



Consolidated Financial Results for the Third Quarter of Fiscal Year 2022 (Japanese GAAP)

April 14, 2022

Listed company name Suminoe Textile Co., Ltd. Listed on the Tokyo Stock Exchange
Code number 3501 URL: <https://suminoe.co.jp/>
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Scheduled date of filing of quarterly report: April 14, 2022 Scheduled date of dividend payment: —
Preparation of supplementary explanatory documents for quarterly financial results: No
Holding analyst meeting for quarterly financial results: No

(Amounts are rounded down to the nearest million yen) (Figures in brackets are negative)

1. Consolidated Financial Results for the 3rd Quarter of FY2022 (June 1, 2021 to February 28, 2022)

(1) Consolidated Operating Results (accumulation) (% change from the previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Q3 of FY ending May 31, 2022	59,759	2.3	(311)	—	474	(29.1)	(338)	—
Q3 of FY ended May 31, 2021	58,402	(17.6)	608	(50.3)	669	(45.2)	512	90.8

(Note) Comprehensive income Q3 of FY ending May 31, 2022: (86) million yen (— %)
Q3 of FY ended May 31, 2021: 409 million yen (3.3%)

	Profit per share Basic	Profit per share Diluted
	Yen	Yen
Q3 of FY ending May 31, 2022	(53.50)	—
Q3 of FY ended May 31, 2021	81.14	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
Q3 of FY ending May 31, 2022	85,228	32,429	32.0
FY2021	83,669	32,956	33.5

(Reference) Shareholders' equity Q3 of FY ending May 31, 2022: 27,283 million yen FY2021: 28,044 million yen

2. Dividend Information

	Dividend per share				
	First quarter	Second quarter	Third quarter	End of the year	Annual
	Yen	Yen	Yen	Yen	Yen
FY2021	—	15.00	—	20.00	35.00
FY2022	—	35.00	—	—	—
FY2022 (Forecast)	—	—	—	35.00	70.00

(Note) Revision of the latest dividend forecast: No

3. Forecast of Consolidated Financial Results for FY2022 (June 1, 2021 to May 31, 2022)

(% change from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit per share Basic
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	83,900	5.3	402	(61.7)	1,102	(9.1)	526	28.5	83.13

(Note) Revision of the latest forecasts of operational results: No

*Notes

(1) Major changes in significant consolidated subsidiaries during the period (changes in specified subsidiaries accompanying change in the scope of consolidation): No

(2) Adoption of special accounting methods for preparing quarterly consolidated financial statements: No

(3) Changes in accounting policies, financial estimates and restatements

(i) Changes in accounting policies due to revisions of accounting standards: Yes

(ii) Changes in accounting policies other than (i) above: No

(iii) Changes in financial estimates: No

(iv) Restatements of financial statements: No

Note: For further information, please refer to “(3) Major notes on consolidated quarterly financial statements (Changes in accounting policies)” of “2. Consolidated quarterly financial statements and major notes” on page 11 of the attached document.

(4) Number of shares issued (common stock)

(i) Number of shares issued at the end of the period (including treasury stock)

Q3 of FY2022	7,682,162 shares	FY2021	7,682,162 shares
Q3 of FY2022	1,350,504 shares	FY2021	1,363,878 shares
Q3 of FY2022	6,326,331 shares	Q3 of FY2021	6,314,618 shares

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

(iii) Average number of shares outstanding during the period (quarterly consolidated cumulative period)

(Note) The summary of quarterly financial results is outside the scope of quarterly review by a certified public accountant or an accounting firm.

(Note) Explanation on the appropriate use of forecasts and other special issues

(Note on the forward-looking statements)

The forward-looking statements in this document concerning forecasts of performance, etc. are based on currently available information, and contain uncertain factors. The actual performance may be significantly different from the forecasts due to various factors.

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1. Qualitative information for the third quarter of the fiscal year under review

(1) Explanation of business results

During the first nine months of fiscal year ending May 31, 2022, the Japanese economy was on a recovery trend at the end of 2021 due to an increase in consumer spending, but later faced rising concerns over the negative impact on the economy of the priority preventive measures that were imposed in many regions due to the rapid spread of the omicron variant of the novel coronavirus (COVID-19). Furthermore, the outlook is becoming increasingly uncertain in Japan and abroad due to uncertain prospects for resolution of the shortage of semiconductors and components and the soaring prices for raw materials due to high crude oil prices, as well as the impact of supply chain disruption caused by the tense situation in Ukraine and China's continued zero-COVID policy.

