

**Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2022
(Six Months Ended September 30, 2021)**

[Japanese GAAP]

Company name: **C. Uyemura & Co., Ltd.** Listing: Second Section of the Tokyo Stock Exchange
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Scheduled date of filing of Quarterly Report: November 11, 2021
Starting date of dividend payment: -
Preparation of supplementary materials for quarterly financial results: Yes
Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)
Note: The original disclosure in Japanese was released on November 11, 2021 at 13:20 (GMT +9).

(All amounts are rounded down to the nearest million yen.)

1. Consolidated Financial Results (April 1, 2021 – September 30, 2021)

(1) Results of operations (Percentages represent year-over-year changes.)

	Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Sep. 30, 2021	33,027	25.5	6,226	63.9	6,559	63.9	4,543	55.6
Six months ended Sep. 30, 2020	26,319	8.2	3,799	12.4	4,003	15.1	2,920	19.4

Note: Comprehensive income (million yen) Six months ended Sep. 30, 2021: 6,332 (up 133.9%)
Six months ended Sep. 30, 2020: 2,706 (up 57.2%)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Six months ended Sep. 30, 2021	261.61	-
Six months ended Sep. 30, 2020	164.93	-

Notes: 1. Beginning with the first quarter of the fiscal year ending on March 31, 2022, the Company has applied the Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020). All figures for the six months ended September 30, 2021 incorporate this accounting standard.

2. The Company conducted a 2-for-1 common stock split effective on July 1, 2021. Net income per share has been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Sep. 30, 2021	90,587	72,272	79.8	4,193.94
As of Mar. 31, 2021	85,105	69,473	81.6	3,929.41

Reference: Shareholders' equity (million yen) As of Sep. 30, 2021: 72,272 As of Mar. 31, 2021: 69,473

Notes: 1. Beginning with the first quarter of the fiscal year ending on March 31, 2022, the Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020). All figures as of September 30, 2021 incorporate this accounting standard.

2. The Company conducted a 2-for-1 common stock split effective on July 1, 2021. Net assets per share have been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2021	-	0.00	-	180.00	180.00
Fiscal year ending Mar. 31, 2022	-	0.00	-	-	-
Fiscal year ending Mar. 31, 2022 (forecast)	-	-	-	90.00	90.00

Notes: 1. Revisions to the most recently announced dividend forecast: None

2. The Company conducted a 2-for-1 common stock split effective on July 1, 2021. Figures for the fiscal year ended March 31, 2021 are the actual amount of dividends before the stock split.

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 – March 31, 2022)

(Percentages represent year-over-year changes.)

	Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	65,000	16.2	12,000	26.4	12,500	26.0	8,400	17.8	474.76

Notes: 1. Revisions to the most recently announced consolidated forecast: Yes

2. The Company conducted a 2-for-1 common stock split effective on July 1, 2021. Net income per share in the consolidated forecast for the fiscal year ending March 31, 2022 are adjusted to reflect the stock split.

*Notes

- (1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None

Newly added: -

Excluded: -

- (2) Application of the specific method for accounting treatment for preparation of quarterly consolidated financial statements: None

- (3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

Note: For details, see “2. Quarterly Consolidated Financial Statements and Notes, (4) Notes to Quarterly Consolidated Financial Statements, Changes in Accounting Policies” on page 9 of the attachments.

- (4) Number of shares outstanding (common shares)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Sep. 30, 2021: 19,756,080 shares As of Mar. 31, 2021: 19,756,080 shares

2) Number of treasury shares at the end of the period

As of Sep. 30, 2021: 2,523,518 shares As of Mar. 31, 2021: 2,075,648 shares

3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2021: 17,368,693 shares Six months ended Sep. 30, 2020: 17,705,720 shares

Note: The Company conducted a 2-for-1 common stock split effective on July 1, 2021. The number of shares outstanding at the end of the period, number of treasury shares at the end of the period and average number of shares outstanding during the period have been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

*** The quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.**

*Cautionary statement with respect to forward-looking statements and other special items

Forecasts of future performance in this report are based on assumptions judged to be valid and information currently available to the Company, but are not promises by the Company regarding future performance. Actual results are affected by various factors and may differ substantially. For discussion of the assumptions and notes of caution for usage, please refer to “1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Forecast and Other Forward-looking Statements” on page 4 of the attachments.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

For the first half of the fiscal year ending on March 31, 2022 (hereinafter “the period under review”), the Japanese economy saw some signs of recovery with the gradual resumption of economic activities amid the lingering impact of the pandemic. However, the situation remained unstable due to the resurgence of COVID-19 caused by the spread of its variants. Despite an expected pickup in economy along with an increase in the vaccination rate, the outlook for the Japanese economy remains uncertain because it is not predictable when COVID-19 infection will be contained.

