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Member, Financial Accounting Standards Foundation

The Announcement date: February 13, 2024 (14:00 JST)

## Consolidated Financial Results for the Nine Months Ended March 31, 2024 (Under Japanese GAAP)

Company name: TOMOEGAWA CORPORATION (Former company name: TOMOEGAWA CO., LTD.)  
Listing: Tokyo Stock Exchange  
Securities code: 3878  
URL: <https://www.tomoegawa.co.jp/>  
Representative: Yoshio Inoue, President and Representative Director, Group CEO  
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Scheduled date to file quarterly securities report: February 14, 2024  
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 nine months ended March 31, 2024 (from April 1, 2023 to December 31, 2023)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
December 31, 2023	24,940	(3.6)	977	(46.5)	1,216	(37.1)	454	(74.0)
December 31, 2022	25,865	6.6	1,827	11.3	1,932	(3.0)	1,749	19.9

Note: Comprehensive income For the nine months ended December 31, 2023: ¥1,037 million [(45.8 %)]  
For the nine months ended December 31, 2022: ¥1,915 million [6.7%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended		
December 31, 2023	43.79	-
December 31, 2022	161.40	-

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
December 31, 2023	44,181	17,919	30.2	1,286.11
March 31, 2023	42,948	18,370	32.7	1,251.36

Reference: Equity

As of December 31, 2023: ¥13,338 million  
As of March 31, 2023: ¥14,027 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	-	0.00	-	15.00	15.00
Fiscal year ending March 31, 2024	-	0.00	-		
Fiscal year ending March 31, 2024 (Forecast)				15.00	15.00

Note:

- (1) Revisions to the forecasts 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 owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	33,500	(2.0)	1,000	(51.3)	1,300	(39.6)	300	(79.3)	28.93

Note:

Revisions to the forecasts of consolidated financial results most recently announced: Yes

**\* Notes**

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2023	18,380 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)

Nine months ended December 31, 2023	10,371,041 shares
Nine months ended December 31, 2022	10,371,052 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 nine 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
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	-	-	-	50.00	50.00
Fiscal year ending March 31, 2024	-	-	-		
Fiscal year ending March 31, 2024 (Forecast)				-	-

Note: As a result of the purchase and cancellation of all 1,000,000 unredeemed Class A preferred stocks as of March 31, 2023 on September 29, 2023 based on the resolution of the Board of Directors meeting held on September 11, 2023, no dividends will be paid on the Class A preferred stock for the fiscal year ending March 2024.

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## I. Qualitative information regarding financial results for the nine months

Figures in Million Yen, unless otherwise noted

### 1. Explanation of operating results

#### (1) Review of operating results

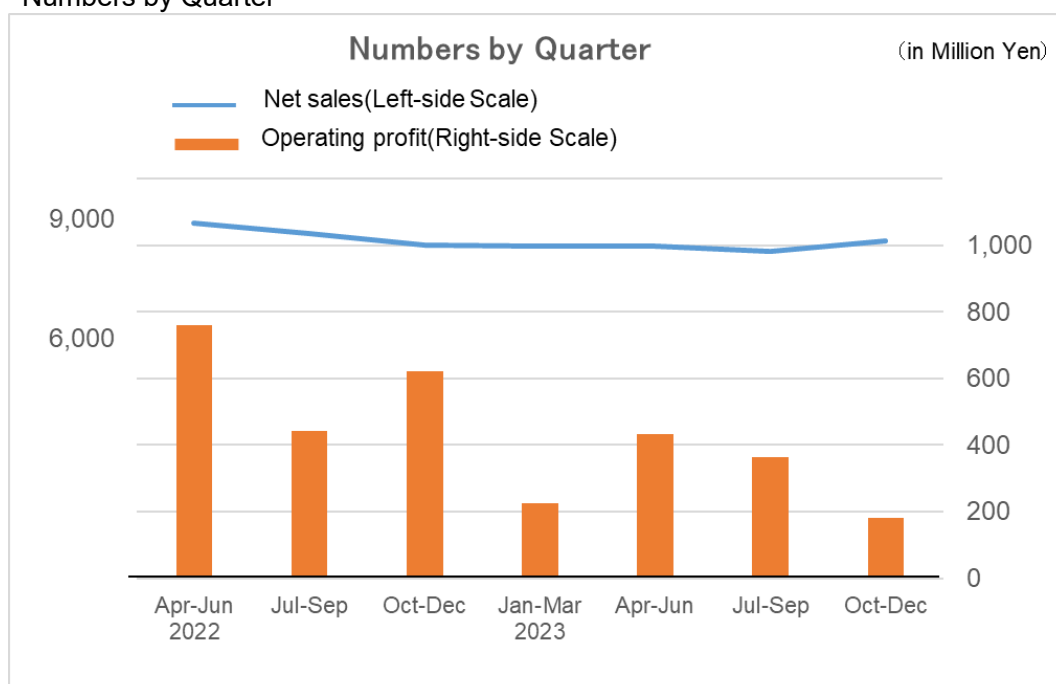
##### • Net sales and profit (loss)

