Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 [Japanese GAAP]

April 27, 2021

Company name: SHIKOKU CHEMICALS CORPORATION
Stock exchange listing: Tokyo Stock Exchange
Code number: 4099
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Scheduled date of annual general shareholders' meeting: June 24, 2021
Scheduled date of commencing dividend payments: June 4, 2021
Scheduled date of filing annual securities report: June 24, 2021
Availability of supplementary briefing material on annual financial results: Available
Schedule of annual financial results briefing session: Scheduled

(Amounts less than one million yen are rounded down)

1. Consolidated Financial Results for the Year Ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2021	49,590	(3.8)	7,401	(5.7)	7,997	(0.3)	5,760	2.7
March 31, 2020	51,564	(2.4)	7,848	(2.5)	8,022	(4.9)	5,610	3.9

(Note) Comprehensive income: Year ended March 31, 2021: ¥7,732 million [75.2 %]
Year ended March 31, 2020: ¥4,412 million [21.0 %]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Year ended	Yen	Yen	%	%	%
March 31, 2021	103.27	-	7.9	7.7	14.9
March 31, 2020	96.92	-	8.0	8.3	15.2

(Reference) Share of profit (loss) of entities accounted for using equity method: Year ended March 31, 2021: -
Year ended March 31, 2020: -

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2021	107,344	76,566	70.5	1,360.26
As of March 31, 2020	100,896	71,647	70.2	1,241.76

(Reference) Equity: As of March 31, 2021: ¥75,718 million
As of March 31, 2020: ¥70,839 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year-end
Year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2021	7,411	(2,999)	89	37,207
March 31, 2020	7,385	(6,018)	3,875	32,607

2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended March 31, 2020	–	12.00	–	12.00	24.00	1,389	24.8	2.0
Year ended March 31, 2021	–	12.00	–	12.00	24.00	1,338	23.2	1.8
Year ending March 31, 2022 (Forecast)	–	12.00	–	12.00	24.00		22.3	

3. Forecast of Consolidated Financial Results for the Year Ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	51,500	3.9	8,000	8.1	8,300	3.8	6,000	4.2	107.79

*** Notes:**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: No
2) Changes in accounting policies other than 1) above: No
3) Changes in accounting estimates: No
4) Retrospective restatement: No

(3) Total number of issued shares (ordinary shares)
1) Total number of issued shares at the end of the period (including treasury shares):
March 31, 2021: 55,877,263 shares
March 31, 2020: 58,948,063 shares
2) Total number of treasury shares at the end of the period:
March 31, 2021: 212,603 shares
March 31, 2020: 1,900,015 shares
3) Average number of shares during the period:
Year ended March 31, 2021: 55,782,227 shares
Year ended March 31, 2020: 57,892,498shares

* Explanation regarding the appropriate use of financial results forecasts and other special items

The above financial results forecasts are based on information currently available to the Company as of the date of this report, and do not constitute a guarantee of future results. Actual results may differ significantly from these forecasts due to a wide range of factors. For information about the above financial results forecasts, please refer to "(4) Future Outlook" under "1. Overview of Operating Results, etc." on page 4 of the attached documents to the financial statements.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Year under Review

The Japanese economy during the fiscal year under review deteriorated sharply against the backdrop of the spread of the novel coronavirus disease (COVID-19) and the issuing of the state of emergency declaration in April 2020. Although signs of recovery were seen mainly in individual consumption after the lifting of the declaration, the economy slowed down following the reissuing of the state of emergency declaration in January 2021. Even after the declaration was lifted, the number of infected people has rebounded, and the pace of economic activity resumption has remained slow. As for overseas economies, it is expected that economic activity will gradually resume and recovery will be accelerated by various economic measures, particularly in the United States and China, but various risks remain, including delayed vaccine rollout, spread of mutant strains, and inflation concerns due to the expansion of fiscal stimulus.

Under these circumstances, for the fiscal year under review, the Group posted net sales of ¥49,590 million (down 3.8% year-on-year), operating profit of ¥7,401 million (down 5.7% year-on-year) and ordinary profit of ¥7,997 million (down 0.3% year-on-year), all of which fell below the previous year's results, while profit attributable to owners of parent increased from the previous year to ¥5,760 million (up 2.7% year-on-year).

Operating results by segment are as follows.

