Member, Financial Accounting Standards Foundation
The Announcement date: August 10, 2023 (14:00 JST)

## Consolidated Financial Results for the Three Months Ended March 31, 2024

## (Under Japanese GAAP)

Company name: TOMOEGAWA CO., LTD.

Listing:
Securities code:
URL
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Yoshio Inoue, President and Representative Director, Group CEO Masaaki Yamaguchi, Director, Senior Managing Executive Officer, Group CFO

Scheduled date to file quarterly securities report:
August 14, 2023
Scheduled date to commence dividend payments:
Preparation of supplementary material on quarterly financial results: None
Holding of quarterly financial results briefing:
None
(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended March 31, 2024 (from April 1, 2023 to June 30, 2023)
(1) Consolidated operating results (cumulative)
(Percentages indicate year-on-year changes.)

|  | Net sales |  | Operating profit |  | Ordinary profit |  | Profit attributable to owners of parent |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Three months ended | Millions of yen | \% | Millions of yen | \% | Millions of yen | \% | Millions of yen | \% |
| June 30, 2023 | 8,315 | (6.5) | 432 | (43.2) | 594 | (37.1) | 341 | (70.3) |
| June 30, 2022 | 8,894 | 18.0 | 761 | 78.1 | 944 | 61.6 | 1,150 | 175.9 |
| Note: (1) Comprehensive income F |  | For the three months ended June 30, 2023:For the three months ended June 30, 2022: |  |  | $¥ 829$ million $¥ 1,610$ million |  | $\begin{array}{r} {[(48.5 \%)]} \\ {[264.4 \%]} \end{array}$ |  |
|  |  |  |  |  |  |  |  |  |


|  | Basic earnings <br> per share |  | Diluted earnings <br> per share |
| :--- | ---: | ---: | ---: |
| Three months ended | Yen | Yen |  |
| June 30, 2023 | 31.77 | - |  |
| June 30, 2022 | 108.49 |  | - |

Note: (2) The above per share information pertains to Common Stock.

## (2) Consolidated financial position

|  | Total assets | Net assets | Equity-to-asset ratio | Net assets <br> per share |
| :--- | ---: | ---: | ---: | ---: |
| As of | Millions of yen | Millions of yen | $\%$ | Yen |
| June 30, 2023 | 44,859 | 18,989 | 32.2 | $1,296.72$ |
| March 31, 2023 | 42,948 | 18,370 | 32.7 | $1,251.36$ |

Reference: Equity
As of June 30, 2023: $\quad ¥ 14,460$ million

As of March 31, 2023: $\quad ¥ 14,027$ million
Note: The above per share information pertains to Common Stock.

## 2. Cash dividends

|  | Annual dividends per share |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
| Fiscal year ended March 31, 2023 | Yen | Yen 0.00 | - Yen | $\begin{array}{r} \text { Yen } \\ 15.00 \end{array}$ | $\begin{array}{r} \hline \text { Yen } \\ 15.00 \end{array}$ |
| Fiscal year ending March 31, 2024 | - |  |  |  |  |
| Fiscal year ending March 31, 2024 (Forecast) |  | 0.00 | - | 15.00 | 15.00 |

Note:
(1) Revisions to the forecast of cash dividends most recently announced: None
(2) The above "2. Cash dividends" shows dividends for Common stock. For details of dividends for Preferred stock (unlisted), the rights of which are different from those of Common stock issued by the Company, please refer to "Reference: Dividends for Preferred Stock" below.
3. Forecasts of Consolidated financial results for Fiscal Year 2024 (from April 1, 2023 to March 31, 2024)
(Percentages indicate year-on-year changes.)

|  | Net sales |  | Operating profit |  | Ordinary profit |  | Profit attributable to <br> owners of parent |  |
| :--- | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: |
|  | Basic earnings <br> per share |  |  |  |  |  |  |  |
|  | Millions of yen | $\%$ | Millions of yen | $\%$ | Millions of yen | $\%$ | Millions of yen | $\%$ |
| First Half | 17,500 | $(0.2)$ | 600 | $(50.2)$ | 600 | $(55.9)$ | 200 | $(84.1)$ |

Note: Revisions to the forecast of consolidated financial results most recently announced: None

