

Financial Results for the 1st Quarter of the Fiscal Year Ending March 31, 2022

August 5, 2021

Listed stock exchanges: Tokyo Stock Exchange

Company name: Unitika Ltd.

Code number: 3103

URL: <https://www.unitika.co.jp/e/home.htm>

Representative: Shuji Ueno, President and Chief Executive Officer

Contact: Masumi Fujimoto, General Manager of Accounting Department

TEL: +81-6-6281-5721

Expected submission of quarterly report: August 10, 2021

Expected commencement date for paying dividend: –

Preparation of supplementary explanation documents for quarterly financial results: None

Holding of an analyst meeting for quarterly financial results: None

(Figures rounded down to nearest million yen.)

1. Consolidated performance for 1st quarter of fiscal year ending March 31, 2022 (April 1, 2021 to June 30, 2021)

(1) Consolidated performance (accumulation) (Percentages represent changes from same period in previous year.)

	Net sales		Operating profit		Ordinary profit		Quarterly profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Q1 of FY ending March 31, 2022	28,057	—	2,109	34.6	1,781	97.2	1,259	298.6
Q1 of FY ended March 31, 2021	27,290	(10.0)	1,566	7.0	903	(17.3)	315	—

(Note) Comprehensive income Q1 of FY ending March 31, 2022: 2,317 million yen [352.5%]
Q1 of FY ended March 31, 2021: 512 million yen [—%]

	Quarterly profit per share	Diluted quarterly profit per share
	Yen	Yen
Q1 of FY ending March 31, 2022	20.45	10.56
Q1 of FY ended March 31, 2021	4.09	2.16

(Note) The Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020), etc. have been applied from the beginning of the first quarter of the consolidated fiscal year ending March 31, 2022. Accordingly, net sales for the first quarter of the consolidated fiscal year ending March 31, 2022 show the amount after the above-mentioned accounting standard, etc. has been applied, and the year-on-year percentage change in net sales for the first quarter of the consolidated fiscal year ending March 31, 2022 has been omitted from the table above.

(2) Consolidated financial situation

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
Q1 of FY ending March 31, 2022	192,288	43,188	21.5
FY ended March 31, 2021	190,403	41,192	20.7

(Reference) Shareholders' equity 1st quarter of fiscal year ending March 31, 2022: 41,361 million yen
Fiscal year ended March 31, 2021: 39,476 million yen

2. Dividend payment

	Annual dividend per share				
	End of Q1	End of Q2	End of Q3	Year end	Total
	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2021	—	0.00	—	0.00	0.00
FY ending March 31, 2022	—				
FY ending March 31, 2022 (forecast)		0.00	—	0.00	0.00

(Note) Revision of the latest dividend forecast: None

(Note) The above-mentioned *Dividend payment* refers to dividends paid to the holders of common stock. For details of dividend payment to the holders of class shares (unlisted), the rights of which are different from those of common stock, please refer to *Dividend payment to the holders of class shares* mentioned below.

3. Forecast of consolidated performance for fiscal year ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(Percentages represent changes from same period in previous year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
1st half of FY ending March 31, 2022 (cumulative)	55,000	—	3,400	21.5	2,700	67.6	1,700	(54.4)	26.69
FY ending March 31, 2022	113,000	—	7,000	16.3	5,600	4.1	4,700	21.6	75.94

(Note) Revision of the latest forecasts of operational results: Yes

(Note) The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. have been applied from the beginning of the first quarter of the consolidated fiscal year ending March 31, 2022. Accordingly, the above-mentioned forecast of consolidated performance for the fiscal year ending March 31, 2022 shows the amounts after the above-mentioned accounting standard, etc. has been applied, and the year-on-year percentage changes in net sales for the first half of the consolidated fiscal year ending March 31, 2022 and for the full year of the consolidated fiscal year ending March 31, 2022 have been omitted from the table above.

