

Consolidated Financial Results for the Nine Months Ended December 31, 2023
<Under Japanese GAAP>

January 30, 2024

Company Name: SEKISUI CHEMICAL CO., LTD.
Listing: Tokyo Stock Exchange
Securities code: 4204 URL <https://www.sekisuiche.com>
Representative: Keita Kato, President
Inquiries: Futoshi Kamiwaki, Senior Managing Executive Officer
TEL: +81-3- 6748-6467
Scheduled date to file quarterly securities report: February 9, 2024
Scheduled date to commence dividend payments: -
Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results briefing: Yes

(Figures rounded down to the nearest million yen)

1. Consolidated financial results for the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

(1) Consolidated operating results (% figures represent changes from the same period of the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
December 31, 2023	923,931	1.3	65,834	5.4	72,814	-0.8	58,432	10.7
December 31, 2022	912,231	8.8	62,466	8.7	73,427	16.9	52,802	314.7

Note: Comprehensive Income For the nine months ended December 31, 2023: 79,511 million yen (30.6%)
For the nine months ended December 31, 2022: 60,883 million yen (839.7%)

	Profit attributable to owners of parent per share	Profit attributable to owners of parent per share (Diluted)
Nine months ended	yen	yen
December 31, 2023	137.22	—
December 31, 2022	120.88	—

(2) Consolidated financial position

	Total assets	Net assets	Equity to asset ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	1,252,474	764,720	58.8
As of March 31, 2023	1,228,131	732,525	57.4

Reference: Equity As of December 31, 2023: 736,514 million yen As of March 31, 2023: 705,026 million yen

2. Dividend status

(Date of Record)	Annual dividends per share				Total
	At the end of 1st Q	At the end of 2nd Q	At the end of 3rd Q	Fiscal year-end	
Fiscal year ended	yen	yen	yen	yen	yen
March 31, 2023	—	29.00	—	30.00	59.00
March 31, 2024	—	35.00	—	36.00	71.00
March 31, 2024 (Forecast)	—	—	—	36.00	71.00

Note: Revisions to the forecast of cash dividends most recently announced: No

3. Consolidated outlook for fiscal 2023 (April 1, 2023 to March 31, 2024)

(% figures represent changes from the same period of the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit attributable to owners of parent per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full Year	1,262,300	1.6	95,000	3.6	103,000	-1.2	75,000	8.3	177.98

Note: Recent revision of consolidated earnings estimates: 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 further details please refer to "(4) Notes to Consolidated Financial Statements (Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements)" on page 10 of the attached document "2. Consolidated Financial Statement and Notes."
- (3) Changes in accounting policy, changes in accounting estimates, and restatement
- a) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - b) Changes other than a): None
 - c) Changes in accounting estimates: None
 - d) Restatements: None

(4) Number of shares issued (common shares)

a) Number of shares issued at the end of the period (including treasury shares):	As of December 31, 2023	448,507,285	As of March 31, 2023	456,507,285
b) Number of treasury shares at the end of the period:	As of December 31, 2023	27,121,223	As of March 31, 2023	27,311,919
c) Average number of outstanding shares during the period (cumulative from the beginning of the fiscal year):	Nine months ended December 31, 2023	425,833,534	Nine months ended December 31, 2022	436,828,518

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

Note: Proper use of earnings forecasts, and other special matters

1. This report contains revisions to the consolidated forecasts for the fiscal year announced on October 30, 2023.
2. The earnings forecasts and other forward-looking statements presented in this report are based on information available at the time of its issue and on certain assumptions that the Group considers reasonable. Forward-looking statements in no capacity represent a guarantee that the Group will achieve the stated amounts. Various factors can cause actual results to differ materially from the forecasts. For important matters regarding the conditions associated with the assumptions of these forecasts and their appropriate use, please see "I. 2. Revision of the Consolidated Results Forecast and Other Forward-Looking Information" on page 3 of the Quarterly Financial Report (Attached document).