1) Chemicals operations

(Inorganic chemicals)

Sales of insoluble sulfur, a material for radial tires, remained sluggish both in Japan and abroad during the first half of the year, affected by the global production adjustments for automobiles and tires amid the spread of COVID-19. However, sales recovered sharply in the second half of the year as production activities normalized. Sales of carbon disulfide for rayon and cellophane, and sodium sulfate for bath agents and detergents remained sluggish.

(Organic chemicals)

Regarding cyanuric acid derivatives for disinfectants, while sales of agents for swimming pools were stagnant in the domestic market, affected by the cancellation of swimming lessons at schools due to the spread of COVID-19, sales of agents for plumbing systems (sanitary devices) were strong with increased demand for disinfection and sterilization as a result of rising awareness of hygiene at homes. Sales remained strong in the U.S. market with increased demand for agents for home swimming pools, supported by favorable weather conditions from spring and restrictions on outings.

(Fine chemicals)

Regarding Glicoat-SMD, a heat-resistant soluble OSP (Organic Solderability Preservative) for printed wiring boards, sales largely exceeded the previous year's result during the second half of the year on the back of recovery in the electronics market mainly in China and Taiwan. Sales of advanced & specialty chemicals such as epoxy resin curing agent (imidazoles) grew in newly developed products although sales were affected by the deterioration in market conditions in products for automobile-related use.

As a result, net sales for the chemicals operations segment were ¥29,850 million (down 1.0% year-on-year), and segment profit was ¥5,664 million (up 0.1% year-on-year).

2) Housing Materials operations

With the spread of COVID-19, there has been a strong sense of uncertainty over the prospects of domestic and foreign economies, causing a wait-and-see attitude to continue as seen in a growing trend of investments being deferred. Given the weakness in housing starts and capital investment, sales of interior, exterior finishes and paving materials and exterior products remained sluggish.

As a result, net sales for the housing materials operations segment were ¥18,760 million (down 9.0% year-on-year), and segment profit was ¥3,505 million (down 11.6% year-on-year), both falling below the previous year's results.

Reference information

[Sales results]

(Million yen)

Segment name	Year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)	Year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)	YoY change (%)
Chemicals operations			
Inorganic chemicals	11,913	10,435	87.6
Organic chemicals	10,146	10,709	105.5
Fine chemicals	8,090	8,705	107.6
Subtotal	30,150	29,850	99.0
Housing Materials operations			
Interior, exterior finishes and paving materials	1,665	1,475	88.6
Exterior products	18,954	17,285	91.2
Subtotal	20,619	18,760	91.0
Total of reportable segments	50,770	48,611	95.7
Other	794	979	123.2
Total	51,564	49,590	96.2

(Note) Figures above are exclusive of consumption taxes.

[Overseas net sales]

	Year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)		Year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)	
	Net sales (Million yen)	Overseas net sales to consolidated net sales (%)	Net sales (Million yen)	Overseas net sales to consolidated net sales (%)
Asia	7,320	14.2	7,319	14.8
North America	5,564	10.8	5,943	12.0
Other regions	1,931	3.7	1,741	3.5
Total	14,815	28.7	15,004	30.3
Consolidated net sales	51,564		49,590	

(2) Overview of Financial Position for the Year under Review

(Status of assets, liabilities and net assets)

Total assets increased by ¥6,448 million from the end of the previous fiscal year to ¥107,344 million. Major increases were ¥3,098 million in investment securities and ¥3,035 million in construction in progress.

Liabilities increased by ¥1,529 million from the end of the previous fiscal year to ¥30,778 million. A major increase was ¥3,800 million in long-term borrowings.

Net assets increased by ¥4,918 million from the end of the previous fiscal year to ¥76,566 million. Major increases were ¥1,947 million in treasury shares and ¥1,816 million in valuation difference on available-for-sale securities.

As a result, equity ratio rose to 70.5%, from 70.2% at the end of the previous fiscal year.

(3) Overview of Cash Flows for the Year under Review

Cash flows provided by operating activities totaled ¥7,411 million (an increase of ¥25 million year-on-year). Major cash inflows were profit before income taxes of ¥8,258 million and depreciation of ¥1,835 million, while a major cash outflow was income taxes paid of ¥2,388 million.