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying change of scope of consolidation): None

New companies: — (company name)

Excluded companies: — (company name)

(2) Adoption of special accounting methods for preparing quarterly consolidated financial statements: None

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

① Changes in accounting policies due to revisions of accounting standards: Yes

② Changes of accounting policies other than the above: None

③ Changes in accounting estimates: None

④ Retrospective restatement: None

(Note) For details, please refer to 2. *Quarterly Consolidated Financial Statements and Main Notes (3) Notes on quarterly consolidated financial statements (Changes in accounting policies)* on page 8 of the attachment.

(4) Number of shares outstanding (Common stock)

① Number of shares outstanding at end of term (including treasury stock):

1st quarter of the fiscal year ending March 31, 2022: 57,752,343 shares

Fiscal year ended March 31, 2021: 57,752,343 shares

② Number of treasury shares at end of term

1st quarter of the fiscal year ending March 31, 2022: 95,256 shares

Fiscal year ended March 31, 2021: 95,236 shares

③ Average number of shares outstanding during the term (quarterly consolidated accumulated period)

1st quarter of the fiscal year ending March 31, 2022: 57,657,096 shares

1st quarter of the fiscal year ended March 31, 2021: 57,657,967 shares

* This brief report of quarterly financial statements is not subject to audit procedures by a certified public accountant or an independent auditor.

* Explanation on appropriate use of forecasts of performance and other special items

The forward-looking statements in this document concerning forecasting of performance etc. are based on currently available information and assumptions considered by the Company to be reasonable. Such statements are neither promises nor guarantees of future performance. The actual performance may be significantly different from forecasts due to various factors. Concerning assumptions used as a basis for forecasting business performance and precautionary statements when using the forecast of performance, please refer to 1. *Qualitative Information on Quarterly Results (3) Explanation of future forecast information including forecast of consolidated performance* on page 3 of the attachment.

Dividend payment to the holders of class shares

The breakdown of dividends per share related to class shares, the rights of which are different from those of common stock, is as follows:

	Annual dividends				
	End of Q1	End of Q2	End of Q3	Year end	Total
Class A share	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2021	—	0.00	—	12,000.00	12,000.00
FY ending March 31, 2022	—				
FY ending March 31, 2022 (forecast)		0.00	—	12,000.00	12,000.00
Class B share	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2021	—	0.00	—	23,740.00	23,740.00
FY ending March 31, 2022	—				
FY ending March 31, 2022 (forecast)		0.00	—	23,740.00	23,740.00

○ Table of contents for the attachment

1. Qualitative Information on Quarterly Results.....	2
(1) Explanation of operational results.....	2
(2) Explanation of financial position	3
(3) Explanation of future forecast information including forecast of consolidated performance	3
2. Quarterly Consolidated Financial Statements and Main Notes	4
(1) Quarterly consolidated balance sheets	4
(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income	6
Quarterly consolidated statements of income	
Three-month period ended June 30, 2021	6
Quarterly consolidated statements of comprehensive income	
Three-month period ended June 30, 2021	7
(3) Notes on quarterly consolidated financial statements	8
(Notes on assumption of going concern).....	8
(Notes on a significant change in shareholders' equity)	8
(Changes in accounting policies).....	8
(Additional information)	8
(Segment information, etc.).....	9

1. Qualitative Information on Quarterly Results

(1) Explanation of operational results

The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. have been applied from the beginning of the first quarter of the consolidated fiscal year ending March 31, 2022 (April 1, 2021 to June 30, 2021). Accordingly, net sales for the first quarter of the consolidated fiscal year ending March 31, 2022 decreased from the first quarter of the previous consolidated fiscal year. Thereby, in the explanation on operational results for the first quarter of the consolidated fiscal year ending March 31, 2022, the Company explained net sales without describing the year-on-year percentage change.

During the first quarter of the consolidated fiscal year under review, the Japanese economy divided into two opposites. The re-declaration of a State of Emergency sent service businesses, such as restaurants and hotels, into a tailspin, while manufacturing industries showed steady recovery supported by robust demand from overseas. On the other hand, the global economy was on a recovery path against the background of a rebound in demand in Europe, the U.S. and China, where vaccinations progressed faster than other areas. However, the global economic outlook continued to be uncertain due to a worldwide spread of new coronavirus (hereinafter “COVID-19”) variants.

