

Summary of Consolidated Financial Results for the First Quarter of Fiscal Year 2021 Ending March 31, 2022
 <Under Japanese GAAP>

July 29, 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: August 6, 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 First Quarter (April 1, 2021 to June 30, 2021)

(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	%
1st Q of FY2021	248,596	15.8	11,120	650.7	13,051	-	12,533	-
1st Q of FY2020	214,751	-14.0	1,481	-86.3	885	-92.2	-353	-

Note. Comprehensive Income: 1st Q of FY2021: 8,450 million yen (-28.7%), 1st Q of FY2020: 11,853 million yen (-%)

	Net Income Attributable to Owners of the Parent per Share	Net Income Attributable to Owners of the Parent per Share (Diluted)
	yen	yen
1st Q of FY2021	28.02	-
1st Q of FY2020	-0.78	-

Note 1. In FY2020, the Companies determined the provisional accounting treatment related to the business combination.

As a result, figures for the year ended March 31, 2021 reflect the revision of the initial allocated amounts of acquisition price as the Companies finalized the provisional accounting treatment for the business combination.

Note 2. The Companies have adopted "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020) and related implementation guidance from the beginning of the fiscal year ending March 31, 2022 and figures for the year ended March 31, 2022 reflect this change of accounting method.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity to Total Assets
	Millions of yen	Millions of yen	%
1st Q of FY2021	1,137,952	685,742	57.9
FY2020	1,150,143	694,392	58.0

(Reference) Equity: 1st Q of FY2021: 658,441 million yen, FY2020: 667,066 million yen

Equity: Shareholders' Equity including Accumulated Other Comprehensive Income

Note. The Companies have adopted "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020) and related implementation guidance from the beginning of the fiscal year ending March 31, 2022 and figures for the year ended March 31, 2022 reflect this change of accounting method.

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
FY2020	-	23.00	-	24.00	47.00
FY2021	-	-	-	-	-
FY2021 (outlook)	-	24.00	-	25.00	49.00

Note. Recent revision of dividend estimates: No

3. Consolidated Outlook for FY2021 (April 1, 2021 to March 31, 2022)

(% 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
Mid-Term	548,300	11.9	31,700	41.5	33,200	60.6	25,900	98.7	58.08
Full Year	1,132,600	7.2	86,000	27.8	86,000	37.3	60,000	44.4	134.55

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 9 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: Yes
 - b) Changes other than a): No
 - c) Amendments to accounting estimates: No
 - d) Restatements: No

Note: For further details please refer to “(4) Notes to Consolidated Financial Statements (Changes in Accounting Policies) on page 9 of the attached document “II. Consolidated Financial Statement and Notes.”

- (4) Number of shares outstanding (common stock)
 - a) Number of shares outstanding at the
end of term (including treasury stock):

1st Q of FY2021	471,507,285 shares
FY2020	476,507,285 shares
 - b) Treasury stock at the end of term:

1st Q of FY2021	25,567,630 shares
FY2020	27,573,735 shares
 - c) Average outstanding shares in the
period (quarterly consolidated)

1st Q of FY2021	447,357,504 shares
1st Q of FY2020	455,715,777 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 first half of the fiscal year announced on April 27, 2021.
The full-year forecasts are unchanged.
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 2 of the Quarterly Financial Report (Supplementary Material).

I. Qualitative Information and Financial Review

1. Consolidated Business Results

(1) Group Overview

Net Sales: 248.5 billion yen (+15.8%), Operating Income: 11.1 billion yen (+650.7%), Ordinary Income: 13 billion yen (previous year: 0.8 billion yen), Net Income Attributable to Owners of the Parent: 12.5 billion yen (previous year: -0.3 billion yen)

In the first quarter of fiscal 2021, despite some residual effects from COVID-19, the market began to recover for businesses such as housing, automobiles and electronics, resulting in a substantial increase in sales.

Although the prices of raw materials and parts jumped more than expected, efforts such as sales volume increases, selling price adjustments, and cost cutting led to substantial operating income increases in all of our business segments.

