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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 10, 2023

Company name: ADEKA CORPORATION

Stock exchange listing: Tokyo

Code number: 4401

URL: <https://www.adeka.co.jp>

Representative: HIDETAKA SHIROZUME PRESIDENT AND CHIEF EXECUTIVE OFFICER

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Scheduled date of filing quarterly securities report: February 10, 2023

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2022 (April 01, 2022 to December 31, 2022)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2022	296,184	13.7	23,760	(6.1)	24,333	(7.8)	14,684	(23.2)
December 31, 2021	260,561	-	25,292	-	26,398	-	19,112	-

(Note) Comprehensive income: Nine months ended December 31, 2022: ¥ 20,524 million [(9.4)%]
 Nine months ended December 31, 2021: ¥ 22,664 million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2022	142.84	-
December 31, 2021	185.22	-

The figures for the first Nine months of the previous fiscal year (the fiscal year ended March 31, 2022) are the figures after retrospective application of a change in accounting policy.

The rate of change from the same period of the previous year for the first Nine months of the fiscal year ended March 2022 is not shown because of retrospective application of a change in accounting policy.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of December 31, 2022	500,443	306,483	51.6
March 31, 2022	475,304	296,871	52.6

(Reference) Equity: As of December 31, 2022: ¥ 258,033 million

As of March 31, 2022: ¥ 249,968 million

The figures for the previous fiscal year (the fiscal year ended March 31, 2022) are the figures after retrospective application of a change in accounting policy.

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	-	28.00	-	42.00	70.00
Fiscal year ending March 31, 2023	-	35.00	-		
Fiscal year ending March 31, 2023 (Forecast)				35.00	70.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 31, 2023)

(% indicates changes year-to-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	403,000	11.6	32,000	(6.0)	32,000	(10.3)	19,000	(19.8)	185.25

(Note) Revision to the financial results forecast announced most recently: Yes

Due to retrospective application of a change in accounting policy, the year-on-year change rate are calculated using the previous fiscal year's figures after retrospective application.

* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2022

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: Yes

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

As of December 31, 2022:	103,768,142 shares
As of March 31, 2022:	103,768,142 shares

2) Total number of treasury shares at the end of the period:

As of December 31, 2022:	1,204,638 shares
As of March 31, 2022:	760,398 shares

3) Average number of shares during the period:

As of December 31, 2022:	102,803,503 shares
As of December 31, 2021:	103,188,950 shares

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the nine months ended December 31, 2022, the global economy saw a recovery of social and economic activities under the policies of living with COVID-19. Meanwhile, in addition to soaring raw material and fuel prices mainly on the back of the situation in Ukraine, global inflationary trends and monetary tightening in many countries have slowed down the pace of economic recovery.

In the automobile-related sector, which is the ADEKA Group's main target market, although supply constraints on semiconductors and others have been resolved moderately, automobile production showed only slight recovery. In the ICT (information and communications technology) and consumer electronics sectors, investment in data centers continued, but sales of television sets and smartphones were sluggish, due to the plateauing of a rise in stay-at-home demand and consumers holding off purchases to cope with rising prices. In the food products sector, although the relaxation of movement restrictions prompted a pickup in demand for souvenirs and eating out, the industry as a whole remained in challenging conditions as rising costs made consumers to take more defensive stance toward spending. In the agricultural sector, agrochemicals demand trended slightly weak due to inclement weather conditions in some regions, including heavy rains in Japan, and other factors. Overseas, despite the impact of low temperatures in early spring in North America and drought conditions in the Midwest, increases in major crop acreage in Brazil, the world's largest market for agrochemicals, meant that agrochemicals demand held firm overall.

Under these conditions, in Fiscal 2022, the second year of the Medium-Term Management Plan, ADX 2023, the Group continues to pursue measures for the enhancement of corporate value through the pursuit of social and economic value, based on the three fundamental strategies of "transforming the earnings structure," "achieving sustainable growth with new domains," and "reinforcing Group management." In the electronics and IT materials sector, the Group began full-scale integrated production in South Korea of new products in the ADEKA ORCERA series of high dielectric constant materials for advanced semiconductor memory. In addition, a decision was made in July 2022 to invest in increasing production of that series in South Korea. In the food products sector, the Group newly launched sales of the Deli-PLANTS series of plant-based foods (PBF) in April 2022. With new products that will expand the options for putting delicious PBF on tables around the world and realize food sustainability, the Group is pursuing the development of markets in new fields and proposals to customers. In the Life Science Business, the Group launched full-scale sales in India of the rice insecticide, Benzpyrimoxan, and is also proceeding with the expansion of production facilities. In CSR initiatives, in April 2022, the Company built and reinforced its new organizational structure aimed at the realization of carbon neutrality and the achievement of the Sustainable Development Goals (SDGs), and promoted women's active participation in the workplace aimed at the realization of diversity and inclusion (D&I), thereby promoting health and productivity management. We also aired a TV commercial aimed at increasing recognition of the company name.