Under these circumstances, the Unitika Group has been endeavoring to realize the building of strong business portfolios, promotion of global business development, and a change in business culture and mind-set—the Group’s basic policies that place the strengthening of the foundation for a growth phase as the highest priority under *G-STEP30, the 1st*, a medium-term management plan announced in May 2020.

Consequently, the Group reported net sales of 28,057 million yen (versus net sales of 27,290 million yen in the previous year), operating profit of 2,109 million yen (up 34.6% year on year), ordinary profit of 1,781 million yen (up 97.2% year on year), and profit attributable to owners of parent of 1,259 million yen (up 298.6% year on year) in the first quarter of the consolidated fiscal year under review. The application of the Accounting Standard for Revenue Recognition, etc. caused net sales to decrease by 879 million yen.

Here is an overview of the business results by segment.

[Polymers Segment]

In the Films business, sales volume increased, contributing to steady growth, despite the negative impact of rising raw material prices. The packaging sector saw sales grow steadily due to a rise in demand from staying at home. Furthermore, sales of high-value-added products, such as *EMBLEM HG*, a barrier nylon film, continued to grow robustly in Japan and overseas. P.T. EMBLEM ASIA, a subsidiary in Indonesia, also performed solidly. In the industrial sector, sales were robust, mainly in semiconductor-related applications. In addition, sales of high-value-added products, such as *UNIPEEL*, a silicon-free release PET film, also increased steadily.

In the Plastics business, sales for automotive applications increased strongly and shipments for electrical and electronics applications were also steady, although there was negative impact from a rise in raw material prices. Sales of nylon resins increased due to a recovery in demand for mainly automotive-related applications, which decreased due to the impact of the COVID-19 pandemic in the previous year. Furthermore, sales of *U-Polymer*, a polyarylate resin, grew robustly for information terminal equipment applications. Sales of other raw materials were also strong since demand was on the rebound for capital-expenditure-related and construction materials, etc. applications.

Consequently, the Polymers segment posted operating profit of 2,198 million yen (up 61.1% year on year) on net sales of 12,504 million yen (versus net sales of 10,123 million yen in the previous year). The application of the Accounting Standard for Revenue Recognition, etc. caused net sales to increase by 803 million yen.

[Performance Materials Segment]

In the Activated Carbon Fibers business, sales for mainstay water purifier applications were sluggish for some applications, including commercial-use applications, due to the impact of the COVID-19 pandemic. However, demand for other applications, in general, was on the rebound. Sales for both environment-related and automotive applications were steady.

In the Glass Fibers business, in the industrial materials sector, sales of incombustible sheets were weak for building-related applications since demand for private capital expenditures didn’t recover. Furthermore, sales of filters were also sluggish for environment-related applications. In the electronic materials sector, sales of IC cloth remained robust for semiconductor and module applications, such as products for information terminal equipment and peripheral equipment. Sales of high-value-added products, including super-thin products and materials with low thermal expansion, were robust.

In the Glass Beads business, sales for road and reflective material applications almost recovered from the decrease in demand caused by the impact of the COVID-19 pandemic in the previous year. Sales for industrial applications, mainly automotive, were also steady.

In the Non-woven Fabrics business, sales for building and automotive applications moderately recovered from the decline in sales due to the impact of the COVID-19 pandemic in the previous year. Sales for skin care applications continued to be sluggish due to the impact of self-restraint concerning nonessential outings. On the other hand, demand stabilized for daily product applications, such as medical gowns, and for sanitary material applications, such as disinfectant sheets, which increased sharply in the previous year.

In the Industrial Materials business, sales of polyester staple fibers grew steadily due to a rise in demand for filter applications. Furthermore, sales of ultra-high-strength polyester filament yarns for building and civil engineering

applications gradually recovered from the decline caused by the COVID-19 pandemic.

Consequently, the Performance Materials segment posted operating profit of 82 million yen (down 56.6% year on year) on net sales of 8,445 million yen (versus net sales of 7,495 million yen in the previous year). The application of the Accounting Standard for Revenue Recognition, etc. caused net sales to increase by 554 million yen.

