



Consolidated Financial Report for the First Three Quarters Ended December 31, 2022

February 3, 2023

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(Amounts rounded to the nearest million yen)

1. Consolidated Financial Results for the First Three Quarters Ended December 31, 2022

(From April 1, 2022 to December 31, 2022)

(1) Consolidated Operating Results

(% indicates the rate of increase / decrease to the same period of previous year)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
April – December 2022	368,394 (22.7)%	12,988 (60.5)%	(3,302) —	(1,155) —
April – December 2021	476,623 —	32,842 137.5%	30,604 189.6%	18,099 101.7%

(Note) Comprehensive Income: From April 1, 2022 to December 31, 2022: 6,669 Million Yen (62.2)%
 From April 1, 2021 to December 31, 2021: 17,664 Million Yen 30.4%

	Net income per share (Yen)	Diluted net income per share (Yen)
April – December 2022	(11.91)	—
April – December 2021	183.34	182.79

(Note) The Corporate Group has adopted the “Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan Statement No. 29, March 31, 2020) since the beginning of the consolidated first quarter of the fiscal year ending March 31, 2022 and the respective figures reported in the consolidated financial results for the first three quarters ended December 31, 2022 indicate the amounts after the aforementioned accounting standard has been applied. On the other hand, the rates of increase and decrease in net sales compared with the same quarters of the previous fiscal year are not indicated, because the respective figures reported in the consolidated financial results for the first three quarters ended December 31, 2020 were not applied retroactively.

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio (%)
December 31, 2022	748,121	390,004	49.0
March 31, 2022	837,954	394,035	44.1

(Reference) Shareholders' equity: As of December 31, 2022: 366,629 Million Yen
 As of March 31, 2022: 369,142 Million Yen

[Shareholders' equity = Net assets – Share acquisition rights – Non-controlling interests]

2. Cash Dividends

	Cash dividends per share (Yen)				
	First quarter	Second quarter	Third quarter	Year end	Annual
April 2021 – March 2022	—	45.00	—	50.00	95.00
April 2022 – March 2023	—	50.00	—		
April 2022 – March 2023 (Forecast)				45.00	95.00

(Note) Revision of the latest forecast of cash dividends: Yes

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2023

(From April 1, 2022 to March 31, 2023)

(% indicates the rate of increase / decrease to the same period of previous year)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net income per share(Yen)
April 2022 – March 2023	506,000 (22.8)%	20,000 (54.6)%	(6,000) –	(6,000) –	(61.88)

(Note) Revision of the latest forecast of consolidated financial results: Yes

For more information about the revised forecast of consolidated financial results, refer to the “UBE Corporation Announces Revised Earnings Forecasts and Dividend Projections” which was released on February 3, 2023.

(Notes)

(1) Changes in significant subsidiaries during the first three quarters ended December 31, 2022: Yes

Exclusion: 2 subsidiaries to be followed:

UBE Advanced Materials Inc.

Advanced Electrolyte Technologies LLC

(Note) For more details, please refer to “5. Consolidated Financial Statements (4) Notes to Quarterly Consolidated Financial Statements (Changes in significant subsidiaries during the first three quarters ended December 31, 2022)”.

(2) Adoption of special accounting methods for presenting quarterly consolidated financial statements: Yes

(Note) For more details, please refer to “5. Consolidated Financial Statements (4) Notes to Quarterly Consolidated Financial Statements (Application of the specific accounting methods for preparing the quarterly consolidated financial statements)”.

(3) Changes in accounting policies applied, changes in accounting estimates and retrospective restatement

Changes in accounting policies applied due to revisions of accounting standards: Yes

Changes in accounting policies other than the above: No

Changes in accounting estimates: No

Retrospective restatement: No

(Note) For more details, please refer to “5. Consolidated Financial Statements (4) Notes to Quarterly Consolidated Financial Statements (Changes in accounting policies)”.

(4) Number of shares outstanding (common stock)

	December 31, 2022	March 31, 2022
Numbers of shares outstanding at period end	106,200,107	106,200,107
Numbers of shares of treasury stock at period end	9,177,728	9,392,743

	April – December 2022	April – December 2021
Weighted-average number of shares outstanding during period	96,952,420	98,716,496

(Information regarding quarterly review procedures)

The financial information contained in this report is not subject to quarterly review procedures by independent auditors.

