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October 29, 2021

Consolidated Financial Results for the First Six Months of the Fiscal Year Ending March 31, 2022 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 4956
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 Scheduled date to file quarterly securities report: November 11, 2021
 Scheduled date to commence dividend payments: December 10, 2021
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for analysts and institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the first six months of the fiscal year ending March 31, 2022 (from April 1, 2021 to September 30, 2021)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First six months ended								
September 30, 2021	53,943	8.3	3,426	30.9	3,668	33.5	2,381	39.3
September 30, 2020	49,807	—	2,616	—	2,747	—	1,709	—

Note: Comprehensive income For the first six months ended September 30, 2021: ¥2,880 million [20.3%]
 For the first six months ended September 30, 2020: ¥2,395 million [—%]

	Basic earnings per share	Diluted earnings per share
First six months ended	Yen	Yen
September 30, 2021	66.87	—
September 30, 2020	47.37	—

Note: Konishi Co., Ltd. (the “Company”) has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant revised ASBJ regulations from the beginning of the first quarter of the current fiscal year, and each figure for the first six months ended September 30, 2020, is the figure after retrospectively applying the accounting standard and relevant revised ASBJ regulations. Consequently, the percentage of year-on-year change of each figure for the first six months ended September 30, 2020, is not shown.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2021	113,622	70,871	58.7
March 31, 2021	113,800	68,785	56.9

Reference: Equity As of September 30, 2021: ¥66,745 million
 As of March 31, 2021: ¥64,780 million

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant revised ASBJ regulations from the beginning of the first quarter of the current fiscal year, and

each figure as of March 31, 2021, is the figure after retrospectively applying the accounting standard and relevant revised ASBJ regulations.

2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	–	18.00	–	22.00	40.00
Fiscal year ending March 31, 2022	–	22.00			
Fiscal year ending March 31, 2022 (Forecast)			–	22.00	44.00

Note: Revisions to the forecasts of cash dividends most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2022	112,600	4.5	7,700	8.7	8,200	10.4	5,300	7.5	148.85

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

*** Notes**

- (1) Changes in significant subsidiaries during the first six months ended September 30, 2021 (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Application of special accounting for preparing quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies other than (i): None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

Note: For details, please refer to “2. Quarterly consolidated financial statements and significant notes thereto (4) Notes to quarterly consolidated financial statements, Changes in accounting policies” on page 11 of the financial results report (Attached Material).

- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2021	40,707,440 shares
As of March 31, 2021	40,707,440 shares

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

As of September 30, 2021	5,067,361 shares
As of March 31, 2021	5,102,082 shares

- (iii) Average number of shares outstanding during the period

For the first six months ended September 30, 2021	35,620,226 shares
For the first six months ended September 30, 2020	36,094,180 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

Caution regarding forward-looking statements and others

Forward-looking statements, including the earnings forecasts stated in these materials, are based on information currently available to the Company and certain assumptions deemed reasonable. Results may differ materially from the earnings forecasts due to various factors. For the assumptions used as the basis for the earnings forecasts and special remarks regarding the use of the earnings forecasts, please refer to “1. Qualitative information regarding financial results for the first six months (3) Explanation of consolidated earnings forecasts and other forward-looking statements” on page 4 (Attached Material).

Means of access to contents of supplementary material on quarterly financial results and quarterly financial results briefing

The Company is scheduled to hold a quarterly financial results briefing for analysts and institutional investors on Friday, November 26, 2021. The Company plans to upload the supplementary materials used for the quarterly financial results briefing on this date on the Company website promptly after the briefing has concluded.

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1. Qualitative information regarding financial results for the first six months

(1) Explanation of operating results

During the six months ended September 30, 2021 (the first six months under review), Japan's economy continued to suffer from sluggish personal consumption and a contraction in business activity due to the spread of COVID-19 and the re-issuance of semi-state of emergency coronavirus measures and the declaration of a state of emergency. However, the spread of infection has been settling down since September. Going forward, restrictions are being eased and economic activity is expected to normalize, although it is anticipated that it will take some time before activity returns to pre-pandemic levels.

In the main industries related to the Company and its subsidiaries (the "Group"), in the housing industry, the number of new housing starts which had fallen after the spread of COVID-19 began to recover. In the automotive industry, the recovery trend continued, but from August onward, production tended to decline due to shortages of semiconductors and parts following the spread of COVID-19 in Southeast Asia.