Financial results for the nine months ended December 31, 2022 were net sales of 296,184 million yen (up 13.7% year on year), operating profit of 23,760 million yen (down 6.1% year on year), ordinary profit of 24,333 million yen (down 7.8% year on year), and profit attributable to owners of parent of 14,684 million yen (down 23.2% year on year).

Effective from the first quarter of the fiscal year ending March 31, 2023, revenues and expenses of certain overseas subsidiaries and other entities are translated into yen at the average exchange rate during the period, instead of at the spot exchange rate prevailing on the balance sheet date. Year-on-year comparisons are based on retroactively adjusted figures.

An overview by reporting segment is as follows.

(Chemicals Products Business)

The Chemicals Products Business posted net sales of 162,348 million yen (up 9.3% year on year) and operating profit of 20,803 million yen (down 7.1% year on year).

1) Polymer additives

In products for automobile applications, sales of nucleating agents, plasticizers for rubber, etc. declined, due to the continued impact of a decrease in automobile production caused by shortages of semiconductors and other materials.

In products for construction materials, sales of PVC stabilizers were sluggish due to lower demand for home interior materials in North America.

In products for food packaging, clarifying agents sold well, particularly in the United States and Europe, capturing expanding demand for ready-made meals such as take-out and delivery.

Sales volumes of one-pack granule additives used in polyolefin resin and antioxidants were down due to sluggish demand mainly in Europe.

Sales of flame retardants for engineering plastics used in enclosures and other applications were weak due to a slump in demand for household electrical appliances, personal computers and the like.

Overall, the Polymer Additives Business posted year-on-year gains in sales due to sales price revisions to combat rises in raw material prices and the impact of exchange rates. Meanwhile, profit fell due to lower sales volumes.

2) Electronics and IT materials

Among products for semiconductors, high dielectric constant materials used in advanced DRAM sold briskly against the backdrop of the advancement of digitalization. Sales of photoacid generators used in advanced photo resists, such as EUV and ArF, were also strong, and sales of products for NAND held firm.

Among products for displays, sales of photo (light) curing resin for optical film, photo initiators for color filters, black matrix resists and etching solutions were weak, due to a lackluster recovery in demand for raw materials although production adjustments by panel manufacturers progressed and panel demand bottomed out.

Overall, in the Electronics and IT Materials Business, strong sales of semiconductor materials, which continue to expand, were not enough to compensate for the major slump in display-related materials, resulting in year-on-year decreases in sales and profit.

3) Functional chemicals

Functional chemicals used in automobile applications were continued to be affected by the decline in production caused by shortages of semiconductor and other materials, but sales of lubricant additives for engine oils were strong due to the new adoption of our products overseas and the market penetration of new engine oil standards. Special epoxy resins for structural adhesives also sold briskly mainly overseas.

Among products for architectural coatings, reactive emulsifiers sold briskly mainly in the Asian region. Sales of special surfactants for cosmetics were on a recovery trend due to moderate recovery in market conditions both in Japan and overseas.

On the other hand, sales of propylene glycol products for industrial use were weak, affected by deteriorated market conditions. Sales of peroxides were also weak due to a slump in demand mainly for products for displays.

Overall, sales in the Functional Chemicals Business increased year on year due to the expansion of sales of lubricant additives overseas and sales price revisions. However, despite the pursuit of sales price revisions in response to soaring raw material and fuel prices, profit fell due to lower sales volumes of some products and the delay in the effects of sales prices revisions.

(Food Products Business)

The Food Products Business reported net sales of 62,365 million yen (up 12.7% year on year) and operating loss of 1,937 million yen (while reporting operating profit of 301 million yen in the same period a year earlier).