Ordinary income increased substantially, due in part to a reduction in miscellaneous expenses.

The quarterly net income attributable to owners of the parent increased substantially, due in part to a gain on sales of investments in securities.

Note that we began applying the Accounting Standard for Revenue Recognition, etc. (ASBJ Statement No. 29 (revised March 31, 2020)) starting in the first quarter.

For details, please refer to “(4) Notes to Consolidated Financial Statements (Changes in Accounting Policies) of “II. Consolidated Financial Statement and Notes”

(2) Overview by Business Segments

[Housing Company]

Net Sales: 105.5 billion yen (+9.8%), Operating Income: 1.2 billion yen (+199.3%)

In the first quarter of fiscal 2021, in addition to recovery in orders for houses and renovation, the Town and Community Development business began contributing to profit, resulting in a sales increase. Efforts to increase the sales volume and cut costs led to an income increase.

In the Housing business, the number of customers visiting model houses recovered and sales of subdivision and ready-built houses remained strong, resulting in a substantially higher number of orders than the same period of the previous year. In the Renovation business, the number of orders was substantially higher than the same period of the previous year, thanks to recovery in the number of customer contact opportunities, such as periodic diagnoses.

In terms of measures, we announced the project commemorating the 50th anniversary of the establishment of SEKISUI HEIM, and promoted smart and resilient products throughout the entire business, thereby strengthening the brand. In the Housing business, in addition to Web platforms to attract visitors and strengthening online seminars/negotiations, we continued focusing on expanding sales of subdivision and ready-built houses, whose demand continued to progress steadily. In the Renovation business, in addition to expanding periodic diagnoses, we worked on expanding sales of proposal-based products, such as exterior wall painting and bathrooms, by opening and utilizing experience-based showrooms.

[Urban Infrastructure and Environmental Products Company]

Net Sales: 44.1 billion yen (-1.4%), Operating Income: 0.3 billion yen (previous year: 0.0 billion yen)

In the first quarter of fiscal 2021, effects such as COVID-19-related construction delays remained in some areas overseas, However, the recovery trend in the demand for detached houses in Japan and an economic recovery in the United States resulted in a net sales increase, excluding the effects of structural reforms (business transfer). We

made up for surging raw material prices with sales volume increases, producing an income increase.

In Piping and Infrastructure, the construction-related demand (non-residential facilities) in Japan remained sluggish due to impact from COVID-19, but the demand for detached houses began to recover. The demand for capital investment in plants (semiconductors and liquid crystals) in Japan and overseas, as well as public sector projects in Japan, remained solid, resulting in higher net sales than the same period of the previous year.

With regard to Building and Living Environment, net sales were higher than the same period of the previous year due to the recovering trend in demand for detached houses and renovations. .

In Advanced Materials, sales of synthetic lumber for railway sleepers remained sluggish because of budget cuts in railway companies in Japan. Although demand for thermo plastic sheets in the aircraft industry remained sluggish, an economic recovery in the United States led to steady demand for thermo plastic sheets for railway use, heavy machinery and construction. As a result, net sales were higher than the same period of the previous year, excluding the effects of structural reforms (business transfer), throughout the entire field.

[High Performance Plastics Company]

Net Sales: 83.9 billion yen (+35.3%), Operating Income: 10.4 billion yen (+308.7%)

In the first quarter of fiscal 2021, despite the effects of a semiconductor shortage, sales were up thanks to a recovery in the market for automobiles, smartphones, etc. Although raw material prices jumped more than expected, efforts such as sales volume increases, selling price adjustments, and cost cutting led to a substantial income increase.

In Electronics, net sales were up from the same period of the previous year as sales of liquid-crystal-related products remained robust, as a result of a market recovery in mobile devices such as smartphones and tablets.

In Mobility, the automobile market started to recover despite a semiconductor shortage and the effects of a cold snap in North America. Sales of high-performance products grew, especially interlayer films for heads-up displays, resulting in substantially higher net sales than the same period of the previous year.

