

Note: This is an excerpt translation of the “Shihanki-Houkokusho” for the convenience of overseas stakeholders. In cases where any differences occur between the English version and the original Japanese version, the Japanese version shall prevail. RIKEN TECHNOS CORPORATION assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

# **Quarterly Consolidated Financial Statements**

(Pursuant to Article 24-4-7, Paragraph 1 of the  
Japanese Financial Instruments and Exchange Act)

Third quarter of  
the 93rd term

From April 1, 2021  
to December 31, 2021

**RIKEN TECHNOS CORPORATION**

**2-101, Kanda-Awajicho, Chiyoda-ku, Tokyo, Japan**

# 1 Quarterly Consolidated Financial Statements

## (1) Consolidated Balance Sheets

(Thousands of yen)

|   | As of March 31, 2021 | As of December 31, 2021 |
|---|----------------------|-------------------------|
| <b>Assets</b>                                       |                      |                         |
| Current assets                                      |                      |                         |
| Cash and deposits                                   | 21,106,010           | 19,885,815              |
| Notes and accounts receivable - trade               | *1 21,143,908        | *1 22,714,136           |
| Electronically recorded monetary claims - operating | *1 2,162,815         | *1 3,614,967            |
| Merchandise and finished goods                      | 6,227,760            | 8,580,816               |
| Work in process                                     | 692,289              | 792,497                 |
| Raw materials and supplies                          | 5,372,437            | 6,996,929               |
| Other   | 948,638              | 1,364,964               |
| Allowance for doubtful accounts                     | (83,920)             | (84,151)                |
| <b>Total current assets</b>                         | <b>57,569,939</b>    | <b>63,865,976</b>       |
| Non-current assets                                  |                      |                         |
| Property, plant and equipment                       |                      |                         |
| Buildings and structures, net                       | 9,917,194            | 9,884,271               |
| Machinery, equipment and vehicles, net              | 8,390,108            | 8,139,504               |
| Land  | 6,282,764            | 6,293,394               |
| Leased assets, net                                  | 59,298               | 43,710                  |
| Construction in progress                            | 231,171              | 292,792                 |
| Other, net  | 590,426              | 544,405                 |
| <b>Total property, plant and equipment</b>          | <b>25,470,963</b>    | <b>25,198,080</b>       |
| Intangible assets                                   |                      |                         |
| Goodwill  | 542,063              | 390,972                 |
| Leased assets                                       | 2,919                | 1,171                   |
| Other   | 1,808,885            | 1,980,477               |
| <b>Total intangible assets</b>                      | <b>2,353,868</b>     | <b>2,372,621</b>        |
| Investments and other assets                        |                      |                         |
| Investment securities                               | 7,736,267            | 7,888,789               |
| Long-term loans receivable                          | 14,269               | 2,721                   |
| Retirement benefit asset                            | 883,374              | 925,742                 |
| Deferred tax assets                                 | 418,840              | 453,472                 |
| Other   | 764,382              | 648,124                 |
| Allowance for doubtful accounts                     | (3,045)              | (2,320)                 |
| <b>Total investments and other assets</b>           | <b>9,814,089</b>     | <b>9,916,530</b>        |
| <b>Total non-current assets</b>                     | <b>37,638,921</b>    | <b>37,487,232</b>       |
| <b>Total assets</b>                                 | <b>95,208,860</b>    | <b>101,353,208</b>      |

(Thousands of yen)