In the interior industry, which relates to the Company's business, domestic new housing starts were up 6.3% year on year, and the floor area of nonresidential construction starts also increased by 13.4% year on year. In the automotive industry, automobile production in the Japanese market was down 13.3% year on year. Both production and sales increased in overseas markets in the same period of the previous fiscal year.

We have newly established "SUMINOE GROUP WAY 2022–2024–2027," our consolidated medium- to long-term management targets which will start in June 2021. Under the ESG-based management that the Group has been striving to implement, we will promote sales expansion of products that meet the needs of society and global management. All employees of the Group will work together to meet these consolidated medium- to long-term management targets.

In the Interior Fittings Segment, the Company is striving to expand the sales of environment-friendly and health-conscious products, such as *ECOS*®, eco-friendly carpet tiles under the horizontal recycling system and products processed with antibacterial and antiviral technology called *CLEANSE*®, while working to raise awareness of the SUMINOE brand. *ECOS*® won two major prizes in 2021 for its high environmental performance: the Economy, Trade and Industry Minister's Prize in the 4th EcoPro Awards, and the Grand Prize in the plastic resource recycling special category of the 22nd Green Purchasing Award. We will strengthen sales further on the back of the spread of ESG and SDGs awareness. In the Space Design Business, which involves designing an entire space, the Company will strive to expand business, ranging from store interior design, which is its area of specialty, to offices and hotels.

In the Automotive Textiles and Traffic Facilities Segment, efforts are being made to develop technologies and increase orders received for non-textile products such as artificial leather and to reduce costs through the optimization of material procurement and the places of production for globally marketed cars in the automotive textiles business. While in the traffic facilities business, the Company manufactures and distributes high-performance fabric materials and endeavors to increase sales of seat cushion materials and safety products for railway vehicles and buses. In both the automotive textiles business and the traffic facilities business, our processing technologies accumulated in the Interior Fitting Segment including antibacterial and antiviral effects are applied to the product development.

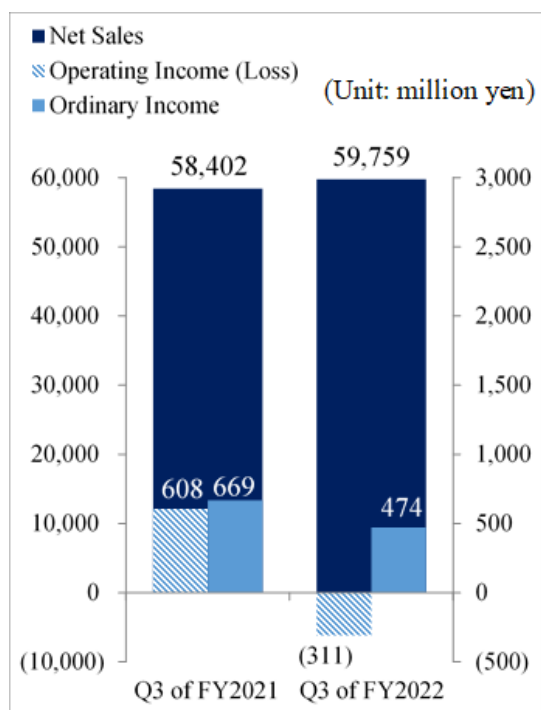
In the Functional Materials Segment, the Company is establishing an optimal supply system by promoting the consolidation of plants in China and Vietnam, which are the production bases for fabric-coated electric heating products, and diversifying regional risks. By strengthening collaboration with development divisions, the Company will work to increase the value of its businesses and products and enhance its development sales capability, and it will focus on securing orders in the existing businesses and promoting the development and sales of new functional processed products that meet market needs.

For the entire Group, we are working on reconstructing our core system and raising the accuracy of our consolidated performance management, in order to upgrade our business management structure. We have been working steadily on building a foundation for business growth. It is also reorganizing the Nara Office, the mother plant of the Group. The Company will strive to increase production and supply chain efficiency, as well as reduce environmental impact, and to achieve synergies through enhanced collaboration between business divisions at the new R&D building that was completed in December 2021.

