

Summary of Consolidated Financial Results for the Third Quarter of Fiscal Year 2020 Ending March 31, 2021
<Under Japanese GAAP>

January 28, 2021

Company Name: SEKISUI CHEMICAL CO., LTD.
 Stock Listings: Tokyo Stock Exchange
 Code Number: 4204
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 Scheduled date for submission of quarterly financial statement: February 8, 2021
 Scheduled date for payment of dividends: -
 Quarterly earnings supplementary explanatory documents: Yes
 Quarterly earnings results briefing: Yes

(Figures rounded down to the nearest million yen)

1. Consolidated Business Results for the Third Quarter (April 1, 2020 to December 31, 2020)

(1) Consolidated Business Results (% figures represent changes from the same period of the previous year.)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of the Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2020 (First 9 months)	756,422	-8.1	39,876	-31.5	33,830	-43.2	20,656	-48.5
FY2019 (First 9 months)	823,307	-0.7	58,197	-2.2	59,534	0.4	40,090	-4.5

Note. Comprehensive Income: December 31, 2020: 41,159 million yen (-20.3%), December 31, 2019: 51,657 million yen (93.4%)

	Net Income Attributable to Owners of the Parent per Share	Net Income Attributable to Owners of the Parent per Share (Diluted)
	yen	yen
FY2020 (First 9 months)	45.60	-
FY2019 (First 9 months)	87.08	87.06

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity to Total Assets
	Millions of yen	Millions of yen	%
3rd Q of FY2020	1,142,374	642,207	53.9
FY2019	1,105,781	634,219	55.1

Note. Equity: December 31, 2020: 615,812 million yen, March 31, 2020: 609,253 million yen

Equity: Shareholders' Equity including Accumulated Other Comprehensive Income

In the Third Quarter of FY2020, the Companies determined the provisional accounting treatment related to the business combination.

As a result, figures for the year ended March 31, 2020 reflect the revision of the initial allocated amounts of acquisition price as the Companies finalized the provisional accounting treatment for the business combination.

2. Dividend Status

(Date of Record)	Dividend per Share				
	At the end of 1st Q	At the end of 2nd Q	At the end of 3rd Q	Year-end	Full year
	yen	yen	yen	yen	yen
FY2019	-	23.00	-	23.00	46.00
FY2020	-	23.00	-	-	-
FY2020 (outlook)	-	-	-	24.00	47.00

Note. Recent revision of dividend estimates: No

3. Consolidated Outlook for FY2020 (April 1, 2020 to March 31, 2021)

(% figures represent changes from the same period of the previous year.)

	Net Sales		Operating Income		Ordinary Income		Net income Attributable to Owners of the Parent		Net income Attributable to Owners of the Parent per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full Year	1,057,400	-6.4	70,000	-20.4	63,000	-27.8	43,500	-26.5	96.90

Note. Recent revision of consolidated earnings estimates: Yes

Notes

(1) Significant change of subsidiary companies during the term (change of specified subsidiaries that affected the scope of consolidated reporting): No

(2) Application of special methods for quarterly consolidated financial statements: Yes

Note: For further details please refer to “(4) Notes to Consolidated Financial Statements (Application of special accounting methods for the preparation of quarterly consolidated financial statements) on page 10 of the attached document “II. Consolidated Financial Statement and Notes.

(3) Changes to the accounting policy, changes or restatements of the accounting estimates

a) Changes caused by revisions to accounting principles: No

b) Changes other than a): No

c) Amendments to accounting estimates: No

d) Restatements: No

(4) Number of shares outstanding (common stock)

a) Number of shares outstanding at the end of term (including treasury stock):	3rd Q of FY2020	476,507,285 shares
	FY2019	484,507,285 shares
b) Treasury stock at the end of term:	3rd Q of FY2020	27,570,752 shares
	FY2019	27,712,523 shares
c) Average outstanding shares in the period (quarterly consolidated cumulative total):	3rd Q of FY2020	452,954,646 shares
	3rd Q of FY2019	460,394,749 shares

Note: The Financial Instruments and Exchange Law does not require this brief announcement of the most recent financial statements to be subject to audit review.

