income	Operating income decreased primarily due to the impact of lower production, offsetting cost-cutting measures.

\* The exchange rate impact stemming from a weak yen resulted in a decrease in operating income due to the recording of an operating loss.

(China)

(Unit: Million yen)

	Cumulative third quarter of FY2022	Cumulative third quarter of FY2023	Difference	Change
Revenue	85,073	93,354	8,280	9.7%
Operating income	15,029	14,831	-198	-1.3%

Main factors for year-on-year change

Revenue	Revenue increased primarily due to the exchange rate impact and an improved model mix, offsetting the impact of lower production by customers stemming from the COVID-19.
Operating income	Operating income remained unchanged year on year primarily due to an improved model mix and the exchange rate impact, offsetting the impact of lower production.

(Asia and Europe)

(Unit: Million yen)

	Cumulative third quarter of FY2022	Cumulative third quarter of FY2023	Difference	Change
Revenue	25,835	29,058	3,223	12.5%
Operating income	736	524	-211	-28.7%

Main factors for year-on-year change

Revenue	Revenue increased primarily due to increased production and the exchange rate impact, offsetting the impact of lower revenue due to the end of production* at our consolidated subsidiary in the UK.
Operating income	Operating income decreased primarily due to the end of production* at our consolidated subsidiary in the UK, offsetting the impact of higher revenue.

\* Production at TS TECH UK LTD, our consolidated subsidiary in the UK, ended in July 2021, and the company is scheduled to be dissolved during FY2023.

Sales by business segment are as follows:

(Unit: Million yen)

	Cumulative third quarter of FY2022		Cumulative third quarter of FY2023		Difference	Change
		Sales ratio		Sales ratio		
Motorcycles	4,149	1.6%	6,105	2.0%	1,956	47.2%
Automobiles	241,080	93.4%	282,829	93.5%	41,748	17.3%
(Seats)	216,798	84.0%	254,170	84.0%	37,371	17.2%
(Interior products)	24,281	9.4%	28,659	9.5%	4,377	18.0%
Other businesses	12,806	5.0%	13,538	4.5%	732	5.7%
Total	258,036	100.0%	302,473	100.0%	44,437	17.2%

\* Sales of “motorcycles” saw large increases year on year.

This is due to the inclusion of TS TECH (MANDAL) PRIVATE LIMITED, which operates the motorcycle business, in the scope of consolidation during the first quarter.

## (2) Qualitative Information Concerning Consolidated Financial Positions

### (Assets)

Assets at the end of the third quarter of FY2023 stood at 401,399 million yen, a decrease of 14,585 million yen from the end of FY2022. This change resulted mainly from a decrease in trade and other receivables driven by lower order volume from major customers and a decrease in other current assets due to the acquisition of treasury stock. This offset an increase in property, plant and equipment driven by capital investment.

### (Liabilities)

Liabilities at the end of the third quarter of FY2023 amounted to 86,470 million yen, down 3,931 million yen from the end of FY2022. This change is mainly due to a decrease in trade and other payables driven by lower order volume from major customers.

### (Equity)

Equity at the end of the third quarter of FY2023 was 314,929 million yen, down 10,653 million yen from the end of FY2022. This change is primarily the result of an increase in treasury stock and a decrease in retained earnings due to payment of cash dividends, offsetting an increase in other components of equity due to an increase in differences on translation from foreign operations.

## (3) Qualitative Information Concerning Consolidated Forecasts

Taking into account consolidated operating results for the cumulative third quarter of FY2023 as well as the current trend in orders from major customers and foreign exchange rates, the Company is keeping the consolidated forecasts announced on November 11, 2022 unchanged.

2. Condensed Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Unit: Million yen)

	FY2022 (As of March 31, 2022)	Third quarter of FY2023 (As of December 31, 2022)
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	139,585	139,611
Trade and other receivables	65,430	54,101
Other financial assets	9,700	15,458
Inventories	43,532	37,978
Income tax receivables	2,340	4,342
Other current assets	16,448	7,734
<b>Total current assets</b>	<b>277,037</b>	<b>259,226</b>
<b>Non-current assets</b>		
Property, plant and equipment	76,860	82,147
Intangible assets	10,580	10,721
Investments accounted for using the equity method	17,257	18,494
Other financial assets	27,097	23,645
Net defined benefit asset	4,311	4,115
Deferred tax assets	2,454	2,724
Other non-current assets	386	324
<b>Total non-current assets</b>	<b>138,947</b>	<b>142,173</b>
<b>Total assets</b>	<b>415,985</b>	<b>401,399</b>



