

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

(% = year-on-year change)

Full fiscal year	Gross profit		Operating income		Ordinary income		Profit attributable to owners of the parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	130,000	13.4	30,000	36.9	31,000	35.6	22,500	19.5	185.11

(Note) 1. Revisions to the latest consolidated earnings forecast: No

2. For details, please refer to 1. *Qualitative Information*, (3) *Qualitative Information Related to Consolidated Earnings Forecasts*, on P.5 of this document.

* Notes

(1) Changes in major subsidiaries during the period (changes in specified subsidiaries accompanying changes in the scope of consolidation): No

New: — (Company name:) Excluded: — (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 Notes*, (4) *Notes Related to Quarterly Consolidated Financial Statements (Special Accounting Treatment Applied in the Preparation of Quarterly Consolidated Financial Statements)*, on P.11 of this document.

(3) Changes in accounting policies, changes in 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) above: Yes

iii. Changes in accounting estimates: No

iv. Restatement of prior period financial statements after error corrections: No

(Note) For details, please refer to 2. *Quarterly Consolidated Financial Statements and Notes (4) Notes Related to Quarterly Consolidated Financial Statements (Change in Accounting Policy)*, on P.11 of this document.

(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)

September 30, 2021	124,408,285 shares	March 31, 2021	124,408,285 shares
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ii. Number of treasury stock as of the fiscal period end

September 30, 2021	3,018,081 shares	March 31, 2021	933,995 shares
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iii. Average number of shares during the period

September 30, 2021	122,298,419 shares	September 30, 2020	124,011,496 shares
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* **Quarterly financial statements are not subject to quarterly review.**

* **Cautionary Statement with Respect to Forecasts of Consolidated Business Results**

The earnings forecasts presented in this document are based upon currently available information and assumptions deemed rational. A variety of factors could cause actual results to differ materially from forecasts.

For matters related to earnings forecasts, please refer to 1. *Qualitative Information*, (3) *Qualitative Information Related to Consolidated Earnings Forecasts*, on P.5 of this document.

Electronics & Energy

(Millions of yen)

	Six-month period ended September 30, 2020	Six-month period ended September 30, 2021	Change	Change (%)
Net sales	50,126	62,122	11,995	23.9
Gross profit	11,432	14,767	3,334	29.2
Operating income	3,316	5,461	2,144	64.7

The major factors behind performance were as follows.

- Sales increased for display materials and related to precision processing materials for semiconductors
- Sales related to formulated epoxy resins increased, primarily for mobile devices and semiconductors
- Sales related to photolithography materials increased with increased demand for displays
- Operating income increased due to an increase in gross profit

Mobility

(Millions of yen)

	Six-month period ended September 30, 2020	Six-month period ended September 30, 2021	Change	Change (%)
Net sales	32,233	46,843	14,610	45.3
Gross profit	3,524	5,992	2,468	70.0
Operating income	319	2,002	1,683	527.2

The major factors behind performance were as follows.

- In the resins business, sales increased domestically and overseas, primarily in ASEAN, due to recovery in automobile production, and profitability increased owing to rising market conditions
- Sales increased in functional materials and functional components for interior and exterior fittings and electrification
- Operating income increased due to an increase in gross profit

Life & Healthcare

(Millions of yen)

	Six-month period ended September 30, 2020	Six-month period ended September 30, 2021	Change	Change (%)
Net sales	74,131	89,857	15,726	21.2
Gross profit	18,726	21,834	3,107	16.6
Operating income	3,020	5,070	2,050	67.9

The major factors behind performance were as follows.

- Materials sales, manufacturing, and processing all trended strongly in the nutrition-related business
- Sales increased related to food materials, primarily TREHA™, and in cosmetics materials, primarily AA2G™, owing to recovery in demand
- Sales increased for pharmaceutical raw materials and intermediates
- Operating income increased due to an increase in gross profit

Others

No special matters to disclose.

