

**Summary of Consolidated Financial Results**  
**for the Second Quarter of Fiscal Year Ending March 31, 2021**  
**(Six Months Ended September 30, 2020)**

[Japanese GAAP]

Company name: Maruzen Showa Unyu Co., Ltd.	Listing: Tokyo Stock Exchange, First Section
Stock code: 9068	URL: <a href="https://www.maruzenshowa.co.jp/">https://www.maruzenshowa.co.jp/</a>
Representative: Toshiyuki Asai, President	
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Scheduled date of filing of Quarterly Report: November 12, 2020	
Scheduled date of payment of dividend: December 7, 2020	
Preparation of supplementary materials for quarterly financial results: None	
Holding of quarterly financial results meeting: None	

(All amounts are rounded down to the nearest million yen)

**1. Consolidated Financial Results for the Six Months Ended September 30, 2020****(April 1, 2020 - September 30, 2020)**

(1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Sep. 30, 2020	57,826	(5.2)	4,401	4.1	4,698	6.3	3,010	(38.6)
Six months ended Sep. 30, 2019	61,009	7.3	4,229	20.4	4,421	17.1	4,899	75.3

Note: Comprehensive income (million yen) Six months ended Sep. 30, 2020: 4,015 (down 6.1%)

Six months ended Sep. 30, 2019: 4,276 (up 21.0%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2020	148.42	-
Six months ended Sep. 30, 2019	241.83	-

Note: Diluted net income per share is not presented since there is no dilutive share.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Sep. 30, 2020	147,373	95,710	63.8	4,633.62
As of Mar. 31, 2020	144,176	92,497	63.0	4,475.06

Reference: Shareholders' equity (million yen) As of Sep. 30, 2020: 93,978 As of Mar. 31, 2020: 90,765

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2020	-	32.50	-	37.50	70.00
Fiscal year ending Mar. 31, 2021	-	35.00	-	-	-
Fiscal year ending Mar. 31, 2021 (forecasts)	-	-	-	35.00	70.00

Note: Revisions to the most recently announced dividend forecasts: None

**3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2021 (April 1, 2020 – March 31, 2021)**

(Percentages represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	127,000	3.4	9,300	4.8	10,000	5.5	7,000	(12.8)	345.13

Note: Revisions to the most recently announced consolidated earnings forecasts: None

**\* Notes**

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of issued shares (common shares)

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

As of Sep. 30, 2020:	20,612,844 shares	As of Mar. 31, 2020:	20,612,844 shares
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2) Number of treasury shares at the end of the period

As of Sep. 30, 2020:	330,907 shares	As of Mar. 31, 2020:	330,325 shares
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3) Average number of shares during the period

Six months ended Sep. 30, 2020:	20,282,201 shares	Six months ended Sep. 30, 2019:	20,257,940 shares
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\* The current quarterly financial report is not subject to quarterly review by certified public accountants and auditing firms.

\* Cautionary statement with respect to forward-looking statements, and other special items

Forecasts of future performance in these materials are based on assumption judged to be valid and information available to the Company's management at the time the materials were prepared. Actual results may differ materially from the forecasts for a number of reasons. Please refer to "1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements" on page 4 of the attachments for forecast assumptions and notes of caution for usage.

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

During the first half of the fiscal year ending March 31, 2021, corporate, private consumption, and all other activities in Japan were restricted after the declaration of a state of emergency in response to the spread of the novel coronavirus disease (COVID-19) infection. Even after the lifting of the declaration, the economic recovery trend was forced to remain moderate because people were required to adapt to a new lifestyle under unpredictable circumstances created by continued stagnation in economic activities resulting from requests for voluntary refraining from going out and temporary closure of business operations. Meanwhile, the world economic outlook also remained uncertain as the spread of the COVID-19 infection showed no sign of subsiding, or even accelerated in some countries or regions, which led to regional disparities in levels of easing of restrictions on economic activities as well as economic recoveries stimulated by economic measures.

Meanwhile, in the logistics industry, cargo movements continued to be weak as a whole. The international transport volume of both air and ship cargos continued to decrease, while the semiconductor industry remained strong, enjoying increasing demands related to Artificial Intelligence (AI), Internet of Things (IoT) and the fifth-generation (5G) mobile communication systems. The domestic cargo volume also recorded a substantial decrease in total, with all of consumer-, production-, and construction-related cargoes staying sluggish, which were tremendously impacted by the corona shock in addition to an effect of the consumption tax hike in previous fiscal year. Furthermore, issues such as the shortage of truck drivers and price competition among peers have persisted and besides fuel price for trucks gradually increased, reflecting an anticipated recovery in oil prices resulting from resumption of economic activities.