Although sales of margarines and shortening for breads and confectionery fell due to downsizing in final products, alongside sluggish domestic consumption, there was an expansion in the adoption of the Marvelous Series of functional margarines for kneading, in recognition of its functionality in keeping bread and other products fresher for longer and extending their used-by date. Sales of fillings used in souvenir confections were also on a recovery trend due to increased movement of people as travel restrictions eased. On the other hand,

the adoption of whipping cream products for confectionery and desserts decreased year on year, leading to a decline in sales. Our new Deli-PLANTS series of plant-based foods gained an increased number of potential adoptions, in recognition of its deliciousness. In the integration of product varieties aimed at reducing food loss, the Company has set a target of reducing the total number of products (approximately 1,000) by around 40% by March 2023, and has cut 190 products from its lineup by December 2022.

Overall, the Food Products Business achieved gains in sales year on year, reflecting the revision of sales prices that it has been pursuing since the previous fiscal year. However, the Company posted operating loss because, despite the pursuit of sales price revisions to combat rises in prices of raw materials such as palm oil, they were not enough to compensate for further increases in costs for utilities, auxiliary materials, packaging materials, and logistics costs.

(Life Science Business)

The Life Science Business posted net sales of 66,000 million yen (up 29.9% year on year) and operating profit of 4,415 million yen (up 101.5% year on year).

In Japan, sales of agrochemicals exceeded those of the same period a year earlier, due mainly to the launching of sales of products of Corteva Agriscience Japan Ltd. since October 2021. Overseas, agrochemicals sold briskly in Brazil, where demand for agrochemicals is expanding. In Europe, sales of herbicides mainly for potato crops were strong.

Among pharmaceuticals, sales of the topical antifungal agent Luliconazole and Lanoconazole were steady, with front-loaded orders received in some projects.

Overall, the Life Science Business achieved year-on-year gains in sales and profit due to increased sales of agrochemicals overseas.

(2) Explanation of Financial Position

(Status of assets, liabilities and net assets)

Total assets increased by 25,138 million yen (up 5.3% compared with the end of the previous fiscal year) to 500,443 million yen.

The primary factor was an increase in inventories.

Liabilities increased by 15,526 million yen (up 8.7% compared with the end of the previous fiscal year) to 193,960 million yen.

The primary factor was an increase in notes and accounts payable - trade.

Net assets increased by 9,611 million yen (up 3.2% compared with the end of the previous fiscal year) to 306,483 million yen.

The primary factor was an increase in retained earnings.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

In view of such factors as the operating results for the nine months ended December 31, 2022 and recent market trends, the Company revises the full-year consolidated financial results forecast for the fiscal year ending March 31, 2023, which was announced on August 10, 2022.

Net sales are projected to fall below the previously announced figures. Behind the projection are signs of economic deceleration that deepened across the globe causing a decline in demand for overall chemical products, in addition to the protracted impact of decreased automobile production and panel production adjustments.

In terms of profit, operating profit is forecast to fall below the initial plan in the Chemicals Products Business and the Food Products Business. Accordingly, the Company revises the previously announced figures for each of operating profit, ordinary profit, and profit attributable to owners of parent.

The primary factor in the Chemicals Products Business is a decrease in sales volumes of polymer additives and display-related materials.

In the Food Products Business, costs for utilities, auxiliary materials, packaging materials, and logistics costs have been on the rise, alongside a decline in sales volumes. Despite the pursuit of sales price revisions currently underway, the results are expected to fall below the initial plan as price revisions will take some time before exercising an effect on the operating results.

Our assumptions for the exchange rates for the fourth quarter are 130 yen against the U.S. dollar and 140 yen against the Euro.

[Full-year consolidated financial results forecast for the fiscal year ending March 31, 2023]

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	420,000	37,000	36,900	22,000	213.58
Revised forecast (B)	403,000	32,000	32,000	19,000	185.25
Change (B – A)	(17,000)	(5,000)	(4,900)	(3,000)	
Change (%)	(4.0)	(13.5)	(13.3)	(13.6)	
(Reference) Results for the previous fiscal year* (Fiscal year ended March 31, 2022)	361,234	34,032	35,658	23,687	229.65

* Effective from the first quarter of the fiscal year ending March 31, 2023, the translation method of revenues and expenses of certain overseas subsidiaries and other entities has been changed.