(Cautionary statement on forward-looking statements)

The performance forecast and other forward-looking statements contained in this material have been prepared on the basis of information available at this point and certain assumptions which are judged to be rational. It may be substantially different from the actual performance because of various factors such as economic conditions in key markets, supply and demand of products, the prices of raw material and fuel, interest rates, and exchange rates.

4. Qualitative Information on Operating Results

(1) Overview of Operating Results

During the current term, net sales of the Company Group decreased: although sales in the Specialty Products Segment remained stable and sales prices in the Polymers & Chemicals Segment rose thanks to strong market prices, the transformation of cement-related business to an equity-method affiliate greatly affected the overall performance.

Operating profit decreased, because price rising of raw materials and fuel as well as a decrease in sales volume resulted from weak demand had a significant negative impact in the Polymers & Chemicals Segment, in addition to the biennial inspection of the ammonia product factory.

The Company Group reported ordinary loss, because share of profit of entities accounted for using equity method declined significantly due to a strong impact that sharp price rising of coal had on the cement-related business, which had transformed to an equity-method affiliate.

Loss attributable to owners of parent was reported despite gain on change in equity for the reason of the separation of the cement-related business, because ordinary loss greatly affected the overall performance.

As a result, the Company Group reports its consolidated results during the current term as follows:

(Billions of yen)

Item	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
April – December 2022 ①	368.4	13.0	(3.3)	(1.2)
April – December 2021 ②	476.6	32.8	30.6	18.1
Difference ① - ②	(108.2)	(19.9)	(33.9)	(19.3)
Percentage change	(22.7)%	(60.5)%	—	—

(2) Overview by Segment

Net sales

(Billions of yen)

Segment	April – December 2022 ①	April – December 2021 ②	Difference ① – ②	Percentage Change
Specialty Products	47.4	44.9	2.6	5.7%
Polymers & Chemicals	225.2	190.4	34.8	18.3%
Machinery	69.3	70.8	(1.5)	(2.1)%
Others	50.6	37.7	12.9	34.2%
Adjustment	(24.1)	132.9	(157.0)	—
Total	368.4	476.6	(108.2)	(22.7)%

Operating profit

(Billions of yen)

Segment	April – December 2022 ①	April – December 2021 ②	Difference ① – ②	Percentage Change
Specialty Products	8.5	8.8	(0.3)	(3.0)%
Polymers & Chemicals	3.3	17.8	(14.6)	(81.6)%
Machinery	2.6	3.2	(0.6)	(18.6)%
Others	1.7	1.6	0.1	6.6%
Adjustment	(3.1)	1.4	(4.5)	—
Total	13.0	32.8	(19.9)	(60.5)%

(Note) Adjustment includes corporate expenses (general expenses that are not distributed to each reportable segment) and internal transactions between the segments.

Adjustment in the previous period includes the figures of the cement-related business that had been separated and transferred to Mitsubishi UBE Cement Group.

Specialty Products – Increase in net sales and decrease in operating profit

The Polyimide Business recorded a net sales increase because sales of varnish used on organic EL panels remained stable, although affected negative impact of inventory adjustments of the COF films.

The Separation Membrane Business recorded an increase in net sales thanks to the continued stable demand for its products, particularly those relating to biogas.

The Ceramics Business recorded an increase in net sales thanks to strong demand for bearing and the products used on substrates.

The Separators Business recorded a decrease in net sales due to the negative impact of production reduction in the automobile industry that was mainly resulted from shortage of semiconductors.

The Specialty Products Segment as a whole recorded an increase in net sales and a decrease in operating profit: while demand for separation membranes and ceramics remained strong, the Separators Business was affected mainly by production reduction in the automobile industry.

Polymers & Chemicals – Increase in net sales and decrease in operating profit

■ Performance Polymers & Chemicals Business

The Composites Business recorded a sales increase despite an impact of production reduction in the automobile industry, because of sales price rising supported by price increases in raw materials such as caprolactam.

The Nylon Polymer Business recorded a net sales increase despite slowdown in demand for products such as nylon film for food packaging, because sales price of the products increased mainly supported by market price rising raw materials such as caprolactam.