In the civil engineering and construction work industry, demand for redevelopment of urban areas, repair and improvement works of buildings, and demand for maintenance and mending of infrastructure such as roads and railroads remained strong.

As a result, the Group's operating results for the first six months under review were as follows. Net sales increased 8.3% year on year to 53,943 million yen, operating profit increased 30.9% year on year to 3,426 million yen, ordinary profit increased 33.5% year on year to 3,668 million yen, and profit attributable to owners of parent increased 39.3% year on year to 2,381 million yen.

The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and other relevant standards have been applied from the beginning of the first quarter of the current fiscal year, and comparative analysis is based on figures after retrospective application. For details, please refer to "2. Quarterly consolidated financial statements and significant notes thereto (4) Notes to quarterly consolidated financial statements, Changes in accounting policies."

Results by segment are as follows.

The Group's business segments were "Bond," "Civil Engineering and Construction," and "Chemicals." However, from the first quarter of the current fiscal year, the business of adhesives, repair materials, and sealants used in the civil engineering and construction field, which were included in "Civil Engineering and Construction," was transferred to "Bond," and the business segments have been reorganized as "Bond," "Chemicals," and "Construction." This was due to the change in management structure to further enhance the construction contracting business for repair, improvement and reinforcement of social infrastructure and building stock markets from April 2021 onwards.

The following comparisons with the same period of the previous fiscal year are based on figures prepared in accordance with the new segment classifications.

(i) Bond (synthetic adhesive)

In the general household field, sales decreased due to a downturn in sales after special demand from people staying home for convenience stores and sales through home improvement stores.

Sales of adhesives for interior work and adhesives for interior building materials in the housing-related field, increased in line with the recovery of the number of new housing starts. Sales of adhesives such as water-based adhesives for use in paper-related application, and elastic adhesives for use in such applications as automotive and electrical components in the industrial material field also significantly increased due to the favorable performance. In the construction field, sales of materials used for building repairs and building sealants increased, partly reflecting the reaction to the suspension of various construction projects in the same period of the previous fiscal year due to the effects of COVID-19. Although sales did not reach levels prior to the spread of COVID-19 in each field, sales were favorable overall due to a recovery trend.

In the civil engineering field, however, sales decreased due to the sluggish performance of methods for surface protection and for preventing detachment partly because of the effects of extended

construction periods.

As a result of the above, net sales increased 9.7% year on year to 30,608 million yen and operating profit increased 24.5% year on year to 2,251 million yen.

(ii) Chemicals

In the chemical engineering field, although sales of ethanol-related products fell in reaction to last year's emergency demands, sales of resin materials were strong, and sales increased significantly.

In the automotive field, sales of products used in automotive electrical components increased significantly in reaction to the significant impact of COVID-19 in the same period of the previous fiscal year. In addition, sales also increased for products for use with heat dissipation adhesives in the electronic and electrical field and products for use in the coating materials field.

Sales at MARUYASU & CO., LTD. significantly increased due to the strong performance of products for use in semiconductor manufacturing and products for use in capacitors.

As a result of the above, net sales increased 23.0% year on year to 15,665 million yen and operating profit increased 138.6% year on year to 489 million yen.

(iii) Construction

In the Civil Engineering and Construction Business, sales decreased given large orders for construction projects last year but were in line with plan. In addition, the orders of repair, improvement, and reinforcement works in the infrastructure, particularly for public works, and used building markets were strong.

As a result of the above, net sales decreased 16.2% year on year to 7,572 million yen and operating profit increased 26.5% year on year to 635 million yen.

(iv) Other

The Other segment represents the Real Estate Rental Business, etc. Net sales decreased 22.4% year on year to 97 million yen and operating profit decreased 57.3% year on year to 40 million yen.

(2) Explanation of financial position

Assets, liabilities and net assets

Total assets as of September 30, 2021 decreased by 178 million yen from the previous fiscal year-end to 113,622 million yen.

(i) Assets

Current assets decreased by 100 million yen from the previous fiscal year-end to 75,888 million yen mainly due to a decrease of 6,984 million yen in notes and accounts receivable - trade, and contract assets, despite an increase of 4,475 million yen in electronically recorded monetary claims - operating and an increase of 2,185 million yen in cash and deposits. Non-current assets decreased by 78 million yen from the previous fiscal year-end to 37,733 million yen mainly due to a decrease of 113 million yen in buildings and structures.