Presently, a cross-business project has been established. Gathering the strengths of each business field such as the design capability of the Interior Fittings Segment, the processing technology for fabric materials used in the

Automotive Textiles and Traffic Facilities Segment, and high-function technologies including the deodorizing, antibacterial and antiviral capabilities of the Functional Materials Segment, the Company engages in the development of next-generation interior fittings, which will be required for our living spaces in the future.

Under these circumstances, our consolidated quarterly results for the third quarter of this fiscal year are as follows.

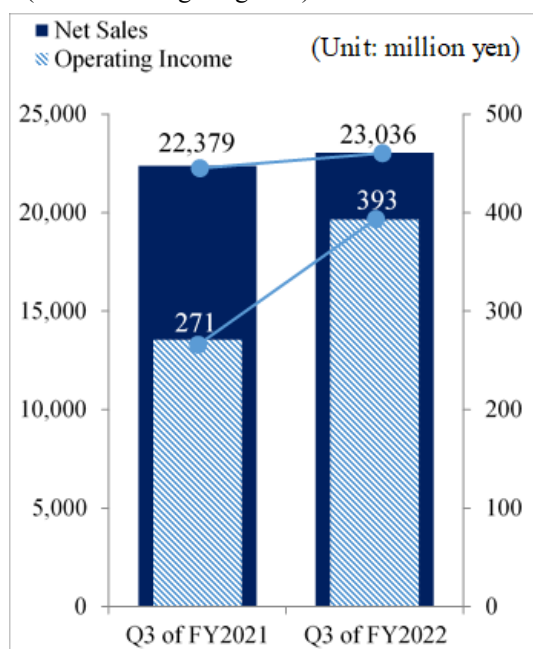


Due to the contribution from sales of the space design business and the rise in overseas sales of automotive textiles, net sales increased by 2.3% year on year to 59,759 million yen. As to profits, operating loss was 311 million yen (operating income of 608 million yen in the same period of the previous year), ordinary income declined 29.1% year on year to 474 million yen, and loss attributable to owners of parent was 338 million yen (profit attributable to owners of parent of 512 million yen in the same period of the previous year).

The performance by segment is as described below.

Segments	Net sales		Segment income (loss)	
	Amount (Million yen)	YY Change (%)	Amount (Million yen)	YY Change (%)
Interior Fittings	23,036	+2.9	393	+44.9
Automotive Textiles and Traffic Facilities	33,432	+0.8	676	(54.5)
Functional Materials	3,062	+21.1	(50)	—
Other	227	(31.2)	29	(50.7)
Total	59,759	+2.3	1,049	(41.8)
Adjustment	—	—	(1,360)	—
Consolidated	59,759	+2.3	(311)	—

(Interior Fittings Segment)



Due to the increase in sales of the space design business and robust sales of wall coverings owing to price revisions, net sales and operating income increased by 2.9% and 44.9% year on year to 23,036 million yen and 393 million yen, respectively.

In commercial carpets, although exports of *ECOS®*, eco-friendly carpet tiles under the horizontal recycling system, were weak due to the impact of COVID-19, sales in Japan were robust, and more properties installed roll carpets. Consequently, net sales of commercial carpets as a whole were mostly unchanged from the previous year.

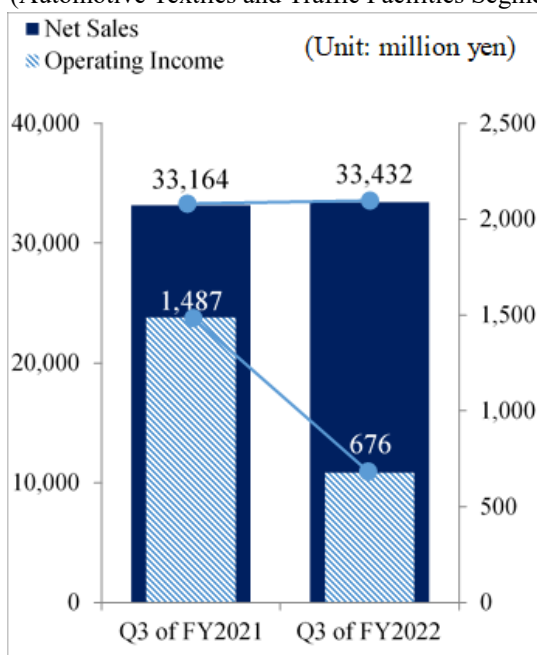
Sales of household carpets were down 10.4% year on year as demand ran its course in the third quarter of this fiscal year, in contrast to the growth of online sales under stay-at-home restrictions and robust store sales, such as those at DIY stores, in the same quarter of the previous year.