## * Notes

(1) Changes in significant subsidiaries during the first three months ended June 30, 2023 (changes in specified subsidiaries resulting in the change in scope of consolidation): None
(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
(3) Changes in accounting policies, changes in accounting estimates, and restatement
(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
(ii) Changes in accounting policies due to other reasons: None
(iii) Changes in accounting estimates: None
(iv) Restatement: None
(4) Number of issued shares (common shares)
(i) Total number of issued shares at the end of the period (including treasury shares)

| As of June 30, 2023 | $10,389,406$ shares |
| :--- | ---: |
| As of March 31, 2023 | $10,389,406$ shares |

(ii) Number of treasury shares at the end of the period

| As of June 30, 2023 | 18,354 shares |
| :--- | :--- |
| As of March 31, 2023 | 18,354 shares |

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

| Three months ended June 30, 2023 | $10,371,052$ shares |
| :--- | :--- |
| Three months ended June 30, 2022 | $10,371,053$ shares |

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.
* Proper use of earnings forecasts, and other special matters

The forward-looking statements in this document, including earnings forecasts, are based on information currently available to the Company and certain assumptions that the Company considers reasonable, and are not intended as a promise by the Company that they will be achieved. Actual results may differ materially due to various factors. For the assumptions used as the basis for the earnings forecasts and special remarks regarding the use of the earnings forecasts, please refer to "I . Qualitative information regarding financial results for the first three months 3. Explanation of consolidated earnings forecasts and other forward-looking statements" on page 7 (Attached Material).

## Reference: Dividends for Preferred Stock

The breakdown of dividends per share related to Class-A Preferred stock that have different rights from common stock is as follows:

|  | Annual dividends per share |  |  |  |  |
| :--- | ---: | ---: | ---: | ---: | ---: |
|  | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
| Fiscal year ended <br> March 31, 2023 | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ending <br> March 31, 2024 | - | - | - | 50.00 | 50.00 |
| Fiscal year ending <br> March 31, 2024 (Forecast) | - |  |  |  |  |【Attachment】

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## I. Qualitative information regarding financial results for the first three months

Figures in Million Yen, unless otherwise noted

1. Explanation of operating results
(1) Review of operating results

- Net sales and profit (loss)
from April 1, 2023 through June 30, 2023

|  | Net sales | Operating <br> profit | Ordinary <br> profit | Profit <br> attributable <br> towners <br> of parent | (Note1) <br> Basic <br> earnings <br> per share |
| :--- | ---: | ---: | ---: | ---: | ---: |
| Current Fiscal Year (FY 2024) <br> First Quarter (1Q) | 8,315 | 432 | 594 | 341 | 31.77 Yen |
| Converted into Million <br> U.S. dollars (Note2) | 58.9 | 3.1 | 4.2 | 2.4 | US\$0.22 |
| Previous Fiscal Year (FY 2023) <br> 1Q | 8,894 | 761 | 944 | 1,150 | 108.49 Yen |
| Change to FY 2024 from FY <br> 2023 | $\mathbf{\Delta 5 7 9}$ | $\mathbf{\Delta 3 2 8}$ | $\mathbf{\Delta 3 5 0}$ | $\mathbf{\Delta 8 0 8}$ | $\mathbf{\Delta 7 6 . 7 2 Y e n}$ |
| Percent Change from FY <br> 2023 number | $\mathbf{\Delta 6 . 5 \%}$ | $\mathbf{\Delta 4 3 . 2 \%}$ | $\mathbf{\Delta 3 7 . 1 \%}$ | $\mathbf{\Delta 7 0 . 3 \%}$ | - |

Note1: The above per share information pertains to Common Stock
Note2: U.S. dollar amounts are converted from Yen, for convenience only, at the rate of US $\$ 1.00=¥ 141.27$

- Numbers by Quarter

- Observation of the First Quarter of the Fiscal Year 2024 (April to June, 2023)

During the First Quarter (1Q) of the Fiscal Year (FY) 2024 (April to June, 2023), net sales amounted to $¥ 8,315$ million, down $¥ 579$ million or $\mathbf{~} \mathbf{~} 6.5 \%$ from that of the previous $F Y$, when the Toner Segment was particularly strong. In the Semiconductor-related business, the market adjustment that has continued since the second half of the previous $F Y$ has been prolonged. In addition, due to the slowdown of the Chinese economy and other factors, inventory adjustments and price competition have expanded since the end of the previous FY in the Toner Segment, and sales of some functional nonwoven fabric-related products were also affected. On the other hand, there was a temporary increase in orders in the Display-related business.