(ii) Liabilities

Current liabilities decreased by 2,187 million yen from the previous fiscal year-end to 37,245 million yen mainly due to a decrease of 669 million yen in notes and accounts payable - trade, a decrease of 562 million yen in income taxes payable and a decrease of 271 million yen in electronically recorded obligations - operating. Non-current liabilities decreased by 78 million yen from the previous fiscal year-end to 5,504 million yen mainly due to a decrease of 131 million yen in long-term borrowings.

(iii) Net assets

Net assets increased by 2,086 million yen from the previous fiscal year-end to 70,871 million yen mainly due to an increase of 1,598 million yen in retained earnings.

(iv) Cash flows

Cash and cash equivalents (hereinafter “cash”) increased by 1,685 million yen during the first six months under review (569 million yen decrease year on year). This comprised net cash provided by operating activities of 4,369 million yen (740 million yen increase year on year), net cash used in investing activities of 1,781 million yen (608 million yen decrease year on year), and net cash used in financing activities of 978 million yen (810 million yen decrease year on year).

As a result, the balance of cash as of September 30, 2021 amounted to 25,407 million yen.

(i) Cash flows from operating activities

Net cash provided by operating activities was 4,369 million yen (up 740 million yen year on year). This was mainly due to profit before income taxes of 3,677 million yen, a decrease in trade receivables and contract assets of 2,597 million yen, and depreciation of 1,057 million yen, despite income taxes paid of 1,683 million yen, and a decrease in trades payables of 1,004 million yen.

(ii) Cash flows from investing activities

Net cash used in investing activities was 1,781 million yen (down 608 million yen year on year). This was mainly due to purchase of property, plant and equipment of 1,912 million yen.

(iii) Cash flows from financing activities

Net cash used in financing activities was 978 million yen (down 810 million yen year on year). This was mainly due to dividends paid of 780 million yen.

(3) Explanation of consolidated earnings forecasts and other forward-looking statements

The earnings forecasts have been changed from the earnings forecasts announced in the financial results on April 30, 2021. For details, please refer to the “Notice of Revisions to Earnings Forecasts” announced on September 24, 2021.

For the forecasts of cash dividends, please refer to the “Notice of Dividend (Increase in Interim Dividend) and Revision of Year-end Dividend Forecast” announced on October 22, 2021.

2. Quarterly consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	23,876	26,062
Notes and accounts receivable - trade, and contract assets	38,727	31,743
Electronically recorded monetary claims - operating	4,588	9,063
Merchandise and finished goods	6,254	6,386
Work in process	248	252
Raw materials and supplies	1,039	1,182
Other	1,302	1,247
Allowance for doubtful accounts	(48)	(50)
Total current assets	75,989	75,888
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,462	12,349
Other, net	13,349	13,299
Total property, plant and equipment	25,812	25,648
Intangible assets	991	928
Investments and other assets		
Investment securities	8,005	8,241
Other	3,020	2,932
Allowance for doubtful accounts	(18)	(18)
Total investments and other assets	11,007	11,156
Total non-current assets	37,811	37,733
Total assets	113,800	113,622

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	29,525	28,856
Electronically recorded obligations - operating	3,116	2,845
Short-term borrowings	48	53
Current portion of long-term borrowings	81	99
Income taxes payable	1,617	1,054
Provision for bonuses	1,108	1,173
Provision for bonuses for directors (and other officers)	113	45
Other	3,821	3,117
Total current liabilities	39,433	37,245
Non-current liabilities		
Long-term borrowings	440	309
Retirement benefit liability	836	875
Other	4,305	4,319
Total non-current liabilities	5,582	5,504
Total liabilities	45,015	42,750
Net assets		
Shareholders' equity		
Share capital	4,603	4,603
Capital surplus	4,526	4,544
Retained earnings	57,596	59,195
Treasury shares	(5,541)	(5,503)
Total shareholders' equity	61,185	62,839
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,643	2,774
Deferred gains or losses on hedges	(0)	0
Foreign currency translation adjustment	(66)	121
Remeasurements of defined benefit plans	1,019	1,010
Total accumulated other comprehensive income	3,595	3,906
Non-controlling interests	4,004	4,125
Total net assets	68,785	70,871
Total liabilities and net assets	113,800	113,622