from April 1, 2023 through December 31, 2023

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Current Fiscal Year (FY 2024) Third Quarter (3Q)	24,940	977	1,216	454	43.79Yen
Converted into Million U.S. dollars (Note)	174.0	6.8	8.5	3.2	US\$0.31
Previous Fiscal Year (FY 2023) 3Q	25,865	1,827	1,932	1,749	161.40Yen
Change to FY 2024 from FY 2023	▲924	▲849	▲716	▲1,295	▲117.61Yen
Percent Change from FY 2023 number	▲3.6%	▲46.5%	▲37.1%	▲74.0%	-
Initial forecasts for FY 2024 released on May 12, 2023	36,000	1,500	1,500	600	57.85Yen
Most recent FY2024 forecasts released on February 13, 2024	33,500	1,000	1,300	300	28.93Yen
Change from FY 2024 Initial forecasts	▲2,500	▲500	▲200	▲300	▲28.92Yen

Note: U.S. dollar amounts are converted from Yen, for convenience only, at the rate of US\$1.00 = ¥143.33

##### • Numbers by Quarter



• Observation of the Third Quarter of the Fiscal Year 2024 (April to December, 2023)

In the current fiscal year (FY), the Company planned to increase net sales and decrease profit, as shown in the "Initial forecasts for FY 2024 released on May 12, 2023" in the above table. Under this plan, the Company planned to pass on increasing costs to selling price, including upfront costs associated with development of new products for semiconductor manufacturing equipment, increasing labor costs due to improved compensation, and higher energy and material prices.

The Company also planned to increase net sales, mainly in the Toner Segment, which accounts for over 30% of consolidated net sales, and the functional nonwoven fabric business, which launched new products in the previous FY, in order to offset partially these increasing costs.

During the Third Quarter (3Q) of FY 2024 (April to December, 2023), net sales amounted to ¥24,940 million, down ¥924 million or ▲3.6% from that of the previous FY 3Q, when the Toner Segment was particularly strong. The Chinese economy remained sluggish, and sales in the Toner Segment and Functional non-woven fabrics business remained weak. On the other hand, sales were stronger than initially expected in the Semiconductor and Display-related Segment, and sales remained strong in the Security Media Segment, where the switch to new credit cards continues.

Operating profit was ¥977 million, down ¥849 million or ▲46.5% from the previous FY 3Q number. Although sales in the high-margin Semiconductor and Display-related Segment and the Security Media Segment were strong, cost increases were not fully offset as planned, mainly due to inventory reduction through production adjustments in the Toner Segment and the functional non-woven fabrics business, where sales were sluggish.

Ordinary profit was ¥1,216 million, only down ¥716 million or ▲37.1% from that of the previous FY 3Q and almost in line with the plan, thanks to the larger-than-expected equity earnings from an affiliated company that handles processing of optical film used for displays.