[Fibers and Textiles Segment]

In the Garments, Lifestyle Materials and Bedding business, sales for medical gowns, whose orders grew in the previous year, leveled off. Sales in the uniform sector, a mainstay of this business, in general, remained very weak since demand was sluggish mainly for the service and office-related sectors as well as the women's and sport clothing sectors, although there were some signs of recovery in demand for some applications and sales for medical applications were steady.

Consequently, the Fibers & Textiles posted an operating loss of 165 million yen (versus an operating profit of 82 million yen in the previous year) on net sales of 7,093 million yen (versus net sales of 9,663 million yen in the previous year).

The application of the Accounting Standard for Revenue Recognition, etc. caused net sales to decrease by 2,237 million yen.

[Others]

The Others category posted an operating loss of 1 million yen (versus an operating loss of 10 million yen in the previous year) on net sales of 14 million yen (versus net sales of 8 million yen in the previous year). The application of the Accounting Standard for Revenue Recognition, etc. didn't have impact on net sales.

(2) Explanation of financial position

Total assets increased by 1,884 million yen from the end of the previous consolidated year to 192,288 million yen mainly due to a rise in inventories. Liabilities fell by 111 million yen from the end of the previous consolidated year to 149,099 million yen. This was primarily due to a decline in long-term borrowings. Net assets increased by 1,996 million yen from the end of the previous consolidated year to 43,188 million yen. This was mainly due to a rise in retained earnings caused by the posting of profit attributable to owners of parent.

(3) Explanation of future forecast information including forecast of consolidated performance

For details of the forecast of consolidated performance, please refer to Notice Regarding the Revision of the Forecast of Consolidated Performance announced on August 5, 2021.

2. Quarterly Consolidated Financial Statements and Main Notes

(1) Quarterly consolidated balance sheets

(Unit: Millions of yen)

	Previous consolidated fiscal year (March 31, 2021)	Q1 of current consolidated fiscal year ending March 2022 (June 30, 2021)
Assets		
Current assets		
Cash and deposits	23,370	23,312
Notes and accounts receivable-trade	29,182	—
Notes and accounts receivable-trade, and contract assets	—	29,077
Inventories	26,033	27,171
Other	2,595	2,707
Allowance for doubtful accounts	(91)	(88)
Total current assets	81,088	82,181
Non-current assets		
Property, plant and equipment		
Machinery, equipment and vehicles, net	20,108	20,645
Land	62,647	62,694
Other, net	20,255	20,604
Total property, plant and equipment	103,010	103,944
Intangible assets		
Other	1,991	1,949
Total intangible assets	1,991	1,949
Investments and other assets		
Other	4,378	4,277
Allowance for doubtful accounts	(65)	(63)
Total investments and other assets	4,312	4,213
Total non-current assets	109,314	110,107
Total assets	190,403	192,288

(Unit: Millions of yen)

	Previous consolidated fiscal year (March 31, 2021)	Q1 of current consolidated fiscal year ending March 2022 (June 30, 2021)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	13,606	15,540
Short-term borrowings	2,130	2,115
Current portion of long-term borrowings	2,664	2,661
Income taxes payable	923	241
Provision for bonuses	1,770	953
A product repair reserve fund	40	37
Other	10,210	9,861
Total current liabilities	31,346	31,411
Non-current liabilities		
Long-term borrowings	92,002	91,142
Retirement benefit liability	14,324	14,546
Other	11,537	11,999
Total non-current liabilities	117,864	117,688
Total liabilities	149,211	149,099
Net assets		
Shareholders' equity		
Share capital	100	100
Capital surplus	13,126	13,126
Retained earnings	25,695	26,633
Treasury shares	(57)	(57)
Total shareholders' equity	38,865	39,803
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	480	457
Deferred gains or losses on hedges	16	24
Revaluation reserve for land	6,313	6,313
Foreign currency translation adjustment	(4,374)	(3,481)
Remeasurements of defined benefit plans	(1,823)	(1,756)
Total accumulated other comprehensive income	611	1,558
Non-controlling interests	1,715	1,826
Total net assets	41,192	43,188
Total liabilities and net assets	190,403	192,288