Against this backdrop, the Group has entered the second year of the Seventh Medium-term Management Plan, a three-year plan starting in the fiscal year ended March 31, 2020. In this second year, as an asset-based 3PL company, the Group has focused on developing bases with the functions necessary to meet customer needs and strengthening the networks connecting bases, while securing and developing human resources and improving quality and productivity. With these measures in place, all the officers and employees of the Group will strive as one to achieve sales and profit targets.

Consequently, the Group's results of operations for the first half of the current fiscal year were as follows: operating revenue decreased by 5.2% year-on-year to 57,826 million yen, operating profit increased by 4.1% year-on-year to 4,401 million yen, and ordinary profit increased by 6.3% year-on-year to 4,698 million yen. Profit attributable to owners of parent decreased by 38.6% year-on-year to 3,010 million yen, primarily due to the recording of a gain on step acquisitions of 2,108 million yen in the same period of the previous fiscal year.

Business segment performance was as follows.

#### Logistics Operations

The Logistics Operations segment as a whole recorded a decrease in operating revenue as a result of a decrease in the handling volume of most of the existing cargoes amid the spread of the COVID-19 infection, which was partly offset by a substantial increase in the handling volume of certain products for use against COVID-19. The performance by business category was as follows.

The freight truck transportation business as a whole recorded a decrease in operating revenue. By region, the handling volume of household products increased, but that of construction machinery decreased in the Kanto region; the handling volume of housing materials and agrochemical products increased, but that of stainless-steel products decreased in the Chubu region; and in the Kansai region, the handling volume of household products and housing equipment decreased. Furthermore, there was a decrease in the handling volume of motor-related products.

The harbor transportation business as a whole recorded a slight decrease in operating revenue. Specifically, by region, the handling volume of construction machinery imports/exports and non-ferrous metals imports decreased in the Kanto region, and that of stainless-steel products decreased in the Chubu region.

The warehousing operations business as a whole recorded an increase in operating revenue. By region, the handling volume of household products and cargo equipment increased in the Kanto region, while that of household products decreased in the Kansai region.

The railway logistics business recorded a decrease in operating revenue, due to lower handling volume of housing materials.

Operations related to logistics as a whole recorded a decrease in operating revenue. More specifically, ocean transportation revenue decreased, because of a drop in the handling volume of plant-related projects in the Middle East; and cargo handling work revenue decreased, due to lower handling volume of medical film and motor-related products.

Overall, operating revenue of the segment decreased by 5.4% year-on-year to 49,121 million yen and segment profit (operating profit) increased by 6.9% year-on-year to 3,645 million yen backed by cost reduction.

### **Yard Operations and Mechanical Cargo Handling**

The Yard Operations and Mechanical Cargo Handling segment as a whole recorded a slight increase in operating revenue as a result of increases in the handling volume of industrial gases and food additives as well as yard equipment repair services in the Kanto region, which was partly offset by a decrease in the handling volume of stainless-steel products in the Chubu region.

As a result, operating revenue of the segment increased by 0.2% year-on-year to 7,453 million yen and segment profit (operating profit) increased by 7.5% year-on-year to 520 million yen.

### **Other Operations**

Construction revenue decreased, due to decreases in the volumes of transportation for machinery relocation and installation in Japan. Other businesses combined recorded a decrease in operating revenue.

As a result, operating revenue of the segment decreased by 22.7% year-on-year to 1,250 million yen and segment profit (operating profit) decreased by 29.8% year-on-year to 235 million yen.

## **(2) Explanation of Financial Position**

### **1) Balance sheet position**

The balance of total assets at the end of the second quarter of the current fiscal year increased by 3,196 million yen from the end of the previous fiscal year to 147,373 million yen.

Of these, the balance of current assets was 53,796 million yen, down 979 million yen from the end of the previous fiscal year. This was mainly due to decreases of 1,815 million yen in notes and accounts receivable, and 1,499 million yen in securities, which were partly offset by an increase of 1,805 million yen in cash and deposits. The balance of non-current assets was 93,576 million yen, up 4,176 million yen from the end of the previous fiscal year. This was mainly due to increases of 2,373 million yen in construction in progress and 1,710 million yen in investment securities.