In curtains, sales of curtains for general households, medical, welfare, and educational institutions were sluggish. Accordingly, net sales of curtains as a whole were down 9.1% year on year.

Net sales of wall coverings were up 5.5% year on year due to the launch of the wallpaper *Runon Mark II* in June and the effect of price revisions for certain products, despite sluggish sales of fusuma paper.

In the Space Design Business, net sales of CPO Co., Ltd., which has been a consolidated subsidiary since September 2020, contributed to the results. We have already seen some synergy effects of CPO joining the Group, such as the promotion of proposals together with SUMINOE Co., Ltd. In January 2022, we welcomed PRETERIOR-TEXTILE Inc. to our group to further enhance our space design business.

(Automotive Textiles and Traffic Facilities Segment)

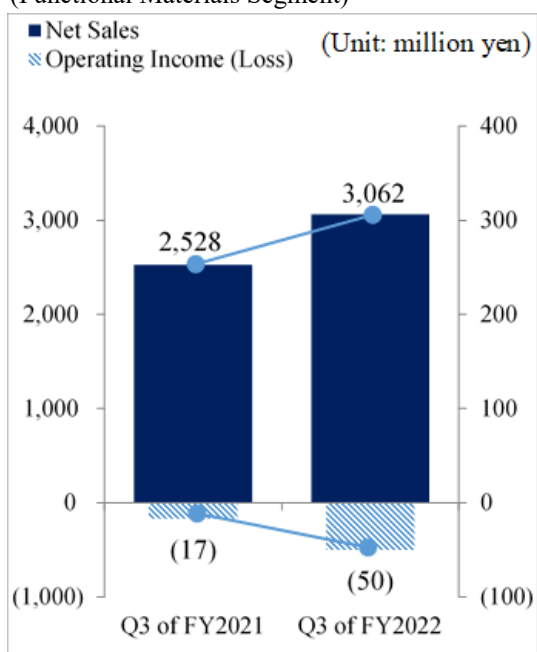


Although domestic automobile-related sales were affected by the decrease in production by Japanese automobile manufacturers and demand for interior materials for railway vehicles and buses dropped, overseas automobile-related sales were strong. This resulted in an increase in net sales of 0.8% year on year to 33,432 million yen. Operating income decreased 54.5% year on year to 676 million yen due to the impact of soaring raw materials prices and distribution costs.

The automotive textiles business was significantly affected by the decrease in production due to the shortage of semiconductors and components. As a result, net sales in Japan were down 7.7% year on year. Overseas net sales increased by 10.8% year on year on the back of a rise in car sales in Indonesia due to the effect of a tax break for car purchases and strong sales growth in Thailand, although the Americas were hit by the decrease in production, as also occurred in Japan.

In the traffic facilities business, the recovery in the number of travelers in Japan and commuters using trains and buses, which was on a rising trend over the year-end and new year, was halted due to the spread of the omicron variant of the coronavirus. Demand for products for railway vehicles has failed to recover due to factors such as a postponement of renovation work, although new vehicles have been produced. As a result, overall net sales in the traffic facilities business fell below the level of the same period of the previous year.

(Functional Materials Segment)



Orders received for fabric-coated heating products such as electric carpets, one of our core products, increased as the impact of the warm winter in the fiscal year ended May 2020 dissipated. Orders for floor materials for bathrooms were also robust. As a result, net sales increased by 21.1% year on year to 3,062 million yen. Operating loss ended at 50 million yen (operating loss of 17 million yen in the same period of the previous year) due to factors such as the decrease in income from deodorizing filters for air purifiers, which had enjoyed extraordinary demand following the spread of COVID-19, and the impact of a surge in costs related to the import of fabric-coated heating products and consolidation costs for plants currently undergoing production transfers.