(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income
 (Quarterly consolidated statements of income)
 (Three-month period ended June 30, 2021)

(Unit: Millions of yen)

	Three-month period ended June 30, 2020 (April 1, 2020 to June 30, 2020)	Three-month period ended June 30, 2021 (April 1, 2021 to June 30, 2021)
Net sales	27,290	28,057
Cost of sales	20,559	20,664
Gross profit	6,731	7,393
Selling, general and administrative expenses	5,164	5,284
Operating profit	1,566	2,109
Non-operating income		
Interest income	14	16
Dividend income	40	26
Rental income	21	21
Subsidy income	—	72
Other	134	85
Total non-operating income	211	222
Non-operating expenses		
Interest expenses	290	281
Share of loss of entities accounted for using equity method	18	2
Foreign exchange losses	463	153
Other	102	113
Total non-operating expenses	875	550
Ordinary profit	903	1,781
Extraordinary income		
Gain on sales of non-current assets	79	—
Insurance claim income	—	545
Total extraordinary income	79	545
Extraordinary losses		
Loss on disposal of non-current assets	253	143
Loss on tax purpose reduction entry of non-current assets	—	398
Loss on valuation of investment securities	24	—
Provision for loss on litigation	26	—
Other	6	20
Total extraordinary losses	310	562
Profit before income taxes	672	1,764
Income taxes-current	131	165
Income taxes-deferred	234	336
Total income taxes	366	501
Profit	305	1,262
Profit (loss) attributable to non-controlling interests	(10)	3
Profit attributable to owners of parent	315	1,259

(Quarterly consolidated statements of comprehensive income)
 (Three-month period ended June 30, 2021)

(Unit: Millions of yen)

	Three-month period ended June 30, 2020 (April 1, 2020 to June 30, 2020)	Three-month period ended June 30, 2021 (April 1, 2021 to June 30, 2021)
Profit	305	1,262
Other comprehensive income		
Valuation difference on available-for-sale securities	38	(23)
Deferred gains or losses on hedges	(4)	8
Foreign currency translation adjustment	69	1,001
Remeasurements of defined benefit plans, net of tax	103	67
Total other comprehensive income	206	1,055
Comprehensive income	512	2,317
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	534	2,206
Comprehensive income attributable to non-controlling interests	(21)	111

(3) Notes on quarterly consolidated financial statements

(Notes on assumption of going concern)

Not applicable

(Notes on a significant change in shareholders' equity)

Not applicable

(Changes in accounting policies)

(Application of Accounting Standard for Revenue Recognition, etc.)

The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020; hereinafter "Revenue Recognition Standard"), etc. have been applied from the beginning of the first quarter of the consolidated fiscal year ending March 31, 2022. The Company recognizes revenue in the amount that it expects to receive in exchange for promised goods or services at the time control of the goods or services is transferred to customers.

Thereby, if the Company's performance obligation is to arrange for the provision of goods or services promised to customers by another party, the Company, as an agent, recognizes revenue on a net basis.

Consequently, net sales and cost of sales for the first quarter of the consolidated fiscal year ending March 31, 2022 each decreased by 879 million yen.

The Revenue Recognition Standard, etc. were applied in accordance with the transitional treatment set forth in the proviso of Paragraph 84 of the Revenue Recognition Standard. However, these changes had no impact on the balance of retained earnings at the beginning of the consolidated fiscal year ending March 31, 2022.

Due to the application of the Revenue Recognition Standard, etc., "Notes and accounts receivable-trade" in "Current assets" on the consolidated balance sheets for the previous consolidated fiscal year were stated as "Notes and accounts receivable-trade, and contract assets" from the first quarter of the consolidated fiscal year ending March 31, 2022. According to the transitional treatment set forth in Paragraph 89-2 of the Revenue Recognition Standard, comparative information for the previous consolidated fiscal year was not reclassified by the new method of presentation. Furthermore, in compliance with the transitional treatment set forth in Paragraph 28-15 of the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12, March 31, 2020), information on the breakdown of revenue generated from contracts with customers for the first quarter of the previous consolidated fiscal year was not shown.