Operating profit was $¥ 432$ million, down $¥ 328$ million or $\mathbf{\Delta 4 3 . 2 \%}$ from the previous $1 Q$ number. The impact of lower sales in the Semiconductor-related business was absorbed by an increase in orders in the Display-related business, which shares core facilities. In addition, the positive effects of the penetration of price pass-on activities from the previous FY and the depreciation of the yen. However, the negative impact of lower sales in the Toner Segment and higher raw material and fuel procurement costs, combined with increased expenditures for upfront costs related to the launch of new products.

Ordinary profit is $¥ 594$ million, down $¥ 350$ million or $\mathbf{\triangle} 37.1 \%$ from that of the previous $F Y 1 Q$, due to lower Operating profit, despite foreign exchange gains resulting from the depreciation of the yen and the equity earnings from an affiliated company that handles processing of optical film used for displays.

Profit attributable to owners of parent is $¥ 341$ million, down $¥ 808$ million or $\mathbf{~} \mathbf{7 0 . 3} \%$ from that of the previous FY 1Q, due to a decrease in Ordinary profit and the absence of extraordinary income from asset sales recorded in the previous FY 1Q.

On the other hand, many of the above-mentioned factors that may cause a decrease in profits were factored in at the beginning of the period, and the company's performance, especially in terms of profits, has been favorable compared to the May 12, 2023, consolidated earnings forecast.
(2) Consolidated operating results by segment

- Reportable segments figures

|  |  | $\begin{gathered} \text { FY } 2023 \\ 1 Q \end{gathered}$ | $\begin{gathered} \text { FY } 2024 \\ 1 Q \end{gathered}$ | Change to FY 2024 from FY 2023 | Percent Change from FY 2023 numbers |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Toner | Net sales | 3,805 | 2,789 | (1,015 | -26.7\% |
|  | Operating profit | 652 | 277 | ©375 | - 57.6\% |
| Semiconductor and Displayrelated | Net sales | 1,497 | 1,724 | 227 | 15.2\% |
|  | Operating profit | 156 | 160 | 3 | 2.2\% |
| Functional Sheet | Net sales | 2,628 | 2,654 | 25 | 1.0\% |
|  | Operating loss | - 28 | -2 | 26 | - |
| Security Media | Net sales | 908 | 1,081 | 172 | 19.0\% |
|  | Operating profit | 49 | 89 | 40 | 81.0\% |
| New business development | Net sales | 17 | 10 | - 6 | - 37.8\% |
|  | Operating loss | ⑪1 | A128 | A17 | - |

## - Overview of reportable segments

For better understanding of the Group's future vision and business development activities, the Company has changed the names of some of its reportable segment as follows, effective from the first quarter of the current consolidated fiscal year.

The former "Electronic Materials Segment" was renamed to the "Semiconductor and Displayrelated Segment" because the Company is developing its business in the field of semiconductors, electronic components, and displays, which are widely used in the IT, automobile, and consumer electronics industries, by utilizing Heat, Electricity and Electromagnetic waves control technologies and adhesive technologies.

The former "Functional Paper Segment" was renamed to the "Functional Sheet Segment" because this segment's raw materials and products are not limited to paper and is developing its business by adding functions to various sheets converted from various fibers using special paper-making technology and coating technology.

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< Toner >
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As for the Toner Segment, net sales were $¥ 2,789$ million, down $¥ 1,015$ million or $\mathbf{\Delta} 26.7 \%$ from that of the previous FY 1Q, and Segment (operating) profit was $¥ 277$ million, down $¥ 375$ million or $57.6 \%$ from that of the previous FY 1Q.

Despite an increase in overseas-related sales thanks to the depreciation of the yen, the decrease in net sales was caused by a decline in orders received that have continued since the end of the previous FY, as a result of inventory adjustments among major customers. Price competition with competitors has also accelerated this trend. Segment (operating) profit decreased due to the significant sales decline and higher costs from higher raw material and fuel prices.

## < Semiconductor and Display-related >

As for the Semiconductor and Display-related Segment, net sales were $¥ 1,724$ million, up $¥ 227$ million or $+15.2 \%$ from that of the previous FY 1Q, and Segment (operating) profit was $¥ 160$ million, up $¥ 3$ million or $+2.2 \%$ from that of the previous FY 1 Q.