The figures for the previous fiscal year (fiscal year ended March 31, 2022) are the figures after retrospective application of the change in accounting policy.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of December 31,2022
Assets		
Current assets		
Cash and deposits	84,249	80,280
Notes and accounts receivable - trade, and contract assets	100,459	93,245
Securities	2,499	5,499
Merchandise and finished goods	57,248	72,225
Work in process	6,238	7,568
Raw materials and supplies	32,595	45,435
Other	11,957	15,896
Allowance for doubtful accounts	(1,382)	(1,108)
Total current assets	293,867	319,042
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	37,777	37,274
Machinery, equipment and vehicles, net	40,071	37,149
Land	30,446	31,511
Other, net	11,023	12,911
Total property, plant and equipment	119,318	118,847
Intangible assets		
Technical assets	6,466	5,720
Customer related assets	2,649	2,529
Other	7,727	9,350
Total intangible assets	16,843	17,600
Investments and other assets		
Investment securities	33,586	33,882
Other	11,689	11,070
Total investments and other assets	45,276	44,953
Total non-current assets	181,437	181,400
Total assets	475,304	500,443

(Million yen)

	As of March 31,2022	As of December 31,2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	63,233	72,572
Short-term borrowings	23,802	24,570
Income taxes payable	5,930	1,749
Provision for bonuses	3,744	1,732
Provision for loss on disaster	126	-
Other provisions	164	86
Other	17,850	28,183
Total current liabilities	114,852	128,896
Non-current liabilities		
Bonds payable	11,326	11,696
Long-term borrowings	18,131	19,978
Retirement benefit liability	21,034	21,351
Other provisions	278	249
Other	12,808	11,788
Total non-current liabilities	63,580	65,063
Total liabilities	178,433	193,960
Net assets		
Shareholders' equity		
Share capital	23,048	23,048
Capital surplus	20,146	20,126
Retained earnings	188,091	194,826
Treasury shares	(1,273)	(2,303)
Total shareholders' equity	230,012	235,697
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,062	7,982
Deferred gains or losses on hedges	-	13
Revaluation reserve for land	4,253	4,253
Foreign currency translation adjustment	8,924	11,218
Remeasurements of defined benefit plans	(1,284)	(1,132)
Total accumulated other comprehensive income	19,956	22,335
Non-controlling interests	46,902	48,449
Total net assets	296,871	306,483
Total liabilities and net assets	475,304	500,443

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
Net sales	260,561	296,184
Cost of sales	190,654	223,947
Gross profit	69,907	72,236
Selling, general and administrative expenses	44,615	48,476
Operating profit	25,292	23,760
Non-operating income		
Interest income	210	442
Dividend income	723	722
Share of profit of entities accounted for using equity method	476	523
Foreign exchange gains	-	732
Other	585	749
Total non-operating income	1,994	3,170
Non-operating expenses		
Interest expenses	585	986
Loss on valuation of derivatives	-	1,303
Foreign exchange losses	22	-
Other	280	306
Total non-operating expenses	889	2,596
Ordinary profit	26,398	24,333
Extraordinary income		
Gain on sale of non-current assets	1,788	44
Gain on sale of investment securities	113	-
Total extraordinary income	1,902	44
Extraordinary losses		
Loss on disaster	-	133
Loss on abandonment of non-current assets	176	380
Loss on sale of investment securities	41	-
Loss on valuation of investment securities	-	5
Total extraordinary losses	217	518
Profit before income taxes	28,082	23,859
Income taxes - current	7,492	6,976
Income taxes - deferred	(553)	(279)
Total income taxes	6,938	6,697
Profit	21,143	17,162
Profit attributable to non-controlling interests	2,031	2,478
Profit attributable to owners of parent	19,112	14,684

Quarterly Consolidated Statements of Comprehensive Income
 Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
Profit	21,143	17,162
Other comprehensive income		
Valuation difference on available-for-sale securities	(941)	81
Deferred gains or losses on hedges	-	53
Foreign currency translation adjustment	2,697	3,030
Remeasurements of defined benefit plans, net of tax	125	142
Share of other comprehensive income of entities accounted for using equity method	(361)	54
Total other comprehensive income	1,520	3,361
Comprehensive income	22,664	20,524
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	19,973	17,063
Comprehensive income attributable to non-controlling interests	2,690	3,460

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements)

(Calculation of tax expenses)

For certain subsidiaries, the Company has adopted a method of making a reasonable estimate of the effective tax rate after application of tax effect accounting to profit before income taxes for the consolidated fiscal year to which the third quarter under review belongs, and multiplying the profit before income taxes by such estimated effective tax rate.