Remarks on appropriate use of forecasted results of operation and other special matters

1. This report contains revisions to the consolidated forecasts for the fiscal year announced on October 26, 2020.

2. The earnings forecasts and other forward-looking statements presented in this report are based on information available at the time of its issue and on certain assumptions that the Company considers reasonable. Forward-looking statements in no capacity represent a guarantee that the Company will achieve the stated amounts. Various factors can cause actual results to differ materially from the forecasts. For important matters regarding the conditions associated with the assumptions of these forecasts and their appropriate use, please see “2. Revision to the consolidated results forecast and other forward-looking information” on page 3 of the Quarterly Financial Report (Supplementary Material).

I. Qualitative Information and Financial Review

1. Consolidated Business Results

(1) Group Overview (April 1 to December 31, 2020)

Net Sales: 756.4 billion yen (-8.1%), Operating Income: 39.8 billion yen (-31.5%), Ordinary Income: 33.8 billion yen (-43.2%), Net Income Attributable to Owners of the Parent: 20.6 billion yen (-48.5%)

In the first three quarters of fiscal 2020, sales and income in each stage decreased due to impacts from the spread of COVID-19, such as the downturn in domestic and overseas demand for automobile and aircraft, suspensions and delays in construction, a decline in commencements of new housing construction in Japan, and restrictions on sales activities. However, fixed cost reductions and structural reforms were brought forward.

Ordinary income was affected by net foreign exchange loss, increase in miscellaneous expenditures and other factors.

For net income attributable to owners of the parent, comparison with the same period of the previous year was affected by factors such as the accounting of gain on sales of investments in securities during the previous year.

In the third quarter of fiscal 2020, amid a certain recovery in market conditions for automobiles, electronics, and other products, net sales were maintained at the same level as in the same period of the previous fiscal year due to expanded sales of high-performance products and reductions in fixed costs, resulting in an increase in operating income.

(2) Overview by Business Segments (April 1 to December 31, 2020)

[Housing Company]

Net Sales: 344.4 billion yen (-7.0%), Operating Income: 16.6 billion yen (-26.0%)

In the first three quarters of fiscal 2020, sales and income decreased due to a reduction in orders caused by the impact of COVID-19 in addition to a reduction in year-start backlog.

Regarding orders in the Housing business, there was a reduction in the attracting of customers centered on model houses under the spread of COVID-19 even though efforts were made in attracting customers and carrying out negotiations through online means. This resulted in less orders being received compared to the same period of the previous year. Orders for ready-built houses were steady and expected to be higher compared to the same period of the previous year. In the Housing Renovation business, net sales were lower than the same period of the previous year due to fewer opportunities for contact with our customers.

As for measures, in the Housing business, together with advertising energy self-sufficiency through the Smart Power Station FR GREENMODEL launched in October, efforts were made in enhancing our stock of land and ready-built houses toward steady sales expansion of subdivision and ready-built houses. In the Housing Renovation business, together with working on establishing systems such as appointing dedicated personnel for periodic diagnosis, we promoted the leveling of construction and sales by strengthening backlog management.

In the third quarter of fiscal 2020, net sales increased and operating income remained unchanged from the same period of the previous fiscal year due to a recovery trend in orders received and the effect of sales leveling.

[Urban Infrastructure and Environmental Products Company]

Net Sales: 146.9 billion yen (-14.2%), Operating Income: 5.6 billion yen (-38.7%)

In the first three quarters of fiscal 2020, although optimization of operations and fixed cost reductions were thoroughly conducted, sales and income decreased due to delays and postponements of overseas projects arising from the impact of COVID-19 and sluggish market conditions for non-residential construction in Japan.

In Piping and Infrastructure field, products for public infrastructure and industrial plants remained steady in addition to recovery in products for detached houses. However, net sales were lower than the same period of the previous year due to a downturn in demand for construction-related (non-residential facilities) products in Japan and products for overseas.

Regarding Building and Living Environment field, net sales were lower than the same period of the previous year due the impact of structural reforms and other factors even though there was recovery in products for detached houses and renovation.

In Advanced Materials field, there was steady demand for synthetic lumber (railway sleepers and water treatment-related applications) in Japan, and U.S. thermoforming plastic sheets saw progress in deployment for new applications centered on medical equipment. However, net sales were lower than the same period of the previous year due to reasons such as the impact of structural reforms in addition to a downturn in the demand of products for aircraft.

In the third quarter of fiscal 2020, domestic demand for public works was steady, and demand for detached houses was on a recovery track. However, sluggish demand for thermoforming plastic sheets for aircraft overseas led to lower sales and profits.