(2) Explanation of financial position

Total assets at the end of the consolidated fiscal period under review amounted to 85,228 million yen, an increase of 1,559 million yen from the end of the previous consolidated fiscal year, due to an increase in property, plant and equipment.

Liabilities grew to 52,799 million yen, an increase of 2,086 million yen, due to an increase in loans payable and notes and accounts payable - trade.

Net assets shrank to 32,429 million yen, a decrease of 526 million yen, due to a decrease in retained earnings.

(3) Explanation of future forecast information including forecast of consolidated business results

There are no modifications to the forecast for the full year of the fiscal year ending May 31, 2022 announced on October 15, 2021.

2. Consolidated quarterly financial statements and major notes

(1) Consolidated quarterly balance sheet

(Unit: million yen)

	FY2021 (As of May 31, 2021)	Q3 of FY2022 (As of February 28, 2022)
Assets		
Current assets		
Cash and deposits	10,936	6,856
Notes and accounts receivable - trade	14,147	—
Notes and accounts receivable - trade, and contract assets	—	14,460
Electronically recorded monetary claims - operating	5,846	6,880
Merchandise and finished goods	8,533	9,454
Work in process	1,610	1,729
Raw materials and supplies	2,716	3,246
Others	2,790	3,736
Allowance for doubtful accounts	(24)	(23)
Total current assets	46,557	46,342
Non-current assets		
Property, plant and equipment		
Land	17,606	17,608
Other, net	10,422	12,122
Total property, plant and equipment	28,028	29,730
Intangible assets	1,547	1,790
Investments and other assets		
Investment securities	4,916	4,508
Deferred tax assets	1,542	1,601
Other	1,238	1,419
Allowance for doubtful accounts	(162)	(163)
Total investments and other assets	7,534	7,364
Total non-current assets	37,111	38,886
Total assets	83,669	85,228

(Unit: million yen)

	FY2021 (As of May 31, 2021)	Q3 of FY2022 (As of February 28, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,997	12,369
Electronically recorded obligations - operating	4,243	4,497
Short-term loans payable	9,834	13,562
Income taxes payable	588	215
Provision for demolition costs	297	297
Other	4,894	4,366
Total current liabilities	31,856	35,310
Non-current liabilities		
Bonds payable	1,000	1,080
Long-term loans payable	7,855	6,268
Deferred tax liabilities	313	308
Provision for directors' retirement benefit	112	135
Net defined benefit liability	4,148	4,182
Other	5,426	5,514
Total non-current liabilities	18,856	17,489
Total liabilities	50,712	52,799
Net assets		
Shareholders' equity		
Capital stock	9,554	9,554
Capital surplus	2,640	2,626
Retained earnings	10,672	9,986
Treasury shares	(3,988)	(3,949)
Total shareholders' equity	18,878	18,217
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	893	562
Deferred gains or losses on hedges	0	2
Revaluation reserve for land	7,797	7,797
Foreign currency translation adjustment	608	816
Remeasurements of defined benefit plans	(134)	(111)
Total accumulated other comprehensive income	9,166	9,066
Non-controlling interests	4,911	5,146
Total net assets	32,956	32,429
Total liabilities and net assets	83,669	85,228

(2) Consolidated quarterly statement of income and comprehensive income

Consolidated quarterly statement of income

(The third quarter of FY2022)

(Unit: million yen)

	Q3 of FY2021 (June 1, 2020 to February 28, 2021)	Q3 of FY2022 (June 1, 2021 to February 28, 2022)
Net sales	58,402	59,759
Cost of sales	46,006	47,556
Gross profit	12,395	12,203
Selling, general and administrative expenses	11,786	12,514
Operating income (loss)	608	(311)
Non-operating income		
Interest income	14	19
Dividend income	102	91
Share of income of entities accounted for using equity method	—	17
Foreign exchange gains	30	12
Real estate rent	201	200
Subsidy income	—	514
Other	169	137
Total non-operating income	518	993
Non-operating expenses		
Interest expenses	175	155
Share of loss of entities accounted for using equity method	194	—
Rent expenses on real estates	24	23
Other	63	27
Total non-operating expenses	457	207
Ordinary income	669	474
Extraordinary income		
Gain on sales of non-current assets	5	3
Gain on sales of investment securities	1,285	93
Total extraordinary income	1,291	97
Extraordinary loss		
Loss on sales and retirement of non-current assets	332	75
Impairment loss	280	—
Loss on valuation of investment securities	15	0
Total extraordinary loss	628	75
Profit before income taxes	1,332	496
Income taxes - current	586	459
Income taxes - deferred	(95)	70
Total income taxes	490	530
Profit (loss)	842	(33)
Profit attributable to non-controlling interests	329	305
Profit (loss) attributable to owners of parent	512	(338)

