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Consolidated Financial Statements for the First Three Quarters of the Fiscal Year Ending September 30, 2022 [Japan GAAP]

August 5, 2022

Company name:	Sanyo Trading Co., Ltd.	Listed on: Tokyo Stock Exchange Prime Market
Stock exchange code:	3176	URL https://www.sanyo-trading.co.jp/
Representative:	Masanobu Shintani, President & CEO	
Contact:	Hiroshi Shirai, Director, Executive Officer & Head of Administration Divisions Tel. +81-3-3518-1111	

Filing of quarterly report (scheduled): August 8, 2022
Start of distribution of dividends (scheduled): –
Supplementary documents of quarterly financial results: No
Quarterly investors' meeting: No

(Amounts have been rounded down to the nearest million yen.)

1. Consolidated Results for the First Three Quarters of the Fiscal Year Ending September 30, 2022 (October 1, 2021 to June 30, 2022)

(1) Consolidated Operating Results (First Nine Months) (% = year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three quarters ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2022	79,271	15.9	4,207	(17.2)	5,080	(9.7)	3,604	(4.9)
June 30, 2021	68,425	19.3	5,083	33.0	5,628	33.8	3,791	38.3

(Note) Comprehensive income: Three quarters ended June 30, 2022: 4,609 million yen (5.0% increase)
Three quarters ended June 30, 2021: 4,387 million yen (75.6% increase)

	Profit per share (basic)	Profit per share (diluted)
Three quarters ended	Yen	Yen
June 30, 2022	125.57	124.72
June 30, 2021	132.31	131.34

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
June 30, 2022	62,179	38,406	61.0
September 30, 2021	50,834	34,725	67.5

(Reference) Total equity: As of June 30, 2022: 37,955 million yen
As of September 30, 2021: 34,292 million yen

2. Dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	4Q-end	Annual
	Yen	Yen	Yen	Yen	Yen
FYE September 2021	–	19.00	–	20.00	39.00
FYE September 2022	–	19.00	–		
FYE September 2022 (estimate)				20.00	39.00

(Note) Revisions to the latest dividends forecast: No

3. Forecast of Consolidated Results for the Fiscal Year Ending September 30, 2022 (October 1, 2021 to September 30, 2022)

(% = year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share (basic)
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full fiscal year	94,000	4.7	5,800	5.3	6,300	1.8	4,200	(1.3)	146.30

(Note) Revisions to the latest consolidated earnings forecast: No

* Notes

(1) Changes in major subsidiaries during the first nine-month period: None
(changes in specified subsidiaries accompanying changes in the scope of consolidation)
New – (Company name) , Excluding – (Company name)

(2) Application of special accounting methods to the preparation of quarterly financial statements: Yes
(Note) For details, please refer to “2. Quarterly Consolidated Financial Statements and Major Notes (3) Notes to Quarterly Consolidated Financial Statements (Application of accounting processes specific to the preparation of quarterly consolidated financial statements)” on page 8 of the attached material.

(3) Changes in accounting principles and accounting estimates, and restatement of prior period financial statements after error corrections

(i) Changes in accordance with revisions to accounting and other standards:	Yes
(ii) Changes in items other than (i):	None
(iii) Changes in accounting estimates:	None
(iv) Restatement of prior period financial statements after error corrections:	None

(4) Number of shares issued and outstanding (common stock)

(i) Number of shares issued and outstanding as of the fiscal period end (including treasury stock)	
As of June 30, 2022:	29,007,708 shares
As of September 30, 2021:	29,007,708 shares
(ii) Number of treasury stock as of the fiscal period end	
As of June 30, 2022:	284,120 shares
As of September 30, 2021:	315,120 shares
(iii) Average number of shares during the period (first nine months)	
First 3Qs, FYE ending Sep. 2022:	28,703,796 shares
First 3Qs, FYE ended Sep. 2021:	28,653,138 shares

* These quarterly consolidated financial statements are not subject to quarterly review procedures by certified public accountants or an auditing firm.

* A Cautionary Note on Forward-Looking Statements
The earnings forecasts presented in this document are based upon currently available information and assumptions deemed rational and the Company does not guarantee their achievement. A variety of factors could cause actual results to differ materially from forecasts. For details about the assumptions in the earnings forecasts, notes on the use of the earnings forecasts, and other matters, please refer to 1. Qualitative Information on Quarterly Results (3) Explanation of Consolidated Earnings Forecasts and Other Future Predictions on page 3 of the attached report.