The Caprolactam & Ammonium Sulfate Business recorded a net sales increase because a higher selling price due to higher market prices for raw materials such as benzene and ammonium.

The Industrial Chemicals Business recorded a net sales increase despite a decrease in shipment volume resulted from the biennial inspection of the ammonia product factory, because sales price of the products rose thanks to higher market prices of raw materials.

The Fine Chemicals Business recorded a sales increase, because sales prices rose due to mainly rising raw materials with market conditions.

■ The Elastomer Business recorded an increase in net sales, because the product prices rose thanks to higher market prices of raw materials such as butadiene.

■ Net sales increased, but operating profit decreased in the Polymers & Chemicals Segment as a whole: while sales prices rose, rising of raw materials and fuel prices as well as a decrease in sales volume resulted from weak demand had a significant negative impact, in addition to the biennial inspection of the ammonia product factory.

Machinery – Decreases in both net sales and operating profit

The Molding Machine Business recorded an increase in net sales, because sales increased as demand from the automobile industry recovered.

The Industrial Machines Business recorded a decrease in net sales, because a series of big projects to supply conveyors used in the electric power industry were completed.

The Steel Products Business recorded an increase in net sales due to rising product prices mainly resulted from price rising of raw materials.

Both net sales and operating profit decreased in the Machinery Segment as a whole: although sales of molding machines increased, a net sales decreases in the Industrial Machines Business as well as a rise in energy cost greatly affected the steel products business.

Others – Increases in both net sales and operating profit

The Pharmaceutical Business recorded an increase in net sales, because sales of both drugs developed by UBE and those manufactured under contract remained strong.

The Power Producer Business recorded an increase in net sales, because power supply to the Cement-Related Business was recorded as gained sales and the prices also rose.

Both net sales and operating profit increased in the Others Segment as a whole, thanks to a positive impact of the electric power sales price rising.

Cement-Related Business (Equity-Method Affiliate “Mitsubishi UBE Cement Corporation”)

While domestic demand for cement was in a trend of gradual decrease in the Japanese market, sales volume of the Company Group remained at the same level with the same period in the previous fiscal year.

On the other hand, the business was affected by rising of energy prices including coal price. Demand for cement and ready-mixed concrete in the overseas market (North America) continued to be strong.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	79,492	32,896
Notes and accounts receivable - trade, and contract assets	171,358	110,115
Merchandise and finished goods	53,576	59,247
Work in process	21,131	24,727
Raw materials and supplies	50,002	45,275
Other	19,389	18,388
Allowance for doubtful accounts	(259)	(104)
Total current assets	394,689	290,544
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	90,942	50,708
Machinery, equipment and vehicles, net	136,388	94,056
Land	75,816	36,597
Other, net	29,611	22,208
Total property, plant and equipment	332,757	203,569
Intangible assets		
Goodwill	857	1,510
Other	7,684	4,797
Total intangible assets	8,541	6,307
Investments and other assets		
Investment securities	61,808	211,899
Other	40,566	35,905
Allowance for doubtful accounts	(540)	(261)
Total investments and other assets	101,834	247,543
Total non-current assets	443,132	457,419
Deferred assets	133	158
Total assets	837,954	748,121

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	110,766	76,678
Short-term borrowings	44,506	46,751
Commercial papers	17,000	27,000
Current portion of bonds payable	10,000	—
Income taxes payable	5,890	1,630
Provision for bonuses	6,951	2,490
Other provisions	1,063	1,109
Other	52,998	35,397
Total current liabilities	249,174	191,055
Non-current liabilities		
Bonds payable	50,000	60,000
Long-term borrowings	114,670	84,605
Provisions	3,615	1,220
Retirement benefit liability	7,292	7,114
Asset retirement obligations	2,234	1,732
Other	16,934	12,391
Total non-current liabilities	194,745	167,062
Total liabilities	443,919	358,117
Net assets		
Shareholders' equity		
Share capital	58,435	58,435
Capital surplus	40,623	40,520
Retained earnings	274,725	263,854
Treasury shares	(22,234)	(21,719)
Total shareholders' equity	351,549	341,090
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,680	2,237
Deferred gains or losses on hedges	(70)	(50)
Foreign currency translation adjustment	13,218	21,737
Remeasurements of defined benefit plans	765	1,615
Total accumulated other comprehensive income	17,593	25,539
Share acquisition rights	510	102
Non-controlling interests	24,383	23,273
Total net assets	394,035	390,004
Total liabilities and net assets	837,954	748,121