[High Performance Plastics Company]

Net Sales: 225.4 billion yen (-6.7%), Operating Income: 20.5 billion yen (-30.5%)

In the first three quarters of fiscal 2020, sales and income decreased due to significant downturn in demand arising from the impact of COVID-19. However, we worked to secure profits through thorough cost reduction measures.

In Electronics field, net sales were higher than the same period of the previous year due to the recovery trend in the demand for mobile devices and smooth progress in sales expansion of non-liquid-crystal-related products such as substrate and semiconductor products, joint parts, and heat release products.

In Mobility field, sales fell below the results for the corresponding period of the previous fiscal year due to a significant decline in demand for automobiles and aircraft. However, in the third quarter, the automobile market recovered to a certain extent, and sales expansion of high-performance products progressed steadily.

In Building and Infrastructure materials field, demand for chlorinated polyvinyl chloride (CPVC) resin recovered globally, but net sales were lower than the same period of the previous year due to significant impact from lockdowns during the first quarter.

In the third quarter of fiscal 2020, amid a certain recovery in market conditions for automobiles, electronics, and other products, sales and income increased due to expanded sales of high-performance products and thorough cost reduction measures.

[Medical Business]

Net Sales: 51.5 billion yen (-1.6%), Operating Income: 4.8 billion yen (-26.8%)

In the first three quarters of fiscal 2020, sales and income decreased due to the impact of COVID-19.

In the mainstay diagnostics business, net sales were lower than the same period of the previous year due to reasons such as a reduction in the number of patients seeking outpatient treatment in Japan and overseas even though steady progress was made in the sales expansion of COVID-19 test kits overseas.

In the pharmaceuticals & fine chemicals business, net sales were lower than the same period of the previous year due to a reduction in orders received by the drug development solutions business within the United States.

In the third quarter of fiscal 2020, sales and income increased due to an increase in sales of COVID-19 testing kits overseas.

2. Revision to the consolidated results forecast and other forward-looking information

Taking into consideration the increase in sales volume at the High Performance Plastics Company, impact from an expected rise in the foreign exchange value of the yen, expected income from land sales, and other factors, SEKISUI CHEMICAL has revised its consolidated results forecasts for the full fiscal year ending March 31, 2021 previously announced on October 26, 2020. Details of revised forecasts are presented in table format as follows.

	Revised Forecast	Previous Forecast (October 26, 2020)
Net Sales (millions of yen)	1,057,400	1,053,600
Operating Income (millions of yen)	70,000	70,000
Ordinary Income (millions of yen)	63,000	69,000
Net Income Attributable to Owners of the Parent (millions of yen)	43,500	43,500
Net Income Per Share (yen)	96.90	96.27

II. Consolidated Financial Statement and Notes

Consolidated Financial Statement (Third Quarter, Fiscal Year 2020)

(1) Consolidated Balance Sheets

Third Quarter, Fiscal Year 2020

(Millions of Yen)

	End Fiscal Year 2019	End Third Quarter, Fiscal 2020
	As of March 31, 2020	As of December 31, 2020
(Assets)		
Current Assets:		
Cash and deposits	76,819	85,067
Notes receivable, trade	39,436	39,193
Accounts receivable, trade	134,688	122,932
Marketable securities	0	0
Merchandise and finished goods	73,744	77,095
Land for sale	50,580	54,799
Work in process	56,554	66,789
Raw materials and supplies	36,311	35,449
Advance payments	2,631	2,985
Prepaid expenses	5,237	4,824
Short-term loans receivable	1,466	5
Other current assets	15,789	22,158
Allowance for doubtful accounts	-1,377	-1,214
Total current assets	491,883	510,088
Non-current assets:		
Property, plant and equipment, net		
Buildings and structures	104,206	116,561
Machinery, equipment and vehicles	84,284	94,765
Land	79,708	81,192
Leased assets	18,520	18,310
Construction in progress	38,905	26,183
Other	11,624	11,600
Total property, plant and equipment, net	337,250	348,615
Intangible assets:		
Goodwill	56,078	50,024
Software	9,571	10,592
Leased assets	135	136
Other	38,713	33,999
Total intangible assets	104,498	94,753
Investments and other assets:		
Investments in securities	140,862	161,513
Long-term loans receivable	1,379	1,532
Long-term prepaid expenses	1,394	1,626
Asset for retirement benefits	125	174
Deferred tax assets	16,536	12,558
Other	13,884	13,701
Allowance for doubtful accounts	-2,034	-2,189
Total investments and other assets	172,148	188,917
Total non-current assets	613,897	632,285
Total assets	1,105,781	1,142,374