Cash flows used in investing activities totaled ¥2,999 million (a decrease of ¥3,019 million year-on-year). The major component was purchase of property, plant and equipment of ¥3,618 million.

Cash flows provided by financing activities totaled ¥89 million (a decrease of ¥3,786 million year-on-year). A major cash inflow was proceeds from long-term borrowings of ¥3,900 million, while major cash outflows were purchase of treasury shares of ¥1,605 million and dividends paid of ¥1,354 million.

As a result, cash and cash equivalents totaled ¥37,207 million (an increase of ¥4,599 million from the end of the previous fiscal year).

(4) Future Outlook

Consolidated financial results forecast for the year ending March 31, 2022 is as follows.

(Million yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Year ending March 31, 2022 (full-year)	51,500	8,000	8,300	6,000
Year ended March 31, 2021 (full-year)	49,590	7,401	7,997	5,760
Change (%)	3.9	8.1	3.8	4.2

(Note) The major exchange rates assumed in the above financial results forecast were ¥105 to $1 and ¥128 to €1.

The above financial results forecasts are based on information currently available to the Company as of the date of this report, and do not constitute a guarantee of future results. Actual results may differ significantly from these forecasts due to a wide range of factors.

2. Basic Policy on Selection of Accounting Standards

The Group plans to adopt Japanese GAAP in preparing its consolidated financial statements for the time being, given that the Group has little need to raise funds from overseas and considering the burden of preparing its consolidated financial statements based on the International Financial Reporting Standards (IFRS). However, the Group will consider the adoption of IFRS depending on future needs.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	26,607	25,907
Notes and accounts receivable – trade	13,057	12,637
Electronically recorded monetary claims - operating	2,095	2,678
Securities	11,000	13,999
Merchandise and finished goods	6,912	6,259
Work in process	47	46
Raw materials and supplies	3,100	3,024
Other	283	471
Allowance for doubtful accounts	(0)	(1)
Total current assets	63,103	65,024
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,148	5,040
Machinery, equipment and vehicles, net	3,929	3,176
Land	8,849	8,857
Construction in progress	736	3,771
Other, net	651	646
Total property, plant and equipment	19,315	21,492
Intangible assets	143	165
Investments and other assets		
Investment securities	16,607	19,705
Deferred tax assets	1,159	324
Retirement benefit asset	201	309
Other	368	325
Allowance for doubtful accounts	(3)	(3)
Total investments and other assets	18,333	20,662
Total non-current assets	37,792	42,319
Total assets	100,896	107,344

(Million yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable – trade	6,530	6,602
Electronically recorded obligations - operating	415	338
Short-term borrowings	2,730	2,530
Current portion of long-term borrowings	693	74
Accrued expenses	1,396	1,418
Income taxes payable	1,356	1,389
Accrued consumption taxes	313	201
Notes payable - facilities	58	17
Electronically recorded obligations - facilities	53	75
Other	4,201	3,055
Total current liabilities	17,747	15,702
Non-current liabilities		
Long-term borrowings	7,157	10,957
Deferred tax liabilities	1	16
Deferred tax liabilities for land revaluation	1,111	1,111
Provision for retirement benefits for directors (and other officers)	88	77
Retirement benefit liability	2,201	2,134
Asset retirement obligations	379	379
Provision for share awards	23	32
Other	537	365
Total non-current liabilities	11,500	15,075
Total liabilities	29,248	30,778
Net assets		
Shareholders' equity		
Share capital	6,867	6,867
Capital surplus	5,815	5,740
Retained earnings	56,063	57,140
Treasury shares	(2,183)	(236)
Total shareholders' equity	66,563	69,512
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,972	3,789
Deferred gains or losses on hedges	(4)	(27)
Revaluation reserve for land	2,533	2,533
Foreign currency translation adjustment	(109)	(90)
Remeasurements of defined benefit plans	(115)	0
Total accumulated other comprehensive income	4,276	6,205
Non-controlling interests	808	847
Total net assets	71,647	76,566
Total liabilities and net assets	100,896	107,344