(2) Consolidated statement of income (cumulative) and consolidated statement of comprehensive income (cumulative)**Consolidated statement of income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	49,807	53,943
Cost of sales	39,535	42,731
Gross profit	10,271	11,212
Selling, general and administrative expenses	7,655	7,786
Operating profit	2,616	3,426
Non-operating income		
Interest income	6	3
Dividend income	106	112
Share of profit of entities accounted for using equity method	–	7
Other	85	143
Total non-operating income	198	267
Non-operating expenses		
Interest expenses	6	5
Share of loss of entities accounted for using equity method	6	–
Depreciation	12	12
Other	42	7
Total non-operating expenses	67	25
Ordinary profit	2,747	3,668
Extraordinary income		
Gain on sale of non-current assets	3	5
Gain on sale of investment securities	–	17
Total extraordinary income	3	22
Extraordinary losses		
Loss on valuation of investment securities	–	11
Loss on sale of investment securities	4	–
Other	14	1
Total extraordinary losses	19	12
Profit before income taxes	2,732	3,677
Income taxes - current	960	1,141
Income taxes - deferred	(47)	26
Total income taxes	913	1,168
Profit	1,818	2,509
Profit attributable to non-controlling interests	109	127
Profit attributable to owners of parent	1,709	2,381

Consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	1,818	2,509
Other comprehensive income		
Valuation difference on available-for-sale securities	571	170
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	(40)	210
Remeasurements of defined benefit plans, net of tax	46	(8)
Share of other comprehensive income of entities accounted for using equity method	(1)	(1)
Total other comprehensive income	576	371
Comprehensive income	2,395	2,880
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,220	2,693
Comprehensive income attributable to non- controlling interests	174	187

(3) Consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	2,732	3,677
Depreciation	862	1,057
Amortization of goodwill	97	111
Loss (gain) on sale of investment securities	4	(17)
Loss (gain) on disposal of property, plant and equipment	1	0
Loss (gain) on sale of property, plant and equipment	0	(5)
Increase (decrease) in allowance for doubtful accounts	(0)	1
Increase (decrease) in provision for bonuses	44	64
Increase (decrease) in provision for bonuses for directors (and other officers)	(55)	(68)
Decrease (increase) in retirement benefit asset	29	13
Increase (decrease) in retirement benefit liability	79	25
Interest and dividend income	(112)	(116)
Interest expenses	6	5
Share of loss (profit) of entities accounted for using equity method	6	(7)
Decrease (increase) in trade receivables and contract assets	4,611	2,597
Decrease (increase) in inventories	358	(268)
Increase (decrease) in trade payables	(3,431)	(1,004)
Increase (decrease) in other current liabilities	(491)	(364)
Increase (decrease) in other non-current liabilities	10	(59)
Other, net	36	298
Subtotal	4,789	5,943
Interest and dividends received	113	114
Interest paid	(6)	(5)
Income taxes paid	(1,266)	(1,683)
Net cash provided by (used in) operating activities	3,629	4,369
Cash flows from investing activities		
Payments into time deposits	(747)	(510)
Proceeds from withdrawal of time deposits	73	10
Proceeds from sale and redemption of securities	292	-
Purchase of property, plant and equipment	(2,027)	(1,912)
Proceeds from sale of property, plant and equipment	11	724
Purchase of intangible assets	(38)	(99)
Purchase of investment securities	(34)	(35)
Proceeds from sale of investment securities	14	44
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	9	-
Proceeds from cancellation of insurance funds	52	8
Other, net	4	(11)
Net cash provided by (used in) investing activities	(2,389)	(1,781)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	23	(4)
Proceeds from long-term borrowings	60	20
Repayments of long-term borrowings	(212)	(134)
Repayments of lease obligations	(11)	(12)
Purchase of treasury shares	(752)	(0)
Dividends paid	(833)	(780)
Dividends paid to non-controlling interests	(62)	(66)
Net cash provided by (used in) financing activities	(1,788)	(978)
Effect of exchange rate change on cash and cash equivalents	(20)	75
Net increase (decrease) in cash and cash equivalents	(569)	1,685
Cash and cash equivalents at beginning of period	22,812	23,721
Cash and cash equivalents at end of period	22,242	25,407

(4) Notes to quarterly consolidated financial statementsNotes on premise of going concern

Not applicable.

Notes on significant changes in the amount of shareholders' equity

Not applicable.

Changes in accounting policies

Application of Accounting Standard for Revenue Recognition and relevant revised ASBJ regulations

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant revised ASBJ regulations effective from the beginning of the first quarter of the current fiscal year, and it has recognized revenue at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of said goods or services.

The major revisions due to the application of the accounting standard are as follows.