(Millions of Yen)

	End Fiscal Year 2019 As of March 31, 2020	End Third Quarter, Fiscal 2020 As of December 31, 2020
(Liabilities)		
Current liabilities:		
Notes payable, trade	3,002	1,942
Electronically recorded obligations	26,859	25,326
Accounts payable, trade	101,914	84,379
Short-term debt and current portion of long-term debt	8,446	24,711
Commercial paper	28,000	22,000
Current portion of bonds	19	10
Lease obligations	4,694	4,500
Accrued expenses	41,097	41,662
Accrued income taxes and other taxes	11,855	8,077
Allowance for bonuses to employees	18,162	9,780
Allowance for bonuses to directors and audit and supervisory board members	275	190
Provision for compensation for completed construction	1,382	1,391
Provision for stock-based compensation	166	117
Advances received	42,180	47,375
Other	46,155	47,396
Total current liabilities	334,212	318,865
Long-term liabilities:		
Bonds	40,000	40,000
Long-term debt less current portion	22,368	70,428
Lease obligations	14,137	14,247
Deferred tax liabilities	7,777	5,648
Liability for retirement benefits	47,170	44,758
Provision for stock-based compensation	479	599
Other	5,416	5,618
Total long-term liabilities	137,349	181,302
Total liabilities	471,562	500,167
(Net assets)		
Shareholders' equity:		
Common stock	100,002	100,002
Capital surplus	109,273	108,892
Retained earnings	433,266	420,315
Treasury stock, at cost	-44,139	-43,376
Total shareholders' equity	598,403	585,834
Accumulated other comprehensive income:		
Unrealized holding gain on securities	27,463	42,458
Deferred loss on hedges	-16	-30
Unrealized gain on land revaluation	321	321
Translation adjustments	-8,499	-5,619
Retirement benefit adjustments	-8,419	-7,153
Total accumulated other comprehensive income	10,850	29,977
Stock acquisition rights	64	-
Non-controlling interests	24,901	26,395
Total net assets	634,219	642,207
Total liabilities and net assets	1,105,781	1,142,374

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

Consolidated Statements of Income

First 9 months, Fiscal Year 2020

(Millions of Yen)

	First 9 months, Fiscal 2019 (From April 1, 2019 to December 31, 2019)	First 9 months, Fiscal 2020 (From April 1, 2020 to December 31, 2020)
Net sales	823,307	756,422
Cost of sales	557,051	520,489
Gross profit	266,256	235,932
Selling, general and administrative expenses	208,058	196,056
Operating income	58,197	39,876
Non-operating income:		
Interest income	856	332
Dividends income	4,272	4,119
Equity in earnings of affiliates	1,630	1,283
Miscellaneous income	2,383	2,046
Total non-operating income	9,142	7,782
Non-operating expenses:		
Interest expenses	556	616
Sales discounts	301	284
Foreign exchange loss, net	254	2,944
Miscellaneous expenses	6,692	9,983
Total non-operating expenses	7,806	13,828
Ordinary income	59,534	33,830
Extraordinary income:		
Gain on sales of investments in securities	5,201	-
Total extraordinary income	5,201	-
Extraordinary loss:		
Loss on impairment of fixed assets	2,164	2,097
Loss on devaluation of investment in securities	2,888	-
Loss on sales or disposal of property, plant and equipment	1,713	1,054
Total extraordinary loss	6,766	3,151
Income before income taxes	57,969	30,678
Income taxes	16,492	8,936
Net income	41,476	21,742
Net income attributable to:		
Non-controlling interests	1,386	1,085
Owners of the parent	40,090	20,656

Consolidated Statements of Income
Third Quarter, Fiscal Year 2020

(Millions of Yen)