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the year ended March 31, 2020	For the year ended March 31, 2021
Net sales	51,564	49,590
Cost of sales	30,479	29,506
Gross profit	21,085	20,083
Selling, general and administrative expenses		
Transportation and storage costs	4,532	4,525
Advertising expenses	674	410
Salaries	2,211	2,222
Retirement benefit expenses	170	193
Provision for retirement benefits for directors (and other officers)	20	17
Research and development expenses	1,338	1,207
Other	4,289	4,105
Total selling, general and administrative expenses	13,236	12,682
Operating profit	7,848	7,401
Non-operating income		
Interest income	23	47
Dividend income	476	452
Foreign exchange gains	—	169
Miscellaneous income	35	98
Total non-operating income	535	767
Non-operating expenses		
Interest expenses	14	20
Loss on sale of notes receivable - trade	0	—
Sales discounts	137	125
Foreign exchange losses	174	—
Loss on abandonment of inventories	25	—
Miscellaneous losses	9	24
Total non-operating expenses	362	171
Ordinary profit	8,022	7,997
Extraordinary income		
Gain on sale of non-current assets	1	0
Gain on sale of investment securities	5	478
Subsidy income	44	35
Total extraordinary income	50	513
Extraordinary losses		
Loss on retirement of non-current assets	19	39
Impairment losses	—	66
Loss on sale of investment securities	—	147
Total extraordinary losses	19	252
Profit before income taxes	8,053	8,258
Income taxes- current	2,401	2,452
Income taxes - deferred	7	7
Total income taxes	2,408	2,459
Profit	5,644	5,798
Profit attributable to non-controlling interests	33	38
Profit attributable to owners of parent	5,610	5,760

Consolidated Statements of Comprehensive Income

(Million yen)

	For the year ended March 31, 2020	For the year ended March 31, 2021
Profit	5,644	5,798
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,237)	1,821
Deferred gains or losses on hedges	(0)	(23)
Foreign currency translation adjustment	(16)	18
Remeasurements of defined benefit plans, net of tax	22	116
Total other comprehensive income	(1,231)	1,933
Comprehensive income	4,412	7,732
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,389	7,689
Comprehensive income attributable to non-controlling interests	22	42

(3) Consolidated Statements of Changes in Shareholders' Equity

Year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,867	5,740	51,798	(322)	64,084
Changes during period					
Dividends of surplus			(1,345)		(1,345)
Profit attributable to owners of parent			5,610		5,610
Purchase of treasury shares				(1,786)	(1,786)
Acquisition of treasury shares by stock ownership plan trust				(166)	(166)
Disposal of treasury shares by stock ownership plan trust		75		91	166
Net changes in items other than shareholders' equity					
Total changes during period	—	75	4,265	(1,861)	2,478
Balance at end of period	6,867	5,815	56,063	(2,183)	66,563

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,199	(4)	2,533	(93)	(137)	5,498	788	70,370
Changes during period								
Dividends of surplus								(1,345)
Profit attributable to owners of parent								5,610
Purchase of treasury shares								(1,786)
Acquisition of treasury shares by stock ownership plan trust								(166)
Disposal of treasury shares by stock ownership plan trust								166
Net changes in items other than shareholders' equity	(1,226)	(0)	—	(16)	22	(1,221)	19	(1,201)
Total changes during period	(1,226)	(0)	—	(16)	22	(1,221)	19	1,277
Balance at end of period	1,972	(4)	2,533	(109)	(115)	4,276	808	71,647

Year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,867	5,815	56,063	(2,183)	66,563
Changes during period					
Dividends of surplus			(1,354)		(1,354)
Profit attributable to owners of parent			5,760		5,760
Purchase of treasury shares				(1,605)	(1,605)
Disposal of treasury shares		9		137	146
Cancellation of treasury shares		(84)	(3,329)	3,413	―
Disposal of treasury shares by stock ownership plan trust				2	2
Net changes in items other than shareholders' equity					
Total changes during period	―	(75)	1,076	1,947	2,949
Balance at end of period	6,867	5,740	57,140	(236)	69,512

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,972	(4)	2,533	(109)	(115)	4,276	808	71,647
Changes during period								
Dividends of surplus								(1,354)
Profit attributable to owners of parent								5,760
Purchase of treasury shares								(1,605)
Disposal of treasury shares								146
Cancellation of treasury shares								―
Disposal of treasury shares by stock ownership plan trust								2
Net changes in items other than shareholders' equity	1,816	(23)	―	18	116	1,928	39	1,968
Total changes during period	1,816	(23)	―	18	116	1,928	39	4,918
Balance at end of period	3,789	(27)	2,533	(90)	0	6,205	847	76,566