|   | As of March 31, 2021 |                   | As of December 31, 2021 |                    |
|---|----------------------|-------------------|-------------------------|--------------------|
| <b>Liabilities</b>  |                      |                   |                         |                    |
| Current liabilities   |                      |                   |                         |                    |
| Notes and accounts payable - trade                            | *1                   | 16,139,497        | *1                      | 20,142,958         |
| Short-term borrowings   | *2                   | 6,976,725         | *2                      | 7,165,347          |
| Current portion of long-term borrowings                       |                      | 448,983           |                         | 461,700            |
| Lease obligations   |                      | 20,560            |                         | 16,084             |
| Income taxes payable  |                      | 885,287           |                         | 501,004            |
| Provision for bonuses   |                      | 721,429           |                         | 384,293            |
| Provision for bonuses for directors (and other officers)      |                      | 84,709            |                         | 66,296             |
| Other   |                      | 2,803,299         |                         | 2,560,723          |
| <b>Total current liabilities</b>                              |                      | <b>28,080,491</b> |                         | <b>31,298,408</b>  |
| Non-current liabilities                                       |                      |                   |                         |                    |
| Long-term borrowings  |                      | 2,819,082         |                         | 2,654,089          |
| Lease obligations   |                      | 26,361            |                         | 21,356             |
| Deferred tax liabilities                                      |                      | 1,545,671         |                         | 1,755,200          |
| Provision for share awards for directors (and other officers) |                      | 140,640           |                         | 159,824            |
| Retirement benefit liability                                  |                      | 1,052,229         |                         | 1,095,782          |
| Asset retirement obligations                                  |                      | 332,387           |                         | 335,975            |
| Other   |                      | 135,141           |                         | 98,150             |
| <b>Total non-current liabilities</b>                          |                      | <b>6,051,514</b>  |                         | <b>6,120,380</b>   |
| <b>Total liabilities</b>                                      |                      | <b>34,132,006</b> |                         | <b>37,418,789</b>  |
| Net assets  |                      |                   |                         |                    |
| Shareholders' equity  |                      |                   |                         |                    |
| Share capital   |                      | 8,514,018         |                         | 8,514,018          |
| Capital surplus   |                      | 6,597,580         |                         | 6,597,580          |
| Retained earnings   |                      | 35,561,518        |                         | 37,587,806         |
| Treasury shares   |                      | (517,035)         |                         | (474,281)          |
| <b>Total shareholders' equity</b>                             |                      | <b>50,156,082</b> |                         | <b>52,225,124</b>  |
| Accumulated other comprehensive income                        |                      |                   |                         |                    |
| Valuation difference on available-for-sale securities         |                      | 3,999,879         |                         | 4,223,960          |
| Foreign currency translation adjustment                       |                      | (460,662)         |                         | 130,097            |
| Remeasurements of defined benefit plans                       |                      | 46,021            |                         | 83,223             |
| <b>Total accumulated other comprehensive income</b>           |                      | <b>3,585,238</b>  |                         | <b>4,437,281</b>   |
| Non-controlling interests                                     |                      | 7,335,533         |                         | 7,272,013          |
| <b>Total net assets</b>                                       |                      | <b>61,076,854</b> |                         | <b>63,934,419</b>  |
| <b>Total liabilities and net assets</b>                       |                      | <b>95,208,860</b> |                         | <b>101,353,208</b> |

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

(Thousands of yen)

|  | Nine months ended<br>December 31, 2020 | Nine months ended<br>December 31, 2021 |
|--|--|--|
| Net sales  | 63,370,842                             | 78,376,008                             |
| Cost of sales                                    | 51,484,728                             | 64,711,246                             |
| Gross profit                                     | 11,886,114                             | 13,664,761                             |
| Selling, general and administrative expenses     | 8,436,490                              | 9,073,783                              |
| Operating profit                                 | 3,449,623                              | 4,590,977                              |
| Non-operating income                             |  |  |
| Interest income                                  | 20,641                                 | 19,408                                 |
| Dividend income                                  | 160,122                                | 180,360                                |
| Foreign exchange gains                           | -                                      | 192,806                                |
| Other  | 196,638                                | 167,129                                |
| Total non-operating income                       | 377,402                                | 559,704                                |
| Non-operating expenses                           |  |  |
| Interest expenses                                | 112,827                                | 82,488                                 |
| Depreciation of assets for rent                  | 14,784                                 | 27,590                                 |
| Foreign exchange losses                          | 89,488                                 | -                                      |
| Other  | 47,344                                 | 28,889                                 |
| Total non-operating expenses                     | 264,444                                | 138,968                                |
| Ordinary profit                                  | 3,562,581                              | 5,011,714                              |
| Extraordinary income                             |  |  |
| Gain on sale of non-current assets               | 4,785                                  | 835                                    |
| Gain on sale of investment securities            | 10,768                                 | 89,167                                 |
| Total extraordinary income                       | 15,553                                 | 90,003                                 |
| Extraordinary losses                             |  |  |
| Loss on sale of non-current assets               | 759                                    | 530                                    |
| Loss on retirement of non-current assets         | 6,124                                  | 4,720                                  |
| Loss on sale of investment securities            | -                                      | 1,409                                  |
| Total extraordinary losses                       | 6,884                                  | 6,660                                  |
| Profit before income taxes                       | 3,571,251                              | 5,095,056                              |
| Income taxes                                     | 847,330                                | 1,242,596                              |
| Profit   | 2,723,920                              | 3,852,460                              |
| Profit attributable to non-controlling interests | 701,938                                | 524,150                                |
| Profit attributable to owners of parent          | 2,021,981                              | 3,328,310                              |