Profit attributable to owners of parent is ¥454 million, down ¥1,295 million or ▲74.0% from that of the previous FY 3Q, due to the absence of extraordinary income from sales of closed fix asset recorded in the previous FY 3Q, but in line with the initial plan.

(2) Consolidated operating results by segment

• Reportable segments figures

		FY 2023 3Q	FY 2024 3Q	Change to FY 2024 from FY 2023	Percent Change from FY 2023 numbers
Toner	Net sales	10,586	8,614	▲1,971	▲18.6%
	Operating profit	1,882	460	▲1,421	▲75.5%
Semiconductor and Display-related	Net sales	4,261	4,984	723	17.0%
	Operating profit	157	416	258	163.7%
Functional Sheet	Net sales	7,968	7,854	▲114	▲1.4%
	Operating profit(loss)	▲65	22	88	-
Security Media	Net sales	2,869	3,269	400	14.0%
	Operating profit	120	353	233	194.3%
New business development	Net sales	38	41	2	6.4%
	Operating loss	▲357	▲370	▲12	-

• Overview of reportable segments

< Toner >

As for the Toner Segment, net sales were ¥8,614 million, down ¥1,971 million or ▲18.6% from that of the previous FY 3Q, and Segment (operating) profit was ¥460 million, down ¥1,421 million or ▲75.5% from that of the previous FY 3Q.

Despite an increase in overseas-related sales thanks to the depreciation of the yen, orders received were sluggish due to the continued economic slowdown in China, and price competition with overseas competitors expanded, resulting in a significant decrease in net sales, especially in monochrome toner. Segment (operating) profit were significantly lower due to a significant decrease in net sales, including those of overseas subsidiaries, as well as increased costs resulting from higher raw material and fuel prices, and a decrease in production due to inventory adjustments.

< Semiconductor and Display-related >

As for the Semiconductor and Display-related Segment, net sales were ¥4,984 million, up ¥723 million or +17.0% from that of the previous FY 3Q, and Segment (operating) profit was ¥416 million, up ¥258 million or +163.7% from that of the previous FY 3Q.

Sales of the Semiconductor Packaging Tape SBU remained strong, and orders for the Optical Film SBU for processing film for displays, which were not initially anticipated, including those from subsidiaries, remained strong during the period under review, resulting in increased net sales. Segment (operating) profit increased from the same period of the previous FY, despite an increase in

new product development costs, thanks to the effect of higher sales in the Optical Film SBU and compensation income from product development activities and resulting prototypes, 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 ¥7,854 million, down ¥114 million or ▲ 1.4% from that of the previous FY 3Q, and Segment (operating) profit was ¥22million (loss of ¥65 million in the previous FY 3Q).

Despite the acquisition of projects and product price revisions in the overall business, net sales declined due to sluggish orders for the functional non-woven fabrics SBU compared to the same period of the previous FY, mainly because of the impact of the continued economic slowdown in China. Segment (operating) profit increased compared to the same period of the previous FY thanks to the reflection of cost increases in product prices, as well as various cost reduction effects, although costs increased due to higher raw material and fuel prices.

#### < Security Media >

As for the Security Media Segment, net sales were ¥3,269 million, up ¥400 million or +14.0% from that of the previous FY 3Q, and Segment (operating) profit was ¥353 million, up ¥233 million or +194.3% from that of the previous FY 3Q.

In addition to the shift to combi credit cards with both contact and contactless usage, passbooks and other products increased, as did orders for advertising printed materials. Segment (operating) profit increased compared to the same period of the previous FY thanks to the significant effect of increased net sales, despite higher energy prices.

#### < New business development >

As for the New business development Segment, net sales were ¥41 million, up ¥2 million or +6.4% from that of the previous FY 3Q, and Segment (operating) loss was ¥370 million (loss of ¥357 million in the previous FY 3Q).