I. Qualitative Information and Financial Review

1. Consolidated Business Results

(1) Group Overview (April 1, 2023 to December 31, 2023)

Net Sales: 923.9 billion yen (+1.3%), Operating Profit: 65.8 billion yen (+5.4%), Ordinary Profit: 72.8 billion yen (-0.8%), Profit Attributable to Owners of Parent: 58.4 billion yen (+10.7%)

In the first three quarters of fiscal 2023, net sales reached a record high as a result of a certain level of recovery of automobile production as well as growth of sales of high value-added products and positive effects from foreign exchange rates, despite a sluggish domestic new housing market in a decreased number of houses ordered.

Operating profit reached a record high as a result of efforts to expand sales of high value-added products, secure profit, and control fixed costs, and positive effects from foreign exchange rates.

Ordinary profit decreased due to a year-on-year decrease in foreign exchange gains, while quarterly profit attributable to owners of the parent reached a record high due to gains on the sale of investment securities.

(2) Overview by Business Segment (April 1, 2023 to December 31, 2023)

[Housing Company]

Net Sales: 391.5 billion yen (+0.6%), Operating Profit: 19.4 billion yen (-9.3%)

In the first three quarters of fiscal 2023, net sales increased in the Housing Renovation business and Real Estate business, while in the Housing business, the number of houses ordered decreased year-on-year, and net sales remained flat year-on-year. Operating profit decreased due to rising prices for component parts, including the effects of foreign exchange rates.

As for orders received in the Housing business, the number of houses ordered decreased year-on-year due to lower purchasing intent caused by higher prices and other factors. In the Housing Renovation business, orders increased year-on-year due to reinforcement of sales structures, and higher sales of storage batteries and insulation renovations.

In terms of measures, we promoted “Smart and Resilience” in the Housing, Housing Renovation, and Town and Community Development businesses. In the Housing business, in addition to focusing on marketing activities that linked the Company’s website with model houses, showrooms, factory tours, and events, we took measures to enhance product and subdivision designs. The Company worked to reinforce sales structures in the Housing Renovation business, and initiated measures to strengthen the profitability of the Housing business, particularly by shifting personnel to growth areas such as the Housing Renovation business.

[Urban Infrastructure and Environmental Products Company]

Net Sales: 169.4 billion yen (-0.1%), Operating Profit: 13.9 billion yen (+4.9%)

In the first three quarters of fiscal 2023, while net sales remained flat year-on-year due to the impacts of the sluggish domestic housing market and delays in non-housing construction associated with labor shortages, profit reached a record high as a result of securing profit, controlling fixed costs, and taking

other measures.

In the Pipe Systems field, overall net sales in the field remained flat year-on-year as a result of efforts to secure profit and expand sales of domestic industrial piping materials, for which demand was firm, despite the sluggish domestic housing market and chlorinated polyvinyl chloride (CPVC) market in India, as well as the impact of delays in non-housing construction. Also, the acquisition of the pipe materials business of Shin-Etsu Polymer Co., Ltd. was completed.

In the Buildings and Infrastructures Composite Materials field, despite sluggish demand for housing equipment such as prefabricated baths and rain gutters, we focused on securing profit by improving selling prices. For synthetic lumber (FFU), orders progressed steadily in Japan and overseas. In addition, FFU production plant for railway sleepers started operation in October in Europe. For fire protection and non-combustible materials, demand remained steady, mainly for highly prioritized products. Accordingly, net sales overall remained flat year-on-year.

In the Infrastructure Renovation field, overall net sales increased year-on-year due to solid overseas orders and shipments for pipeline renewal materials, a recovery in domestic demand for water receiving tanks (panel tanks), and other factors.

[High Performance Plastics Company]

Net Sales: 306.2 billion yen (+2.3%), Operating Profit: 37.5 billion yen (+21.5%)

In the first three quarters of fiscal 2023, both sales and profits increased as a result of a recovery in automobile-related demand, foreign exchange effects, and efforts to maintain or improve selling prices, despite the impact of sluggish demand for building materials and consumer goods in Europe, the U.S., and Japan.

In the Electronics field, net sales remained flat year-on-year as semiconductor-related demand remained sluggish, while a certain level of recovery was seen in the smartphone market.