	Third Quarter, Fiscal 2019 (From October 1, 2019 to December 31, 2019)	Third Quarter, Fiscal 2020 (From October 1, 2020 to December 31, 2020)
Net sales	266,792	266,381
Cost of sales	179,933	182,319
Gross profit	86,858	84,061
Selling, general and administrative expenses	70,158	66,588
Operating income	16,700	17,472
Non-operating income		
Interest income	340	102
Dividends income	354	416
Equity in earnings of affiliates	208	238
Foreign exchange gain, net	953	-
Miscellaneous income	1,174	814
Total non-operating income	3,031	1,572
Non-operating expenses		
Interest expenses	184	192
Sales discounts	104	100
Foreign exchange loss, net	-	1,484
Miscellaneous expenses	2,031	4,108
Total non-operating expenses	2,320	5,886
Ordinary income	17,411	13,159
Extraordinary income		
Gain on sales of investments in securities	99	-
Total extraordinary income	99	-
Extraordinary loss		
Loss on impairment of fixed assets	-	1,726
Loss on sales or disposal of property, plant and equipment	705	201
Total extraordinary loss	705	1,928
Income before income taxes	16,805	11,230
Income taxes	5,849	3,218
Net income	10,956	8,011
Net income attributable to:		
Non-controlling interests	499	387
Owners of the parent	10,457	7,624

Consolidated Statement of Comprehensive Income
First 9 months, Fiscal Year 2020

	(Millions of Yen)	
	First 9 months, Fiscal 2019 (From April 1, 2019 to December 31, 2019)	First 9 months, Fiscal 2020 (From April 1, 2020 to December 31, 2020)
Net income	41,476	21,742
Other comprehensive income		
Unrealized holding gain on securities	11,328	13,876
Deferred gain (loss) on hedges	29	-26
Translation adjustments	-1,660	3,158
Retirement benefit adjustments	288	1,299
Comprehensive income of affiliates accounted for by the equity method attributable to the Company	195	1,108
Total other comprehensive income	10,180	19,416
Comprehensive income	51,657	41,159
Comprehensive income attributable to:		
Owners of the parent	49,634	39,478
Non-controlling interests	2,022	1,680

(3) Consolidated Statements of Cash Flows

	(Millions of Yen)	
	First 9 months, Fiscal 2019 (From April 1, 2019 to December 31, 2019)	First 9 months, Fiscal 2020 (From April 1, 2020 to December 31, 2020)
Operating activities:		
Income before income taxes	57,969	30,678
Adjustments for:		
Depreciation and amortization	30,973	33,334
Amortization of goodwill	2,025	3,316
Loss on impairment of fixed assets	2,164	2,097
Loss on disposal of property, plant and equipment	1,673	1,045
Loss on sales of property, plant and equipment, net	40	9
Decrease in liability for retirement benefits	-1,917	-2,255
Gain on sales of investments in securities	-5,201	-
Loss on devaluation of investments in securities	2,888	-
Decrease in allowance for bonuses	-8,094	-8,394
Interest and dividends income	-5,128	-4,452
Interest expenses	858	900
Equity in earnings of affiliates	-1,630	-1,283
Decrease in notes and accounts receivable	10,091	9,767
Increase in inventories	-26,174	-17,592
Decrease in notes and accounts payable	-5,805	-16,373
Increase in advances received	8,753	5,188
Other	-6,974	1,902
Subtotal	56,511	37,890
Interest and dividends received	5,891	4,479
Interest paid	-913	-831
Income taxes paid	-14,778	-14,526
Net cash provided by operating activities	46,711	27,011
Investing activities:		
Purchases of property, plant and equipment	-38,612	-41,887
Proceeds from sales of property, plant and equipment	1,307	608
Payments into time deposits	-4,539	-7,730
Proceeds from withdrawal of time deposits	3,522	3,450
Purchases of investments in securities	-287	-506
Proceeds from sales or redemption of investments in securities	11,972	837
Acquisition of investments in subsidiaries resulting in change in scope of consolidation	-54,377	-
Acquisition of investments in subsidiaries	-45	-
Purchases of intangible assets	-3,453	-4,534
(Increase) decrease in short-term loans receivable	-1,505	14
Other	2,295	3,976
Net cash used in investing activities	-83,722	-45,772
Financing activities:		
Increase in short-term debt, net	16,021	16,728
Repayments of lease obligations	-3,703	-3,892
Increase (decrease) in commercial paper	15,000	-6,000
Proceeds from long-term debt	16,539	50,759
Repayment of long-term debt	-1,672	-3,224
Proceeds from issuance of bonds	30,000	-
Redemption of bonds	-8	-8
Cash dividends paid	-21,308	-20,962
Cash dividends paid to non-controlling interests	-1,114	-1,211
Purchase of treasury stock	-13,291	-12,199
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-6	-1,935
Proceeds from issuance of common stock	-	2,632
Other	335	209
Net cash provided by financing activities	36,790	20,895
Effect of exchange rate change on cash and cash equivalents	-660	1,630
Net (decrease) increase in cash and cash equivalents	-880	3,765
Cash and cash equivalents at beginning of term	68,613	74,721
Increase in cash and cash equivalents from newly consolidated subsidiaries	1,646	138
Cash and cash equivalents at end of term	69,378	78,625