(2) Review of Financial Position

a. Assets, Liabilities and Net Assets

(Millions of yen)

	Prior Consolidated Fiscal Year (April 1, 2020 - March 31, 2021)	Second Quarter, Current Consolidated Fiscal Year (September 30, 2021)	Change	Change (%)
Current assets	401,751	441,581	39,829	9.9
Non-current assets	238,835	237,117	(1,718)	(0.7)
Total assets	640,587	678,698	38,111	5.9
Liabilities	302,155	328,989	26,833	8.9
Net assets	338,431	349,709	11,278	3.3
Shareholders' equity ratio (%)	51.5	50.1	(1.4) p	—

- Current assets increased mainly due to an increase in inventories accounts receivable, despite a decrease in cash and deposits
- Non-current assets decreased slightly mainly due to a decline in market value of investments in securities, despite an increase in intangible fixed assets
- Liabilities increased mainly due to an increase in short-term loans and commercial paper
- Net assets increased due to the recording of quarterly profit attributable to owners of the parent and an increase in translation adjustments, despite decreases from purchases of treasury stock and payments of dividends
- As a result, the Company recorded a shareholders' equity ratio of 50.1%, down 1.4 points compared to 51.5% from the end of the prior consolidated fiscal year

b. Consolidated Cash Flows

(Millions of yen)

	Six-month period ended September 30, 2020	Six-month period ended September 30, 2021
Cash flows from operating activities	13,245	(13,625)
Cash flows from investing activities	(2,598)	(4,947)
Cash flows from financing activities	(23,632)	14,417

- Net cash used in operating activities was mainly due to a ¥32.7 billion decrease in cash stemming from an increase in working capital, offset in part by ¥ 21.2 billion in income before income taxes
- Net cash used in investing activities was mainly due to ¥4.7 billion in purchases of property, plant and equipment and payments of ¥1.3 billion for leasehold and guarantee deposits, offset in part by ¥1.6 billion in proceeds from sales of investments in securities
- Net cash provided by financing activities was mainly due to a net increase of ¥16.7 billion in short-term loans and a net increase of ¥10.0 billion in commercial paper, offset in part by ¥6.9 billion in repayments of long-term loans and ¥3.5 billion in purchases of treasury stock

(3) Qualitative Information Related to Consolidated Earnings Forecasts

As described in (1) *Review of Business Performance*, during the cumulative consolidated second quarter, business performance was strong across all segments, particularly in the Advanced Materials & Processing Segment and Electronics & Energy Segment. In terms of business environment for the second half of the year and beyond, despite an expected recovery in demand for food and souvenir products due to the easing of restrictions in activities, we project a slowdown in our resins business due to softening market conditions, a decrease in demand for electronic devices and display-related products due to the end of a cycle of stay-at-home demand, and an increase in business expenditures due to a recovery in economic activity. Also, in light of ongoing uncertainty regarding automobile production volume and semiconductor supply, we have decided to leave our full-year consolidated earnings forecast, announced on August 4, 2021, unchanged.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Prior Consolidated Fiscal Year (March 31, 2021)	Second Quarter, Current Consolidated Fiscal Year (September 30, 2021)
ASSETS		
Current assets		
Cash and time deposits	49,254	45,689
Notes and accounts receivable	242,558	260,714
Merchandise and finished goods	88,130	110,460
Work in process	1,654	1,983
Raw materials and supplies	7,457	9,453
Other	13,259	14,111
Less allowance for doubtful accounts	(563)	(832)
Total current assets	401,751	441,581
Non-current assets		
Property, plant and equipment	70,896	70,886
Intangible fixed assets		
Goodwill	30,216	30,223
Technology-based assets	7,488	6,700
Other	26,893	28,089
Total intangible fixed assets	64,598	65,013
Investments and other assets		
Investments in securities	93,719	90,429
Retirement benefit asset	2,929	3,205
Deferred tax assets	1,903	1,783
Other	4,900	5,911
Less allowance for doubtful accounts	(112)	(112)
Total investments and other assets	103,340	101,217
Total non-current assets	238,835	237,117
Total assets	640,587	678,698

(Millions of yen)