## Consolidated Statements of Comprehensive Income

(Thousands of yen)

|  | Nine months ended<br>December 31, 2020 | Nine months ended<br>December 31, 2021 |
|--|--|--|
| Profit   | 2,723,920                              | 3,852,460                              |
| Other comprehensive income                                     |  |  |
| Valuation difference on available-for-sale securities          | 1,371,727                              | 224,211                                |
| Foreign currency translation adjustment                        | (1,210,303)                            | 837,321                                |
| Remeasurements of defined benefit plans, net of tax            | 79,057                                 | 37,201                                 |
| Total other comprehensive income                               | 240,481                                | 1,098,734                              |
| Comprehensive income   | 2,964,401                              | 4,951,194                              |
| Comprehensive income attributable to                           |  |  |
| Comprehensive income attributable to owners of parent          | 2,775,352                              | 4,180,353                              |
| Comprehensive income attributable to non-controlling interests | 189,048                                | 770,841                                |

## Notes to Quarterly Consolidated Financial Statements

### Basis of Presentation of Quarterly Consolidated Financial Statements

The accompanying quarterly consolidated financial statements of RIKEN TECHNOS CORPORATION (the “Company”) and its consolidated subsidiaries have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations, and in accordance with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards (“IFRS”).

In addition, amounts are rounded down to the nearest thousand yen.

### Changes in Accounting Policies

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

The Company has applied the “Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020; hereinafter the “Revenue Recognition Accounting Standard”), etc. effective from the beginning of the first quarter of the current fiscal year, and recognizes revenue in the amount expected to be received in exchange for promised goods or services at the time when the control of these goods or services is transferred to the customer. Accordingly, with regard to charged supplying to customers, the Company has shifted to the method by which it does not recognize extinguishment of the supplied goods, in cases where it assumes the obligation to repurchase the supplied goods. Additionally, in terms of export transactions, the Company has changed its method of revenue recognition by which revenue is recognized at the time of arrival at the place that the Company and customers had agreed upon, deeming our performance obligations to have been fulfilled at that time. Furthermore, with regard to certain transactions in which the Group acts as an agent in providing the goods or services to a customer, the Company has changed its method and recognizes revenue in the net amount.

The application of the Revenue Recognition Accounting Standard, etc. is subject to the transitional treatment provided for in the proviso to Paragraph 84 of the Revenue Recognition Accounting Standard. Accordingly, the cumulative effect of the retrospective application of the new accounting policy, assuming it has been applied to periods prior to the beginning of the first quarter of the current fiscal year, is added to or subtracted from retained earnings at the beginning of the period under review, and the new accounting policy is applied from the said beginning balance.

As a result, for the nine-month period under review, net sales decreased by 753,187 thousand yen, cost of sales decreased by 742,901 thousand yen, and operating profit, ordinary profit, and profit before income taxes decreased by 10,286 thousand yen, respectively. Additionally, accounts receivable - trade decreased by 72,408 thousand yen, inventories increased by 44,847 thousand yen, and the beginning balance for retained earnings of the first quarter of the current fiscal year decreased by 11,984 thousand yen.

Furthermore, in accordance with the transitional treatment stipulated 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 nine months ended December 31, 2020 is not provided.