(Application of Accounting Standard for Fair Value Measurement, etc.)

The Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019; hereinafter "Fair Value Measurement Standard"), etc. have been applied from the beginning of the first quarter of the consolidated fiscal year ending March 31, 2022. In accordance with the transitional treatment prescribed in Paragraph 19 of the Fair Value Measurement Standard and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019), the Company has decided to apply the new accounting policies set forth by the Fair Value Measurement Standard into the future. These changes had no impact on the quarterly consolidated financial statements.

(Additional information)

(Application of tax effect accounting for the transition from the consolidated taxation system to the group tax sharing system)

As to items subject to transition to the group tax sharing system, established under the Act for Partial Revision of the Income Tax Act (Act No. 8 of 2020), and items reviewed under the non-consolidated taxation system in conjunction with the transition to the group tax sharing system, the Company and some of its consolidated subsidiaries in Japan have not applied the provisions in Paragraph 44 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, February 16, 2018) in accordance with the treatment under Paragraph 3 of the 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 (PITF) No. 39, March 31, 2020), and the amounts of deferred tax assets and deferred tax liabilities were based on the provisions of the Income Tax Act before the revision.

(Impact of the COVID-19 pandemic)

As to the assumption on the impact of the COVID-19 pandemic that the Group described in the Securities Report (material accounting estimates) for the previous consolidated fiscal year, there were no material changes in the first quarter of the consolidated fiscal year ending March 31, 2022.

(Segment information, etc.)

[Segment information]

I. Three-month period ended June 30, 2020 (April 1, 2020 to June 30, 2020)

1. Information on net sales, income or loss by reportable segment

(Unit: Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount posted in Quarterly consolidated statements of income (Note 3)
	Polymers	Performance Materials	Fibers & Textiles	Total				
Net sales								
Net sales to outside customers	10,123	7,495	9,663	27,282	8	27,290	—	27,290
Inter-segment sales or transfer	2,060	1,143	50	3,255	—	3,255	(3,255)	—
Total	12,184	8,639	9,714	30,537	8	30,546	(3,255)	27,290
Segment income (loss)	1,364	189	82	1,636	(10)	1,626	(59)	1,566

(Notes) 1. The *Other* segment includes business segments that are not included in reportable segments.2. Adjustment of *Segment income (loss)* is attributable to the elimination of inter-segment transactions.3. *Segment income (loss)* is adjusted with operating profit in consolidated statements of income.

II. Three-month period ended June 30, 2021 (April 1, 2021 to June 30, 2021)

1. Information on net sales, income or loss by reportable segment

(Unit: Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount posted in Quarterly consolidated statements of income (Note 3)
	Polymers	Performance Materials	Fibers & Textiles	Total				
Net sales								
Net sales to outside customers	12,504	8,445	7,093	28,043	14	28,057	—	28,057
Inter-segment sales or transfer	1,315	439	51	1,806	—	1,806	(1,806)	—
Total	13,819	8,885	7,144	29,850	14	29,864	(1,806)	28,057
Segment income (loss)	2,198	82	(165)	2,114	(1)	2,113	(4)	2,109

(Notes) 1. The *Other* segment includes business segments that are not included in reportable segments.2. Adjustment of *Segment income (loss)* is attributable to the elimination of inter-segment transactions.3. *Segment income (loss)* is adjusted with operating profit in consolidated statements of income.

2. Matters concerning the revision of reportable segments

(Application of Revenue Recognition Standard, etc.)

As described in *(Changes in accounting policies)*, the Company has changed its accounting method on revenue recognition by applying the Revenue Recognition Standard, etc. from the beginning of the first quarter of the consolidated fiscal year ending March 31, 2022.

Consequently, in the first quarter of the consolidated fiscal year ending March 31, 2022, compared to those under the previous accounting method, net sales of the Polymers and the Performance Materials businesses increased by 803 million yen and 554 million yen, respectively, while net sales of the Fibers & Textiles business decreased by 2,237 million yen.