Consolidated quarterly statements of comprehensive income
(The third quarter of FY2022)

(Unit: million yen)

	Q3 of FY2021 (June 1, 2020 to February 28, 2021)	Q3 of FY2022 (June 1, 2021 to February 28, 2022)
Profit (loss)	842	(33)
Other comprehensive income		
Valuation difference on available-for-sale securities	(510)	(331)
Deferred gains or losses on hedges	(4)	0
Foreign currency translation adjustment	49	254
Remeasurements of defined benefit plans, net of tax	27	22
Share of other comprehensive income of entities accounted for using equity method	5	0
Total other comprehensive income	(432)	(53)
Comprehensive income	409	(86)
Comprehensive income attributable to:		
Owners of parent	(1)	(438)
Non-controlling interests	410	351

(3) Major notes on consolidated quarterly financial statements

(Notes on assumption of going concern)

Not applicable.

(Notes on significant changes in shareholders' equity)

Not applicable.

(Changes in accounting policies)

(Adoption of Accounting Standard for Revenue Recognition, etc.)

The Company adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc., effective the beginning of the first quarter of this fiscal year. Revenues are recognized when control of the promised good or service is transferred to the customer and at the price expected to be received in exchange for said good or service. Major changes due to this are as follows.

Revenues for certain transactions that had been recognized on a gross amount basis are now recognized on a net amount basis as a result of determining the role (of the individual or its agent) in the provision of the good or service to the customer. Goods supplied for a charge, which had been derecognized, are no longer derecognized if there is an obligation to buy back the supplied goods.

For construction contracts, the percentage-of-completion method had been applied to contracts whose outcome is deemed certain during the course of the construction. However, for contracts in which performance obligations are satisfied over a certain period of time, the percentage of completion pertaining to the satisfaction of performance obligations is estimated, and revenue is now recognized over a certain period of time based on said percentage. The percentage of completion pertaining to the satisfaction of performance obligations is determined by the cost incurred as a percentage of the estimated total costs (input method). The revenue of other construction contracts, which are treated in the same method as before as contracts whose performance obligations are satisfied at a specific point in time, is recognized when the construction is completed. For contracts with an extremely short construction period, the Company applies an alternative treatment. Revenues of such contracts are not recognized for a certain period of time but are recognized when the construction is completed.

The adoption of the Accounting Standard for Revenue Recognition, etc. has been carried out in accordance with the transitional treatment set forth in the proviso of paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative impact of retroactively applying new accounting policies to before the beginning of the first quarter of this fiscal year has been added to or subtracted from the retained earnings at the beginning of the first quarter of this fiscal year, and the new accounting policies have been applied from said beginning balance. There was no impact on the balance of retained earnings at the beginning of this fiscal year.

As a result, net sales for the first nine months of this fiscal year increased by 249 million yen, cost of sales rose by 193 million yen, "other" under non-operating income decreased by 11 million yen, "other" under non-operating expenses decreased by 30 million yen, and income taxes - deferred increased by 22 million yen. Additionally, notes and accounts receivable - trade, and contract assets increased by 467 million yen, merchandise and finished goods decreased by 350 million yen, raw materials and supplies increased by 404 million yen, deferred tax assets decreased by 22 million yen, and "other" under current liabilities increased by 447 million yen.

Since the Company has adopted the Accounting Standard for Revenue Recognition, etc., "notes and accounts receivable - trade," which was presented under current assets on the consolidated balance sheets of the previous fiscal year, are included in "notes and accounts receivable - trade, and contract assets," effective the second quarter of this fiscal year. In accordance with the transitional treatment prescribed in paragraph 89-2 of the Accounting Standard for Revenue Recognition, no restatement under the new presentation method has been made for the previous fiscal year.