In the Mobility field, net sales increased year-on-year due to progress in improving selling prices, a recovery in automobile-related demand, expanded sales of high-performance interlayer films, mainly for heads-up displays, and other factors. In addition, SEKISUI AEROSPACE's efforts to improve its productivity progressed.

In the Industrial field, net sales decreased year-on-year due to the impact of sluggish demand for building materials and consumer goods in Europe, the U.S., and Japan.

[Medical Business]

Net Sales: 67.3 billion yen (+3.1%), Operating Profit: 8.0 billion yen (-9.4%)

In the first three quarters of fiscal 2023, net sales increased year-on-year as a result of demand remaining firm in both the Diagnostics business and the Pharmaceuticals & Fine Chemicals business, while profit decreased due to the impacts of delayed sales expansion of new products in the U.S., increased research and development costs, raising raw materials prices, the product mix, and other factors.

In the Diagnostics business, net sales increased year-on-year due to higher demand for infection testing in the domestic market, expanded sales of blood coagulation diagnostic reagents in China, and other factors.

In the Pharmaceuticals & Fine Chemicals business, net sales increased year-on-year due to increased demand for new active pharmaceutical ingredients and steady orders in the drug development solutions business.

2. Revision of the Consolidated Results Forecast and Other Forward-Looking Information

With regard to the full-year consolidated results forecast, considering factors such as the impacts of domestic housing demand remaining below expectations and foreign exchange rates, the company revised the forecast figures announced on October 30, 2023, as shown in the table below.

Revision to Consolidated Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

	Net Sales	Operating Profit	Ordinary Profit	Profit Attributable to Owners of Parent	Net Income per Share
Previous forecast (A) (Announced on October 30, 2023)	Millions of yen 1,280,000	Millions of yen 100,000	Millions of yen 103,000	Millions of yen 75,000	Yen 176.31
Revised forecast (B)	1,262,300	95,000	103,000	75,000	177.98
Change (B-A)	-17,700	-5,000	0	0	—
Change (%)	-1.4	-5.0	0.0	0.0	—
(Reference) Results for the previous fiscal year (FY2022)	1,242,521	91,666	104,241	69,263	159.19

Although the financial forecast is revised, no revision has been made to the dividend forecast (total annual dividend of 71 yen (interim dividend: 35 yen; year-end dividend: 36 yen)).

2. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	101,080	111,179
Notes receivable - trade	38,400	43,313
Accounts receivable - trade	153,380	155,648
Contract assets	752	670
Merchandise and finished goods	104,091	112,659
Land for sale in lots	64,154	65,113
Work in process	62,604	68,140
Raw materials and supplies	55,950	56,429
Advance payments to suppliers	4,055	3,750
Prepaid expenses	8,414	4,797
Short-term loans receivable	114	1,107
Other	29,616	25,399
Allowance for doubtful accounts	(965)	(1,081)
Total current assets	621,650	647,128
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	120,761	122,822
Machinery, equipment and vehicles, net	109,933	113,462
Land	83,828	85,643
Leased assets, net	19,961	21,395
Construction in progress	31,338	31,694
Other, net	11,558	13,137
Total property, plant and equipment	377,381	388,155
Intangible assets		
Goodwill	11,028	8,883
Software	15,614	15,558
Leased assets	117	123
Other	24,242	32,575
Total intangible assets	51,003	57,140
Investments and other assets		
Investment securities	137,314	113,658
Long-term loans receivable	1,163	1,094
Long-term prepaid expenses	1,970	1,980
Retirement benefit asset	15,284	15,189
Deferred tax assets	10,034	12,373
Other	14,483	17,111
Allowance for doubtful accounts	(2,154)	(1,359)
Total investments and other assets	178,096	160,049
Total non-current assets	606,481	605,345
Total assets	1,228,131	1,252,474

(Millions of yen)