(Unit: Million yen)

	FY2022 (As of March 31, 2022)	Third quarter of FY2023 (As of December 31, 2022)
<b>Liabilities and equity</b>		
<b>Current liabilities</b>		
Trade and other payables	67,024	64,560
Other financial liabilities	1,718	1,223
Income taxes payable	1,776	2,885
Provisions	217	197
Other current liabilities	6,830	6,390
<b>Total current liabilities</b>	<b>77,567</b>	<b>75,256</b>
<b>Non-current liabilities</b>		
Other financial liabilities	4,420	3,978
Net defined benefit liability	1,466	1,554
Provisions	157	167
Deferred tax liabilities	5,470	4,259
Other non-current liabilities	1,319	1,253
<b>Total non-current liabilities</b>	<b>12,834</b>	<b>11,213</b>
<b>Total liabilities</b>	<b>90,401</b>	<b>86,470</b>
<b>Equity</b>		
Capital stock	4,700	4,700
Capital surplus	5,150	5,362
Treasury stock	(4,737)	(12,502)
Retained earnings	270,031	266,296
Other components of equity	21,710	28,198
Total equity attributable to owners of parent	296,855	292,053
Non-controlling interests	28,727	22,875
<b>Total equity</b>	<b>325,583</b>	<b>314,929</b>
<b>Total liabilities and equity</b>	<b>415,985</b>	<b>401,399</b>

(2) Condensed Quarterly Consolidated Statements of Income and Comprehensive Income  
Condensed Quarterly Consolidated Statement of Income  
Consolidated Cumulative Third Quarter

(Unit: Million yen)

	Consolidated Cumulative Third Quarter of FY2022 (April 1, 2021 – December 31, 2021)	Consolidated Cumulative Third Quarter of FY2023 (April 1, 2022 – December 31, 2022)
Revenue	258,036	302,473
Cost of sales	(219,238)	(263,849)
Gross profit	38,797	38,624
Selling, general and administrative expenses	(25,483)	(28,934)
Other income	2,113	837
Other expenses	(318)	(228)
Operating profit	15,110	10,300
Finance income	1,887	2,360
Finance costs	(102)	(101)
Share of profit of investments accounted for using the equity method	496	588
Income before tax	17,391	13,147
Income tax expense	(4,407)	(5,449)
Net income	12,984	7,698
<b>Income attributable to</b>		
Owners of parent	8,119	3,467
Non-controlling interests	4,864	4,230
Net income	12,984	7,698
<b>Earnings per share</b>		
Basic earnings per share (yen)	60.47	26.72
Diluted earnings per share (yen)	—	—

Condensed Quarterly Consolidated Statement of Comprehensive Income  
Consolidated Cumulative Third Quarter

(Unit: Million yen)

	Consolidated Cumulative Third Quarter of FY2022 (April 1, 2021 – December 31, 2021)	Consolidated Cumulative Third Quarter of FY2023 (April 1, 2022 – December 31, 2022)
Net income	12,984	7,698
<b>Other comprehensive income</b>		
<b>Components that will not be reclassified subsequently to net profit or loss</b>		
Remeasurements of defined benefits plans	(76)	21
Financial assets measured at fair value through other comprehensive income	(243)	(1,049)
Share of other comprehensive income of entities accounted for using the equity method	(13)	(56)
Total components that will not be reclassified subsequently to net profit or loss	(334)	(1,084)
<b>Components that may be reclassified subsequently to net profit or loss</b>		
Differences on translation from foreign operations	4,622	6,260
Share of other comprehensive income of associates accounted for using the equity method	498	1,197
Total components that may be reclassified subsequently to net profit or loss	5,121	7,457
Other comprehensive income, net or tax	4,786	6,373
<b>Comprehensive income for the period</b>	<b>17,770</b>	<b>14,071</b>
<b>Comprehensive income for the period attributable to:</b>		
Owners of parent	11,800	9,955
Non-controlling interests	5,970	4,116
<b>Comprehensive income for the period</b>	<b>17,770</b>	<b>14,071</b>

## (3) Condensed Quarterly Consolidated Statement of Changes in Equity

Consolidated Cumulative Third Quarter of FY2022 (April 1, 2021 – December 31, 2021)

(Unit: Million yen)