In the electronic device market, which is the Uyemura Group’s main market area, demand for servers remained solid backed by the commercialization of the 5G (5th generation mobile communication system) related technologies and the wider spread of telework. In the car electronics segment, the production of automobiles and other products was affected by the shortage of semiconductors although the production of semiconductors themselves continued for the supply-demand balance to improve.

In this environment, the Group has focused on the development of high value-added products, and proposal and sales activities for these products to make the operations more profitable.

As a result, consolidated sales for the period under review were 33,027 million yen (up 25.5% year-over-year), operating profit 6,226 million yen (up 63.9%), ordinary profit 6,559 million yen (up 63.9%), and profit attributable to owners of parent 4,543 million yen (up 55.6%). Due to the application of the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), net sales increased by 440 million yen, and operating profit and ordinary profit increased by 125 million yen each.

The results of operations by business segment are shown as below.

1) Surface finishing materials business

Both segment sales and profit of mainstay plating chemicals for printed wiring boards (PWBs) and package PWBs saw year-over-year increases thanks to an increase in 5G and semiconductor market demand.

Consequently, sales in the surface finishing materials business increased 39.1% year-over-year to 27,464 million yen and segment profit increased 59.6% year-over-year to 5,636 million yen.

2) Surface finishing machinery business

Segment sales of the surface finishing machinery business decreased year-over-year because of a decline in sales of general-purpose surface finishing machinery although demand for semiconductors and electronic components remained firm.

Consequently, sales in the surface finishing machinery business decreased 33.2% year-over-year to 2,808 million yen and segment profit increased 30.2% year-over-year to 293 million yen. Due to the application of the Accounting Standard for Revenue Recognition, net sales increased by 440 million yen and segment profit increased by 125 million yen.

3) Plating job business

Both segment sales and profit of the plating job business increased year-over-year. The business environment remained challenging with the persistent slowdown of the automotive industry in Thailand and Indonesia due to the spread of COVID-19. Meanwhile, plating job operations for PWBs in Taiwan continued to show strong performance.

Consequently, sales in the plating job business increased 17.8% year-over-year to 2,328 million yen and segment profit was 35 million yen (compared with segment loss of 191 million yen in the same period of the previous fiscal year).

4) Real estate rental business

Both segment sales and profit of the real estate rental business increased year-over-year thanks to the rent revision for an office building for rent in Shin-Osaka.

Consequently, sales in the real estate rental business increased 3.4% year-over-year to 418 million yen and segment profit increased 10.6% year-over-year to 253 million yen.

It is noted that sales of the segments above include intersegment sales and transfers.

(2) Explanation of Financial Position

1) Changes in financial position

Total assets increased 5,482 million yen from the end of the previous fiscal year to 90,587 million yen at the end of the period under review. This was primarily attributable to a 1,746 million yen increase in notes and accounts receivable-trade, and contract assets, a 1,661 million yen increase in land, a 740 million yen increase in merchandise and finished goods, a 738 million yen increase in work in process, and a 537 million yen increase in raw materials and supplies, which were partially offset by a 1,048 million yen decrease in cash and deposits.

Total liabilities increased 2,683 million yen from the end of the previous fiscal year to 18,315 million yen. This was primarily attributable to a 395 million yen increase in electronically recorded obligations-operating, a 278 million yen increase in deferred tax liabilities, a 272 million yen increase in notes and accounts payable-trade, and a 255 million yen increase in long-term accounts payable-other, which were partially offset by a 404 million yen decrease in income taxes payable.

Total net assets increased 2,798 million yen from the end of the previous fiscal year to 72,272 million yen. This was primarily attributable to a 3,001 million yen increase in retained earnings, a 1,705 million yen increase in foreign currency translation adjustment, which were partially offset by a 1,990 million yen increase in treasury shares.

As a result, the equity ratio decreased by 1.8 percentage points from 81.6% at the end of the previous fiscal year to 79.8%.