	Prior Consolidated Fiscal Year (March 31, 2021)	Second Quarter, Current Consolidated Fiscal Year (September 30, 2021)
LIABILITIES		
Current liabilities		
Notes and accounts payable	119,941	127,147
Short-term loans	33,050	50,560
Current portion of long-term loans	12,025	5,531
Commercial paper	8,000	18,000
Current portion of bonds	—	10,000
Accrued income taxes	3,565	4,748
Accrued bonuses for employees	6,042	5,552
Accrued bonuses for directors	203	172
Other	23,310	21,440
Total current liabilities	206,139	243,154
Long-term liabilities		
Bonds	30,000	20,000
Long-term loans	34,514	36,063
Deferred tax liabilities	16,077	14,363
Retirement benefit liability	13,292	13,466
Other	2,131	1,942
Total long-term liabilities	96,016	85,834
Total liabilities	302,155	328,989
NET ASSETS		
Shareholders' equity		
Common stock	9,699	9,699
Capital surplus	10,646	10,639
Retained earnings	265,920	277,587
Less treasury stock, at cost	(1,503)	(5,046)
Total shareholders' equity	284,763	292,879
Accumulated other comprehensive income		
Net unrealized holding gain on securities	43,576	40,988
Deferred gain on hedges	72	52
Translation adjustments	1,006	5,674
Remeasurements of defined benefit plans	268	128
Total accumulated other comprehensive income	44,924	46,844
Non-controlling interests	8,743	9,985
Total net assets	338,431	349,709
Total liabilities and net assets	640,587	678,698

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

(Quarterly Consolidated Statements of Income)

Six-month periods ended September 30, 2021 and 2020

(Millions of yen)

	Six-month period ended September 30, 2020 (April 1, 2020 - September 30, 2020)	Six-month period ended September 30, 2021 (April 1, 2021 - September 30, 2021)
Net sales	286,376	373,762
Cost of sales	232,594	305,027
Gross profit	53,782	68,734
Selling, general and administrative expenses	44,847	49,234
Operating income	8,934	19,499
Non-operating income		
Interest income	67	76
Dividend income	591	725
Rent income	133	139
Equity in earnings of affiliates	—	12
Foreign exchange gains	570	524
Other	280	248
Total non-operating income	1,643	1,727
Non-operating expenses		
Interest expenses	481	565
Equity in losses of affiliates	225	—
Other	178	194
Total non-operating expenses	885	760
Ordinary income	9,692	20,467
Extraordinary gains		
Gain on sales of non-current assets	27	11
Gain on sales of investment securities	5,597	1,457
Other	—	271
Total extraordinary gains	5,624	1,740
Extraordinary losses		
Loss on sales of non-current assets	7	173
Loss on disposal of non-current assets	34	359
Impairment losses	38	—
Loss on sales of investment securities	10	—
Loss on valuation of investment securities	44	173
Loss on sales of shares of subsidiaries and affiliates	1	59
Other	—	163
Total extraordinary losses	138	930
Income before income taxes	15,179	21,276
Income taxes	4,655	5,776
Profit for the period	10,523	15,500
Profit attributable to non-controlling interests	336	877
Profit attributable to owners of the parent	10,187	14,622

(Quarterly Consolidated Statements of Comprehensive Income)

Six-month periods ended September 30, 2021 and 2020

(Millions of yen)

	Six-month period ended September 30, 2020 (April 1, 2020 - September 30, 2020)	Six-month period ended September 30, 2021 (April 1, 2021 - September 30, 2021)
Profit for the period	10,523	15,500
Other comprehensive income		
Net unrealized holding gain (loss) on securities	10,914	(2,588)
Deferred loss on hedges	(14)	(19)
Translation adjustments	(1,470)	5,040
Remeasurements of defined benefit plans	276	(139)
Share of other comprehensive (loss) income of affiliates accounted for by the equity method	(35)	56
Total other comprehensive income	9,670	2,349
Comprehensive income	20,194	17,849
Comprehensive income attributable to:		
Shareholders of the parent	19,868	16,568
Non-controlling interests	325	1,280