Net sales of the semiconductor mounting tape SBU exceeded the plan due to the continued adjustment in the semiconductor market, but were down compared to the previous FY, which was particularly strong. On the other hand, net sales of the optical film SBU increased thanks to a large number of orders received in the current FY 1Q. Segment (operating) profit increased from the same period of the previous FY 1Q, despite an increase in new product development costs, thanks to the effect of higher sales in the Optical film SBU, as well as an increase in the operating rate of coating machines, a key facility common to this segment.

## < Functional Sheet >

As for the Functional Sheet Segment, net sales were $¥ 2,654$ million, up $¥ 25$ million or $+1.0 \%$ from that of the previous FY 1Q, and Segment (operating) loss was $¥ 2$ million (loss of $¥ 28$ million in the previous FY 1Q).

Although orders for the functional non-woven fabric SBU were sluggish due to the slowdown of the Chinese economy, net sales of the processed paper SBU were firm, and price revisions of some products in the coated paper SBU led to an increase in net sales compared to the same period of the previous FY. Although costs increased due to higher raw material and fuel prices, the loss narrowed compared to the same period of the previous FY thanks to the reflection of cost increases in product prices, as well as an increase in revenue from the processed paper SBU.

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< Security Media >
```

As for the Security Media Segment, net sales were $¥ 1,081$ million, up $¥ 172$ million or $+19.0 \%$ from that of the previous FY 1Q, and Segment (operating) profit was $¥ 89$ million, up $¥ 40$ million or $+81.0 \%$ from that of the previous FY 1Q.

Despite a decrease in card-related products, passbooks and other products increased, as did orders for advertising printed materials. Segment (operating) profit were affected by higher energy prices, but benefited from increased net sales.
< New business development >
As for the New business development Segment, net sales were $¥ 10$ million, down $¥ 6$ million or $\mathbf{\Delta} 37.8 \%$ from that of the previous FY 1Q, and Segment (operating) loss was $¥ 128$ million (loss of $¥ 111$ million in the previous FY 1Q).

The Company is mainly engaged in the development and net sales of iCas-related products, and is particularly focused on the launch of new products for semiconductor manufacturing equipment.
2. Explanation of financial position

- Financial Position

June 30, 2023

|  | Total Assets | Net Asset | Equity-to-asset <br> ratio | Net assets <br> per share |
| :--- | :---: | :---: | :---: | :---: |
| End of FY 2024 1Q June <br> 30,2023 | 44,859 | 18,989 | $32.2 \%$ | $1,296.72 \mathrm{Yen}$ |
| Converted into Million <br> U.S. dollars (Note2) | 309.4 | 131.0 | - | US $\$ 8.94$ |
| End of FY 2023 <br> March 31, 2023 | 42,948 | 18,370 | $32.7 \%$ | $1,251.36$ Yen |
| Change to FY 2024 1Q <br> from FY 2023 | 1,911 | 619 | $\mathbf{\Delta} 0.5 \%$ | 45.36 Yen |

Note1: The above per share information pertains to Common Stock
Note2: U.S. dollar amounts are converted from Yen, for convenience only, at the rate of US\$1.00 $=¥ 144.99$

## - Explanation regarding Financial Position

Total assets amounted to $¥ 44,859$ million at the end of the current FY $1 Q$, up $¥ 1,911$ million from the end of the previous FY. Current assets totaled $¥ 23,167$ million, up $¥ 1,630$ million from the end of the previous FY. This was mainly due to an increase in cash and deposits, as well as an increase in finished goods, raw materials and supplies. Non-current assets totaled $¥ 21,691$ million, an increase of $\neq 280$ million from the end of the previous FY. This was mainly due to an increase in value of invested marketable securities.

Total liabilities amounted to $¥ 25,869$ million, up $¥ 1,292$ million from the end of the previous $F Y$. Current liabilities totaled $¥ 17,437$ million, up $¥ 1,359$ million from the end of the previous FY. This was mainly due to an increase in notes and accounts payable and short-term borrowings, despite a decrease in current portion of long-term loans payable. Non-current liabilities totaled $¥ 8,431$ million, down $¥ 67$ million from the end of the previous FY, mainly due to the repayment of long-term debt. Interest-bearing debt increased $¥ 698$ million from the end of the previous $F Y$ to $¥ 13,411$ million.