(2) Consolidated Statements of Income / Consolidated Statements of Comprehensive Income

• Consolidated Statements of Income

For the first three quarters ended December 31, 2021 and 2022

(Millions of yen)

	April 1, 2021 – December 31, 2021	April 1, 2022 – December 31, 2022
Net sales	476,623	368,394
Cost of sales	382,452	305,724
Gross profit	94,171	62,670
Selling, general and administrative expenses	61,329	49,682
Operating profit	32,842	12,988
Non-operating income		
Interest income	147	79
Dividend income	756	1,245
Rental income	864	622
Amortization of negative goodwill	39	26
Foreign exchange gains	679	560
Subsidy income	109	200
Other	861	671
Total non-operating income	3,455	3,403
Non-operating expenses		
Interest expenses	655	573
Rental expenses	485	397
Share of loss of entities accounted for using equity method	826	15,085
Other	3,727	3,638
Total non-operating expenses	5,693	19,693
Ordinary profit (loss)	30,604	(3,302)
Extraordinary income		
Gain on sale of non-current assets	94	344
Gain on sale of investment securities	203	296
Gain on change in equity	—	8,265
Gain on extinguishment of tie-in shares	45	—
Gain on liquidation of subsidiaries and associates	—	1,180
Gain on termination of retirement benefit plan	—	245
Other	186	—
Total extraordinary income	528	10,330
Extraordinary losses		
Loss on disposal of non-current assets	564	629
Loss on sale of investment securities	—	1,154
Impairment losses	100	766
Loss on valuation of investment securities	48	260
Provision for loss over investment cost of subsidiaries and affiliates	773	—
Contribution for industrial water weight loss	1,550	—
Total extraordinary losses	3,035	2,809
Profit before income taxes	28,097	4,219
Income taxes	8,995	6,059
Profit (loss)	19,102	(1,840)
Profit (loss) attributable to non-controlling interests	1,003	(685)
Profit (loss) attributable to owners of parent	18,099	(1,155)

• Consolidated Statements of Comprehensive Income
For the first three quarters ended December 31, 2021 and 2022

(Millions of yen)

	April 1, 2021 – December 31, 2021	April 1, 2022 – December 31, 2022
Profit (loss)	19,102	(1,840)
Other comprehensive income		
Valuation difference on available-for-sale securities	(433)	(184)
Deferred gains or losses on hedges	(120)	30
Foreign currency translation adjustment	(1,093)	4,305
Remeasurements of defined benefit plans, net of tax	(62)	(349)
Share of other comprehensive income of entities accounted for using equity method	270	4,707
Total other comprehensive income	(1,438)	8,509
Comprehensive income	17,664	6,669
Comprehensive income attributable to owners of parent	17,146	6,791
Comprehensive income attributable to non- controlling interests	518	(122)

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	April 1, 2021 – December 31, 2021	April 1, 2022 – December 31, 2022
Cash flows from operating activities		
Profit before income taxes	28,097	4,219
Depreciation and amortization	27,137	18,854
Impairment losses	100	766
Amortization of negative goodwill	(39)	(26)
Increase (decrease) in allowance for doubtful accounts	(62)	(28)
Interest and dividend income	(903)	(1,324)
Interest expenses	655	573
Share of loss (profit) of entities accounted for using equity method	826	15,085
Loss (gain) on change in equity	—	(8,265)
Loss (gain) on sale of non-current assets	23	(344)
Decrease (increase) in trade receivables	(24,379)	7,614
Decrease (increase) in inventories	(30,790)	(25,033)
Increase (decrease) in trade payables	23,193	4,604
Other, net	(3,236)	(7,732)
Subtotal	20,622	8,963
Interest and dividends received	2,016	5,119
Interest paid	(713)	(621)
Income taxes paid	(5,093)	(8,363)
Net cash provided by (used in) operating activities	16,832	5,098
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(25,094)	(17,239)
Proceeds from sale of property, plant and equipment	301	395
Purchase of investment securities	(139)	(152)
Proceeds from sale of investment securities	665	563
Payments for investments in capital of subsidiaries and associates	—	(2,465)
Purchase of shares of subsidiaries and associates	(192)	(1,374)
Proceeds from sale of shares of subsidiaries and associates	6	—
Payment from sale of shares of subsidiaries and associates	—	(420)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(5,249)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	315	—
Decrease (increase) in short-term loans receivable	(3,141)	8,245
Other, net	(348)	104
Net cash provided by (used in) investing activities	(27,627)	(17,592)