In Building and Infrastructure, the demand for chlorinated polyvinyl chloride (CPVC) started to recover globally and the market for fire protection materials and non-combustible materials used in homes in Japan also recovered. As a result, net sales were up substantially from the same period of the previous year.

[Medical Business]

Net Sales: 18.3 billion yen (+19.9%), Operating Income: 2.2 billion yen (+102.7%)

In the first quarter of the fiscal 2021, both sales and income were higher, thanks to a certain level of market recovery from COVID-19.

In Diagnostics, which is the mainstay business, the demand for outpatient testing in Japan and overseas recovered, resulting in higher net sales than the same period of the previous year. Sales grew substantially, with a focus on tests for lifestyle-related diseases in Japan and for blood coagulation in China. We also made progress in development activities, for example, obtaining certification for a COVID-19 antigen test in Japan.

In Pharmaceuticals and Fine Chemicals, although demand for drug development and enzymes recovered, net sales were lower than the same year of the previous year because of a delay in sales recognition timing.

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

As for the consolidated forecast for the second quarter, we expect a recovery in the market for smartphones and other products, as well as steady expansion in sales of high-performance products, mainly in the automotive sector.

On the other hand, raw material prices is rising more than expected, the forecast numbers published on April 27, 2021 have been revised as follows:

Revision to the forecast for the second quarter of FY2021 (April 1, 2021 to September 30, 2021)

	Net sales	Operating Income	Ordinary Income	Net Income Attributable to Owners of the Parent	Net Income per Share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	yen
Previous forecast (A)	539,700	31,700	33,200	25,900	57.69
Revised forecast (B)	548,300	31,700	33,200	25,900	58.08
Change (B – A)	8,600	-	-	0	0.38
Change (%)	1.6	-	-	0	0.7
(Reference) Second Quarter results for the previous year (Second Quarter of FY2020)	490,041	22,403	20,671	13,032	28.69

Note that the consolidated forecast for the full fiscal year has not changed.

II. Consolidated Financial Statement and Notes

Consolidated Financial Statement (First Quarter, Fiscal Year 2021)

(1) Consolidated Balance Sheets

	(Millions of Yen)	
	End Fiscal Year 2020	End First Quarter,
	(As of March 31, 2021)	Fiscal 2021
		(As of June 30, 2021)
(Assets)		
Current Assets:		
Cash and deposits	87,454	84,331
Notes receivable, trade	34,810	34,267
Accounts receivable, trade	135,821	120,373
Marketable securities	0	-
Merchandise and finished goods	79,652	86,213
Land for sale	58,767	59,422
Work in process	50,469	55,720
Raw materials and supplies	34,021	37,701
Advance payments	3,362	3,323
Prepaid expenses	7,121	7,994
Short-term loans receivable	2	171
Other current assets	15,259	19,066
Allowance for doubtful accounts	-1,172	-1,138
Total current assets	505,571	507,448
Non-current assets:		
Property, plant and equipment, net:		
Buildings and structures	116,433	115,639
Machinery, equipment and vehicles	96,844	97,407
Land	80,079	80,199
Leased assets	19,203	18,996
Construction in progress	27,228	27,945
Other	11,607	11,691
Total property, plant and equipment, net	351,397	351,880
Intangible assets:		
Goodwill	50,914	49,755
Software	10,520	10,839
Leased assets	150	125
Other	36,063	35,685
Total intangible assets	97,649	96,405
Investments and other assets:		
Investments in securities	174,656	160,584
Long-term loans receivable	1,613	1,164
Long-term prepaid expenses	2,021	2,237
Asset for retirement benefits	312	336
Deferred tax assets	5,347	6,105
Other	13,908	13,945
Allowance for doubtful accounts	-2,334	-2,155
Total investments and other assets	195,525	182,218
Total non-current assets	644,571	630,504
Total assets	1,150,143	1,137,952

(Millions of Yen)

