

Flash Report for the First Half Period Ended September 30, 2022

(based on Japan GAAP) (on a consolidated basis)

November 10, 2022

Name of the listed company: **Fuji Seal International, Inc.**

Code No.: 7864 Stock exchange: Tokyo

URL: <http://www.fujiseal.com>

Representative: Masayuki Shirokawa, President and COO

Contact: Shojiro Ueda, IR Manager TEL 06-6350-1080

Scheduled date for submission of Quarterly Report: November 11, 2022

Date for initiation of dividend payments (subject to change): December 1, 2022

Prepared supplementary presentation material on quarterly results: Yes

Held quarterly results briefing: Yes (For securities analysts and institutional investors)

* All amounts are rounded down to the nearest million yen.

1. Results for the First Half Period (April 1 to September 30, 2022)

(1) Operating results

(¥ million)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
1st half ended September 30, 2022	¥90,909	2.9%	¥4,729	(40.9)%	¥5,106	(37.9)%	¥3,486	(37.6)%
1st half ended September 30, 2021	88,339	7.6	7,996	18.3	8,223	33.4	5,587	62.7

Note: Comprehensive income

1st half ended September 30, 2022: ¥11,970 million [45.6%]

1st half ended September 30, 2021: ¥8,221 million [197.7%]

	Earnings per share (¥)	Diluted EPS (¥)
1st half ended September 30, 2022	¥63.68	—
1st half ended September 30, 2021	102.01	—

(2) Financial position

(¥ million)

	Total assets	Net assets	Equity ratio	Net assets per share (¥)
As of September 30, 2022	¥182,031	¥120,506	66.2%	¥2,200.19
As of March 31, 2022	164,646	109,492	66.5	1,999.85

Note: Owners' equity

As of September 30, 2022: ¥120,506 million

As of March 31, 2022: ¥109,492 million

2. Dividends

	Cash dividends per share (¥)				
	Quarter-end			Year-end	Annual
	1st	2nd	3rd		
Year ended March 31, 2022	—	¥17.00	¥—	¥18.00	¥35.00
Year ending March 31, 2023	—	¥17.00			
Year ending March 31, 2023 (forecast)			—	18.00	35.00

Note: Revisions to dividend payment forecasts during the reporting quarter: Not applicable

3. Business Performance Forecasts for the Year Ending March 31, 2023

(April 1, 2022 to March 31, 2023)

(¥ million)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	Earnings per share (¥)
Full term	¥179,000	5.1%	¥11,100	5.0%	¥11,000	3.8%	¥6,300	3.0%
								¥115.07

Note: Revisions to performance forecasts during the reporting quarter: Not applicable

4. Others

(1) Changes in the scope of consolidation

Inclusion: None

Exclusion: None

(2) Significant methods applied for accounting: Not applicable

(3) Changes in significant accounting policies

Changes in accounting policies resulting from revision to accounting standards: Not applicable

Changes to accounting policies other than revisions from the above: Yes

Changes in accounting assessments: Yes

Accounting restatements: Not applicable

Note: For details, please refer to page 12 “2. Consolidated financial statements and notes (4) Notes to Consolidated Financial Statements, Changes in Accounting Policies.”

(4) Number of ordinary shares issued at the end of the period

As of September 30, 2022: 60,161,956 shares

As of March 31, 2022: 60,161,956 shares

Number of shares in treasury at the end of the period

As of September 30, 2022: 5,390,891 shares

As of March 31, 2022: 5,411,891 shares

Average number of shares during the period

1st half ended September 30, 2022: 54,758,511 shares 1st half ended September 30, 2021: 54,777,557 shares

* Flash Reports (quarterly financial reports) are not audited by certified public accountants or auditing companies.

* The above forecasts are based on data available as of the date of release of this document as well as assumptions based on uncertain factors, which might have a material effect on the Company’s performance in the future. Please refer to page 6 “(3) Information regarding business performance forecasts” under “1. Qualitative information for the first half ended September 30, 2022 (consolidated basis)” for details.

(How to Obtain Supplementary Earnings Results Briefing Materials)

The Company plans to hold a briefing for institutional investors and analysts on November 11, 2022.

The supplementary earnings results briefing materials that will be used on that day are scheduled to be posted on the Company’s website today.