The balance of current liabilities was 30,870 million yen, down 2,422 million yen from the end of the previous fiscal year. This was mainly due to decreases of 1,213 million yen in trade notes and accounts payable, 797 million yen in short-term borrowings, and 264 million yen in accrued consumption taxes. On the other hand, the balance of non-current liabilities was 20,791 million yen, up 2,406 million yen from the end of the previous fiscal year. This was mainly due to increases of 2,086 million yen in long-term borrowings and 547 million yen in deferred tax liabilities.

The balance of net assets was 95,710 million yen, up 3,212 million yen from the end of the previous fiscal year. This was mainly due to increases of 2,237 million yen in retained earnings and 1,157 million yen in valuation difference on available-for-sale securities.

## 2) Cash flows

Cash and cash equivalents (hereinafter, “net cash”) at the end of the second quarter of the current fiscal year increased 805 million yen from the end of the previous fiscal year to 26,780 million yen.

Cash flows for the first half of the current fiscal year and the main factors for changes are described as below.

### Cash flows from operating activities

Net cash provided by operating activities increased 1,772 million yen year-on-year to 5,675 million yen.

This was mainly due to recording of profit before income taxes of 4,490 million yen, depreciation of 1,964 million yen and a decrease in trade receivables of 1,809 million yen, which were partly offset by income taxes paid of 1,575 million yen and a decrease in trade payables of 1,198 million yen.

### Cash flows from investing activities

Net cash used in investing activities decreased 3,363 million yen year-on-year to 5,030 million yen.

This was mainly due to payments of 4,581 million yen for purchase of property, plant and equipment, and 200 million yen for purchase of securities.

### Cash flows from financing activities

Net cash provided by financing activities decreased 3,986 million yen year-on-year to 359 million yen.

This was mainly due to proceeds from long-term borrowings of 2,875 million yen, which was partly offset by repayments of short-term borrowings of 1,130 million yen, dividends paid of 772 million yen and repayments of long-term borrowings of 455 million yen.

## **(3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements**

The new government, launched with the weight of many people’s expectations, announced a policy of aiming to normalize economic activities while at the same time preventing the spread of the COVID-19 infection. However, concerns about the re-spread of the infection and the effects of the summer heat wave caused consumer spending to remain sluggish, resulting in a declining trend of corporate capital investment. On the other hand, exports of automobile parts and materials such as steel and non-ferrous metals to China, where economic recovery is ahead of the other countries, have begun to show signs of picking up. Overall, the current situation is turning positive, but it is still far from an across-the-board recovery. Going forward, the Japanese economy is likely to maintain a trend of moderate expansion due to a recovery of overseas demand and a pick-up in consumer spending supported by the policy effects.

Under such an operating environment, the Group will continue to provide high-quality logistics services, bearing in mind a social mission imposed on a logistics company as an essential service provider, while striving to prevent the spread of the COVID-19 infection. In the midst of major changes in the operating environment, all the Group’s executives and employees are committed to working together to achieve its sales and profit targets for the second year of the 7th Medium-term Management Plan. To this end, we will implement each measure by efficiently utilizing limited management resources.

For the full-year earnings forecast for the fiscal year ending March 31, 2021, the Company has as of today, made no revisions to the earnings forecast announced on August 7, 2020; however, the Company will promptly announce them if any revisions become necessary due to such factors as the impact of the spread of the COVID-19 infection and changes in the market environment.

**2. Quarterly Consolidated Financial Statements and Notes****(1) Quarterly Consolidated Balance Sheet**

	(Millions of yen)	
	FY3/20 (As of Mar. 31, 2020)	Second quarter of FY3/21 (As of Sep. 30, 2020)
Assets		
Current assets		
Cash and deposits	12,875	14,680
Trade notes and accounts receivable	26,413	24,598
Securities	9,799	8,299
Supplies	189	234
Prepaid expenses	862	1,022
Other	4,635	4,961
Allowance for doubtful accounts	(1)	(1)
Total current assets	54,776	53,796
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	27,243	27,401
Machinery and equipment, net	3,518	3,449
Vessels, net	-	2
Vehicles, net	1,096	1,253
Tools, furniture and fixtures, net	168	180
Leased assets, net	624	806
Land	28,890	28,897
Construction in progress	2,259	4,633
Total property, plant and equipment	63,802	66,625
Intangible assets		
Goodwill	2,475	2,184
Other	1,049	1,040
Total intangible assets	3,525	3,225
Investments and other assets		
Investment securities	14,930	16,640
Long-term loans receivable	277	275
Deferred tax assets	705	691
Retirement benefit asset	3	5
Other	6,198	6,154
Allowance for doubtful accounts	(43)	(42)
Total investments and other assets	22,072	23,726
Total non-current assets	89,400	93,576
Total assets	144,176	147,373