	End Fiscal Year 2020 (As of March 31, 2021)	End First Quarter, Fiscal 2021 (As of June 30, 2021)
(Liabilities)		
Current liabilities:		
Notes payable, trade	1,744	1,418
Electronically recorded obligations	25,052	23,597
Accounts payable, trade	90,798	87,846
Short-term debt and current portion of long-term debt	7,278	7,574
Lease obligations	4,625	4,909
Accrued expenses	43,910	39,989
Accrued income taxes and other taxes	10,658	9,774
Allowance for bonuses to employees	17,620	12,254
Allowance for bonuses to directors and audit and supervisory board members	245	158
Provision for compensation for completed construction	1,403	1,419
Provision for stock-based compensation	157	191
Advances received	40,227	52,462
Other	38,555	41,183
Total current liabilities	282,278	282,781
Long-term liabilities:		
Bonds	40,000	40,000
Long-term debt less current portion	71,207	71,055
Lease obligations	15,057	14,568
Deferred tax liabilities	10,362	7,335
Liability for retirement benefits	30,402	29,967
Provision for stock-based compensation	648	696
Other	5,793	5,807
Total long-term liabilities	173,472	169,429
Total liabilities	455,751	452,210
(Net assets)		
Shareholders' equity:		
Common stock	100,002	100,002
Capital surplus	109,021	109,039
Retained earnings	441,087	434,151
Treasury stock, at cost	-43,414	-40,959
Total shareholders' equity	606,696	602,233
Accumulated other comprehensive income:		
Unrealized holding gain on securities	50,781	45,235
Deferred loss on hedges	-33	-25
Unrealized gain on land revaluation	323	323
Translation adjustments	6,647	7,869
Retirement benefit adjustments	2,650	2,805
Total accumulated other comprehensive income	60,370	56,208
Non-controlling interests	27,325	27,300
Total net assets	694,392	685,742
Total liabilities and net assets	1,150,143	1,137,952

(2) Consolidated Statements of Income and Statement of Comprehensive Income
 (Consolidated Statements of Income)
 First Quarter, Fiscal Year 2021

(Millions of Yen)

	First Quarter, Fiscal 2020 (From April 1, 2020 to June 30, 2020)	First Quarter, Fiscal 2021 (From April 1, 2021 to June 30, 2021)
Net sales	214,751	248,596
Cost of sales	148,746	170,658
Gross profit	66,005	77,937
Selling, general and administrative expenses	64,523	66,816
Operating income	1,481	11,120
Non-operating income:		
Interest income	105	142
Dividends income	1,973	1,979
Equity in earnings of affiliates	161	269
Foreign exchange gain, net	-	140
Miscellaneous income	626	678
Total non-operating income	2,867	3,210
Non-operating expenses:		
Interest expenses	183	236
Sales discounts	93	-
Foreign exchange loss, net	410	-
Miscellaneous expenses	2,774	1,042
Total non-operating expenses	3,462	1,279
Ordinary income	885	13,051
Extraordinary income:		
Gain on sales of investments in securities	-	6,262
Total extraordinary income	-	6,262
Extraordinary loss:		
Loss on sales or disposal of property, plant and equipment	339	327
Total extraordinary loss	339	327
Income before income taxes	546	18,987
Income taxes	747	6,248
Net (loss) income	-201	12,738
Net (loss) income attributable to:		
Non-controlling interests	152	205
Owners of the parent	-353	12,533

(Consolidated Statement of Comprehensive Income)
First Quarter, Fiscal Year 2021

(Millions of Yen)

	First Quarter, Fiscal 2020 (From April 1, 2020 to June 30, 2020)	First Quarter, Fiscal 2021 (From April 1, 2021 to June 30, 2021)
Net (loss) income	-201	12,738
Other comprehensive income (loss)		
Unrealized holding gain (loss) on securities	8,825	-5,160
Deferred (loss) gain on hedges	-37	16
Translation adjustments	2,132	1,098
Retirement benefit adjustments	407	-93
Comprehensive income (loss) of affiliates accounted for by the equity method attributable to the Company	725	-149
Total other comprehensive income (loss)	12,054	-4,288
Comprehensive income	11,853	8,450
Comprehensive income attributable to:		
Owners of the parent	11,436	8,371
Non-controlling interests	416	78