1. Qualitative information for the first half ended September 30, 2022 (consolidated basis)

(1) Qualitative information regarding consolidated operating results

For the first half of fiscal 2022(ending March 31, 2023), net sales at Fuji Seal International, Inc. came to 90,909 million (up 2.9% year on year), operating income was ¥4,729 million (down 40.9%), and ordinary income totaled ¥5,106million (down 37.9%). Net income attributable to owners of the parent was ¥3,486 million (down 37.6%).

(¥ million)

	1st half ended September 30, 2021	1st half ended September 30, 2022	Change
Net sales	88,339	90,909	2.9%
Operating income	7,996	4,729	(40.9)%
Ordinary income	8,223	5,106	(37.9)%
Net income attributable to owners of the parent	5,587	3,486	(37.6)%
Average exchange rate vs US dollar (yen)	107.82	123.14	14.2 %
Average exchange rate vs euro (yen)	129.89	134.39	3.5%

The following is a breakdown of business performance by segment.

(¥ million)

	1st half ended September 30, 2021	1st half ended September 30, 2022	Change	Change in local currency terms
Japan				
Shrink label	24,831	25,387	2.2%	—
Self-adhesive label	5,177	4,998	(3.5) %	—
Soft pouch	8,791	10,348	17.7%	—
Machinery	2,759	2,343	(15.1) %	—
Other	6,893	6,094	(11.6) %	—
Total sales	48,453	49,172	1.5%	—
Operating income	5,351	4,398	(17.8) %	—
Americas				
Shrink label	16,538	19,733	19.3%	4.5%
Self-adhesive label	570	943	65.5%	44.9%
Soft pouch	252	142	(43.7) %	(50.7) %
Machinery	2,743	2,265	(17.4) %	(27.7) %
Other	660	829	25.6%	10.0%
Total sales	20,765	23,914	15.2%	0.8%
Operating income	2,113	1,414	(33.1) %	(41.4) %
Europe				
Shrink label	6,958	7,544	8.4%	4.8%
Self-adhesive label	3,893	2,672	(31.4) %	(33.7) %
Soft pouch	88	66	(24.7) %	(27.2) %
Machinery	3,856	3,575	(7.3) %	(10.4) %
Total sales	14,797	13,858	(6.3) %	(9.5) %
Operating income	296	(749)	—	—

	1st half ended September 30, 2021	1st half ended September 30, 2022	Change	Change in local currency terms
ASEAN				
Shrink label	3,669	4,001	9.0%	(4.5) %
Self-adhesive label	98	67	(31.6) %	(40.1) %
Soft pouch	4,033	4,036	0.1%	(12.4) %
Machinery	189	96	(48.8) %	(55.2) %
Other	115	115	0.6%	(12.0) %
Total sales	8,105	8,317	2.6%	(10.2) %
Operating income	291	(137)	—	—

Japan

Sales of shrink labels increased 2.2% year on year to ¥25,387 million. Sales of self-adhesive labels declined 3.5% to ¥4,998 million. Sales of soft pouches increased 17.7% to ¥10,348 million. Machinery sales declined 15.1% to ¥2,343 million. Sales of other products declined 11.6% to ¥6,094 million.

As a result, total sales in Japan came to ¥49,172 million (up 1.5% year on year). On the earnings front, operating income declined 17.8% to ¥4,398 million.

Americas

Sales of shrink labels increased 19.3% (up 4.5% on a local currency basis) year on year to ¥19,733 million. Sales of self-adhesive labels increased 65.5% (up 44.9% on a local currency basis) to ¥943 million. Sales of soft pouches declined 43.7% (down 50.7% on a local currency basis) to ¥142 million. Machinery sales declined 17.4% (down 27.7% on a local currency basis) to ¥2,265million. Sales of other products increased 25.6% (up 10.0% on a local currency basis) to ¥829 million.

As a result, total sales in the Americas increased 15.2% (up 0.8% on a local currency basis) to ¥23,914 million. On the earnings front, operating income declined 33.1% (down 41.4% on a local currency basis) to ¥1,414 million.

Europe

Sales of shrink labels increased 8.4% (up 4.8% on a local currency basis) to ¥7,544 million. Sales of self-adhesive labels declined 31.4% (down 33.7% on a local currency basis) to ¥2,672 million. Sales of soft pouches declined 24.7% (down 27.2% on a local currency basis) to ¥66 million. Machinery sales declined 7.3% (down 10.4% on a local currency basis) to ¥3,575 million.

As a result, total sales in Europe declined 6.3% (down 9.5% on a local currency basis) to ¥13,858 million. On the earnings front, an operating loss of ¥749 million was recorded (compared to an operating income of ¥296 million in the corresponding period of the previous fiscal year).