(Changes in accounting policies)

(Changes in translation method of revenues and expenses of overseas subsidiaries, etc.)

Revenues and expenses of certain overseas subsidiaries and other entities, which were previously translated into yen at the spot exchange rate prevailing on the balance sheet date, are translated into yen at the average exchange rate during the period effective from the first quarter of the fiscal year ending March 31, 2023.

This change came after reviewing the management systems within the Group, including the standardization of budget management systems, against the backdrop of the increased importance of overseas subsidiaries and other entities. It was also undertaken to mitigate the impact of temporary fluctuations in exchange rates on profit and loss during the period and to more appropriately reflect the profit and loss of overseas subsidiaries and other entities that are generated throughout the consolidated fiscal year in the consolidated financial statements.

This change in accounting policy has been applied retrospectively, and the quarterly consolidated financial statements for the nine months ended December 31, 2021 and the consolidated financial statements for the fiscal year ended March 31, 2022 have been restated retrospectively.

As a result, compared with the figures prior to the retrospective application, net sales, operating profit, ordinary profit, profit before income taxes, and profit attributable to owners of parent for the nine months ended December 31, 2021 decreased by 462 million yen, 295 million yen, 5 million yen, 5 million yen and 8 million yen, respectively. Basic earnings per share decreased by 0.08 yen.

Further, the cumulative impact of this change has been reflected in net assets at the beginning of the fiscal year ended March 31, 2022, resulting in a decrease of 112 million yen and an increase of 112 million yen in the beginning balance of retained earnings and foreign currency translation adjustment, respectively.

(Segment information, etc.)

[Segment information]

I. For the nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021)

Information on net sales and profit (loss) by reportable segment

(Million yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in quarterly consolidated statements of income (Note 3)
	Chemicals Products Business	Food Products Business	Life Science Business	Total				
Net sales								
(1) Net sales to outside customers	148,469	55,347	50,814	254,630	5,930	260,561	–	260,561
(2) Inter-segment net sales or transfers	78	37	6	121	13,344	13,465	(13,465)	–
Total	148,547	55,384	50,820	254,752	19,274	274,027	(13,465)	260,561
Segment profit	22,390	301	2,190	24,883	272	25,156	136	25,292

(Notes) 1. “Others” refers to business segments not included in the reportable segments and includes construction and construction management, logistics, and real estate businesses.

2. The adjustment of segment profit of 136 million yen includes the elimination of inter-segment transactions.

3. Segment profit is adjusted with operating profit in the quarterly consolidated statements of income.

II. For the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

1. Information on net sales and profit (loss) by reportable segment

(Million yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in quarterly consolidated statements of income (Note 3)
	Chemicals Products Business	Food Products Business	Life Science Business	Total				
Net sales								
(1) Net sales to outside customers	162,348	62,365	66,000	290,713	5,470	296,184	–	296,184
(2) Inter-segment net sales or transfers	117	53	5	176	14,546	14,723	(14,723)	–
Total	162,465	62,418	66,006	290,890	20,016	310,907	(14,723)	296,184
Segment profit (loss)	20,803	(1,937)	4,415	23,281	373	23,654	105	23,760

(Notes) 1. “Others” refers to business segments not included in the reportable segments and includes construction and construction management, logistics, and real estate businesses.

2. The adjustment of segment profit (loss) of 105 million yen includes the elimination of inter-segment transactions.

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

2. Matters on changes in reportable segments, etc.

(Changes in translation method of revenues and expenses of overseas subsidiaries, etc.)

As described in “Changes in accounting policies,” revenues and expenses of certain overseas subsidiaries and other entities, which were previously translated into yen at the spot exchange rate prevailing on the balance sheet date, are translated into yen at the average exchange rate during the period effective from the first quarter of the fiscal year ending March 31, 2023.

This change came after reviewing the management systems within the Group, including the standardization of budget management systems, against the backdrop of the increased importance of overseas subsidiaries and other entities. It was also undertaken to mitigate the impact of temporary fluctuations in exchange rates on profit

and loss during the period and to more appropriately reflect the profit and loss of overseas subsidiaries and other entities that are generated throughout the consolidated fiscal year in the consolidated financial statements.

As a result of this change, the method of calculating net sales and profit (loss) by reportable segment has also been changed, and the figures in the information on net sales and profit (loss) by reportable segment for the nine months ended December 31, 2021 are the figures after the retrospective application of the change.