(3) Consolidated Statements of Cash Flows

	(Millions of Yen)	
	First Quarter, Fiscal 2020	First Quarter, Fiscal 2021
	(From April 1, 2020 to June 30, 2020)	(From April 1, 2021 to June 30, 2021)
Operating activities:		
Income before income taxes	546	18,987
Adjustments for:		
Depreciation and amortization	10,815	11,154
Amortization of goodwill	1,118	1,103
Loss on disposal of property, plant and equipment	336	316
Loss on sales of property, plant and equipment, net	3	11
Decrease in allowance for bonuses	-4,040	-5,370
Decrease in liability for retirement benefits	-226	-433
Gain on sales of investments in securities	-	-6,262
Interest and dividends income	-2,079	-2,122
Interest expenses	277	236
Equity in earnings of affiliates	-161	-269
Decrease in notes and accounts receivable	35,313	15,632
Increase in inventories	-21,928	-14,568
Decrease in notes and accounts payable	-25,867	-9,110
Decrease in accrued consumption taxes	-596	-2,753
Increase in advances received	6,973	12,227
Increase in deposits received	6,654	3,579
Other	-1,256	-5,374
Subtotal	5,881	16,983
Interest and dividends received	2,120	2,634
Interest paid	-249	-236
Income taxes paid	-8,625	-8,045
Net cash (used in) provided by operating activities	-873	11,336
Investing activities:		
Purchases of property, plant and equipment	-13,390	-8,194
Proceeds from sales of property, plant and equipment	143	38
Payments into time deposits	-1,456	-2,267
Proceeds from withdrawal of time deposits	820	3,079
Purchases of investments in securities	-112	-397
Proceeds from sales or redemption of investments in securities	151	12,926
Purchases of intangible assets	-748	-1,410
Acquisition of investments in subsidiaries	-	-6
Decrease (increase) in short-term loans receivable	168	-30
Other	801	110
Net cash (used in) provided by investing activities	-13,621	3,847
Financing activities:		
Increase in short-term debt, net	11,947	1,408
Repayments of lease obligations	-1,234	-1,315
Decrease in commercial paper	-28,000	-
Proceeds from long-term debt	50,143	-
Repayment of long-term debt	-46	-1,241
Cash dividends paid	-10,541	-10,805
Cash dividends paid to non-controlling interests	-223	-109
Purchase of treasury stock	-2,762	-5,644
Proceeds from issuance of common stock	2,631	-
Other	-76	-25
Net cash provided by (used in) financing activities	21,837	-17,735
Effect of exchange rate change on cash and cash equivalents	663	97
Net increase (decrease) increase in cash and cash equivalents	8,006	-2,454
Cash and cash equivalents at beginning of term	74,721	76,649
Increase in cash and cash equivalents from newly consolidated subsidiaries	138	1
Cash and cash equivalents at end of term	82,866	74,196

(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 first quarter ended June 30, 2021 multiplied by the effective tax rate, after adoption of tax-effect accounting, estimated for the entire fiscal year ending March 31, 2022. 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.

(Changes in Accounting Policies)

Adoption of the Accounting Standard for Revenue Recognition

The Companies have adopted “Accounting Standard for Revenue Recognition” (ASBJ Statement No.29, March 31, 2020) and related implementation guidance from the beginning of the fiscal year ending March 31, 2022, and recognize revenue at the amount expected to be received in exchange for its goods or services when the dominance of the promised goods or services is transferred to a customers.

As a result of its change, Rebate which was conventionally recorded as Selling, general and administrative expenses and Sales discounts which was conventionally recorded as Non-operating expenses, has been deducted from Net sales.

And if a contract includes a variable amount, the Companies include it in the transaction price only when a significant reversal in the amount of cumulative revenue recognized will not occur once the uncertainty related to the variable consideration is subsequently resolved.