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1. Qualitative Information on Quarterly Results

(1) Explanation of Operating Results

During the first nine months (October 1, 2021 to June 30, 2022) of the consolidated fiscal year ending September 30, 2022, although the wave of COVID-19 infections due to the Omicron variant began to subside, the Japanese economy remained extremely unstable given soaring prices of energy and resources caused by Russia's invasion of Ukraine and the rapid depreciation of the yen. The outlook remains uncertain because of concerns about the impact of the seventh wave of COVID-19, the situation in Ukraine, financial and foreign exchange trends, and other factors, and thus it is expected that conditions will continue to be turbulent for some time.

Under these conditions, consolidated results for the first nine months under review were net sales of ¥79,271 million (up 15.9% year on year), operating profit of ¥4,207 million (down 17.2% year on year), ordinary profit of ¥5,080 million (down 9.7% year on year), and profit attributable to owners of parent of ¥3,604 million (down 4.9% year on year).

Results for each business segment are described below.

(i) Chemicals

Because demand for raw materials remained strong in a range of industries, robust sales of rubber merchandise continued. Among our chemical-related merchandise, our mainstay products maintained strong sales. Additionally, the sale of new environmentally conscious merchandise began in earnest. Life science-related merchandise achieved strong sales in export-related transactions despite the impact of logistics disruption.

As a result, the Chemicals segment recorded net sales of ¥27,828 million (up 18.1% year on year) and operating profit of ¥1,885 million (up 24.5% year on year).

(ii) Machinery & Industrial Products

Sales of merchandise related to industrial products were significantly affected by reductions in production at Japanese-affiliated auto manufacturers chiefly due to semiconductor shortages. Results related to products related to machinery and the environment were more severe because some main unit projects for feed processing equipment were postponed and because no sales of main units were recorded in the wood biomass-related businesses. There were new orders for merchandise related to scientific equipment but there was also a series of delays in delivery. In merchandise related to resource development, there was strong sales related to ocean development projects.

As a result, the Machinery & Industrial Products segment recorded net sales of ¥25,248 million (down 3.0% year on year) and operating profit of ¥2,082 million (down 38.1% year on year).

(iii) Overseas Subsidiaries

At Sanyo Corporation of America, sales of high water-absorption resin remained firm, but operating profit fell significantly from a year earlier due to additional tariffs imposed on auto parts made in China and an increase in selling, general and administrative expenses. At SANYO TRADING (SHANGHAI) CO., LTD., certain businesses were adversely affected by semiconductor shortages, but sales of auto parts were firm, while sales of rubber materials and lithium-ion battery materials were strong. Sanyo Trading Asia Co., Ltd. (Thailand)'s sales of auto parts were sluggish, affected by rising marine transportation costs and semiconductor shortages, but sales of rubber-related goods were quite strong. At SUN PHOENIX MEXICO, S.A. de C.V., both sales and profits decreased due to soaring marine transportation costs of auto parts imported from China, the reduced production of automobiles associated with semiconductor shortages, and other factors. Meanwhile, Sanyo Trading India Private Limited achieved strong sales of chemicals which contributed to profit. Sanyo Trading India Private Limited was included in the Company's scope of consolidation in the current fiscal year.

As a result, the Overseas Subsidiaries segment recorded net sales of ¥26,064 million (up 39.1% year on year) and operating profit of ¥1,091 million (up 17.0% year on year).

(2) Explanation of Financial Position

(Assets)

Current assets increased ¥11,773 million from the end of the previous fiscal year to ¥54,307 million chiefly reflecting a significant rise in trade receivables, merchandise and finished goods despite a fall in cash and deposits.

Non-current assets decreased ¥428 million from the end of the previous fiscal year to ¥7,871 million, reflecting a decrease in investment securities associated with the shift of a non-consolidated subsidiary into the scope of consolidation and the amortization of intangible assets such as goodwill and software.

Total assets at the end of the third quarter of the fiscal year under review stood at ¥62,179 million (an increase of ¥11,344 million from the end of the previous fiscal year).