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

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019; hereinafter the “Fair Value Measurement Accounting Standard”), etc. effective from the beginning of the first quarter of the current fiscal year and in accordance with the transitional treatment provided for in Paragraph 19 of the Fair Value Measurement Accounting Standard and Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019), the Company will apply the new accounting policy prescribed by the Fair Value Measurement Accounting Standard, etc. into the future. This application has no impact on the quarterly consolidated financial statements.

## Special Accounting Applied for Preparing Quarterly Consolidated Financial Statements

(Calculation of taxes)

The Company computes the taxes first by reasonably estimating the effective tax rate after applying tax effect accounting against profit before income taxes for the fiscal year including the third quarter under review, and next by multiplying profit before income taxes by such estimated effective tax rate.

However, in cases where the calculation of taxes using such estimated effective tax rate yields a result that is not reasonable to a significant extent, the effective statutory tax rate is used.

### Additional Information

(Transactions of delivering the Company's own stock to employees etc. through trusts)

#### (1) Board Benefit Trust (BBT)

In accordance with the resolution at the 87th Ordinary General Meeting of Shareholders held on June 24, 2016, the Company introduced a new stock-based compensation plan "Board Benefit Trust (BBT)" on September 14, 2016, for the purpose of raising awareness of Directors who execute business (excluding Directors who are Audit & Supervisory Committee Members) and Executive Officers toward their contributions to improving the mid- to long-term corporate performance and increasing the corporate value as well as making Directors who do not execute business (excluding Directors who are Audit & Supervisory Committee Members) and Directors who are Audit & Supervisory Committee Members contribute to increasing the mid- to long-term corporate value through supervision or audit.

##### (a) Overview of transactions

Based on the officers' stock benefit plan which was established in advance, the Company and its group companies (the "Group") grant points to Directors, etc. (Directors and Executive Officers). At the time of their retirement, the Group provides shares in the Company to the Directors, etc. who satisfy requirements for beneficiaries in proportion to the points which the Group has granted to them. With regard to the shares which will be provided to Directors etc. in the future, a trust bank acquires the Company's treasury shares through third-party allotment by using the money contributed by the Company. Such shares are managed as trust assets separately.

##### (b) Shares in the Company remaining at the trust

The shares in the Company remaining at the trust are recorded as the treasury shares in net assets with the book value (excluding associated costs) at the trust. The book value and number of these treasury shares as of the end of the previous fiscal year were 282,476 thousand yen and 614 thousand shares, respectively, while those as of the end of the third quarter under review were 276,412 thousand yen and 601 thousand shares, respectively.

##### (c) Book value of borrowings recorded due to the application of the gross method

Not applicable.

#### (2) Stock Benefit Trust (Employee Stockholding Association Purchase-type)

For the purpose of promoting welfare benefits for employees and giving incentives pertaining to the improvement of corporate value of the Company, the Company introduced "Stock Benefit Trust (Employee Stockholding Association Purchase-type)" (hereinafter referred to as the "Plan"), pursuant to the resolution at the Board of Directors meeting held on May 24, 2017.

##### (a) Overview of transactions

The Plan is an incentive plan under which the benefits of a rise in the Company's stock price are passed along to all the employees who are members of the "RIKEN TECHNOS Employee Stockholding Association" (hereinafter referred to as the "Stockholding Association").

A trust bank as the trustee of the Plan acquires shares in the Company that are expected to be acquired by the Stockholding Association over the five years after the establishment of the trust, en bloc in advance, and sells those shares in the Company to the Stockholding Association as needed when it acquires the shares. If the amount equivalent to gain on sales of shares by the trust bank was

accumulated in trust assets by the termination of this trust through the sale of shares to the Stockholding Association, the accumulated amount is distributed as residual assets to the members of the Company's employee Stockholding Association who satisfy eligibility requirements for beneficiaries. The Company has guaranteed loans that the trust bank received to acquire shares in the Company. Therefore, if there is remaining loan amount that is equivalent to loss on sales of shares in the Company due to a decline in the Company's stock price at the time of termination of the trust, the Company is required to pay the remaining loan amount under the guarantee agreement.