The Company is mainly engaged in the development and 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

December 31, 2023

	Total Assets	Net Asset	Equity-to-asset ratio	Net assets per share
End of FY 2024 3Q December 31, 2023	44,181	17,919	30.2%	1,286.11Yen
Converted into Million U.S. dollars (Note)	311.5	126.4	-	US\$9.07
End of FY 2023, March 31, 2023	42,948	18,370	32.7%	1,251.36Yen
Change to FY 2024 3Q from FY 2023	1,233	▲451	▲2.5%	34.75Yen

Note: U.S. dollar amounts are converted from Yen, for convenience only, at the rate of US\$1.00 = ¥141.82

### • Explanation regarding Financial Position

Total assets amounted to ¥44,181 million at the end of the current FY 3Q, up ¥1,233 million from the end of the previous FY. Current assets totaled ¥22,317 million, up ¥779 million from the end of the previous FY. This was mainly due to an increase in cash and deposits as a result of the fact that the end of the current FY 3Q under review was a holiday for financial institutions, despite a decrease in notes and accounts receivable-trade and inventories compared to the end of last FY. Non-current assets totaled ¥21,864 million, an increase of ¥454 million from the end of the previous FY. This was mainly due to an increase in property, plant and equipment due to capital expenditures and an increase in value of invested marketable securities.

Total liabilities amounted to ¥26,262 million, up ¥1,684 million from the end of the previous FY. Current liabilities totaled ¥18,023 million, up ¥1,944 million from the end of the previous FY. This was mainly due to an increase in short-term borrowings, despite a decrease in current portion of long-term loans payable. Non-current liabilities totaled ¥8,239 million, down ¥259 million from the end of the previous FY, mainly due to the repayment of long-term debt. Interest-bearing debt increased ¥914 million from the end of the previous FY to ¥13,627 million.

Total net assets amounted to ¥17,919 million, down ¥451 million from the end of the previous FY. This was due to a decrease in capital surplus resulting from the redemption of Class A preferred stock, despite the recording of Profit attributable to owners of parent and increases in unrealized gains on available-for-sale securities and foreign currency translation adjustments resulting from the depreciation of the yen against foreign currencies.

In September 2023, TOMOEGAWA is working to improve its financial soundness by redeemed all of its preferred shares ahead of schedule, thereby reducing the burden of preferred dividend payments. Even after redemption, net asset ratio has remained 40.6%, maintaining a stable financial foundation.

### 3. Explanation of consolidated earnings forecasts and other forward-looking statements

As for the Fourth Quarter (4Q) of the current FY, the recovery of the Toner Segment and the functional non-woven fabrics business, which have been affected by the slumping Chinese economy, remains sluggish, and although inventory reductions are slowing down, the Company expect the difficult situation to continue throughout the current FY. In the Semiconductor-related business, although net sales exceeded initial expectations, a full recovery in the semiconductor market is not expected until the Second Half of the next FY or later.

For the full year, the Company have decided to lowered net sales forecast by ¥2.5 billion from the May 12, 2023 initial forecast to ¥33.5 billion (change of ▲6.9%) and lowered Operating profit forecast to ¥1.0 billion (change of ▲33.3%) in light of the delayed recovery outlook, especially in the Toner Segment. The forecast for Ordinary profit was revised downward to ¥1.3 billion (change of ▲13.3%), taking into account the decrease in Operating profit, despite the expected contribution from equity in earnings as mentioned above. Profit attributable to owners of parent is estimated at ¥300 million (change of ▲50.0%) due to the extraordinary loss expected to be recorded in the current FY 4Q from the strategic consolidation of production and development bases.

As for new products for semiconductor manufacturing equipment, which the Company are planning to launch under the 8th Mid-term Business Plan, the Company established a new Tohoku Sales Office at the end of October to accelerate the development of new products. In December, the Company received the "Environmental Partners recognition" from Tokyo Electron Ltd. for the development of a "Stainless fiber paper heater for piping" with high energy-saving performance, and the Company are making steady progress toward full-scale mass production and sales. In addition, with regard to the "new electrostatic chuck," which is expected to make the largest contribution to earnings in the medium term, the Company has completed a prototype that meets customer requirements, and has begun capital investment (totaling approximately ¥900 million) to address issues related to mass production. As a result, the Company will steadily advance preparations for full-scale mass production, which is expected after 2025, although this is expected to be delayed by about one year from the initial forecast.