Total net assets amounted to $¥ 18,989$ million, up $¥ 619$ million from the end of the previous $F Y$. This was due to the recording of Profit attributable to owners of parent and an increase in foreign currency translation adjustments resulting from the depreciation of the yen against foreign currencies.
3. Explanation of consolidated earnings forecasts and other forward-looking statements

The Toner Segment accounts for more than $30 \%$ of consolidated net sales, while the impact of deteriorating market conditions in China and Southeast Asia is growing, the Company will develop aggressive measures to leverage its competitive advantage by focusing on further expanding market share, and developing markets in emerging countries. In the Functional Sheet Segment, we expect the impact of the slowdown in the Chinese economy to continue for some time, especially in the functional non-woven fabric, where we expect future growth. Therefore, toward the latter half of the current FY, the Company will make investments that contribute to upgrading its facilities to prepare for future growth, and maintain and improve its competitiveness. In the Semiconductor-related business, recovery of mainstay products is expected to be delayed until next year or later. We will continue to closely monitor market changes and focus on developing new products for semiconductor production equipment. The Display-related business, which has been strong recently, is highly volatile due to the nature of the industry, and in anticipation of a sharp decline in orders in the latter half of the current FY, we will further improve productivity and consider facility consolidation. The contribution of equity in earnings from affiliated companies that handles processing of optical film used for displays is also expected to decrease in the future.

Although the three-month results have been favorable, with Profit attributable to owners of parent for 1 Q exceeding the forecast for the first half of the current FY , the company decided to leave its earnings forecast unchanged from the current announcement made on May 12, 2023. This is because in the Toner Segment, we expects a profit decline due to inventory adjustments especially in the second quarter, and we also plan to conduct periodic repair work during the summer vacation.

Your continuous support of TOMOEGAWA will be greatly appreciated.

## II. Quarterly consolidated financial statements and significant notes thereto

## 1. Consolidated balance sheet

| Assets |  |  |
| :---: | :---: | :---: |
| Current assets |  |  |
| Cash and deposits | 4, 353 | 5, 741 |
| Notes and accounts receivable - trade | 6,557 | 6, 464 |
| Finished goods | 6, 837 | 7, 200 |
| Work in process | 61 | 60 |
| Raw materials and supplies | 2, 310 | 2, 472 |
| Other | 1, 430 | 1, 240 |
| Allowance for doubtful accounts | $\triangle 13$ | $\triangle 12$ |
| Total current assets | 21,537 | 23, 167 |
| Non-current assets |  |  |
| Property, plant and equipment |  |  |
| Buildings and structures, net | 4, 475 | 4, 460 |
| Machinery, equipment and vehicles, net | 3, 628 | 3, 621 |
| Land | 5, 398 | 5, 398 |
| Other, net | 2, 031 | 2,122 |
| Total property, plant and equipment | 15,533 | 15,603 |
| Intangible assets | 391 | 386 |
| Investments and other assets |  |  |
| Investment securities | 5, 012 | 5, 245 |
| Other | 547 | 459 |
| Allowance for doubtful accounts | $\triangle 74$ | $\triangle 3$ |
| Total investments and other assets | 5,485 | 5,701 |
| Total non-current assets | 21,410 | 21,691 |
| Total assets | 42, 948 | 44,859 |
| Liabilities |  |  |
| Current liabilities |  |  |
| Notes and accounts payable - trade | 5,222 | 5,885 |
| Short-term borrowings | 4, 289 | 5,918 |
| Current portion of long-term borrowings | 2, 433 | 1,642 |
| Income taxes payable | 146 | 141 |
| Provision for bonuses | 518 | 249 |