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Six-month period ended September 30, 2020 (April 1, 2020 - September 30, 2020)	Six-month period ended September 30, 2021 (April 1, 2021 - September 30, 2021)
Operating activities		
Income before income taxes	15,179	21,276
Depreciation and amortization other than amortization of goodwill	5,326	5,598
Loss on impairment of fixed assets	38	—
Amortization of goodwill	1,277	1,243
Increase in retirement benefit liability	687	77
Increase in retirement benefit asset	(429)	(435)
Interest and dividend income	(658)	(802)
Interest expenses	481	565
Exchange loss (gain), net	122	(259)
Gain on sales of investment securities, investments in capital, shares of subsidiaries and affiliates, and investments in capital of subsidiaries and affiliates, net	(5,584)	(1,398)
Decrease (increase) in notes and accounts receivable	11,697	(16,541)
Decrease (increase) in inventories	359	(22,765)
(Decrease) increase in notes and accounts payable	(9,837)	6,507
Other	(515)	(2,406)
Subtotal	18,144	(9,339)
Interest and dividends received	959	894
Interest paid	(514)	(588)
Income taxes paid	(5,344)	(4,591)
Net cash provided by (used in) operating activities	13,245	(13,625)
Investing activities		
Purchases of property, plant and equipment	(5,148)	(4,778)
Proceeds from sales of property, plant and equipment	42	304
Purchases of intangible fixed assets	(438)	(657)
Purchases of investments in securities	(3,044)	(741)
Proceeds from sales of investments in securities	5,746	1,613
Purchases of investments in capital	(52)	—
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	—	587
Decrease (increase) on short-term loans receivable included in other current assets	266	(14)
Decrease (increase) in time deposits, net	121	(251)
Payments of leasehold and guarantee deposits	—	(1,352)
Other	(90)	342
Net cash used in investing activities	(2,598)	(4,947)
Financing activities		
(Decrease) increase in short-term loans, net	(3,889)	16,727
(Decrease) increase in commercial paper, net	(20,000)	10,000
Proceeds from long-term loans	4,383	1,900
Repayments of long-term loans	(1,003)	(6,931)
Purchase of treasury stock	(0)	(3,543)
Cash dividends paid	(2,728)	(2,963)
Cash dividends paid to non-controlling interests	(290)	(543)
Other	(104)	(228)
Net cash (used in) provided by financing activities	(23,632)	14,417
Effects of exchange rate changes on cash and cash equivalents	(461)	352
Net decrease in cash and cash equivalents	(13,447)	(3,803)
Cash and cash equivalents at beginning of the year	50,471	48,553
Cash and cash equivalents at end of the period	37,023	44,749

(4) Notes Related to Quarterly Consolidated Financial Statements

(Assumption for Going Concern)

No matters to report.

(Significant Fluctuations in Shareholders' Equity)

Following a resolution by the Company's board of directors at a meeting held February 5, 2021, the Company acquired 2,084,000 shares of treasury stock in the cumulative consolidated second quarter of the current fiscal year. As a result, treasury stock increased by ¥3,543 million, with treasury stock holdings of ¥5,046 million as of the end of the consolidated second quarter.

(Special Accounting Treatment Applied in the Preparation of Quarterly Consolidated Financial Statements)

(Calculation of Tax Expenses)

Tax expenses are calculated by rationally estimating an effective tax rate after applying tax effect accounting to profit before income taxes for the consolidated fiscal year, including the current second quarter, and multiplying profit before income taxes for the second quarter by the estimated effective tax rate.

In the event that the calculated tax expenses using this estimated effective tax rate lead to significantly unreasonable results, this shall be calculated by multiplying the statutory effective tax rate after adjusting significant non-temporary differences by the profit before income taxes.

Deferred income taxes are included in income taxes.

(Change in Accounting Policy)

(Change in Calculation Method of Tax Expenses)

While tax expenses had previously been calculated using principle-based methods, in order to rapidly and efficiently address this in quarterly financial settlements, the method for calculating tax expenses for the Company and its domestic consolidated subsidiaries have been changed to that listed in (Special Accounting Treatment Applied in the Preparation of Quarterly Consolidated Financial Statements) from the consolidated first quarter of the current fiscal year.

Note that as impact from this change is minor, the change is not applied retroactively.

(Application of Accounting Standards for Revenue Recognition)

At the beginning of the consolidated first quarter of the current fiscal year, the Company adopted the *Accounting Standard for Revenue Recognition* (ASBJ Statement No. 29, March 31, 2020). As a result, revenue is now recognized as the amount expected to be received in exchange for promised goods or services at the time of the transfer of their control to the customer.

As a result, in transactions for which the Company's performance obligations in its contracts with customers are determined to be services as an agent arranging provision of goods or services by another party, the sales to customers previously recorded on a gross basis shall be offset by the corresponding cost of sales, and revenue shall be stated on a net basis.