2) Cash flows

Cash and cash equivalents (hereinafter “net cash”) at the end of the period under review decreased 1,236 million yen from the end of the previous fiscal year to 24,912 million yen.

A summary of cash flows for the period under review is as follows:

(Cash flows from operating activities)

Net cash provided by operating activities was 3,567 million yen (compared with net cash provided of 3,545 million yen in the same period of the previous fiscal year). Positive factors included profit before income taxes of 6,562 million yen, depreciation of 926 million yen, and a 351 million yen increase in trade payables, while negative factors included income taxes paid of 2,246 million yen and a 1,909 million yen increase in inventories.

(Cash flows from investing activities)

Net cash used in investing activities was 1,682 million yen (compared with net cash used of 2,297 million yen in the same period of the previous fiscal year). Positive factors included proceeds from withdrawal of time deposits of 1,418 million yen, while negative factors included purchase of non-current assets of 1,786 million yen and payments into time deposits of 1,349 million yen.

(Cash flows from financing activities)

Net cash used in financing activities was 3,666 million yen (compared with 1,667 million yen used in the same period of the previous fiscal year). Negative factors included purchase of treasury shares of 2,000 million yen and dividends paid of 1,591 million yen.

(3) Explanation of Consolidated Forecast and Other Forward-looking Statements

Based on recent performance trends, we have revised the full-year consolidated forecast that we announced on May 14, 2021.

For more details, please refer to the press release titled “Differences between First Half Forecasts and Results and Revisions to Consolidated Forecast for the Fiscal Year Ending March 31, 2022” (Japanese version only) announced today (November 11, 2021).

2. Quarterly Consolidated Financial Statements and Notes**(1) Consolidated Balance Sheets**

	(Thousands of yen)	
	FY3/2021 (As of Mar. 31, 2021)	Second quarter of FY3/2022 (As of Sep. 30, 2021)
Assets		
Current assets		
Cash and deposits	30,541,231	29,492,998
Notes and accounts receivable-trade	15,780,705	-
Notes and accounts receivable-trade, and contract assets	-	17,526,827
Securities	44,077	51,821
Merchandise and finished goods	2,995,296	3,735,993
Work in process	1,578,340	2,317,100
Raw materials and supplies	1,709,607	2,247,516
Other	1,070,264	2,213,884
Allowance for doubtful accounts	(66,027)	(75,685)
Total current assets	53,653,495	57,510,456
Non-current assets		
Property, plant and equipment		
Buildings and structures	22,053,017	22,447,076
Accumulated depreciation	(13,176,134)	(13,738,047)
Buildings and structures, net	8,876,883	8,709,028
Machinery, equipment and vehicles	11,569,374	11,880,115
Accumulated depreciation	(9,153,911)	(9,514,982)
Machinery, equipment and vehicles, net	2,415,462	2,365,133
Land	4,382,771	6,043,925
Leased assets	356,133	378,498
Accumulated depreciation	(134,982)	(126,920)
Leased assets, net	221,151	251,577
Construction in progress	306,188	165,321
Other	5,466,948	5,739,924
Accumulated depreciation	(4,457,641)	(4,626,394)
Other, net	1,009,307	1,113,530
Total property, plant and equipment	17,211,764	18,648,517
Intangible assets	303,129	299,272
Investments and other assets		
Investment securities	12,865,612	12,966,819
Retirement benefit asset	151,616	154,554
Deferred tax assets	453,072	511,948
Other	535,635	568,066
Allowance for doubtful accounts	(68,829)	(72,068)
Total investments and other assets	13,937,108	14,129,319
Total non-current assets	31,452,002	33,077,109
Total assets	85,105,498	90,587,566