(Liabilities)

Current liabilities increased ¥7,482 million from the end of the previous fiscal year to ¥22,150 million yen, resulting from an increase in accounts payable associated with increased merchandise and finished goods and a significant rise in bank loans.

Non-current liabilities increased ¥180 million from the end of the previous fiscal year, to ¥1,621 million mainly due to increases in retirement benefit liability and provision, deferred tax liabilities, and other items.

Liabilities at the end of the third quarter of the fiscal year under review came to ¥23,772 million (an increase of ¥7,663 million from the end of the previous fiscal year).

(Net assets)

Shareholders’ equity increased, reflecting profit attributable to owners of parent, and accumulated other comprehensive income also grew due to rises in foreign currency translation adjustment caused by depreciation of yen.

Net assets at the end of the third quarter of the fiscal year under review stood at ¥38,406 million (an increase of ¥3,681 million from the end of the previous fiscal year).

(3) Explanation of Consolidated Earnings Forecasts and Other Future Predictions

The consolidated results forecasts for the fiscal year ending September 30, 2022 are unchanged from those announced on November 5, 2021.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	Fiscal 2021 (As of September 30, 2021)	First three quarters of fiscal 2022 (As of June 30, 2022)
Assets		
Current assets		
Cash and deposits	8,663,587	8,092,961
Notes and accounts receivable - trade	15,185,494	–
Notes and accounts receivable - trade, and contract assets	–	20,928,550
Electronically recorded monetary claims - operating	1,368,600	1,883,471
Merchandise and finished goods	15,668,609	20,566,925
Work in process	8,148	15,044
Raw materials and supplies	2,649	52,855
Other	1,674,528	2,818,074
Allowance for doubtful accounts	(36,982)	(49,998)
Total current assets	42,534,636	54,307,884
Non-current assets		
Property, plant and equipment	3,154,366	3,311,607
Intangible assets		
Goodwill	529,323	389,406
Other	334,679	233,458
Total intangible assets	864,002	622,864
Investments and other assets		
Investment securities	3,283,299	2,763,232
Other	1,025,682	1,204,335
Allowance for doubtful accounts	(27,337)	(30,568)
Total investments and other assets	4,281,643	3,936,999
Total non-current assets	8,300,013	7,871,471
Total assets	50,834,649	62,179,356

(Thousand yen)

	Fiscal 2021 (As of September 30, 2021)	First three quarters of fiscal 2022 (As of June 30, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,399,644	12,091,440
Short-term borrowings	2,172,004	7,006,403
Current portion of long-term borrowings	90,040	90,040
Income taxes payable	938,024	713,528
Provisions	73,095	594,716
Other	1,994,933	1,654,580
Total current liabilities	14,667,743	22,150,710
Non-current liabilities		
Long-term borrowings	169,960	138,266
Provisions	46,066	73,770
Retirement benefit liability	902,240	946,945
Other	323,291	462,687
Total non-current liabilities	1,441,559	1,621,669
Total liabilities	16,109,302	23,772,379
Net assets		
Shareholders' equity		
Share capital	1,006,587	1,006,587
Capital surplus	398,863	397,298
Retained earnings	32,097,778	34,809,822
Treasury shares	(151,591)	(136,678)
Total shareholders' equity	33,351,637	36,077,029
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	891,444	809,477
Foreign currency translation adjustment	49,860	1,069,444
Total accumulated other comprehensive income	941,304	1,878,921
Share acquisition rights	111,370	116,566
Non-controlling interests	321,033	334,458
Total net assets	34,725,346	38,406,976
Total liabilities and net assets	50,834,649	62,179,356

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly consolidated statement of income

(First nine months)

(Thousand yen)