	Equity attributable to owners of parent				
	Capital stock	Capital surplus	Treasury stock	Retained earnings	Other components of equity
Balance as at the end of the previous fiscal year	4,700	4,975	(2,657)	264,261	5,738
Comprehensive income					
Net income				8,119	
Other comprehensive income					3,681
Total comprehensive income	—	—	—	8,119	3,681
Transactions with owners, etc.					
Dividends				(6,646)	
Acquisition of treasury stock			(0)		
Disposal of treasury stock			73		
Share-based payments		126			
Establishment of subsidiary with non-controlling interests					
Changes in ownership in interest of subsidiaries					
Other					
Total transactions with owners, etc.	—	126	73	(6,646)	—
Balance as at the end of the fiscal year	4,700	5,101	(2,584)	265,734	9,419

	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance as at the end of the previous fiscal year	277,017	24,433	301,450
Comprehensive income			
Net income	8,119	4,864	12,984
Other comprehensive income	3,681	1,105	4,786
Total comprehensive income	11,800	5,970	17,770
Transactions with owners, etc.			
Dividends	(6,646)	(6,028)	(12,675)
Acquisition of treasury stock	(0)		(0)
Disposal of treasury stock	73		73
Share-based payments	126		126
Establishment of subsidiary with non-controlling interests	—	499	499
Changes in ownership in interest of subsidiaries	—		—
Other	—		—
Total transactions with owners, etc.	(6,447)	(5,528)	(11,975)
Balance as at the end of the fiscal year	282,370	24,874	307,245

## Consolidated Cumulative Third Quarter of FY2023 (April 1, 2022 – December 31, 2022)

(Unit: Million yen)

	Equity attributable to owners of parent				
	Capital stock	Capital surplus	Treasury stock	Retained earnings	Other components of equity
Balance as at the end of the previous fiscal year	4,700	5,150	(4,737)	270,031	21,710
Comprehensive income					
Net income				3,467	
Other comprehensive income					6,487
Total comprehensive income	—	—	—	3,467	6,487
Transactions with owners, etc.					
Dividends				(7,588)	
Acquisition of treasury stock			(7,847)		
Disposal of treasury stock		(83)	83		
Share-based payments		111			
Establishment of subsidiary with non-controlling interests					
Changes in ownership in interest of subsidiaries		183			
Other			(1)	385	
Total transactions with owners, etc.	—	211	(7,765)	(7,203)	—
Balance as at the end of the fiscal year	4,700	5,362	(12,502)	266,296	28,198

	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance as at the end of the previous fiscal year	296,855	28,727	325,583
Comprehensive income			
Net income	3,467	4,230	7,698
Other comprehensive income	6,487	(114)	6,373
Total comprehensive income	9,955	4,116	14,071
Transactions with owners, etc.			
Dividends	(7,588)	(10,156)	(17,745)
Acquisition of treasury stock	(7,847)		(7,847)
Disposal of treasury stock	—		—
Share-based payments	111		111
Establishment of subsidiary with non-controlling interests	—		—
Changes in ownership in interest of subsidiaries	183	187	371
Other	383		383
Total transactions with owners, etc.	(14,756)	(9,968)	(24,725)
Balance as at the end of the fiscal year	292,053	22,875	314,929

## (4) Condensed Quarterly Consolidated Statement of Cash Flows

(Unit: Million yen)

	Consolidated Cumulative Third Quarter of FY2022 (April 1, 2021 – December 31, 2021)	Consolidated Cumulative Third Quarter of FY2023 (April 1, 2022 – December 31, 2022)
<b>Cash flows from operating activities</b>		
Income before tax	17,391	13,147
Depreciation and amortization	8,294	8,912
Impairment loss	143	15
Loss (gain) on disposal of non-current assets	(812)	(183)
Finance income and finance costs	(1,190)	(1,748)
Share of loss (profit) of investments accounted for using the equity method	(496)	(588)
Decrease (increase) in trade and other receivables	2,527	13,379
Net decrease (increase) in leased receivables and investment assets	18	2,657
Decrease (increase) in inventories	(5,067)	7,562
Increase (decrease) in trade and other payables	(2,358)	(4,626)
Increase in net defined benefit asset or liability	179	275
Increase (decrease) in provisions	(2,185)	(12)
Other	3,046	(4,078)
Subtotal	19,491	34,712
Interest income received	818	1,273
Dividend income received	1,512	1,190
Interest expenses paid	(102)	(101)
Income taxes paid	(7,234)	(7,211)
<b>Cash flows from operating activities</b>	14,486	29,864
<b>Cash flows from investing activities</b>		
Payments into time deposits	(9,332)	(14,059)
Proceeds from withdrawal of time deposits	5,547	10,789
Purchase of property, plant and equipment	(8,829)	(10,256)
Proceeds from sales of property, plant and equipment	1,372	595
Purchase of intangible assets	(1,665)	(1,872)
Purchase of equity instruments	(1,186)	(75)
Proceeds from sales of equity instruments	0	—
Payments of loans receivable	(715)	(79)
Collection of loans receivable	169	107
Other	14	(51)
<b>Cash flows from investing activities</b>	(14,627)	(14,902)