Since these changes in accounting methods shall be applied retroactively as a rule, consolidated financial statements for the same period in the prior fiscal year and for the end of the prior fiscal year shall be presented with retroactive application.

As a result, net sales and cost of sales each were reduced by ¥94,777 million in the cumulative consolidated second quarter of the previous fiscal year and ¥117,124 million in the cumulative consolidated second quarter of the current fiscal year. Note that this change has no impact on any stage of profits below gross profit for either of the aforementioned periods, nor on the amount of net assets.

(Application of Accounting Standard for Fair Value Measurement)

As of the beginning of the consolidated 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). In accordance with the transitional treatment prescribed in Paragraph 19 of the *Accounting Standard for Fair Value Measurement* and Paragraph 44-2 of *Accounting Standard for Financial Instruments* (ASBJ Statement No. 10, July 4, 2019), new accounting policies prescribed by the *Accounting Standard for Fair Value Measurement* have been adopted prospectively. There is no effect by this change on the consolidated financial statements.

(Additional Information)

(Application of Tax Effect Accounting for Transition from Consolidated Taxation System to Group Tax Sharing System)

The Company and certain domestic consolidated subsidiaries have calculated the amounts of deferred tax assets and deferred tax liabilities in accordance with the provisions of tax laws in Japan prior to the amendments based on the treatments stipulated in Paragraph 3 of *Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System* (ASBJ Practical Issues Task Force No. 39, March 31, 2020) instead of applying the provision of Paragraph 44 of *Implementation Guidance on Tax Effect Accounting* (ASBJ Guidance No. 28, February 16, 2018), regarding the transition to group tax sharing system provided for in *Act for Partial Amendment of the Income Tax Act, etc.* (Act No. 8 of 2020), and items for which the non-consolidated taxation system has been reviewed in line with the transition to the group tax sharing system.

(Effects of COVID-19 Pandemic When Making Accounting Estimates)

There are no significant changes to the assumption of estimates related to the impact of COVID-19 stated in Additional Information of the securities report for the fiscal year ended March 31, 2021.

(Segment Information, etc.)

Segment Information

I Six-month period ended September 30, 2020 (consolidated)

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

(Millions of yen)

	Reportable Segments						Others (Note) 1	Total	Corporate (Note) 2	Adjustments (Note) 3	Consolidated (Note) 4
	Functional Materials	Advanced Materials & Processing	Electronics & Energy	Mobility	Life & Healthcare	Total					
Net sales											
Sales to customers	33,600	96,077	50,126	32,233	74,131	286,169	207	286,376	—	—	286,376
Intersegment sales/transfers	195	737	515	706	161	2,316	3,210	5,526	—	(5,526)	—
Total	33,796	96,815	50,641	32,939	74,292	288,485	3,417	291,902	—	(5,526)	286,376
Segment income (loss)	1,945	3,476	3,316	319	3,020	12,078	242	12,320	(3,634)	247	8,934

(Note) 1. “Others” is a business segment consisting of businesses not included in Reportable Segments, and includes information processing services and professional services.

2. Corporate segment income (loss) represents expenses not allocated to Reportable Segments or Others.

3. Adjustments are eliminations of intersegment transactions.

4. The sum of segment income (loss) Total, Corporate, and Adjustments is equivalent to operating income as presented in “Consolidated”.

II Six-month period ended September 30, 2021 (consolidated)

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

(Millions of yen)

	Reportable Segments						Others (Note) 1	Total	Corporate (Note) 2	Adjustments (Note) 3	Consolidated (Note) 4
	Functional Materials	Advanced Materials & Processing	Electronics & Energy	Mobility	Life & Healthcare	Total					
Net sales											
Sales to customers	49,189	125,628	62,122	46,843	89,857	373,641	121	373,762	—	—	373,762
Intersegment sales/transfers	307	361	1,093	1,147	214	3,123	2,015	5,139	—	(5,139)	—
Total	49,496	125,990	63,215	47,990	90,071	376,765	2,136	378,901	—	(5,139)	373,762
Segment income (loss)	3,874	6,486	5,461	2,002	5,070	22,894	74	22,969	(3,691)	221	19,499

(Note) 1. “Others” is a business segment consisting of businesses not included in Reportable Segments, and includes information processing services and professional services.