	(Millions of yen)	
	FY3/20 (As of Mar. 31, 2020)	Second quarter of FY3/21 (As of Sep. 30, 2020)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade notes and accounts payable	11,737	10,523
Short-term borrowings	13,351	12,553
Current portion of bonds payable	-	400
Accounts payable-other	1,325	1,138
Income taxes payable	1,677	1,483
Accrued consumption taxes	856	592
Accrued expenses	1,832	1,879
Provision for bonuses	1,613	1,578
Provision for bonuses for directors (and other officers)	4	6
Provision for loss on disaster	325	112
Other	568	602
<b>Total current liabilities</b>	<b>33,293</b>	<b>30,870</b>
<b>Non-current liabilities</b>		
Bonds payable	400	-
Long-term borrowings	12,755	14,842
Deferred tax liabilities	3,047	3,594
Provision for retirement benefits for directors (and other officers)	90	92
Retirement benefit liability	520	455
Asset retirement obligations	736	750
Other	833	1,055
<b>Total non-current liabilities</b>	<b>18,385</b>	<b>20,791</b>
<b>Total liabilities</b>	<b>51,679</b>	<b>51,662</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	10,117	10,117
Capital surplus	9,948	9,948
Retained earnings	68,255	70,492
Treasury shares	(602)	(604)
<b>Total shareholders' equity</b>	<b>87,718</b>	<b>89,954</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	3,445	4,603
Foreign currency translation adjustment	(251)	(448)
Remeasurements of defined benefit plans	(147)	(129)
<b>Total accumulated other comprehensive income</b>	<b>3,046</b>	<b>4,024</b>
<b>Non-controlling interests</b>	<b>1,731</b>	<b>1,731</b>
<b>Total net assets</b>	<b>92,497</b>	<b>95,710</b>
<b>Total liabilities and net assets</b>	<b>144,176</b>	<b>147,373</b>

**(2) Quarterly Consolidated Statements of Income and Comprehensive Income****Quarterly Consolidated Statement of Income****(For the Six-month Period)**

(Millions of yen)

	First six months of FY3/20 (Apr. 1, 2019 - Sep. 30, 2019)	First six months of FY3/21 (Apr. 1, 2020 - Sep. 30, 2020)
Operating revenue	61,009	57,826
Operating costs	54,312	51,074
Operating gross profit	6,696	6,751
Selling, general and administrative expenses	2,467	2,349
Operating profit	4,229	4,401
Non-operating income		
Interest income	3	7
Dividend income	271	251
Share of profit of entities accounted for using equity method	17	21
Miscellaneous income	88	134
Total non-operating income	380	414
Non-operating expenses		
Interest expenses	79	85
Litigation settlement	58	-
Miscellaneous expenses	49	32
Total non-operating expenses	187	118
Ordinary profit	4,421	4,698
Extraordinary income		
Gain on sales of non-current assets	29	28
Gain on step acquisitions	2,108	-
Total extraordinary income	2,137	28
Extraordinary losses		
Loss on sales and retirement of non-current assets	35	236
Loss on disaster	157	-
Total extraordinary losses	193	236
Profit before income taxes	6,365	4,490
Income taxes-current	1,442	1,415
Income taxes-deferred	5	37
Total income taxes	1,448	1,452
Profit	4,917	3,037
Profit attributable to non-controlling interests	18	27
Profit attributable to owners of parent	4,899	3,010

**Quarterly Consolidated Statement of Comprehensive Income**  
**(For the Six-month Period)**

(Millions of yen)

	First six months of FY3/20 (Apr. 1, 2019 - Sep. 30, 2019)	First six months of FY3/21 (Apr. 1, 2020 - Sep. 30, 2020)
Profit	4,917	3,037
Other comprehensive income		
Valuation difference on available-for-sale securities	(609)	1,168
Foreign currency translation adjustment	(34)	(196)
Remeasurements of defined benefit plans, net of tax	4	17
Share of other comprehensive income of entities accounted for using equity method	(1)	(11)
Total other comprehensive income	(641)	977
Comprehensive income	4,276	4,015
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,259	3,987
Comprehensive income attributable to non-controlling interests	17	27