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the year ended March 31, 2020	For the year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	8,053	8,258
Depreciation	2,189	1,835
Impairment losses	—	66
Increase (decrease) in retirement benefit liability	13	(36)
Decrease (increase) in retirement benefit asset	29	29
Interest and dividend income	(500)	(499)
Interest expenses	14	20
Loss (gain) on sale of investment securities	(5)	(331)
Subsidy income	(44)	(35)
Loss on retirement of property, plant and equipment	19	39
Loss (gain) on sale of property, plant and equipment	(1)	(0)
Decrease (increase) in trade receivables	1,459	(131)
Decrease (increase) in inventories	(631)	747
Increase (decrease) in trade payables	(1,902)	(22)
Increase (decrease) in accrued consumption taxes	189	(126)
Other, net	(9)	(527)
Subtotal	8,874	9,286
Interest and dividends received	500	500
Interest paid	(16)	(21)
Subsidies received	44	35
Income taxes paid	(2,017)	(2,388)
Net cash provided by (used in) operating activities	7,385	7,411
Cash flows from investing activities		
Purchase of securities	(4,000)	(3,200)
Proceeds from redemption of securities	1,000	4,500
Purchase of property, plant and equipment	(1,479)	(3,618)
Proceeds from sale of property, plant and equipment	2	0
Payments for retirement of property, plant and equipment	(13)	(32)
Purchase of investment securities	(2,506)	(3,255)
Proceeds from sale and redemption of investment securities	6	1,613
Decrease (increase) in time deposits	1,000	1,000
Other, net	(27)	(6)
Net cash provided by (used in) investing activities	(6,018)	(2,999)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	800	(200)
Proceeds from long-term borrowings	7,200	3,900
Repayments of long-term borrowings	(945)	(718)
Purchase of treasury shares	(1,786)	(1,605)
Proceeds from sale of treasury shares	—	146
Dividends paid	(1,345)	(1,354)
Dividends paid to non-controlling interests	(3)	(3)
Other, net	(44)	(75)
Net cash provided by (used in) financing activities	3,875	89
Effect of exchange rate change on cash and cash equivalents	(76)	98
Net increase (decrease) in cash and cash equivalents	5,166	4,599
Cash and cash equivalents at beginning of period	27,441	32,607
Cash and cash equivalents at end of period	32,607	37,207

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Segment information, etc.)

1. Overview of reportable segments

The Group's reportable segments are components within the Group for which discrete financial information is available and are regularly reviewed by the Company's Board of Directors for the purpose of determining the allocation of management resources and evaluating performance.

Each business division of the Company formulates comprehensive strategies for domestic and overseas businesses in relation to the products and services it handles and carries out business activities accordingly.

Therefore, the Group is comprised of segments that are classified according to products and services based on its business divisions. The two reportable segments of the Group are "Chemicals operations" and "Housing Materials operations."

The "Chemicals operations" segment is engaged in the production and sale of chemical products such as inorganic chemicals, organic chemicals and fine chemicals. The "Housing Materials operations" segment is engaged in the production and sale of building and construction materials such as interior and exterior decorative walls, exterior products and aluminum shutters.

2. Calculation methods of net sales, profit, loss, assets and other items by reportable segment

The method of accounting for the business segments reported are the same as those described in "Important Matters that Form the Basis for Preparing Consolidated Financial Statements."

Profit of the reportable segments is based on operating profit.

Inter-segment net sales and transfers are based on market price.

3. Information on net sales, profit (loss), assets and other items by reportable segment

For the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(Million yen)

	Reportable segment			Other (Note) 1	Total	Adjustment (Note) 2	Amount recorded in consolidated financial statements (Note) 3
	Chemicals operations	Housing Materials operations	Total				
Net sales							
Net sales to outside customers	30,150	20,619	50,770	794	51,564	—	51,564
Inter-segment net sales or transfers	0	5	5	237	243	(243)	—
Total	30,151	20,624	50,775	1,032	51,808	(243)	51,564
Segment profit	5,656	3,966	9,622	91	9,714	(1,865)	7,848
Segment assets	41,353	16,445	57,798	1,800	59,599	41,296	100,896
Other items							
Depreciation	1,738	260	1,999	53	2,052	135	2,188
Impairment losses	—	—	—	—	—	—	—
Increase in property, plant and equipment and intangible assets	1,640	243	1,884	2	1,886	74	1,961

(Notes) 1. The "Other" category represents business segments not included in the reportable segments, and includes the IT systems operations and food operations.