2. Corporate segment income (loss) represents expenses not allocated to Reportable Segments or Others.

3. Adjustments are eliminations of intersegment transactions.

4. The sum of segment income (loss) Total, Corporate, and Adjustments is equivalent to operating income as presented in “Consolidated”.

2. Matters Related to Changes in Reportable Segments

(Change in Business Segments)

From the consolidated first quarter of the current fiscal year, the Electronics Segment has been renamed to the Electronics & Energy Segment, and the Mobility & Energy Segment has been renamed to the Mobility Segment, with changes to business segmentation as follows.

For the purpose of promoting development of new businesses, the Energy Business Office previously classified under the Mobility & Energy Segment, as well as the Advanced Information and Communications Project Team previously classified under the Others/Corporate category, have been unified in the newly established Information and Communication • Energy Office, classified under the Electronics & Energy Segment. In addition, for the purpose of expanding market share and improving synergies, the fluorine business in the Specialty Chemicals Division, which was previously classified under the Functional Materials Segment, has been moved to the Electronics & Energy Segment.

Segment information provided for the cumulative consolidated second quarter of the previous fiscal year is based on post-change classification methods.

The following describes the major products and services handled by each reportable segment.

The Functional Materials segment is engaged in the sales of materials for paints/inks, and adhesives, urethane materials and auxiliary materials, plastic materials, plastic additives, industrial oil solutions, water processing raw materials, surfactant raw materials, fluorochemicals, encapsulant materials, 5G materials, silicone materials, environmental solutions and environment-related commercial products, sintered metal filters, and more for the paints/inks, resins, urethane foam, organic synthesis, surfactants, electronics chemicals, communications equipment, water processing, metal processing, plastic and film processing, and other industries.

The Advanced Materials & Processing Segment is engaged in the sales of dyestuffs, pigments, functional pigments, digital print processing products, thermoplastic resins, thermosetting resins, automobile refinish paints, conductive coatings, synthetic rubber, inorganic materials, plastics products, resin molding tools/dies, and more for the dye/additive, digital print processing material, fiber processing, raw resin material, resin molding, functional film and sheet, appliance and office automation device, electronics, packaging material, construction material, and other industries.

The Electronics & Energy Segment is engaged in the sales of formulated epoxy resins, fluorine products, precision abrasives, semiconductor assembly materials and devices, adhesives and encapsulant materials, display panel components and devices, chemical management equipment for display manufacturing processes, low-temperature/vacuum equipment, LEDs, 3D printing products, design and manufacture of storage battery systems, solar panels, optical wireless communication equipment, and other products for the semiconductor, electronic component, AR/VR, environmental energy, 3D printing, heavy electrical and light electrical, HDD, automotive and aircraft, display, touch panel, housing, lighting, storage battery, energy, renewable energy, security device, large-scale commercial facility, and other industries. Its main services include energy management system proposals and battery assessments.

The Mobility Segment is engaged in the sales of plastic products in general, materials for secondary batteries, interior and exterior materials and components, materials for functional components, products for electrification, sensor components, in-vehicle electronics products, in-vehicle display-related components, self-driving-related products, and other products for the overall mobility industry and related industries.

The Life & Healthcare segment is engaged in the sale of pharmaceutical/agricultural chemicals and materials, research products, in vitro diagnostics, enzymes, food additives, food ingredients, sports nutrition products, nutrient premixes, additives for cosmetics, feeds, and surfactants for the pharmaceutical, food and beverage, cosmetics, agricultural, toiletries, and health care industries. The segment offers radiation measurement as one of its main services. In addition, this segment sells cosmetics, health foods, and beauty foods directly to consumers.

(Application of Accounting Standards for Revenue Recognition)

As described in (Change in Accounting Policy), at the beginning of the first consolidated quarter for the current fiscal year, the Company adopted the *Accounting Standard for Revenue Recognition* (ASBJ Statement No. 29, March 31, 2020), changing its accounting method for revenue recognition. As a result, measurement methods have similarly been changed for business segment profit and loss.

Segment information provided for the cumulative consolidated second quarter of the previous fiscal year is based on the changed profit or loss measurement method.