(1) Revenue recognition for agent transactions

Regarding revenue from the sale of products mainly in the Bond Business and the Chemicals Business, the Company previously recognized the total amount of consideration received from customers as revenue. However, for transactions in which the Company's role in providing goods to customers is that of an agent, the Company has changed to recognizing revenue as the net amount received from the customer less the amount paid to the supplier of the goods.

(2) Revenue recognition for construction contracts

In the past, the percentage-of-completion method was applied to construction contracts in the Construction Business if the outcome of the contracted work was deemed certain, while the completed-contract method was applied to construction contracts that did not meet this requirement. However, the Company has changed its method to recognizing revenue over a certain period of time as performance obligations are satisfied. If the extent of progress toward satisfaction of the performance obligation cannot be reasonably measured, revenue is recognized only to the extent of the actual cost incurred. If the period between the date of commencement of the transaction in the contract and the time when the performance obligation is expected to be fully satisfied is very short, the Company does not recognize revenue over a certain period of time but recognizes revenue when the performance obligation is fully satisfied.

(3) Revenue recognition for transactions including variable consideration

In the past, rebates, etc., mainly in the Bond Business and the Chemicals Business, were deducted from net sales when the amount was fixed. However, the method has been changed to reflect these components in the transaction price only to the extent that it is highly probable that there will be no significant reversal of the accumulated amount of revenue recognized when the uncertainty regarding variable consideration is subsequently resolved. In addition, sales discounts, which were previously recorded as non-operating expenses, are now deducted from net sales.

This change in accounting policy has been applied retrospectively in principle, and the quarterly consolidated financial statements and consolidated financial statements for the same period of the previous fiscal year and the previous fiscal year adjusted retrospectively.

As a result, net sales, cost of sales, operating profit, and non-operating expenses for the first six months ended September 30, 2020 decreased by 12,087 million yen, 11,986 million yen, 100 million yen, and 98 million yen, respectively, and ordinary profit and profit before income taxes decreased by 2 million yen each, compared with the results before the retrospective application.

As a result of the cumulative effect being reflected in the net assets at the beginning of the previous

fiscal year, the balance of retained earnings at the beginning of the previous fiscal year decreased by 42 million yen.

Due to the application of the Accounting Standard for Revenue Recognition and relevant revised ASBJ regulations, “Notes and accounts receivable - trade,” which was presented in “Current assets” in the consolidated balance sheet for the previous fiscal year, is now included in “Notes and accounts receivable - trade, and contract assets” from the first quarter of the current fiscal year.

“Decrease (increase) in trade receivables,” which was presented in “Cash flows from operating activities” in the consolidated statement of cash flows for the six months ended September 30, 2020, is now included in “Decrease (increase) in trade receivables and contract assets” from the six months ended September 30, 2021.

Application of Accounting Standard for Fair Value Measurement and Its Implementation Guidance

The Company applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019) and its implementation guidance from the beginning of the first quarter of the current fiscal year. Furthermore, the Company will prospectively apply the new accounting policies prescribed by the Accounting Standard for Fair Value Measurement and its implementation guidance in accordance with the transitional treatments 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 resulting effect on the quarterly consolidated financial statements is nothing.

Segment information

1. Disclosure of net sales and profit or loss by reportable segment

Six months ended September 30, 2020

	Reportable segments				Other (Note) 1	Total	Adjustments (Note) 2	Amount in consolidated statement of income (Note) 3
	Bond	Chemicals	Construction	Total				
Net sales								
(1) Revenues from external customers	27,908	12,734	9,039	49,682	125	49,807	–	49,807
(2) Intersegment sales and transfers	186	50	–	236	42	278	(278)	–
Total	28,094	12,784	9,039	49,918	167	50,085	(278)	49,807
Segment profit	1,808	205	502	2,516	94	2,610	5	2,616

Notes: 1. The “Other” category is a business segment not included in reportable segments, and includes the real estate rental business.

2. Adjustments of segment profit represent eliminations for intersegment transactions.

3. Segment profit is adjusted with operating profit in the consolidated statement of income.

Six months ended September 30, 2021

(Millions of yen)

	Reportable segments				Other (Note) 1	Total	Adjustments (Note) 2	Amount in consolidated statement of income (Note) 3
	Bond	Chemicals	Construction	Total				
Net sales								
(1) Revenues from external customers	30,608	15,665	7,572	53,846	97	53,943	–	53,943
(2) Intersegment sales and transfers	149	77	0	226	41	268	(268)	–
Total	30,757	15,742	7,572	54,073	138	54,212	(268)	53,943
Segment profit	2,251	489	635	3,376	40	3,416	9	3,426

- Notes: 1. The “Other” category is a business segment not included in reportable segments, and includes the real estate rental business.
2. Adjustments of segment profit represent eliminations for intersegment transactions.
3. Segment profit is adjusted with operating profit in the consolidated statement of income.