For Charged supplying, annihilation of inventories was conventionally recognized when it is paid to the suppliers, but the Companies has changed its accounting method to not to recognize the annihilation, as it was substantially bearing the obligation to buy the supplied

With regard to the adoption of the Revenue Recognition Standards, in accordance with the transitional treatment stipulated in the proviso to paragraph 84 of the Accounting Standard for Revenue Recognition, the cumulative effect of retroactively adopting the new accounting policy prior to the beginning of the fiscal year ending March 31, 2022, has been added to or deducted from retained earnings at the beginning of the fiscal year ending March 31, 2022 and the new accounting policy has been adopted from the beginning balance of the fiscal year ending March 31, 2022.

As a result, for the first quarter of the fiscal year ending March 31, 2022, Net Sales decreased by ¥773 million, Cost of Sales decreased by ¥168 million, Selling, general and administrative expenses decreased by ¥471 million, and Non-operating expenses decreased by ¥103 million. Therefore, Operating income decreased by ¥133 million, Ordinary income decreased by ¥29 million and Income before income taxes decreased by ¥29 million respectively.

Furthermore, retained earnings at the beginning of the fiscal year ending March 31, 2022 has been decreased by ¥587 million.

Adoption of the Accounting Standard for Fair Value Measurement

The Companies have adopted “Accounting Standard for Fair Value Measurement” (ASBJ Statement No.30, July 4, 2019) and related implementation guidance from the beginning of the fiscal year ending March 31, 2022. Based on the transitional treatment prescribed in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No.10, July 4, 2019), the Companies have decided to apply the new accounting policies set forth by the Accounting Standard for Fair Value Measurement into the future. These changes had no impact on the quarterly consolidated financial statements.

(Segment Information)

Consolidated First Quarter, Fiscal 2021 (April 1, 2021 to June 30, 2021)

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

(Millions of Yen)

	Reportable Segments					Other (Note1・2)	Total
	Housing (Note1)	Urban Infrastructure & Environmental Products	High Performance Plastics	Medical	Total		
Net Sales:							
Japan	105,205	34,742	26,175	8,370	174,494	658	175,153
North America	-	2,981	14,561	4,878	22,421	2	22,424
Europe	-	1,402	15,254	1,744	18,402	-	18,402
China	-	921	12,800	2,760	16,482	76	16,558
Asia	304	1,054	11,963	437	13,760	23	13,784
Others	-	383	1,712	176	2,273	-	2,273
Sales to third parties	105,510	41,486	82,468	18,368	247,834	761	248,596
Intersegment sales or transfers	20	2,710	1,432	0	4,163	16	4,179
Net sales	105,530	44,197	83,901	18,369	251,997	778	252,776
Segment income (loss)	1,234	387	10,400	2,268	14,290	-2,289	12,000

Notes

- Net Sales of Housing segment in Japan includes ¥9,756 million that does not correspond to revenue generated from contracts with customers.
Net Sales of other segment in Japan includes ¥211 million that does not correspond to revenue generated from contracts with customers.
- 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	14,290
Other loss	-2,289
Eliminations	142
Corporate expenses (Note)	-1,023
Total operating income reported in the consolidated statements of income	11,120

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

3. Notes relating to changes in reportable segments

As described in (Changes in Accounting Policies), the Companies have adopted the accounting standard and related implementation guidance from the beginning of the fiscal year ending March 31, 2022, and changed the accounting method for revenue recognition. The method for measuring profit or loss in the reportable segment was also changed.

As a result, amounts for the first quarter of the fiscal year ending March 31, 2022 has been decreased by below:

(Housing) Net sales decreased by ¥171 million and Segment income decreased by ¥8 million.

(Urban Infrastructure & Environmental Products) Net sales decreased by ¥229 million and Segment income decreased by ¥34 million.

(High Performance Plastics) Net sales decreased by ¥328 million and Segment income decreased by ¥46 million.

(Medical) Net sales decreased by ¥43 million and Segment income decreased by ¥43 million.