As of March 31, 2023 As of December 31, 2023

Liabilities		
Current liabilities		
Notes payable - trade	759	787
Electronically recorded obligations - operating	28,777	15,674
Accounts payable - trade	107,067	105,275
Short-term borrowings	3,569	11,776
Current portion of bonds payable	—	30
Lease liabilities	5,156	5,170
Accrued expenses	41,177	39,373
Income taxes payable	11,817	19,541
Provision for bonuses	19,198	10,595
Provision for bonuses for directors (and other officers)	354	360
Provision for warranties for completed construction	3,105	2,568
Provision for share awards	115	83
Advances received	53,514	61,650
Other	53,364	59,214
Total current liabilities	327,978	332,102
Non-current liabilities		
Bonds payable	40,030	40,000
Long-term borrowings	56,187	46,612
Lease liabilities	15,515	17,080
Deferred tax liabilities	4,046	1,156
Retirement benefit liability	42,731	42,888
Provision for share awards	900	1,026
Other	8,216	6,886
Total non-current liabilities	167,627	155,651
Total liabilities	495,606	487,753
Net assets		
Shareholders' equity		
Share capital	100,002	100,002
Capital surplus	108,583	108,621
Retained earnings	468,094	482,447
Treasury shares	(46,637)	(48,678)
Total shareholders' equity	630,041	642,392
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	37,836	40,321
Deferred gains or losses on hedges	(24)	(16)
Revaluation reserve for land	321	320
Foreign currency translation adjustment	39,253	55,821
Remeasurements of defined benefit plans	(2,402)	(2,325)
Total accumulated other comprehensive income	74,984	94,121
Non-controlling interests	27,498	28,205
Total net assets	732,525	764,720
Total liabilities and net assets	1,228,131	1,252,474

(2) Consolidated Statements of Income and Statement of Comprehensive Income

(Consolidated Statements of Income)

Nine months ended December 31, 2023

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	912,231	923,931
Cost of sales	635,395	635,919
Gross profit	276,835	288,012
Selling, general and administrative expenses	214,369	222,178
Operating profit	62,466	65,834
Non-operating income		
Interest income	832	1,378
Dividend income	3,655	3,359
Share of profit of entities accounted for using equity method	1,061	—
Foreign exchange gains	5,312	2,859
Miscellaneous income	3,138	2,199
Total non-operating income	13,999	9,797
Non-operating expenses		
Interest expenses	595	860
Share of loss of entities accounted for using equity method	—	4
Miscellaneous expenses	2,442	1,951
Total non-operating expenses	3,038	2,816
Ordinary profit	73,427	72,814
Extraordinary income		
Gain on sale of investment securities	319	13,701
Gain on sale of shares of subsidiaries and associates	871	540
Total extraordinary income	1,191	14,242
Extraordinary losses		
Loss on sale and retirement of non-current assets	1,490	1,190
Total extraordinary losses	1,490	1,190
Profit before income taxes	73,128	85,867
Income taxes	19,237	26,337
Profit	53,891	59,529
Profit attributable to non-controlling interests	1,088	1,096
Profit attributable to owners of parent	52,802	58,432

Third Quarter, Fiscal 2023

(Millions of yen)

	Third Quarter Fiscal 2022 (from October 1, 2022 to December 31, 2022)	Third Quarter Fiscal 2023 (from October 1, 2023 to December 31, 2023)
Net sales	304,466	312,636
Cost of sales	210,444	212,775
Gross profit	94,021	99,861
Selling, general and administrative expenses	71,899	75,182
Operating profit	22,122	24,678
Non-operating income		
Interest income	343	483
Dividend income	450	543
Miscellaneous income	1,583	346
Total non-operating income	2,377	1,373
Non-operating expenses		
Interest expenses	224	243
Share of loss of entities accounted for using equity method	141	387
Foreign exchange losses	3,665	3,633
Miscellaneous expenses	941	508
Total non-operating expenses	4,972	4,773
Ordinary profit	19,527	21,278
Extraordinary income		
Gain on sale of investment securities	319	—
Gain on sale of shares of subsidiaries and associates	202	—
Total extraordinary income	521	—
Extraordinary losses		
Loss on sale and retirement of non-current assets	451	352
Total extraordinary losses	451	352
Profit before income taxes	19,598	20,926
Income taxes	5,489	6,458
Profit	14,108	14,468
Profit attributable to non-controlling interests	407	485
Profit attributable to owners of parent	13,700	13,982