(b) Shares in the Company remaining at the trust

The shares in the Company remaining at the trust are recorded as the treasury shares in net assets with the book value (excluding associated costs) at the trust. The book value and number of these treasury shares as of the end of the previous fiscal year were 234,538 thousand yen and 459 thousand shares, respectively, while those as of the end of the third quarter under review were 197,820 thousand yen and 387 thousand shares, respectively.

(c) Book value of borrowings recorded due to the application of the gross method

205,757 thousand yen as of the end of the third quarter under review

### **Changes in Presentation**

(Consolidated Statements of Income)

"Subsidies for employment adjustment," which was presented separately under "Non-operating income" in the consolidated statements of income for the nine months ended December 31, 2020, has been included in "Other" from those for the nine months ended December 31, 2021 due to its decreased monetary importance. To reflect this change in presentation, the consolidated financial statements for the nine months ended December 31, 2020 have been reclassified.

As a result, 77,596 thousand yen and 119,041 thousand yen, which were presented as "Subsidies for employment adjustment" and "Other," respectively, under "Non-operating income" in the Consolidated Statements of Income for the nine months ended December 31, 2020, have been reclassified as "Other" of 196,638 thousand yen.



## Notes to Consolidated Balance Sheets

### \*1. Notes maturing on the quarterly balance sheet date

When the quarterly balance sheet date falls on a holiday of financial institutions, the notes maturing on the quarterly balance sheet date will be accounted for as if they were settled on the maturity date.

The amount of notes matured on December 31, 2021 is as follows:

|   | (Thousands of yen)   |                         |
|---|----------------------|-------------------------|
|   | As of March 31, 2021 | As of December 31, 2021 |
| Notes receivable - trade                            | 43,209               | 173,685                 |
| Electronically recorded monetary claims - operating | 59,104               | 286,420                 |
| Notes payable - trade                               | 8,148                | 2,215                   |

### \*2. Overdraft agreements and unused overdraft facility balance

To efficiently secure equipment funds, the Company and its domestic consolidated subsidiaries have entered into overdraft agreements with banks with which they do business.

The unused balance of these prescribed limit agreements is as follows:

|   | (Thousands of yen)   |                         |
|---|----------------------|-------------------------|
|   | As of March 31, 2021 | As of December 31, 2021 |
| Total overdraft facility limit          | 12,180,000           | 12,330,000              |
| Outstanding borrowings within the limit | 4,965,000            | 4,565,000               |
| Unused balance                          | 7,215,000            | 7,765,000               |

## Notes to Consolidated Statements of Income

Not applicable.

## Notes to Consolidated Statements of Cash Flows

The consolidated statements of cash flows for the nine-month period under review were not prepared. Depreciation (including amortization of intangible assets except for goodwill) and amortization of goodwill for the nine-month period under review are as follows:

|                          | (Thousands of yen)                     |  |
|--------------------------|--|--|
|                          | Nine months ended<br>December 31, 2020 | Nine months ended<br>December 31, 2021 |
| Depreciation             | 2,733,829                              | 2,586,772                              |
| Amortization of goodwill | 151,091                                | 151,091                                |

## Shareholders' Equity and Others

### I. Nine months ended December 31, 2020 (from April 1, 2020 to December 31, 2020)

#### 1. Dividends paid

| (Resolution)   | Type of shares | Total dividends<br>(Thousands of yen) | Dividends<br>per share<br>(Yen) | Cut-off date   | Effective date | Source of<br>dividends |
|--|----------------|---------------------------------------|---------------------------------|----------------|----------------|------------------------|
| Ordinary General Meeting of Shareholders held on June 19, 2020 | Common stock   | 510,777                               | 8                               | March 31, 2020 | June 22, 2020  | Retained earnings      |

(Note) Total dividends include 6,597 thousand yen of dividends to the Company's own shares held in Trust Account E.

| (Resolution)  | Type of shares | Total dividends<br>(Thousands of yen) | Dividends<br>per share<br>(Yen) | Cut-off date       | Effective date   | Source of<br>dividends |
|---|----------------|---------------------------------------|---------------------------------|--------------------|------------------|------------------------|
| Board of Directors meeting held on October 30, 2020 | Common stock   | 255,388                               | 4                               | September 30, 2020 | December 2, 2020 | Retained earnings      |

(Note) Total dividends include 2,555 thousand yen of dividends to the Company's own shares held in Trust Account E.