(4) Notes to Consolidated Financial Statements

(Notes regarding the premise of a going concern)

No significant changes during the term under review.

(Significant Change in Shareholder Equity)

No significant changes during the term under review.

(Application of special accounting methods for the preparation of quarterly consolidated financial statements)

Calculation of tax expense

Income taxes are determined based on the amount of income before income taxes for the current third quarter ended December 31, 2020 multiplied by the effective tax rate, after adoption of tax-effect accounting, estimated for the entire fiscal year ending March 31, 2021. In case where the estimated effective tax rate is notably lacking rationality, statutory tax rate is used.

Deferred income taxes are included in income taxes.

(Segment Information)

I. Consolidated First 9 months, Fiscal 2020 (April 1, 2020 to December 31, 2020)

1. Information as to sales and income (loss) on each reportable segment

(Millions of Yen)

	Reportable Segments					Other (Note)	Total
	Housing	Urban Infrastructure & Environmental Products	High Performance Plastics	Medical	Total		
Sales:							
(1) Sales to third parties	344,366	137,705	220,777	51,533	754,382	2,039	756,422
(2) Intersegment sales or transfers	107	9,227	4,704	0	14,039	105	14,144
Net sales	344,473	146,933	225,481	51,533	768,422	2,144	770,566
Segment income (loss)	16,600	5,676	20,588	4,848	47,713	-6,506	41,206

Note: Other represents segments other than the reportable segments, which includes provision of services and manufacturing and sales of film-type lithium-ion batteries and products not included in the company's reportable segments.

2. Information on the difference between the total amount of the reportable segments in the above tables and the corresponding amount reported in the consolidated financial statements

(Items related to the difference)

Income	(Millions of Yen)
Total of reportable segments	47,713
Other loss	-6,506
Eliminations	352
Corporate expenses (Note)	-1,683
Total operating income reported in the consolidated statements of income	39,876

Note: Corporate expenses are mainly general administrative expenses not attributable to each reportable segment.

3. Regional information

Net sales

(Millions of Yen)

	Japan	America	Europe	Asia	Others	Total
Net sales	565,506	55,426	39,007	87,490	8,991	756,422

II. Consolidated Third Quarter, Fiscal 2020 (October 1, 2020 to December 31, 2020)

1. Information as to sales and income (loss) on each reportable segment

(Millions of Yen)

	Reportable Segments					Other (Note)	Total
	Housing	Urban Infrastructure & Environmental Products	High Performance Plastics	Medical	Total		
Sales:							
(1) Sales to third parties	113,813	47,601	84,720	19,630	265,766	615	266,381
(2) Intersegment sales or transfers	40	3,141	1,655	0	4,837	45	4,883
Net sales	113,854	50,742	86,376	19,630	270,603	661	271,264
Segment income (loss)	3,584	3,168	11,421	2,344	20,518	-2,340	18,178

Note: Other represents segments other than the reportable segments, which includes provision of services and manufacturing and sales of film-type lithium-ion batteries and products not included in the company's reportable segments.

2. Information on the difference between the total amount of the reportable segments in the above tables and the corresponding amount reported in the consolidated financial statements

(Items related to the difference)

Income	(Millions of Yen)
Total of reportable segments	20,518
Other loss	-2,340
Eliminations	108
Corporate expenses (Note)	-814
Total operating income reported in the quarterly consolidated statements of income	17,472

Note: Corporate expenses are mainly general administrative expenses not attributable to each reportable segment.

3. Regional information

Net sales

(Millions of Yen)

	Japan	America	Europe	Asia	Others	Total
Net sales (Millions of yen)	192,704	21,648	14,406	34,057	3,563	266,381