| Other | 3, 468 | 3, 600 |
| Total current liabilities | 16, 078 | 17, 437 |
| Non-current liabilities |  |  |
| Long-term borrowings | 5,339 | 5,236 |
| Retirement benefit liability | 1,446 | 1,447 |
| Provision for retirement benefits for directors (and other officers) | 309 | 309 |
| Other | 1,404 | 1,438 |
| Total non-current liabilities | 8, 498 | 8,431 |
| Total liabilities | 24, 577 | 25,869 |


| Net assets |  |  |
| :---: | :---: | :---: |
| Shareholders' equity |  |  |
| Share capital | 2, 122 | 2, 122 |
| Capital surplus | 2, 033 | 2, 033 |
| Retained earnings | 8, 197 | 8,333 |
| Treasury shares | $\triangle 31$ | $\triangle 31$ |
| Total shareholders' equity | 12, 322 | 12, 458 |
| Accumulated other comprehensive income |  |  |
| Valuation difference on available-for-sale securities | 241 | 339 |
| Foreign currency translation adjustment | 492 | 739 |
| Remeasurements of defined benefit plans | 971 | 922 |
| Total accumulated other comprehensive income | 1,705 | 2, 002 |
| Non-controlling interests | 4, 342 | 4,528 |
| Total net assets | 18, 370 | 18,989 |
| Total liabilities and net assets | 42, 948 | 44, 859 |

## 2. Consolidated statement of income (quarterly) and consolidated statement of comprehensive income (quarterly)

(Millions of yen)

|  | Three months ended June 30, 2022 | Three months ended June 30, 2023 |
| :---: | :---: | :---: |
| Net sales | 8, 894 | 8,315 |
| Cost of sales | 6, 822 | 6, 389 |
| Gross profit | 2, 071 | 1,925 |
| Selling, general and administrative expenses | 1,310 | 1,492 |
| Operating profit | 761 | 432 |
| Non-operating income |  |  |
| Interest income | 1 | 4 |
| Dividend income | 38 | 43 |
| Foreign exchange gains | - | 58 |
| Share of profit of entities accounted for using equity method | 180 | 95 |
| 0ther | 37 | 22 |
| Total non-operating income | 257 | 223 |
| Non-operating expenses |  |  |
| Interest expenses | 47 | 48 |
| Other | 26 | 14 |
| Total non-operating expenses | 74 | 62 |
| Ordinary profit | 944 | 594 |
| Extraordinary income |  |  |
| Gain on sale of non-current assets | 453 | 1 |
| Total extraordinary income | 453 | 1 |
| Extraordinary losses |  |  |
| Impairment losses | 24 | 38 |
| Other | 0 | 4 |
| Total extraordinary losses | 24 | 42 |
| Profit before income taxes | 1,373 | 553 |
| Income taxes - current | 139 | 97 |
| Income taxes - deferred | $\triangle 10$ | 17 |
| Total income taxes | 128 | 115 |
| Profit | 1,245 | 438 |
| Profit attributable to |  |  |
| Profit attributable to owners of parent | 1,150 | 341 |
| Profit attributable to non-controlling interests | 95 | 96 |
| Other comprehensive income |  |  |
| Valuation difference on available-for-sale securities | $\triangle 13$ | 133 |
| Foreign currency translation adjustment | 416 | 305 |
| Remeasurements of defined benefit plans, net of tax | $\triangle 37$ | $\triangle 48$ |
| Total other comprehensive income | 364 | 390 |
| Comprehensive income | 1,610 | 829 |
| Comprehensive income attributable to |  |  |
| Comprehensive income attributable to owners of parent | 1,418 | 638 |
| Comprehensive income attributable to noncontrolling interests | 191 | 190 |

## 3. Notes to quarterly consolidated financial statements

 (Notes on Going Concern Assumption)None.
(Notes on significant changes in the amount of shareholders' equity)
None.

## (Segment Information)

I Previous fiscal year (From April 1, 2022 to June 30, 2022)
Information concerning net sales and profit (loss) by reporting segment, and disaggregated revenue information

| (Millions of yen) |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Reportable segments |  |  |  |  |  | (Note 1) Other | Total | $\begin{gathered} \text { (Note 2) } \\ \text { Reconcil } \\ \text { ing } \\ \text { items } \end{gathered}$ | (Note 3)Perconsolidatedfinancialstatements |
|  | Toner | $\begin{gathered} \text { Semicond } \\ \text { uctor } \\ \text { and } \\ \text { Display- } \\ \text { related } \end{gathered}$ | Function al Sheet | Security media | New business developm ent | $\begin{gathered} \text { Reportab } \\ \text { le } \\ \text { segments } \end{gathered}$ |  |  |  |  |