(Adoption of Accounting Standard for Fair Value Measurement, etc.)

The Company adopted the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019), etc., effective the beginning of the first quarter of this fiscal year. It will apply the new accounting policies stipulated in the Accounting Standard for Fair Value Measurement, etc. into the future in accordance with the transitional treatment set forth 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). There is no impact on consolidated quarterly financial statements.

(Segment information)

I Q3 of FY2021 (June 1, 2020 to February 28, 2021)

1. Information on net sales and income or loss by reportable segment

(Unit: million yen)

	Reportable Segments				Other (Note 1)	Total	Adjustment (Note 2)	Figures in consolidated quarterly statement of income (Note 3)
	Interior Fittings	Automotive Textiles and Traffic Facilities	Functional Materials	Total				
Net sales								
Net sales to outside customers	22,379	33,164	2,528	58,071	330	58,402	—	58,402
Inter-segment sales and transfers	482	1	0	484	122	606	(606)	—
Total	22,861	33,165	2,528	58,555	453	59,009	(606)	58,402
Segment income (loss)	271	1,487	(17)	1,742	60	1,802	(1,193)	608

(Note) 1. *Other* represents businesses that are not included in reportable segments, such as the physical property and performance inspection businesses.

2. Adjustment of -1,193 million yen in segment income (loss) includes eliminations among segments of 19 million yen and corporate expenses unallocated to relevant reportable segments of -1,213 million yen.

Unallocated corporate expenses mainly consist of expenses for the Administrative division and R&D division that do not belong to any reportable segment.

3. Segment income (loss) is adjusted with operating income in consolidated quarterly statement of income.

2. Information on impairment loss on non-current assets or goodwill, etc. by reportable segment

Impairment loss on non-current assets has been recorded in the Interior Fittings Segment, the Automotive Textiles and Traffic Facilities Segment, the Functional Materials Segment, Other, and corporate assets that are not allocated to any reportable segment. The amount of the impairment loss recorded for the nine months ended February 28, 2021 was 129 million yen in the Interior Fittings Segment, 106 million yen in the Automotive Textiles and Traffic Facilities Segment, 4 million yen in the Functional Materials Segment, 1 million yen in Other, and 38 million yen in corporate assets that are not allocated to any reportable segment.

II Q3 of FY2022 (June 1, 2021 to February 28, 2022)

1. Information on net sales and income or loss by reportable segment

(Unit: million yen)

	Reportable Segments				Other (Note 1)	Total	Adjustment (Note 2)	Figures in consolidated quarterly statement of income (Note 3)
	Interior Fittings	Automotive Textiles and Traffic Facilities	Functional Materials	Total				
Net sales								
Net sales to outside customers	23,036	33,432	3,062	59,531	227	59,759	—	59,759
Inter-segment sales and transfers	553	26	0	580	108	689	(689)	—
Total	23,590	33,458	3,063	60,112	336	60,448	(689)	59,759
Segment income (loss)	393	676	(50)	1,019	29	1,049	(1,360)	(311)

(Note) 1. *Other* represents businesses that are not included in reportable segments, such as the physical property and performance inspection businesses.

2. Adjustment of -1,360 million yen in segment income (loss) includes eliminations among segments of 21 million yen and corporate expenses unallocated to relevant reportable segments of -1,381 million yen.

Unallocated corporate expenses mainly consist of expenses for the Administrative division and R&D division that do not belong to any reportable segment.

3. Segment income (loss) is adjusted with operating loss in consolidated quarterly statement of income.

2. Information on impairment loss on non-current assets or goodwill, etc. by reportable segment

Omitted as it is not significant.

3. Matters concerning changes in reportable segments, etc.

As described in “(Changes in accounting policies),” the Company adopted the Accounting Standard for Revenue Recognition, etc., effective the beginning of the first quarter of this fiscal year, and changed its accounting method for revenue recognition. Therefore, the method of measuring the net sales and the profits or losses of reportable segments has been changed accordingly.

Due to this change, the net sales of the Interior Fittings Segment have increased by 274 million yen and the Functional Materials Segment have decreased by 24 million yen for the third quarter of this fiscal year, respectively, compared to the previous method. Also, the segment income of the Interior Fittings Segment have increased by 56 million yen. There is no impact on segment income of the Functional Materials Segment.