2. The adjustment for segment profit of ¥(1,865) million includes inter-segment eliminations of ¥0 million

and corporate expenses in the amount of ¥(1,866) million not allocated to each reportable segment. The relevant corporate expenses are mainly general and administrative expenses not allocated to the reportable segments.
The adjustment for segment assets of ¥41,296 million includes inter-segment eliminations of ¥(6) million and corporate assets in the amount of ¥41,303 million not allocated to each reportable segment.
The adjustment for increase in property, plant and equipment and intangible assets of ¥74 million is the amount of capital expenditure related to corporate assets not allocated to each reportable segment.

3. Segment profit is adjusted with operating profit on the consolidated statements of income.

For the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Million yen)

	Reportable segment			Other (Note) 1	Total	Adjustment (Note) 2	Amount recorded in consolidated financial statements (Note) 3
	Chemicals operations	Housing Materials operations	Total				
Net sales							
Net sales to outside customers	29,850	18,760	48,611	979	49,590	—	49,590
Inter-segment net sales or transfers	0	2	3	266	270	(270)	—
Total	29,851	18,763	48,615	1,246	49,861	(270)	49,590
Segment profit	5,664	3,505	9,170	130	9,301	(1,899)	7,401
Segment assets	45,681	15,620	61,302	2,156	63,458	43,885	107,344
Other items							
Depreciation	1,425	225	1,651	53	1,705	129	1,835
Impairment losses	—	66	66	—	66	—	66
Increase in property, plant and equipment and intangible assets	3,446	328	3,775	110	3,886	220	4,106

(Notes) 1. The "Other" category represents business segments not included in the reportable segments, and includes the IT systems operations and food operations.

2. The adjustment for segment profit of ¥(1,899) million includes inter-segment eliminations of ¥0 million and corporate expenses in the amount of ¥(1,900) million not allocated to each reportable segment. The relevant corporate expenses are mainly general and administrative expenses not allocated to the reportable segments.
The adjustment for segment assets of ¥43,885 million includes inter-segment eliminations of ¥(4) million and corporate assets in the amount of ¥43,890 million not allocated to each reportable segment.
The adjustment for increase in property, plant and equipment and intangible assets of ¥220 million is the amount of capital expenditure related to corporate assets not allocated to each reportable segment.

3. Segment profit is adjusted with operating profit on the consolidated statements of income.

(Per share information)

	Year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)	Year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)
Net assets per share	1,241.76 yen	1,360.26 yen
Basic earnings per share	96.92 yen	103.27 yen

(Notes) 1. The Company's shares held in the trust related to the stock compensation plan, which are recorded as treasury shares under shareholders' equity, are included in treasury shares that are excluded from the calculation of the average number of shares during the period when calculating basic earnings per share, and are also included in treasury shares that are excluded from the total number of issued shares at the end of the period when calculating net assets per share.
The average number of shares during the period excluded for the fiscal year under review was 148

thousand shares, while the average number of shares during the period excluded for the previous fiscal year was 150 thousand shares. Diluted earnings per share are not provided, as there are no dilutive shares.

2. The basis for calculation of basic earnings per share is as follows:

	Year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)	Year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)
Profit attributable to owners of parent (Million yen)	5,610	5,760
Amount not attributable to common shareholders (Million yen)	–	–
Profit attributable to owners of parent related to ordinary shares (Million yen)	5,610	5,760
Average number of ordinary shares during the period (Thousand shares)	57,892	55,782

3. The basis for calculation of net assets per share is as follows:

	As of March 31, 2020	As of March 31, 2021
Total net assets (Million yen)	71,647	76,566
Amount deducted from total net assets (Million yen)	808	847
(Non-controlling interests included in above) (Million yen)	[808]	[847]
Amount of net assets related to ordinary shares at end of period (Million yen)	70,839	75,718
Number of ordinary shares used in the calculation of net assets per share at end of period (Thousand shares)	57,048	55,664

(Significant subsequent events)

There is no relevant information.