ASEAN

Sales of shrink labels increased 9.0% (down 4.5% on a local currency basis) to ¥4,001 million. Sales of self-adhesive labels declined 31.6% (down 40.1% on a local currency basis) to ¥67 million. Sales of soft pouches increased 0.1% (down 12.4% on a local currency basis) to ¥4,036 million. Machinery sales declined 48.8% (down 55.2% on a local currency basis) to ¥96 million. Sales of other products increased 0.6% (down 12.0% on a local currency basis) to ¥115 million.

As a result, total sales in ASEAN increased 2.6% (down 10.2% on a local currency basis) to ¥8,317 million. On the earnings front, an operating loss of ¥137 million was recorded (compared to an operating income of ¥291 million in the corresponding period of the previous fiscal year).

(2) Qualitative information on financial condition

Assets, Liabilities and Net Assets

At the end of the first half of fiscal 2022, total assets had increased ¥17,385 million compared with the previous fiscal year-end, to ¥182,031 million.

The main factors were a ¥9,311 million increase in notes and accounts receivable (including electronically recorded monetary claims), a ¥4,619 million increase in inventories, a ¥5,892 million increase in tangible fixed assets and a ¥4,547 million decrease in cash and deposits..

Total liabilities were up ¥6,370 million compared to the previous fiscal year-end to ¥61,524 million. The main changes were included a ¥4,928 million increase in notes and accounts payable (including electronically recorded monetary obligations).

Total net assets were up ¥11,014 million compared to the previous fiscal year-end to ¥120,506 million. This mainly reflected a ¥2,501 million increase in retained earnings and ¥8,136 million increase in foreign currency translation adjustments.

Cash Flows

Net cash provided by operating activities for the first half ended September 30, 2022 was ¥2,966million (compared with net cash of ¥7,548 million provided in the corresponding period of the previous fiscal year). The main items increasing cash were the posting of income before income taxes of ¥5,051 million and depreciation and amortization of ¥3,745 million, along with a ¥4,087 million increase in notes and accounts payable, while the main items decreasing cash were a ¥6,423 million increase in notes and accounts receivable-trade, a ¥2,756 million increase in inventories, and ¥1,759 million in income taxes paid.

Net cash used in investing activities amounted to ¥6,247 million (compared with net cash of ¥5,796 million used in the corresponding period of the previous fiscal year). This was due primarily to ¥6,082 million in cash used for the purchase of tangible fixed assets.

Net cash used in financing activities was ¥6,154 million (compared with net cash of ¥5,687 million provided in the corresponding period of the previous fiscal year). This was due mainly to a repayment of borrowings of ¥5,021 million, and cash dividends paid of ¥985 million.

As a result, cash and cash equivalents at the end of the first half of fiscal 2022 decreased ¥7,851 million from the previous fiscal year-end to ¥16,253 million.

(3) Information regarding business performance forecasts

The Company's full-year consolidated business performance forecast for the fiscal year ending March 31, 2023 has not been revised from the forecast announced on May 11, 2022.

2. Consolidated financial statements and notes

(1) Consolidated Balance Sheets

(¥ million)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets:		
Cash and deposits	¥25,860	¥21,312
Notes and accounts receivable	40,854	48,484
Electronically recorded monetary claims	10,206	11,888
Merchandise and finished products	7,772	9,183
Work in process	4,127	6,010
Raw materials and supplies	7,956	9,280
Other current assets	4,533	6,105
Allowance for doubtful accounts	(183)	(244)
Total current assets	101,126	112,022
Noncurrent assets:		
Tangible fixed assets:		
Buildings and structures–net	21,131	21,992
Machinery, equipment and vehicles–net	18,976	20,775
Tools, furniture and fixtures–net	2,013	1,995
Land	6,989	8,369
Lease assets–net	292	278
Construction in progress	5,647	7,567
Other–net	908	873
Total tangible fixed assets	55,958	61,851
Intangible assets		
Goodwill	107	79
Other	1,402	1,534
Total intangible assets	1,510	1,614
Investments and other assets:		
Investment securities	3,776	4,284
Deferred tax assets	1,584	1,712
Other	732	592
Allowance for doubtful accounts	(43)	(46)
Total investments and other assets	6,050	6,543
Total noncurrent assets	63,519	70,009
Total assets	¥164,646	¥182,031