(Millions of yen)

	April 1, 2021 – December 31, 2021	April 1, 2022 – December 31, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	10,346	13,222
Net increase (decrease) in commercial papers	—	10,000
Proceeds from long-term borrowings	9,780	3,696
Repayments of long-term borrowings	(9,097)	(7,133)
Proceeds from issuance of bonds	—	9,950
Redemption of bonds	(10,000)	(10,000)
Purchase of treasury shares	(10,004)	(37)
Dividends paid	(8,936)	(9,684)
Dividends paid to non-controlling interests	(242)	(942)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(733)	—
Other, net	(665)	(407)
Net cash provided by (used in) financing activities	(19,551)	8,665
Effect of exchange rate change on cash and cash equivalents	244	731
Net increase (decrease) in cash and cash equivalents	(30,102)	(3,098)
Cash and cash equivalents at beginning of period	79,646	78,761
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	57	—
Decrease in cash and cash equivalents resulting from corporate spin-off	—	(43,267)
Cash and cash equivalents at end of period	49,601	32,396

(4) Notes to Quarterly Consolidated Financial Statements

(Note to events and conditions which indicate there could be substantial doubt about going concern assumption)

None.

(Note to significant changes in shareholders' equity)

None.

(Changes in significant subsidiaries during the first three quarters ended December 31, 2022)

Liquidation process for both of UBE Advanced Materials Inc. and Advanced Electrolyte Technologies LLC were completed during the current term. Since these two companies were not categorized as specified subsidiaries, these companies were excluded from the scope of the consolidation.

(Application of the specific accounting methods for preparing the quarterly consolidated financial statements)

Tax expenses are calculated by estimating an effective tax rate for net income based on reasonable assumptions of an effective tax rate after application of tax effect accounting for net income before tax for the consolidated fiscal year, including the current term, and by multiplying the quarterly net income before tax by the estimated tax rate of net income. However, for subsidiaries for which calculating tax expenses using the said estimation of the effective tax rate would significantly lack rationality, tax expenses are calculated by using the statutory effective tax rate.

Income taxes adjustment is included in income taxes.

(Changes in accounting policies)

(Application of "Implementation Guidance on Accounting Standard for Fair Value Measurement")

The "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Statement No.31, June 17, 2021) is applied from the first quarter of the fiscal year ending March 31, 2023. Based on the transitional treatment prescribed in Paragraph 27-2 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement", we have decided to apply the new accounting policies set forth by the "Implementation Guidance on Accounting Standard for Fair Value Measurement" into the future. These changes had no impact on the quarterly consolidated financial statements.

6. Segment Information

(1) Information concerning Net Sales and Operating Profit by Reportable Business Segment

For the First Three Quarters Ended December 31, 2021 (April 1, 2021 to December 31, 2021) (Millions of yen)

	Reported segment					Adjustment (note 1)	Amount recorded in consolidated statements of income (note 2)
	Specialty Products	Polymers & Chemicals	Machinery	Others	Total		
Net sales							
External sales	35,294	170,711	69,878	44,696	320,579	156,044	476,623
Internal sales or transfers	9,557	19,726	884	(6,989)	23,178	(23,178)	—
Total	44,851	190,437	70,762	37,707	343,757	132,866	476,623
Segment profit (operating profit)	8,784	17,837	3,204	1,608	31,433	1,409	32,842

(Note 1) Adjustments are applied to the followings:

- (1) Adjusted sales to unaffiliated customers of 156,044 million yen comprised of sales to the Cement Business and Cement-Related Business.
- (2) (23,178) million yen for adjustment amount for the inter-segment sales and transfers include 1,248 million yen for inter-segment sales or transfer.
- (3) 1,409 million yen for adjustment for Segment profit includes (304) million yen for the elimination of transaction between the Segments, 3,684 million yen for segment income of the cement business and its related business, and (1,971) million yen for company-wide cost that is not allocated to each reported Segment. Company-wide cost consists mainly of administration and general expense that is not attributed to each reported Segment.