	First nine month period ended June 30, 2021 (from October 1, 2020 to June 30, 2021)	First nine month period ended June 30, 2022 (from October 1, 2021 to June 30, 2022)
Net sales	68,425,583	79,271,448
Cost of sales	56,003,093	66,656,636
Gross profit	12,422,489	12,614,811
Selling, general and administrative expenses	7,338,709	8,407,344
Operating profit	5,083,779	4,207,467
Non-operating income		
Interest income	12,765	10,484
Dividend income	68,310	81,346
Foreign exchange gains	446,690	683,081
Other	61,853	139,973
Total non-operating income	589,619	914,884
Non-operating expenses		
Interest expenses	12,994	23,461
Sales discounts	7,110	–
Loss on sales of trade receivables	5,787	7,434
Loss on valuation of investment securities	9,889	–
Other	9,187	10,845
Total non-operating expenses	44,969	41,741
Ordinary profit	5,628,430	5,080,610
Extraordinary income		
Gain on sales of investment securities	15,514	–
Gain on sales of non-current assets	19,578	–
Surrender value of insurance policies	18,742	–
Gain on bargain purchase	–	360,832
Total extraordinary income	53,835	360,832
Extraordinary losses		
Loss on sales of investments in capital of subsidiaries and associates	165,414	–
Total extraordinary losses	165,414	–
Profit before income taxes	5,516,851	5,441,443
Income taxes	1,705,229	1,815,408
Profit	3,811,621	3,626,034
Profit attributable to non-controlling interests	20,480	21,647
Profit attributable to owners of parent	3,791,140	3,604,386

Quarterly consolidated statement of comprehensive income

(First nine months)

(Thousand yen)

	First nine month period ended June 30, 2021 (from October 1, 2020 to June 30, 2021)	First nine month period ended June 30, 2022 (from October 1, 2021 to June 30, 2022)
Profit	3,811,621	3,626,034
Other comprehensive income		
Valuation difference on available-for-sale securities	270,315	(82,336)
Foreign currency translation adjustment	306,022	1,065,520
Total other comprehensive income	576,338	983,183
Comprehensive income	4,387,960	4,609,218
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	4,367,416	4,587,929
Comprehensive income attributable to non-controlling interests	20,543	21,288

(3) Notes to Quarterly Consolidated Financial Statements

(Notes related to the going concern assumption)

None

(Notes on significant fluctuations in shareholders' equity)

None

(Application of accounting processes specific to the preparation of quarterly consolidated financial statements)

Tax expenses are calculated by reasonably estimating the effective tax rate after the application of deferred tax accounting on earnings before income taxes in the consolidated fiscal year including the first nine months under review, and multiplying earnings before income taxes by said estimated effective tax rate.

(Changes in accounting policies)

1. Application of Accounting Standard for Revenue Recognition, etc.

The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, issued March 31, 2020; hereinafter, the "Revenue Recognition Accounting Standard"), etc. from the beginning of first three months of the fiscal year under review. Under the Revenue Recognition Accounting Standard, revenue is recognized when control over promised goods or services is transferred to customers, at an amount that the Company is expected to receive in exchange for the said goods or services. Applying the alternative handling prescribed in Paragraph 98 of the Implementation Guidance on Accounting Standard for Revenue Recognition (ASBJ Guidance No. 30, issued March 26, 2021), the Company is recognizing revenues from the domestic sale of merchandise or finished goods at the points of their shipment in cases where control over the concerned merchandise or finished goods moves to customers in a normal period after their shipment.
The principal changes resulting from the above are as follows.

- Revenue recognition for chargeable subcontracting

The Company derecognized inventories related to supplies sold to the subcontractor. However, in chargeable subcontracting where the Company is considered to effectively have repurchase obligations, the Company continues to recognize inventories and recognizes a liability related to the chargeable subcontracting for the amount equivalent to the inventories of the supplies remaining at the subcontractor at the end of the fiscal year.

- Revenue recognition for export sales

In export sales, compared to the previous method of recognizing revenue at the point of loading for shipment, the Company has changed to a method of recognizing revenue when risk burden is transferred to a customer according to trade conditions specified by Intercoms, etc.

- Revenue recognition for consideration given to customers and sales discounts

Part of the consideration given by the Company to customers, such as incentives, was accounted for as cost of sales. The Company has changed that and deducts the part of consideration from the transaction value. Sales discounts were accounted for as non-operating expenses. The Company has changed that and deducts the amounts of sales discounts from net sales.

- Revenue recognition for construction contracts

The Company applied the completed-contract method for construction contracts and has changed to the percentage-of-completion method for transactions in which performance obligations are deemed to be satisfied over a certain period time, and recognize revenue as the performance obligations are satisfied. The Company uses the input method to estimate progress in the fulfillment of performance obligations.