| Net sales |  |  |  |  |  |  |  |  |  |  |
| Japan | 564 | 805 | 2,408 | 908 | 17 | 4,704 | 19 | 4, 723 | - | 4, 723 |
| China (including Hong Kong) | 1,297 | 111 | $44$ | - | - | 1,453 | - | 1,453 | - | 1,453 |
| Other Asia | 392 | 572 | 140 | - | - | 1,105 | - | 1, 105 | - | 1,105 |
| Europe | 1,079 | 0 | 0 | - | - | 1,081 | - | 1, 081 | - | 1,081 |
| North America | 361 | 7 | 34 | - | - | 403 | - | 403 | - | 403 |
| Other | 110 | - | - | - | - | 110 | - | 110 | - | 110 |
| Revenue from contracts with customers | 3, 805 | 1,497 | 2,628 | 908 | 17 | 8,857 | 19 | 8,877 | - | 8,877 |
| Other revenue | - | - | - | - | - | - | 17 | 17 | - | 17 |
| Revenues from external customers | 3, 805 | 1,497 | 2, 628 | 908 | 17 | 8,857 | 36 | 8,894 | - | 8,894 |
| Transactions with other segments | - | - | $105$ | 29 | - | 134 | 162 | $296$ | (296) | - |
| Net sales | 3, 805 | 1,497 | 2,733 | 938 | 17 | 8,992 | 199 | 9,191 | (296) | 8,894 |
| ```Segment profit (loss)``` | 652 | 156 | (28) | 49 | (111) | 719 | 26 | 745 | 15 | 761 |

Notes:

1. The "Other" classification is for business segments not included in a reportable segment and includes logistics services, etc.
2. Segment profit (loss) in the above adjustment $¥ 15$ million represents eliminations for inter-segment transactions.
3. Segment profit (loss) is reconciled to Operating profit presented in the Consolidated statement of income (quarterly) and consolidated statement of comprehensive income (quarterly).

II Current fiscal year (From April 1, 2023 to June 30, 2023)

1. Information concerning net sales and profit (loss) by reporting segment, and disaggregated revenue information

|  | Reportable segments |  |  |  |  |  |  |  |  | (Note 3) |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Toner | Semicond <br> uctor and Displayrelated | Function al Sheet | Security media | New business developm ent | Reportab <br> le <br> segments | (Note 1) <br> Other | Total | (Note 2) <br> Reconcil <br> ing <br> items | Per <br> consolidated <br> financial <br> statements |
| Net sales |  |  |  |  |  |  |  |  |  |  |
| Japan | 501 | 986 | 2, 381 | 1,081 | 10 | 4, 961 | 36 | 4,998 | - | 4,998 |
| China (including Hong Kong) | 756 | 50 | $19$ | - | - | 827 | - | 827 | - | 827 |
| Other Asia | 311 | 677 | 214 | - | - | 1,202 | - | 1,202 | - | 1,202 |
| Europe | 980 | 1 | 1 | - | - | 983 | - | 983 | - | 983 |
| North America | 176 | 9 | 36 | - | - | 222 | - | 222 | - | 222 |
| Other | 62 | - | - | - | - | 62 | - | 62 | - | 62 |
| Revenue from contracts with customers | 2, 789 | 1,724 | 2, 654 | 1,081 | 10 | 8,261 | 36 | 8,297 | - | 8,297 |
| Other revenue | - | - | - | - | - | - | 17 | 17 | - | 17 |
| Revenues from external customers | 2, 789 | 1,724 | $2,654$ | 1,081 | 10 | $8,261$ | 54 | 8,315 |  | 8,315 |
| Transactions <br> with other segments | - | - | $449$ | $10$ | - | $459$ | 154 | $614$ | (614) | - |
| Net sales | 2, 789 | 1,724 | 3,103 | 1,091 | 10 | 8,720 | 209 | 8, 929 | (614) | 8,315 |
| Segment profit (loss) | 277 | 160 | (2) | 89 | (128) | 359 | 25 | 421 | 11 | 432 |

Notes:

1. The "Other" classification is for business segments not included in a reportable segment and includes logistics services, etc.
2. Segment profit (loss) in the above adjustment $¥ 11$ million represents eliminations for inter-segment transactions.
3. Segment profit (loss) is reconciled to Operating profit presented in the Consolidated statement of income (quarterly) and consolidated statement of comprehensive income (quarterly).

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

For better understanding of the Group's future vision and business development activities, the Company has changed the name of our reportable segment from the former "Electronic Materials Segment" to "Semiconductor and Display-related Segment" and from the former "Functional Paper Segment" to the "Functional Sheet Segment" effective from the first quarter of the current consolidated fiscal year.
The segment information for the first quarter of the previous fiscal year is disclosed under the new reporting segment name. However, there is no change in the method of classifying reportable segment.