	(Thousands of yen)	
	FY3/2021 (As of Mar. 31, 2021)	Second quarter of FY3/2022 (As of Sep. 30, 2021)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	2,224,067	2,497,027
Electronically recorded obligations-operating	3,533,356	3,929,250
Short-term borrowings	473,063	478,133
Lease obligations	116,169	146,309
Income taxes payable	2,362,751	1,958,174
Provision for bonuses	164,659	314,016
Provision for bonuses for directors (and other officers)	177,250	88,625
Other	2,238,245	3,990,383
Total current liabilities	11,289,563	13,401,919
Non-current liabilities		
Long-term guarantee deposits	648,549	682,541
Lease obligations	245,140	301,621
Deferred tax liabilities	2,035,492	2,313,624
Provision for retirement benefits for directors (and other officers)	193,765	-
Retirement benefit liability	917,074	1,023,497
Long-term accounts payable-other	-	255,664
Other	302,214	336,390
Total non-current liabilities	4,342,235	4,913,339
Total liabilities	15,631,799	18,315,258
Net assets		
Shareholders' equity		
Share capital	1,336,936	1,336,936
Capital surplus	1,269,750	1,269,750
Retained earnings	68,100,768	71,101,934
Treasury shares	(4,527,433)	(6,518,163)
Total shareholders' equity	66,180,021	67,190,458
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	747,353	831,371
Foreign currency translation adjustment	2,505,718	4,211,276
Remeasurements of defined benefit plans	40,604	39,200
Total accumulated other comprehensive income	3,293,677	5,081,848
Total net assets	69,473,699	72,272,307
Total liabilities and net assets	85,105,498	90,587,566

(2) Consolidated Statements of Income and Comprehensive Income
(For the Six-month Period)

(Thousands of yen)

	First six months of FY3/2021 (Apr. 1, 2020 – Sep. 30, 2020)	First six months of FY3/2022 (Apr. 1, 2021 – Sep. 30, 2021)
Net sales	26,319,911	33,027,489
Cost of sales	17,771,902	21,636,231
Gross profit	8,548,009	11,391,257
Selling, general and administrative expenses	4,748,623	5,164,740
Operating profit	3,799,385	6,226,517
Non-operating income		
Interest income	79,359	68,443
Dividend income	34,006	41,527
Valuable resource recovery income	50,198	35,222
Foreign exchange gains	-	94,742
Subsidy income	68,308	58,760
Technical advisory fee income	-	11,460
Other	90,398	52,507
Total non-operating income	322,270	362,664
Non-operating expenses		
Interest expenses	5,777	5,000
Foreign exchange losses	70,856	-
Commission expenses	7,901	8,461
Commission for purchase of treasury shares	1,344	5,920
Loss on disposal of inventories	151	6,084
Other	32,209	3,902
Total non-operating expenses	118,239	29,369
Ordinary profit	4,003,415	6,559,813
Extraordinary income		
Gain on sale of non-current assets	10,673	15,858
Total extraordinary income	10,673	15,858
Extraordinary losses		
Loss on sale and retirement of non-current assets	4,009	13,055
Total extraordinary losses	4,009	13,055
Profit before income taxes	4,010,079	6,562,616
Income taxes-current	977,649	1,836,517
Income taxes-deferred	112,294	182,204
Total income taxes	1,089,944	2,018,721
Profit	2,920,135	4,543,895
Profit attributable to:		
Profit attributable to owners of parent	2,920,135	4,543,895
Other comprehensive income		
Valuation difference on available-for-sale securities	205,824	84,017
Foreign currency translation adjustment	(422,120)	1,705,557
Remeasurements of defined benefit plans, net of tax	2,794	(1,403)
Total other comprehensive income	(213,501)	1,788,171
Comprehensive income	2,706,633	6,332,066
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	2,706,633	6,332,066

(3) Consolidated Statements of Cash Flows

(Thousands of yen)