In adopting the Revenue Recognition Accounting Standard, etc., the Company followed the transitional treatment stipulated in the provision of Paragraph 84 of the Revenue Recognition Accounting Standard. The cumulative effect of retrospectively applying the new accounting policy to periods prior to the beginning of the first three months of the fiscal year under review has been added to or subtracted from retained earnings at the beginning of the first three months of the fiscal year under review, and the new accounting policy has been applied from the said beginning balance of retained earnings.

As a result, net sales for the first nine months of the fiscal year under review increased by ¥138,459 thousand, and cost of sales by ¥125,849 thousand. Non-operating expenses decreased by ¥8,785 thousand, ordinary profit and profit before income taxes increased by ¥21,396 thousand each. In addition, retained earnings at the beginning of the fiscal year under review declined by ¥16,975 thousand.

Because the Revenue Recognition Accounting Standard, etc. has been applied, "Notes and accounts receivable - trade," which was included in "Current assets" in the consolidated balance sheets for the previous fiscal year, began to be included in "Notes, accounts receivable-trade and contract assets" from the first three months of the consolidated fiscal year under review. "Advances received," which was included in "Other" in "Current liabilities" in the consolidated balance sheets for the previous fiscal year, is included in "Contract liabilities" in "Other" from the first three months of the consolidated fiscal year under review. In accordance with the transitional measures stipulated in paragraph 89-2 of the standard, the reported amounts for the previous fiscal year and for the first nine months thereof have not been reclassified to conform with the current classifications. Furthermore, in accordance with the transitional treatment stipulated in Paragraph 28-15 of the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12, issued March 31, 2020), a breakdown of revenue from contracts with customers for the first nine months of the previous fiscal year is omitted.

2. Application of Accounting Standard for Fair Value Measurement, etc.

We apply the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019, hereinafter the "Fair Value Measurement Accounting Standard") at the beginning of the first three months of the fiscal year under review. Accordingly, we have decided to continue to apply the new accounting policies specified in the Fair Value Measurement Accounting Standard and related measures according to the provisional treatment prescribed in Paragraph 19 of the Fair Value Measurement Accounting Standard and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). This change has no impact on the quarterly consolidated financial statements.

(Segment information, etc.)

[Segment information]

I. First nine months of fiscal year ended September 30, 2021 (from October 1, 2020, to June 30, 2021)

1. Information related to net sales and income (loss) by reportable segment

(Thousand yen)

	Reportable segments				Other (Note 1)	Total	Adjustment (Note 2)	Quarterly consolidated statement of income (Note 3)
	Chemicals	Machinery & Industrial Products	Overseas Subsidiaries	Total				
Net sales								
Sales to external customers	23,565,985	26,016,027	18,731,695	68,313,707	91,063	68,404,770	20,812	68,425,583
Intersegment internal sales and transfers	2,693,080	475,581	1,137,665	4,306,327	24,726	4,331,054	(4,331,054)	–
Total	26,259,065	26,491,608	19,869,360	72,620,035	115,789	72,735,825	(4,310,242)	68,425,583
Segment income (loss)	1,514,197	3,364,195	932,652	5,811,046	(50,970)	5,760,075	(676,295)	5,083,779

(Notes) 1. The category "Other" includes the business segments not included in the reportable segments, such as real estate leasing.

2. The adjustment consists of the following items.
   (1) An adjustment of net sales to external customers of ¥20,812 thousand is a foreign currency translation adjustment in relation to management accounting.
   (2) An adjustment of segment income (loss) of -¥676,295 thousand includes selling, general and administrative expenses that are not allocated to reportable segments of -¥666,170 thousand and a foreign currency translation adjustment of -¥127,962 thousand in relation to management accounting.
3. Segment income (loss) is reconciled with operating profit in the quarterly consolidated statement of income.

2. Matters related to changes in reportable segments

Business related to YPTECH Co., Ltd., which was previously included in the Chemicals segment, is included in the Machinery & Industrial Products segment starting in the first quarter in light of changes in the classification of operations for management.

3. Information on impairment loss in non-current assets and goodwill by reportable segment

(Significant changes in amount of goodwill)

During the first quarter, SANYO LIFE MATERIAL CO., LTD., which is a consolidated subsidiary of the Company, acquired NKS Corporation by way of absorption-type merger. As a result, goodwill increased ¥27,736 thousand in the Chemicals segment.