#### • Forecasts of Current Fiscal Year, which will end on March 31, 2024

Forecasts released (Release Date)	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Full year (February 13, 2024)	33,500	1,000	1,300	300	28.93Yen

Your continuous support of TOMOEGAWA will be greatly appreciated.

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

### 1. Consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	4,353	5,660
Notes and accounts receivable - trade	6,557	6,442
Finished goods	6,837	6,634
Work in process	61	57
Raw materials and supplies	2,310	2,224
Other	1,430	1,312
Allowance for doubtful accounts	△13	△13
Total current assets	21,537	22,317
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,475	4,490
Machinery, equipment and vehicles, net	3,628	3,660
Land	5,398	5,398
Other, net	2,031	2,084
Total property, plant and equipment	15,533	15,633
Intangible assets	391	382
Investments and other assets		
Investment securities	5,012	5,420
Other	547	431
Allowance for doubtful accounts	△74	△3
Total investments and other assets	5,485	5,847
Total non-current assets	21,410	21,864
Total assets	42,948	44,181
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	5,222	5,603
Short-term borrowings	4,289	6,555
Current portion of long-term borrowings	2,433	1,591
Income taxes payable	146	186
Provision for bonuses	518	179
Other	3,468	3,907
Total current liabilities	16,078	18,023
Non-current liabilities		
Long-term borrowings	5,339	4,927
Retirement benefit liability	1,446	1,541
Provision for retirement benefits for directors (and other officers)	309	315
Other	1,404	1,455
Total non-current liabilities	8,498	8,239
Total liabilities	24,577	26,262

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Net assets		
Shareholders' equity		
Share capital	2,122	2,122
Capital surplus	2,033	897
Retained earnings	8,197	8,445
Treasury shares	△31	△31
Total shareholders' equity	12,322	11,434
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	241	381
Foreign currency translation adjustment	492	698
Remeasurements of defined benefit plans	971	823
Total accumulated other comprehensive income	1,705	1,903
Non-controlling interests	4,342	4,581
Total net assets	18,370	17,919
Total liabilities and net assets	42,948	44,181

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

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	25,865	24,940
Cost of sales	20,021	19,451
Gross profit	5,843	5,488
Selling, general and administrative expenses	4,016	4,510
Operating profit	1,827	977
Non-operating income		
Interest income	4	8
Dividend income	81	75
Share of profit of entities accounted for using equity method	158	237
Other	114	113
Total non-operating income	358	434
Non-operating expenses		
Interest expenses	147	150
Other	105	45
Total non-operating expenses	252	195
Ordinary profit	1,932	1,216
Extraordinary income		
Gain on sale of non-current assets	478	2
Gain on sale of investment securities	226	39
Total extraordinary income	705	42
Extraordinary losses		
Loss on retirement of non-current assets	4	97
Impairment losses	163	93
Other	0	4
Total extraordinary losses	168	194
Profit before income taxes	2,469	1,064
Income taxes - current	488	271
Income taxes - deferred	△41	67
Total income taxes	447	338
Profit	2,022	725
Profit attributable to		
Profit attributable to owners of parent	1,749	454
Profit attributable to non-controlling interests	272	271
Other comprehensive income		
Valuation difference on available-for-sale securities	3	204
Foreign currency translation adjustment	7	255
Remeasurements of defined benefit plans, net of tax	△116	△148
Total other comprehensive income	△106	311
Comprehensive income	1,915	1,037
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,613	651
Comprehensive income attributable to non-controlling interests	302	385

3. Notes to quarterly consolidated financial statements  
(Notes on Going Concern Assumption)

None.