(¥ million)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities:		
Notes and accounts payable	¥13,758	¥ 15,996
Electronically recorded monetary obligations	11,179	13,870
Short-term borrowings	4,382	7,932
Current portion of long-term debt	5,038	22
Lease obligations	91	84
Other accounts payable	3,887	3,746
Income taxes payable	817	1,325
Accrued bonuses	1,630	1,594
Other current liabilities	7,811	9,712
Total current liabilities	48,596	54,284
Long-term liabilities:		
Long-term debt	2,387	2,835
Lease obligations	133	116
Deferred tax liabilities	570	726
Net defined benefit liabilities	2,630	2,727
Other	834	834
Total long-term liabilities	6,557	7,239
Total liabilities	55,153	61,524
Net assets		
Shareholders' equity:		
Common stock	5,990	5,990
Capital surplus	6,603	6,600
Retained earnings	97,677	100,178
Treasury stock	(8,512)	(8,479)
Total shareholders' equity	101,758	104,289
Accumulated other comprehensive income:		
Unrealized gain on available-for-sale securities	1,297	1,610
Foreign currency translation adjustments	6,259	14,395
Remeasurements of defined benefit plans	176	210
Total accumulated other comprehensive income	7,733	16,217
Total net assets	109,492	120,506
Total liabilities and net assets	¥164,646	¥182,031

(2) Consolidated Statements of Income

	(¥ million)	
	1st half ended September 30, 2021	1st half ended September 30, 2022
Net sales	¥88,339	¥90,909
Cost of sales	70,365	75,531
Gross profit	17,973	15,377
Selling, general and administrative expenses	9,977	10,648
Operating income	7,996	4,729
Non-operating income:		
Interest income	14	30
Dividend income	50	58
Interest on tax refund	28	63
Foreign exchange gains	162	276
Waste recycling income	13	14
Other	31	24
Total non-operating income	301	469
Non-operating expenses:		
Interest expenses	31	45
Depreciation of inactive non-current assets	37	44
Other	4	1
Total non-operating expenses	74	92
Ordinary income	8,223	5,106
Extraordinary gains:		
Gain on sale of tangible fixed assets	12	16
Gain on sale of investment securities	—	0
Insurance income	※1 242	—
Gain on sale of golf club membership	—	2
Total extraordinary gains	254	19
Extraordinary losses:		
Loss on sale and disposal of tangible fixed assets	89	74
Loss on sale of investment securities	0	—
Restructuring expenses	※2 312	—
Total extraordinary losses	402	74
Income before income taxes	8,075	5,051
Income taxes:		
Current	2,322	1,733
Deferred	165	(168)
Total income taxes	2,487	1,564
Net income	5,587	3,486
Net income attributable to owners of the parent	¥5,587	¥3,486

Consolidated Statements of Comprehensive Income

(¥ million)

	1st half ended September 30, 2021	1st half ended September 30, 2022
Net income	¥5,587	¥3,486
Other comprehensive income (loss):		
Unrealized gain (loss) on available-for-sale securities	18	313
Foreign currency translation adjustments	1,999	8,136
Remeasurements of defined benefit plans, net of tax	615	33
Total other comprehensive income (loss)	2,633	8,483
Comprehensive income	¥8,221	¥11,970
(breakdown)		
Comprehensive income attributable to owners of the parent	¥8,221	¥11,970
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Cash Flows

(¥ million)