#### 2. Significant changes in shareholders' equity

Pursuant to the resolution at the Board of Directors meeting held on July 31, 2020, the Company canceled 2,000 thousand shares of its treasury share as of August 17, 2020. As a result, in the nine months ended December 31, 2020, capital surplus, retained earnings and treasury shares decreased by 775,028 thousand yen, 159,371 thousand yen and 934,400 thousand yen, respectively. Capital surplus stood at 6,597,580 thousand yen at the end of the third quarter under review, with retained earnings amounting to 34,352,917 thousand yen and treasury shares standing at 407,082 thousand yen.

### II. Nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021)

#### 1. Dividends paid

| (Resolution)   | Type of shares | Total dividends<br>(Thousands of yen) | Dividends<br>per share<br>(Yen) | Cut-off date   | Effective date | Source of<br>dividends |
|--|----------------|---------------------------------------|---------------------------------|----------------|----------------|------------------------|
| Ordinary General Meeting of Shareholders held on June 18, 2021 | Common stock   | 769,365                               | 12                              | March 31, 2021 | June 21, 2021  | Retained earnings      |

(Note) Total dividends include 12,897 thousand yen of dividends to the Company's own shares held in Trust Account E.

| (Resolution)  | Type of shares | Total dividends<br>(Thousands of yen) | Dividends<br>per share<br>(Yen) | Cut-off date       | Effective date    | Source of<br>dividends |
|---|----------------|---------------------------------------|---------------------------------|--------------------|-------------------|------------------------|
| Board of Directors meeting held on October 29, 2021 | Common stock   | 512,909                               | 8                               | September 30, 2021 | November 29, 2021 | Retained earnings      |

(Note) Total dividends include 8,160 thousand yen of dividends to the Company's own shares held in Trust Account E.

## Segment Information and Others

### Segment information

#### I. Nine months ended December 31, 2020 (from April 1, 2020 to December 31, 2020)

##### 1. Information about net sales and profit or loss by reportable segment

(Thousands of yen)

|                                     | Reportable segment |            |            |            |            | Other<br>(Note 1) | Total      | Adjustment<br>(Note 2) | Amount<br>recorded on<br>the<br>consolidated<br>statements<br>of income<br>(Note 3) |
|-------------------------------------|--------------------|------------|------------|------------|------------|-------------------|------------|------------------------|---|
|                                     | TR                 | DH         | EL         | BC         | Total      |                   |            |                        |   |
| Net sales                           |                    |            |            |            |            |                   |            |                        |   |
| (1) Sales to external customers     | 16,797,511         | 18,214,671 | 12,634,692 | 15,477,974 | 63,124,849 | 245,992           | 63,370,842 | —                      | 63,370,842  |
| (2) Intersegment sales or transfers | —                  | 7          | —          | —          | 7          | 144,739           | 144,746    | (144,746)              | —   |
| Total                               | 16,797,511         | 18,214,678 | 12,634,692 | 15,477,974 | 63,124,857 | 390,731           | 63,515,588 | (144,746)              | 63,370,842  |
| Segment profit (loss)               | 1,458,691          | 1,897,106  | 163,634    | (116,109)  | 3,403,323  | (9,802)           | 3,393,520  | 56,103                 | 3,449,623   |

(Notes) 1. The “Other” category is the business segment that is not included in the reportable segments, and represents the purchase and sales of raw materials, etc.

2. The adjustment to segment profit (loss) represents 56,103 thousand yen in inter-segment eliminations.

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

##### 2. Information about impairment loss on non-current assets or goodwill and others by reportable segment

Not applicable.