	First six months of FY3/2021 (Apr. 1, 2020 – Sep. 30, 2020)	First six months of FY3/2022 (Apr. 1, 2021 – Sep. 30, 2021)
Cash flows from operating activities		
Profit before income taxes	4,010,079	6,562,616
Depreciation	1,048,408	926,972
Increase (decrease) in allowance for doubtful accounts	(15,285)	4,841
Increase (decrease) in provision for bonuses for directors (and other officers)	(79,575)	(88,625)
Increase (decrease) in retirement benefit liability	40,692	49,044
Decrease (increase) in retirement benefit asset	(2,235)	(2,937)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	5,710	(193,765)
Interest and dividend income	(113,365)	(109,971)
Interest expenses	5,777	5,000
Loss (gain) on sale and retirement of non-current assets	(6,663)	(2,803)
Decrease (increase) in trade receivables	(376,298)	(721,590)
Decrease (increase) in inventories	641,484	(1,909,837)
Increase (decrease) in trade payables	(1,125,848)	351,816
Increase (decrease) in long-term accounts payable-other	-	255,664
Other, net	555,724	579,442
Subtotal	4,588,605	5,705,867
Interest and dividends received	117,176	113,363
Interest paid	(5,318)	(5,381)
Income taxes paid	(1,155,154)	(2,246,560)
Net cash provided by (used in) operating activities	3,545,309	3,567,288
Cash flows from investing activities		
Payments into time deposits	(1,218,504)	(1,349,395)
Proceeds from withdrawal of time deposits	123,040	1,418,150
Purchase of non-current assets	(749,464)	(1,786,806)
Proceeds from sale of non-current assets	18,818	42,925
Purchase of investment securities	(504,225)	(5,302)
Other, net	33,062	(1,775)
Net cash provided by (used in) investing activities	(2,297,273)	(1,682,204)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	20,720	2,080
Repayments of lease obligations	(68,831)	(76,418)
Purchase of treasury shares	(199,978)	(2,000,549)
Dividends paid	(1,419,167)	(1,591,238)
Net cash provided by (used in) financing activities	(1,667,256)	(3,666,126)
Effect of exchange rate change on cash and cash equivalents	(135,625)	544,862
Net increase (decrease) in cash and cash equivalents	(554,846)	(1,236,179)
Cash and cash equivalents at beginning of period	23,145,215	26,149,130
Cash and cash equivalents at end of period	22,590,369	24,912,950

(4) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Following the resolution approved by its Board of Directors meeting held on May 14, 2021, the Company acquired 451,500 shares of its treasury shares. In addition, the number of treasury shares decreased by 3,802 shares due to disposal of treasury shares as restricted stock compensation which was implemented on August 6, 2021. Primarily from these events, treasury shares increased 1,990,729 thousand yen during the period under review to 6,518,163 thousand yen as of the end of the period under review. The number of treasury shares reflects the 2-for-1 common stock split conducted on July 1, 2021.

Changes in Accounting Policies

Application of the Accounting Standard for Revenue Recognition

Beginning with the first quarter of the current fiscal year, the Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020). Based on this application, revenue expected to be received in exchange for the provision of goods and services is recognized when the control of the goods and services is transferred to customers. As a result, for contracts to which the acceptance inspection method was previously applied and for which the performance obligation is to be satisfied over a certain period of time, the Company has changed to a method of estimating the progress toward fulfillment of performance obligations and recognizing revenue based on the progress over a certain period of time.

For the application of the Accounting Standard for Revenue Recognition, in accordance with the transitional treatment prescribed in the proviso to Paragraph 84 of this standard, the cumulative effect of the retrospective application of the new accounting policies, if it is applied prior to the first quarter, is added to or subtracted from retained earnings at the beginning of the first quarter. The new standard is then applied beginning with this amount of retained earnings. However, the Company has applied the method prescribed in Paragraph 86 of this standard and has not retrospectively applied the new accounting policies to contracts in which almost all revenue were recognized in accordance with the previous treatment prior to the beginning of the first quarter. In addition, the Company has applied the method prescribed in Paragraph 86, Article 1 of the Accounting Standard for Revenue Recognition, and accounted for contract changes made prior to the beginning of the first quarter based on the contract terms after reflecting all contract changes, and added or subtracted the cumulative effect of such changes to retained earnings at the beginning of the first quarter.

As a result, net sales increased by 440 million yen, cost of sales increased by 314 million yen, and operating profit, ordinary profit and profit before income taxes increased by 125 million yen each in the period under review. In addition, the new standard increased retained earnings at the beginning of the current fiscal year by 54 million yen.

Due to the application of the Accounting Standard for Revenue Recognition, notes and accounts receivable-trade that were presented in the current assets section of the consolidated balance sheet in the previous fiscal year is, from the first quarter of the current fiscal year, included in notes and accounts receivable-trade, and contract assets. In accordance with the transitional treatment prescribed in Paragraph 89-2 of the Accounting Standard for Revenue Recognition, no reclassification has been made to the prior year's consolidated financial statements to conform to the new presentation. Furthermore, in accordance with the transitional treatment prescribed in Paragraph 28-15 of the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12, March 31, 2020), the Company has not presented information on revenue from contracts with customers broken down for the first half of the previous fiscal year.

Application of the Accounting Standards for Fair Value Measurement

Beginning with the first quarter of the current fiscal year, the Company has applied the Accounting Standard for Fair Value Measurement (ASBJ Statement No.30, July 4, 2019) and has applied the new accounting policies set forth by the Accounting Standard for Fair Value Measurement prospectively in accordance with the transitional treatment prescribed in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). There is no effect of this change on the quarterly consolidated financial statements.