	1st half ended September 30, 2021	1st half ended September 30, 2022
Cash flows from operating activities		
Income before income taxes	¥8,075	¥5,051
Depreciation and amortization	4,010	3,745
Amortization of goodwill	22	24
Restructuring expenses	312	—
Insurance income	(242)	—
Increase (decrease) in allowance for doubtful accounts	48	30
Increase (decrease) in accrued bonuses	(207)	(80)
Increase (decrease) in net defined benefit liability	(160)	65
Loss (gain) on sale of golf club membership	—	(2)
Loss (gain) on sale and disposal of tangible fixed assets	77	57
Loss (gain) on sale of investment securities	0	(0)
Interest and dividend income	(65)	(89)
Interest expenses	31	45
Foreign exchange loss (gain)	64	(163)
Decrease (increase) in notes and accounts receivable	(3,759)	(6,423)
Decrease (increase) in inventories	(290)	(2,756)
Increase (decrease) in notes and accounts payable	2,120	4,087
Increase (decrease) in other accounts payable	(547)	17
Other	176	1,082
Subtotal	9,668	4,691
Interest and dividends received	65	87
Interest paid	(29)	(51)
Income taxes paid	(2,397)	(1,759)
Proceeds from insurance income	242	—
Net cash provided by operating activities	7,548	2,966
Cash flows from investing activities		
Purchase of tangible fixed assets	(5,295)	(6,082)
Proceeds from sale of tangible fixed assets	16	15
Purchase of intangible assets	(438)	(310)
Purchase of investment securities	(17)	(17)
Proceeds from sale of investment securities	22	0
Payments of loans receivable	(1)	—
Proceeds from collection of loans	3	4
Proceeds from subsidy income	42	—
Other	(129)	142
Net cash used in investing activities	(5,796)	(6,247)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowing	(2,558)	—
Repayments of long-term borrowings	(1,068)	(5,021)
Purchase of treasury stock	(1,020)	—
Cash dividends paid	(882)	(985)
Other	(157)	(147)
Net cash provided by (used in) financing activities	(5,687)	(6,154)
Effect of exchange rate changes on cash and cash equivalents	364	1,583
Net increase (decrease) in cash and cash equivalents	(3,570)	(7,851)
Cash and cash equivalents at beginning of period	21,549	24,105
Cash and cash equivalents at end of period	¥17,979	¥16,253

(4) Notes for quarterly consolidated financial statements

Notes for going concern assumption:

Not applicable

Notes for any significant changes in the amount of shareholders' equity:

Not applicable

Changes in the scope of consolidation:

Not applicable

Changes in accounting policies:

Changes in Accounting Policies that are Difficult to Distinguish from Changes in Accounting Estimates

(Change in depreciation method for tangible fixed assets)

Previously, the Company and its consolidated subsidiaries in Japan had mainly used the declining balance method to calculate depreciation of tangible fixed assets (excluding leased assets), but from the first quarter of the fiscal year ending March 31, 2023, the Company and its consolidated subsidiaries in Japan have changed to using the straight-line method. However, the straight-line method had been adopted for buildings acquired after April 1, 1998 (excluding building fixtures) and building fixtures and structures acquired from April 1, 2016 onward, as well as mainly used by overseas consolidated subsidiaries.

Fuji Seal Group has planned strategic and growth investments in its medium-term management plan and started operating some equipment from the fiscal year ending March 31, 2023 to address changes in the society and market, such as the acceleration of needs to respond to environmental issues and diversity in consumers' lifestyles, and the expansion of consumption areas. This presented an opportunity to reconsider a change in the depreciation method. As a result, based on factors such as the use of tangible fixed assets up until now and their planned use for the future, the Group has decided that the straight-line method, which allocates costs equally over the useful life of an asset, more appropriately expresses the use of fixed assets as it is forecast that the Group's production facilities will operate stably over a long time.

The medium-term management plan aims to increase the overseas sales ratio. As one aspect of that, the Group has decided that aligning the depreciation method for tangible fixed assets across the entire Group will provide more effective information for investment decisions and performance administration.

As a result of the above changes, for the first quarter of the fiscal year ending March 31, 2023, operating income increased by ¥121 million and ordinary income and income before income taxes increased by ¥129 million, respectively, compared to using the previous method.

Additional information

(Application of the Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System)

The Company and its consolidated subsidiaries in Japan transitioned from the consolidated taxation system to the group tax sharing system from the first quarter of the fiscal year ending March 31, 2023. In conjunction, accounting treatment and disclosure of national and local corporate taxes and tax effect accounting are handled in accordance with the Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System (Practical Solution No. 42, August 12, 2021). Based on Paragraph 32-(1) of Practical Solution No. 42, the changes in accounting policy accompanying application of Practical Solution No. 42 are deemed to have no impact.

Notes to Consolidated Statements of Income

*1 Insurance income

1st half of fiscal 2021 (from April 1, 2021 to September 30, 2021)

Insurance claims related to profit compensation associated with the fire that occurred at the Company's consolidated subsidiary Fuji Seal, Inc. (Tsukuba Factory) in November 2019.

1st half of fiscal 2022 (from April 1, 2022 to September 30, 2022)

Not applicable.

*2 Restructuring expenses

1st half of fiscal 2021 (from April 1, 2021 to September 30, 2021)

Losses expected to be incurred in connection with the conclusion of the transfer agreement for the self-adhesive labels business of Fuji Seal Switzerland AG (formerly Pago AG) were recorded as restructuring expenses.

The main components were loss on valuation of inventories of ¥187 million and impairment loss of ¥125 million (machinery, equipment, and other items).