**(3) Quarterly Consolidated Statement of Cash Flows**

(Millions of yen)

	First six months of FY3/20 (Apr. 1, 2019 - Sep. 30, 2019)	First six months of FY3/21 (Apr. 1, 2020 - Sep. 30, 2020)
Cash flows from operating activities		
Profit before income taxes	6,365	4,490
Depreciation	2,002	1,964
Amortization of goodwill	290	290
Loss (gain) on step acquisitions	(2,108)	-
Interest and dividend income	(274)	(259)
Interest expenses	79	85
Share of loss (profit) of entities accounted for using equity method	(17)	(21)
Loss (gain) on sales and retirement of non-current assets	5	208
Decrease (increase) in trade receivables	1,376	1,809
Decrease (increase) in inventories	34	(44)
Increase (decrease) in trade payables	(1,501)	(1,198)
Loss on disaster	157	-
Increase (decrease) in accrued consumption taxes	(200)	(227)
Decrease (increase) in other current assets	(373)	1
Other, net	(523)	(5)
Subtotal	5,314	7,092
Interest and dividends received	276	259
Interest paid	(84)	(83)
Income taxes paid	(1,585)	(1,575)
Payments associated with disaster loss	(18)	(219)
Proceeds from insurance income	-	203
Net cash provided by (used in) operating activities	3,903	5,675
Cash flows from investing activities		
Purchase of securities	-	(200)
Purchase of property, plant and equipment	(1,756)	(4,581)
Proceeds from sales of property, plant and equipment	31	29
Purchase of intangible assets	(106)	(83)
Purchase of investment securities	(17)	(15)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(6,489)	-
Loan advances	(9)	(7)
Other, net	(46)	(171)
Net cash provided by (used in) investing activities	(8,394)	(5,030)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	490	(1,130)
Proceeds from long-term borrowings	5,428	2,875
Repayments of long-term borrowings	(520)	(455)
Dividends paid	(721)	(772)
Other, net	(330)	(157)
Net cash provided by (used in) financing activities	4,345	359
Effect of exchange rate change on cash and cash equivalents	(9)	(199)
Net increase (decrease) in cash and cash equivalents	(155)	805
Cash and cash equivalents at beginning of period	23,896	25,975
Cash and cash equivalents at end of period	23,741	26,780

**(4) Notes to Quarterly Consolidated Financial Statements****Going Concern Assumption**

Not applicable.

**Significant Changes in Shareholders' Equity**

Not applicable.

**Segment and Other Information**

Segment information

**I. First six months of FY3/20 (Apr. 1, 2019 - Sep. 30, 2019)****1. Information related to operating revenue and profit or loss for each reportable segment (Millions of yen)**

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amounts shown on quarterly consolidated statement of income (Note 3)
	Logistics Operations	Yard Operations and Mechanical Cargo Handling	Subtotal				
Operating revenue							
External sales	51,949	7,441	59,390	1,618	61,009	-	61,009
Inter-segment sales and transfers	-	-	-	262	262	(262)	-
Total	51,949	7,441	59,390	1,880	61,271	(262)	61,009
Segment profit	3,409	484	3,893	335	4,229	-	4,229

Notes: 1. "Other" is a business segment not included in reportable segments and provides construction, security, industrial waste disposal, real estate, insurance agency, vehicle maintenance and other services.

2. The adjustment of negative 262 million yen is elimination of inter-segment transactions.

3. Total of segment profit is equal to operating profit as shown on the quarterly consolidated statement of income.

**II. First six months of FY3/21 (Apr. 1, 2020 - Sep. 30, 2020)****1. Information related to operating revenue and profit or loss for each reportable segment (Millions of yen)**

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amounts shown on quarterly consolidated statement of income (Note 3)
	Logistics Operations	Yard Operations and Mechanical Cargo Handling	Subtotal				
Operating revenue							
External sales	49,121	7,453	56,575	1,250	57,826	-	57,826
Inter-segment sales and transfers	-	-	-	261	261	(261)	-
Total	49,121	7,453	56,575	1,512	58,088	(261)	57,826
Segment profit	3,645	520	4,165	235	4,401	-	4,401

Notes: 1. "Other" is a business segment not included in reportable segments and provides construction, security, industrial waste disposal, real estate, insurance agency, vehicle maintenance and other services.

2. The adjustment of negative 261 million yen is elimination of inter-segment transactions.

3. Total of segment profit is equal to operating profit as shown on the quarterly consolidated statement of income.

*This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*