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	53,891	59,529
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,618)	3,527
Deferred gains or losses on hedges	6	0
Foreign currency translation adjustment	8,878	17,425
Remeasurements of defined benefit plans, net of tax	(493)	31
Share of other comprehensive income of entities accounted for using equity method	219	(1,003)
Total other comprehensive income	6,991	19,982
Comprehensive income	60,883	79,511
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	59,385	77,569
Comprehensive income attributable to non-controlling interests	1,497	1,942

(3) Consolidated Statement of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Cash flows from operating activities		
Profit before income taxes	73,128	85,867
Depreciation	36,527	37,801
Amortization of goodwill	947	1,107
Loss on retirement of non-current assets	1,408	1,122
Loss (gain) on sale of non-current assets	82	68
Increase or decrease in retirement benefit asset and liability	(233)	236
Loss (gain) on sale of investment securities	(319)	(13,701)
Loss (gain) on sale of shares of subsidiaries and associates	(871)	(540)
Increase (decrease) in provision for bonuses	(9,468)	(8,759)
Interest and dividend income	(4,488)	(4,737)
Interest expenses	595	860
Share of loss (profit) of entities accounted for using equity method	(1,061)	4
Decrease (increase) in trade receivables and contract assets	2,525	(1,771)
Decrease (increase) in inventories	(39,894)	(8,845)
Increase (decrease) in trade payables	(3,614)	(20,045)
Increase (decrease) in advances received	14,793	8,004
Other, net	(3,141)	2,782
Subtotal	66,913	79,453
Interest and dividends received	5,162	5,149
Interest paid	(596)	(967)
Income taxes refund	—	7,980
Income taxes paid	(37,403)	(26,862)
Net cash provided by (used in) operating activities	34,076	64,753
Cash flows from investing activities		
Purchase of property, plant and equipment	(34,265)	(34,129)
Proceeds from sale of property, plant and equipment	1,455	571
Payments into time deposits	(14,158)	(11,636)
Proceeds from withdrawal of time deposits	10,434	17,061
Purchase of investment securities	(658)	(791)
Proceeds from sale and redemption of investment securities	533	22,012
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,310)	—
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	2,655	314
Payments for acquisition of businesses	—	(790)
Proceeds from sale of shares of subsidiaries and associates	—	16,739
Purchase of intangible assets	(7,402)	(11,095)
Proceeds from sale of intangible assets	1,094	—
Decrease (increase) in short-term loans receivable	173	(912)
Other, net	254	57
Net cash provided by (used in) investing activities	(41,194)	(2,597)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	10,328	425
Repayments of lease liabilities	(4,247)	(4,319)
Proceeds from long-term borrowings	—	5
Repayments of long-term borrowings	(1,627)	(1,904)
Dividends paid	(23,831)	(27,846)
Dividends paid to non-controlling interests	(1,201)	(1,211)
Purchase of treasury shares	(25,198)	(16,171)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(1,868)	(3)
Other, net	140	80
Net cash provided by (used in) financing activities	(47,505)	(50,946)
Effect of exchange rate change on cash and cash equivalents	1,318	3,651
Net increase (decrease) in cash and cash equivalents	(53,305)	14,861
Cash and cash equivalents at beginning of period	133,739	85,207
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	—	8
Cash and cash equivalents at end of period	80,433	100,077

(4) Notes to Consolidated Financial Statements

(The premise of a going concern)

Not applicable.

(Significant Change in Shareholder Equity)

Not applicable.

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

(Calculation of tax expense)

Tax expenses are calculated by reasonably estimating the effective tax rate after applying tax effect accounting to profit before income taxes for the fiscal year, including the third quarter of the current fiscal year, and multiplying profit before income taxes (quarterly) by the estimated effective tax rate. However, if the calculation of tax expenses using such estimated effective tax rate would significantly lack rationality, tax expenses are calculated using the statutory tax rate. Income taxes - deferred are included in income taxes.