Items related to impairment loss among the restructuring expenses were as follows.

Use	Location	Type	Amount (Millions of yen)
Assets scheduled for disposal	Pago AG (Grabs, Switzerland)	Machinery, equipment, and other items	125

The business assets of the Group are grouped, as a rule, based on business segments for management accounting that are continuously monitored for profitability. However, idle assets and assets scheduled for disposal are grouped on an individual asset basis.

In the first half of the fiscal year under review, machinery, equipment, and other items in the self-adhesive labels business of Fuji Seal Switzerland AG were scheduled to be sold in connection with the conclusion of a business transfer agreement. Accordingly, the carrying amount of the relevant assets were written down to the recoverable amounts. The recoverable amounts of the relevant business assets were measured based on their net selling prices and evaluated based on their scheduled selling prices.

1st half of fiscal 2022 (from April 1, 2022 to September 30, 2022)

Not applicable.

Segment information

Outline of reportable segments

The Company and its consolidated subsidiaries are engaged in the planning, proposal, development, manufacture and sale of packaging, mainly for shrink labels, self-adhesive labels, soft pouches and machinery.

The four reportable segments of the Company consist of: Japan, Americas, Europe and ASEAN. The reportable segments are the constituent units of the Company for which separate financial information is available and which are regularly reviewed by the Board of Directors in order to determine the allocation of management resources and evaluate business performance.

As noted under (Changes in accounting policies), the Company and consolidated subsidiaries in Japan have changed the depreciation method for tangible fixed assets (excluding leased assets) from the first quarter of the fiscal year ending March 31, 2023.

As a result of this change, segment profit for Japan increased by ¥275 million in the first half of the fiscal year ending March 31, 2023, compared to using the previous method.

I. First half ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

1. Information regarding net sales and profit amounts by reporting segment

							(¥ million)
	Japan	Americas	Europe	ASEAN	Total	Eliminations/ Corporate *1	Consolidated amount *2
Sales:							
Customers	¥47,659	¥20,763	¥12,869	¥7,046	¥88,339	¥ —	¥88,339
Intersegment	793	1	1,927	1,058	3,782	(3,782)	—
Segment sales	48,453	20,765	14,797	8,105	92,121	(3,782)	88,339
Segment profit (loss)	5,351	2,113	296	291	8,052	(56)	7,996

Notes: 1. The adjustment for segment profit or loss of ¥ (56) million is mainly intersegment transaction elimination such as unrealized profit or loss elimination.
2. The total of segment profit and the total eliminations/corporate amount of the reportable segments are consistent with the operating income of the quarterly consolidated statements of income.
3. A breakdown of countries and regions belonging to the category other than Japan is as follows.
Americas: United States, Mexico
Europe: United Kingdom, Netherlands, France, Spain, Poland, Switzerland, Germany, Italy
ASEAN: Indonesia, Vietnam, Thailand, India

2. Information regarding impairment loss or goodwill, etc. for non-current assets by reporting segment
(Important impairment loss related to non-current assets) In the Europe segment, an impairment loss of ¥125 million (machinery, equipment, and other items) was recorded on assets scheduled to be sold in connection with restructuring.

II. First half ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

1. Information regarding net sales and profit amounts by reporting segment

	(¥ million)						
	Japan	Americas	Europe	ASEAN	Total	Eliminations/ Corporate *1	Consolidated amount *2
Sales:							
Customers	¥48,088	¥23,883	¥12,080	¥6,856	¥90,909	¥ —	¥90,909
Intersegment	1,084	31	1,778	1,460	4,355	(4,355)	—
Segment sales	49,172	23,914	13,858	8,317	95,264	(4,355)	90,909
Segment profit (loss)	4,398	1,414	(749)	(137)	4,926	(196)	4,729

Notes: 1. The adjustment for segment profit or loss of ¥ (196) million is mainly intersegment transaction elimination such as unrealized profit or loss elimination.

2. The total of segment profit or loss and the total eliminations/corporate amount of the reportable segments are consistent with the operating income of the quarterly consolidated statements of income.

3. A breakdown of countries and regions belonging to the category other than Japan is as follows.

Americas: United States, Mexico

Europe: United Kingdom, Netherlands, France, Spain, Poland, Switzerland, Germany, Italy

ASEAN: Indonesia, Vietnam, Thailand, India

2. Information regarding impairment loss or goodwill, etc. for non-current assets by reporting segment

Not applicable

Subsequent events

Not applicable