#### II. Nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021)

##### 1. Information about net sales and profit or loss by reportable segment, and revenue breakdown

(Thousands of yen)

|                                     | Reportable segment |            |            |            |            | Other<br>(Note 1) | Total      | Adjustment<br>(Note 2) | Amount<br>recorded on<br>the<br>consolidated<br>statements<br>of income<br>(Note 3) |
|-------------------------------------|--------------------|------------|------------|------------|------------|-------------------|------------|------------------------|---|
|                                     | TR                 | DH         | EL         | BC         | Total      |                   |            |                        |   |
| Net sales                           |                    |            |            |            |            |                   |            |                        |   |
| (1) Sales to external customers     | 23,808,584         | 20,181,857 | 15,689,867 | 18,621,031 | 78,301,341 | 74,666            | 78,376,008 | —                      | 78,376,008  |
| (2) Intersegment sales or transfers | —                  | 31         | —          | 1,313      | 1,344      | 191,681           | 193,025    | (193,025)              | —   |
| Total                               | 23,808,584         | 20,181,889 | 15,689,867 | 18,622,344 | 78,302,686 | 266,347           | 78,569,033 | (193,025)              | 78,376,008  |
| Segment profit (loss)               | 1,930,817          | 1,430,378  | 296,955    | 856,648    | 4,514,799  | 16,671            | 4,531,470  | 59,507                 | 4,590,977   |

(Notes) 1. The “Other” category is the business segment that is not included in the reportable segments, and represents the purchase and sales of raw materials, etc.

2. The adjustment to segment profit (loss) represents 59,507 thousand yen in inter-segment eliminations.

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

##### 2. Information about impairment loss on non-current assets or goodwill and others by reportable segment

Not applicable.

### 3. Matters related to changes in reportable segments, etc.

The Company has applied the Revenue Recognition Accounting Standard, etc., effective from the beginning of the first quarter of the current fiscal year, as stated in Change in Accounting Policies, and changed the accounting method for revenue recognition, so it has similarly changed the method for calculating the profit (loss) of business segments.

As a result of this change, for the nine-month period under review, in the Transportation (TR) segment, net sales decreased by 2,367 thousand yen and segment profit decreased by 7,610 thousand yen, compared to the amounts calculated using the previous method. In the Daily Life & Healthcare (DH) segment, net sales decreased by 2,138 thousand yen and segment profit decreased by 254 thousand yen. In the Electronics (EL) segment, net sales decreased by 10,952 thousand yen and segment profit increased by 1,356 thousand yen. In the Building & Construction (BC) segment, net sales decreased by 382,791 thousand yen and segment profit decreased by 3,778 thousand yen.

### Revenue recognition

Information on the breakdown of revenue generated from contracts with customers is as stated in “Segment Information and Others.”

### Per Share Information

Basic earnings per share and the basis for calculation thereof are as follows:

|  | Nine months ended<br>December 31, 2020 | Nine months ended<br>December 31, 2021 |
|--|--|--|
| (1) Basic earnings per share (Yen)   | 32.02                                  | 52.77                                  |
| (Basis for calculation)  |  |  |
| Profit attributable to owners of parent (Thousands of yen)                                   | 2,021,981                              | 3,328,310                              |
| Amount not attributable to common shareholders (Thousands of yen)                            | –                                      | –                                      |
| Profit attributable to owners of parent regarding common stock (Thousands of yen)            | 2,021,981                              | 3,328,310                              |
| Average number of shares of common stock outstanding during the period (Thousands of shares) | 63,140                                 | 63,077                                 |

- (Notes) 1. Shares in the Company remaining at the trust that were recorded as treasury shares under shareholders' equity have been included in the treasury shares that should be deducted in calculating the average number of shares outstanding during the period for the purpose of calculating basic earnings per share.  
The average number of treasury shares during the period that were deducted for the purpose of calculating basic earnings per share was 706 thousand shares for the nine months ended December 31, 2020 and 1,036 thousand shares for the nine months ended December 31, 2021.
2. Diluted earnings per share are not presented because there are no potential shares.

### Significant Subsequent Events

Not applicable.

## 2 Other

At the Board of Directors' meeting held on October 29, 2021, the Company resolved to declare interim dividends as follows:

- (1) Total amount of interim dividends 512,909 thousand yen  
(2) Amount per share 8.00 yen  
(3) Effective date and payment commencement date November 29, 2021

(Note 1) The payment is made to the shareholders registered in the Company's Shareholder Registry as of September 30, 2021.

(Note 2) Total dividends include 8,160 thousand yen of dividends to the Company's own shares held in Trust Account E.