2. Matters concerning changes to reportable segments

As stated in the “Changes in accounting policies” section, the Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant revised ASBJ regulations from the beginning of the first quarter of the current fiscal year and changed the accounting method for revenue recognition. Therefore, the measurement method for profit or loss in the business segment has also changed.

Additionally, the Group’s business segments were “Bond,” “Civil Engineering and Construction,” and “Chemicals.” However, from the first quarter of the current fiscal year, the business of adhesives, repair materials, and sealants used in the civil engineering and construction field, which were included in “Civil Engineering and Construction,” was transferred to “Bond,” and the business segments have been reorganized as “Bond,” “Chemicals,” and “Construction.” This was due to the change in management structure to further enhance the construction contracting business for repair, improvement and reinforcement of social infrastructure and building stock markets from April 2021 onwards.

The segment information for the first six months ended September 30, 2020 is disclosed based on the new method of measuring profit or loss and the classification of reportable segments.

3. Disclosure of impairment loss on non-current assets or goodwill, etc. by reportable segment

Six months ended September 30, 2020

Significant changes in the amount of goodwill

In the Civil Engineering and Construction segment, the Company acquired the shares of Sansho Construction Incorporated Company on July 29, 2020, making it a subsidiary. As a result, goodwill of 94 million yen was recorded under intangible assets in the six months ended September 30, 2020.

Six months ended September 30, 2021

Not applicable.

Reference: Supplementary Information on Financial Results for Six Months Ended September 30, 2021

1. Business performance and earnings forecasts (consolidated)

(Millions of yen)

	Fiscal year ending March 31, 2022	Fiscal year ended March 31, 2021	Fiscal year ending March 31, 2022		
	Six months ended September 30, 2021 (actual)	Full year (actual)	Full year (forecast)	Changes (amount)	Changes (%)
Net sales	53,943	107,750	112,600	4,849	4.50%
Operating profit	3,426	7,082	7,700	617	8.72%
Ordinary profit	3,668	7,424	8,200	775	10.44%
Profit attributable to owners of parent	2,381	4,931	5,300	368	7.47%

2. Business performance and earnings forecasts by segment (consolidated)

(Millions of yen)

		Fiscal year ending March 31, 2022	Fiscal year ended March 31, 2021	Fiscal year ending March 31, 2022		
		Six months ended September 30, 2021 (actual)	Full year (actual)	Full year (forecast)	Changes (amount)	Changes (%)
Bond	Net sales	30,608	58,284	62,352	4,067	6.98%
	Operating profit	2,251	4,849	5,340	490	10.11%
Chemicals	Net sales	15,665	28,151	30,800	2,648	9.41%
	Operating profit	489	627	914	286	45.74%
Construction	Net sales	7,572	21,062	19,265	(1,797)	(8.53)%
	Operating profit	635	1,405	1,434	28	2.05%
Other	Net sales	97	252	183	(69)	(27.56)%
	Operating profit	40	189	5	(184)	(97.37)%
Adjustments	Net sales	–	–	–	–	–
	Operating profit	9	10	7	(3)	(31.61)%
Total	Net sales	53,943	107,750	112,600	4,849	4.50%
	Operating profit	3,426	7,082	7,700	617	8.72%

Note 1: As the Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29), etc., from the beginning of the fiscal year ending March 31, 2022, the above consolidated financial results and forecasts are based on the application of this accounting standard. The consolidated results for the previous fiscal year are calculated on the assumption that the relevant accounting standards were applied in the fiscal year ended March 31, 2021.

Note 2: The Group’s business segments were “Bond,” “Civil Engineering and Construction,” and “Chemicals. However, from the fiscal year ending March 31, 2022, the business of adhesives, repair materials, and sealants used in the civil engineering and construction field, which were included in “Civil Engineering and Construction,” was transferred to “Bond,” and the business segments have been reorganized as “Bond,” “Chemicals,” and “Construction.”

Note 3: Changes (amount and %) are presented in comparison with the same period of the previous fiscal year.