(Note 2) Segment profit is adjusted with operating profit recorded in the consolidated statements of income.

For the First Three Quarters Ended December 31, 2022 (April 1, 2022 to December 31, 2022) (Millions of yen)

	Reported segment					Adjustment (note 1)	Amount recorded in consolidated statements of income (note 2)
	Specialty Products	Polymers & Chemicals	Machinery	Others	Total		
Net sales							
External sales	36,053	205,608	68,847	57,886	368,394	—	368,394
Internal sales or transfers	11,351	19,609	456	(7,275)	24,141	(24,141)	—
Total	47,404	225,217	69,303	50,611	392,535	(24,141)	368,394
Segment profit (operating profit)	8,517	3,278	2,609	1,714	16,118	(3,130)	12,988

(Note 1) Adjustments are applied to the followings:

- (3,130) million yen for adjustment for Segment profit includes 140 million yen for the elimination of transaction between the Segments and (3,270) million yen for company-wide cost that is not allocated to each reported Segment. Company-wide cost consists mainly of administration and general expense that is not attributed to each reported Segment.

(Note 2) Segment profit is adjusted with operating profit recorded in the consolidated statements of income.

(2) Information concerning changes in reported segments

As the Company Group revised its medium-term management plan "UBE Vision 2030 Transformation—1st Stage" after it had transferred its cement business and the associated business to Mitsubishi UBE Cement Corporation in April 2022, its reported segment were changed from the previous four segments consisting of "Chemicals," "Construction Materials," "Machinery" and "Others" to the new four segments consisting of "Specialty Products," "Polymers & Chemicals," "Machinery" and "Others."

For fair comparison over the same period last year, the segment information in the first three quarters of the previous consolidated fiscal year is reported under the segmentation after the modification.

In addition, no net sales and segment profit (operating profit) in the Cement Business and Cement-Related Business that had been included in the "Construction Materials" Segment were reported during the current term. This is for the reason that Mitsubishi UBE Cement Corporation is Company Group's equity-method affiliate, and as the result, share of losses of entities accounted for using equity method (non-operating expenses) of 15,786 million yen relating to the said business was reported.

(3) Information about impairment loss for non-current assets or goodwill, etc., by reportable segment
(Significant changes in amount of goodwill)

The Company Group acquired shares of API Corporation and included as a consolidated subsidiary. The Company Group recorded 445 million yen of goodwill in the “Others” reported segment. Please be noted that this amount is provisional estimation due to the distribution of acquisition cost has not been completed as of the end of the current term.

(Reference) Consolidated Key Indicators

(Billions of yen – except where noted)

	April – December 2021	April – December 2022	April 2022 – March 2023 (forecast)	April 2021 – March 2022
Capital investment	23.6	19.3	39.0	39.6
Depreciation and amortization	27.1	18.9	24.0	36.5
Research and development expenses	8.5	7.6	11.0	11.8
Adjusted operating profit (loss)*1	32.9	(0.8)	(2.5)	43.3
Interest-bearing debt	215.8	222.7	225.0	241.8
Shareholders' equity *2	356.6	366.6	360.0	369.1
Total assets	794.1	748.1	750.0	838.0
D/E ratio (times)	0.61	0.61	0.63	0.66
Shareholders' equity ratio (%)	44.9	49.0	48.0	44.1
Return on sales - ROS (%) *3	6.9	3.5	4.0	6.7
Return on assets - ROA (%) *4	—	—	—	5.4
Return on equity - ROE (%) *5	—	—	—	6.7
Number of employees	10,942	8,109	8,100	9,849

*1 Adjusted operating profit (loss): Operating profit + Interest and dividend income + Share of profit (loss) of entities accounted for using equity method

*2 Shareholders' equity: Net assets – Share acquisition rights – Non-controlling interests

*3 ROS: Operating profit / Net sales

*4 ROA: Adjusted operating profit / Average total assets

*5 ROE: Profit attributable to owners of parent / Average shareholders' equity