During the third quarter, the Company carried out an absorption-type merger of Global Trading Co., Ltd., which had been a non-consolidated subsidiary of the Company. As a result, goodwill increased ¥10,681 thousand in the Chemicals segment.

II. First nine months of fiscal year ending September 30, 2022 (from October 1, 2021, to June 30, 2022)

1. Information related to net sales and income (loss) by reportable segment

(Thousand yen)

	Reportable segments				Other (Note 1)	Total	Adjustment (Note 2)	Quarterly consolidated statement of income (Note 3)
	Chemicals	Machinery & Industrial Products	Overseas Subsidiaries	Total				
Net sales								
Sales to external customers	27,828,581	25,248,529	26,064,921	79,142,032	87,571	79,229,603	41,844	79,271,448
Intersegment internal sales and transfers	3,511,716	618,762	1,900,248	6,030,727	45,025	6,075,752	(6,075,752)	–
Total	31,340,298	25,867,291	27,965,170	85,172,760	132,596	85,305,356	(6,033,908)	79,271,448
Segment income (loss)	1,885,704	2,082,633	1,091,397	5,059,736	(131,204)	4,928,531	(721,064)	4,207,467

(Notes) 1. The category “Other” includes the business segments not included in the reportable segments, such as real estate leasing.

2. The adjustment consists of the following items.
   (1) An adjustment of net sales to external customers of ¥41,844 thousand is a foreign currency translation adjustment in relation to management accounting.
   (2) An adjustment of segment income (loss) of -¥721,064 thousand includes selling, general and administrative expenses that are not allocated to reportable segments of -¥592,342 thousand and a foreign currency translation adjustment of -¥275,986 thousand in relation to management accounting.

3. Segment income (loss) is reconciled with operating profit in the quarterly consolidated statement of income.

2. Matters related to changes in reportable segments

As stated in Changes in accounting policies, the Company began applying the Revenue Recognition Accounting Standard, etc., and changed their method of accounting in connection with revenue recognition from the first three months of the fiscal year under review. Accordingly, the Company changed the method of calculating income and loss for its business segments.

As a result of the change, net sales in the Chemicals, Machinery & Industrial Products, and Overseas Subsidiaries for the first nine months ended June 30, 2022 were ¥9,905 thousand less, ¥149,199 thousand more, and ¥834 thousand less, respectively, than net sales calculated by the previous method. Segment income in the Chemicals, Machinery & Industrial Products, Overseas Subsidiaries, was ¥6,952 thousand less, ¥20,397 thousand more, and ¥834 thousand less, respectively.

3. Information on impairment loss in non-current assets and goodwill by reportable segment

(Gain on bargain purchase)

Negative goodwill was posted in the Machinery & Industrial Products segment in association with the acquisition of shares of Scrum Inc. to make it a consolidated subsidiary. Negative goodwill of ¥360,832 thousand posted due to this event during the nine months under review.

Because the Gain on bargain purchase belongs to Extraordinary income, it is not included in the above segment profits.

(Revenue recognition)

A breakdown of revenue generated from contracts with customers

First nine months of fiscal year ending September 30, 2022 (from October 1, 2021 to June 30, 2022)

(Thousand yen)

	Reportable segments				Other (Note 1)	Adjustment (Note 2)	Total
	Chemicals	Machinery & Industrial Products	Overseas Subsidiaries	Total			
Japan	23,576,223	22,079,406	140,565	45,796,194	87,571	–	45,883,765
Asia	3,349,219	878,024	12,368,822	16,596,065	–	–	16,596,065
North America	657,847	1,042,070	12,438,623	14,138,540	–	–	14,138,540
Other	245,291	1,249,028	1,116,909	2,611,228	–	–	2,611,228
Revenue from contracts with customers	27,828,581	25,248,529	26,064,921	79,142,032	87,571	–	79,229,603
Other revenue	–	–	–	–	–	41,844	41,844
Sales to external customers	27,828,581	25,248,529	26,064,921	79,142,032	87,571	41,844	79,271,448

(Notes) 1. The category “Other” includes the business segments not included in the reportable segments, such as real estate leasing.

2. The adjustment amount is a foreign currency translation adjustment in relation to management accounting.

3. Revenue from contracts with customers is classified by country or region based on the locations of customers.