(Notes on significant changes in the amount of shareholders' equity)

Based on the resolution of the Board of Directors meeting held on September 11, 2023, the Company purchased and canceled 1,000,000 shares of the Class A preferred stock issued by the Company on September 29, 2023. The purchase of the Class A preferred stock increased treasury shares by ¥1,135 million, and the cancellation of treasury shares decreased capital surplus and treasury shares by ¥1,135 million each. As a result, capital surplus and treasury shares amounted to ¥897 million and ¥31 million, respectively, at the end of the third quarter of the current fiscal year.

(Segment Information)

I Previous fiscal year (From April 1, 2022 to December 31, 2022)

Information concerning net sales and profit (loss) by reportable segment, and disaggregated revenue information

(Millions of yen)

	Reportable segments						(Note 1) Other	Total	(Note 2) Reconciling items	(Note 3) Per consolidated financial statements
	Toner	Semiconductor and Display- related	Function al Sheet	Security media	New business developm ent	Reportab le segments				
Net sales										
Japan	1,564	2,525	7,216	2,869	38	14,215	89	14,305	—	14,305
China (including Hong Kong)	3,581	234	102	—	—	3,918	—	3,918	—	3,918
Other Asia	1,235	1,491	518	—	—	3,245	—	3,245	—	3,245
Europe	3,197	1	1	—	—	3,201	—	3,201	—	3,201
North America	745	7	128	—	—	880	—	880	—	880
Other	261	—	—	—	—	261	—	261	—	261
Revenue from contracts with customers	10,586	4,261	7,968	2,869	38	25,723	89	25,813	—	25,813
Other revenue	—	—	—	—	—	—	52	52	—	52
Revenues from external customers	10,586	4,261	7,968	2,869	38	25,723	141	25,865	—	25,865
Transactions with other segments	—	—	693	104	—	797	457	1,255	(1,255)	—
Net sales	10,586	4,261	8,661	2,973	38	26,520	599	27,120	(1,255)	25,865
Segment profit (loss)	1,882	157	(65)	120	(357)	1,736	62	1,798	28	1,827

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 ¥28 million represents eliminations for inter-segment transactions.
3. Segment profit (loss) is reconciled to Operating profit presented in the consolidated statement of income (cumulative) and consolidated statement of comprehensive income (cumulative).

## II Current fiscal year (From April 1, 2023 to December 31, 2023)

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

(Millions of yen)

	Reportable segments						(Note 1) Other	Total	(Note 2) Reconciling items	(Note 3) Per consolidated financial statements
	Toner	Semiconductor and Display- related	Function al Sheet	Security media	New business developm ent	Reportab le segments				
Net sales										
Japan	1,537	2,931	7,033	3,269	34	14,806	123	14,930	—	14,930
China (including Hong Kong)	2,710	199	38	—	—	2,948	—	2,948	—	2,948
Other Asia	992	1,816	686	—	6	3,501	—	3,501	—	3,501
Europe	2,704	1	3	—	—	2,709	—	2,709	—	2,709
North America	472	35	92	—	—	600	—	600	—	600
Other	198	—	—	—	—	198	—	198	—	198
Revenue from contracts with customers	8,614	4,984	7,854	3,269	41	24,764	123	24,888	—	24,888
Other revenue	—	—	—	—	—	—	52	52	—	52
Revenues from external customers	8,614	4,984	7,854	3,269	41	24,764	175	24,940	—	24,940
Transactions with other segments	—	—	1,156	58	—	1,214	459	1,673	(1,673)	—
Net sales	8,614	4,984	9,010	3,328	41	25,979	635	26,614	(1,673)	24,940
Segment profit (loss)	460	416	22	353	(370)	882	63	945	32	977

#### Notes:

- The "Other" classification is for business segments not included in a reportable segment and includes logistics services, etc.
- Segment profit (loss) in the above adjustment ¥32 million represents eliminations for inter-segment transactions.
- Segment profit (loss) is reconciled to Operating profit presented in the consolidated statement of income (cumulative) and consolidated statement of comprehensive income (cumulative).

### 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 third quarter of the previous fiscal year is disclosed under the new reportable segment name. However, there is no change in the method of classifying reportable segment.