(Unit: Million yen)

	Consolidated Cumulative Third Quarter of FY2022 (April 1, 2021 – December 31, 2021)	Consolidated Cumulative Third Quarter of FY2023 (April 1, 2022 – December 31, 2022)
<b>Cash flows from financial activities</b>		
Repayments of lease liabilities	(1,215)	(1,549)
Capital contribution from non-controlling interests	58	—
Proceeds from sales of interests in subsidiaries to non-controlling interests	—	450
Purchase of treasury stock	(0)	(7,847)
Decrease (increase) in deposits for purchase of treasury shares	—	7,870
Cash dividends paid	(6,657)	(7,600)
Dividends paid to non-controlling interests	(6,145)	(7,766)
<b>Net cash provided by (used in) financing activities</b>	<b>(13,960)</b>	<b>(16,444)</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>2,172</b>	<b>1,288</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(11,928)</b>	<b>(194)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>153,034</b>	<b>139,585</b>
<b>Increase in cash and cash equivalents from newly consolidated subsidiaries</b>	<b>—</b>	<b>220</b>
<b>Cash and cash equivalents at end of period</b>	<b>141,106</b>	<b>139,611</b>

## (5) Notes Concerning Condensed Quarterly Consolidated Financial Statements

(Notes Concerning Going Concern Assumption)

Not applicable

(Segment Information, etc.)

Information about revenue, profits or losses for reportable segments

Consolidated cumulative third quarter of FY2022 (April 1, 2021 – December 31, 2021)

(Unit: Million yen)

	Reportable segments					Adjustments	Amounts stated in consolidated F/S
	Japan	Americas	China	Asia and Europe	Total		
Revenue							
External revenue	47,175	104,102	81,833	24,925	258,036	—	258,036
Inter-segment transfer	15,412	212	3,240	910	19,775	(19,775)	—
Total	62,588	104,314	85,073	25,835	277,812	(19,775)	258,036
Segment profits (losses)	5,154	(2,307)	15,029	736	18,612	(3,502)	15,110
Finance income and finance costs	—	—	—	—	—	—	1,785
Return on investment using the equity method	—	—	—	—	—	—	496
Income before tax	—	—	—	—	—	—	17,391

(Notes) 1. Adjustments of -3,502 million yen for segment profits include a deduction of 253 million yen for among segments, and operating expenses of -3,755 million yen associated with the administration division of the headquarters of the parent company, which could not be allocated.

2. Segment profits are adjusted to operating income in the condensed quarterly consolidated statements of income.

Consolidated cumulative third quarter of FY2023 (April 1, 2022 – December 31, 2022)

(Unit: Million yen)

	Reportable segments					Adjustments	Amounts stated in consolidated F/S
	Japan	Americas	China	Asia and Europe	Total		
Revenue							
External revenue	45,067	137,477	91,959	27,969	302,473	—	302,473
Inter-segment transfer	18,139	529	1,394	1,089	21,152	(21,152)	—
Total	63,206	138,006	93,354	29,058	323,626	(21,152)	302,473
Segment profits (losses)	4,384	(5,094)	14,831	524	14,645	(4,344)	10,300
Finance income and finance costs	—	—	—	—	—	—	2,259
Return on investment using the equity method	—	—	—	—	—	—	588
Income before tax	—	—	—	—	—	—	13,147

(Notes) 1. Adjustments of -4,344 million yen for segment profits include a deduction of 163 million yen for transactions among segments, and operating expenses of -4,508 million yen associated with the administration division of the headquarters of the parent company, which could not be allocated.

2. Segment profits are adjusted to operating income in the condensed quarterly consolidated statements of income.