(Segment Information)

I Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

1. Information on the amounts of net sales, and profit or loss, for each reportable segment and information on disaggregation of revenue

(Millions of yen)

	Reportable Segments					Other (Notes 1,2)	Total
	Housing (Note 1)	UIEP	HPP	Medical	Total		
Net Sales							
Japan	390,415	131,518	84,658	33,883	640,476	1,415	641,892
North America	—	2,134	72,983	15,257	90,375	—	90,375
Europe	—	3,963	55,265	6,261	65,489	—	65,489
China	—	3,909	51,123	9,962	64,995	1,017	66,013
Asia	949	16,604	33,559	1,348	52,461	48	52,509
Others	—	2,143	4,869	639	7,651	—	7,651
Net sales to external customers	391,365	160,272	302,459	67,352	921,449	2,481	923,931
Intersegment sales or transfers	182	9,184	3,816	—	13,183	2,037	15,221
Total	391,547	169,457	306,276	67,352	934,633	4,519	939,152
Segment profit (loss)	19,440	13,934	37,557	8,006	78,939	(7,987)	70,951

(Note 1) Net sales in “Housing” include 32,600 million yen that does not correspond to revenue from contracts with customers under “Japan”.

Net sales in “Other” include 616 million yen that does not correspond to revenue from contracts with customers under “Japan”.

(Note 2) “Other” represents segments other than the reportable segments and includes provision of services and manufacturing and sales of film-type lithium-ion batteries and products not included in the reportable segments.

2. Difference between the total amount of profit or loss of the reportable segments and the amount recorded in the quarterly consolidated statement of income, and descriptions on such difference (matters on difference adjustment)

(Millions of yen)

Profit	Amount
Reportable segment total	78,939
Profit in “Other”	(7,987)
Intersegment eliminations	296
Corporate expenses (Note)	(5,413)
Operating profit in the quarterly consolidated statement of income	65,834

(Note) Corporate expenses are mainly general and administrative expenses not attributable to each reportable segment.

II Third quarter, fiscal 2023 (from October 1, 2023 to December 31, 2023)

1. Information on the amounts of net sales, and profit or loss, for each reportable segment and information on disaggregation of revenue

(Millions of yen)

	Reportable Segments					Other (Notes 1,2)	Total
	Housing (Note 1)	UIEP	HPP	Medical	Total		
Net Sales							
Japan	126,315	47,675	28,725	11,394	214,109	351	214,461
North America	—	873	24,312	6,071	31,257	—	31,257
Europe	—	1,153	18,405	2,049	21,608	—	21,608
China	—	1,272	19,555	3,490	24,318	306	24,625
Asia	385	5,134	12,167	432	18,119	11	18,131
Others	—	815	1,501	236	2,553	—	2,553
Net sales to external customers	126,700	56,924	104,667	23,674	311,967	669	312,636
Intersegment sales or transfers	20	2,878	1,329	—	4,227	667	4,895
Total	126,721	59,802	105,997	23,674	316,195	1,337	317,532
Segment profit (loss)	6,468	5,876	14,585	2,880	29,811	(2,880)	26,930

(Note 1) Net sales in “Housing” include 10,896 million yen that does not correspond to revenue from contracts with customers under “Japan”.

Net sales in “Other” include 185 million yen that does not correspond to revenue from contracts with customers under “Japan”.

(Note 2) “Other” represents segments other than the reportable segments and includes provision of services and manufacturing and sales of film-type lithium-ion batteries and products not included in the reportable segments.

2. Difference between the total amount of profit or loss of the reportable segments and the amount recorded in the quarterly consolidated statement of income, and descriptions on such difference (matters on difference adjustment)

(Millions of yen)

Profit	Amount
Reportable segment total	29,811
Profit in “Other”	(2,880)
Intersegment eliminations	126
Corporate expenses (Note)	(2,378)
Operating profit in the quarterly consolidated statement of income	24,678

(Note) Corporate expenses are mainly general and administrative expenses not attributable to each reportable segment.