Segment and Other Information

Segment Information

I. First six months of FY3/2021 (Apr. 1, 2020 – Sep. 30, 2020)

1. Information related to sales and profit or loss for each reportable segment

(Thousands of yen)

	Reportable segment					Other (Note 1)	Total	Adjustment	Amounts shown on consolidated statements of income/ comprehensive income (Note 2)
	Surface Finishing Materials	Surface Finishing Machinery	Plating Job	Real Estate Rental	Subtotal				
Sales									
Sales to third parties	19,727,860	4,205,613	1,976,218	404,284	26,313,976	5,934	26,319,911	-	26,319,911
Intersegment sales and transfers	16,536	1,075	-	-	17,611	-	17,611	(17,611)	-
Total	19,744,396	4,206,688	1,976,218	404,284	26,331,588	5,934	26,337,523	(17,611)	26,319,911
Segment profit (loss)	3,531,054	225,197	(191,018)	229,065	3,794,297	5,087	3,799,385	-	3,799,385

Notes: 1. The “Other” business segment consists of activities that are not included in any of the four reportable segments, and its sales include royalty revenue.

2. Total segment profit (loss) is equal to operating profit shown on the quarterly consolidated statements of income and comprehensive income.

II. First six months of FY3/2022 (Apr. 1, 2021 – Sep. 30, 2021)

1. Information related to sales and profit or loss for each reportable segment and on breakdown of revenues

(Thousands of yen)

	Reportable segment					Other (Note 1)	Total	Adjustment	Amounts shown on consolidated statements of income/ comprehensive income (Note 2)
	Surface Finishing Materials	Surface Finishing Machinery	Plating Job	Real Estate Rental	Subtotal				
Net sales									
Japan	9,543,535	1,963,120	-	-	11,506,655	8,665	11,515,321	-	11,515,321
Taiwan	7,365,313	305,282	523,195	-	8,193,790	-	8,193,790	-	8,193,790
China	5,323,688	308,277	-	-	5,631,965	-	5,631,965	-	5,631,965
South Korea	1,857,299	4,574	-	-	1,861,874	-	1,861,874	-	1,861,874
Singapore	1,313,954	209,478	-	-	1,523,432	-	1,523,432	-	1,523,432
Thailand	95,055	-	1,630,649	-	1,725,705	-	1,725,705	-	1,725,705
North America	1,965,167	17,747	-	-	1,982,914	-	1,982,914	-	1,982,914
Other	-	-	174,257	-	174,257	-	174,257	-	174,257
Revenue from contracts with customers	27,464,013	2,808,481	2,328,102	-	32,600,597	8,665	32,609,263	-	32,609,263
Other revenue	-	-	-	418,226	418,226	-	418,226	-	418,226
Sales to third parties	27,464,013	2,808,481	2,328,102	418,226	33,018,824	8,665	33,027,489	-	33,027,489
Intersegment sales and transfers	68	231	-	-	299	-	299	(299)	-
Total	27,464,082	2,808,712	2,328,102	418,226	33,019,123	8,665	33,027,789	(299)	33,027,489
Segment profit	5,636,880	293,221	35,416	253,419	6,218,938	7,579	6,226,517	-	6,226,517

Notes: 1. The “Other” business segment consists of activities that are not included in any of the four reportable segments, and its sales include royalty revenue.

2. Total segment profit is equal to operating profit shown on the quarterly consolidated statements of income and comprehensive income.

3. Net sales are broken down by reportable segment into the countries or regions where the Company and its consolidated subsidiaries are located.

2. Information related to revisions for reportable segments

As described in (4) Notes to Quarterly Consolidated Financial Statements, Changes in Accounting Policies, the Company has applied the Accounting Standard for Revenue Recognition beginning with the first quarter of the current fiscal year and changed the method for calculating segment profit or loss. Due to this change, compared with the previous method, net sales in Japan and segment profit increased 440 million yen and 125 million yen, respectively, in the Surface Finishing Machinery segment in the period under review.

Note: This report of consolidated financial results is solely a translation of summary of Japanese “Kessan Tanshin” (including the attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer English translation. All readers are recommended to refer to the original version in Japanese of the report for complete information.