



November 10, 2021

Consolidated Financial Results for the Six Months Ended September 30, 2021 (Under Japanese GAAP)

Name of the Listed Company: CHINO CORPORATION Listed Stock Exchanges: Tokyo Stock Exchange
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Scheduled date to file quarterly securities report: November 11, 2021
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for institutional investors and analysts)

(Millions of yen with fractional amounts rounded down)

1. Consolidated financial results for the six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

(1) Consolidated operating results (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	%
Six months ended								
September 30, 2021	9,711	4.3	387	290.3	522	224.9	249	-53.4
September 30, 2020	9,314	2.5	99	-13.1	160	-76.2	536	-10.5

Note: Comprehensive income For the six Months Ended September 30, 2021: 545 million yen (-19.4%)
 For the six Months Ended September 30, 2020: 676 million yen (69.8%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
September 30, 2021	29.48	-
September 30, 2020	63.31	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
September 30, 2021	30,106	19,617	55.4	1,968.68
March 31, 2021	30,398	19,502	54.7	1,964.43

Reference: Equity As of September 30, 2021: 16,673 million yen
 As of March 31, 2021: 16,639 million yen

2. Cash dividends

	Dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual
Fiscal year ended	Yen	Yen	Yen	Yen	Yen
March 31, 2021	-	0.00	-	45.00	45.00
Fiscal year ending					
March 31, 2022	-	0.00			
Fiscal year ending					
March 31, 2022 (Forecast)			-	45.00	45.00

Note: Revisions to the most recently announced forecast of the dividend: None

3. Consolidated financial 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	22,300	5.8	1,300	14.4	1,400	9.0	850	-34.1	100.36

Note: Revisions to the forecast of cash dividends most recently announced: Yes

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
Newly included: None
Excluded: None
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements : Yes
Please refer to “Application of special accounting methods for preparing quarterly consolidated financial Statements ”on page 12.
- (3) Changes in accounting policies, changes in accounting estimates and retrospective 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 |
- (4) Number of shares issued (common shares)
- | | | | |
|--|------------------|--------------------------|------------------|
| (i) Total number of shares issued at the end of the period (including treasury shares) | | | |
| As of September 30, 2021 | 9,260,116 shares | As of March 31, 2021 | 9,260,116 shares |
| (ii) Number of treasury shares at the end of the period | | | |
| As of September 30, 2021 | 790,488 shares | As of March 31, 2021 | 789,916 shares |
| (iii) Average number of shares during the period | | | |
| As of September 30, 2021 | 8,469,923 shares | As of September 30, 2020 | 8,470,769 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
(Note regarding forward-looking statements)

The forward-looking statements such as the forecasts of financial results stated in this document are based on the information currently available to the Company and certain assumptions that the Company judges as rational. These statements are not guarantees of future performance. Actual results may differ substantially from the forecasts due to various factors. Please refer to “(4) Outlook” under “1. Overview of Operating Results and Financial Position” on page 4 of the attached materials for the assumptions used in the forecasts and notes regarding the use of the forecasts.

(How to access supplementary materials on financial results)

The Company plans to post the supplementary materials on financial results on the company website shortly.

○Supplementary Materials – Contents

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1. Qualitative Information on the Financial Results for the First Half of the Fiscal Year under Review

Any forward-looking statements in the following information are based on judgments as of the end of the first half of the consolidated fiscal year under review.

(1) Details of operating results

During the first half of the consolidated fiscal year under review, outlook of the global economy remained uncertain due to current concerns about a resurgence of COVID-19 that may be caused by new variants of the COVID-19 coronavirus, the semiconductor component supply shortage, soaring raw materials prices and other factors, although economic activity resumed as vaccination progressed. In Japan, corporate and economic activity gradually resumed, and some positive changes were observed. However, the state of emergency continued because of an increase in the number of people infected with COVID-19, so the overall economic recovery was weak.

In the manufacturing industry, which affects the Chino Group's business in general, despite the impact of the insufficient supply of semiconductor components the production activities of the automotive and electronic component sectors, which are the Group's main customers, recovered which enabled capital spending to continue its trend toward recovery.

In this environment, the Group sought to provide solutions to issues in industry sectors where the restoration of demand was observed and to provide sensors and products for temperature measurement and monitoring, which are essential at production sites.

In addition, investment in the energy field increased both in Japan and overseas amid the trend towards decarbonization and the Company also stepped up sales activities in the area of temperature control systems for hydrogen generation, transportation and storage and for energy use to capture the growing demand in hydrogen-related fields.

As a result, orders received in the first half of the consolidated fiscal year under review amounted to 11,712 million yen (up 13.0% year on year), and net sales were 9,711 million yen (up 4.3% year on year). On the profit front, operating profit soared to 387 million yen (up 290.3% year on year) and ordinary profit to 522 million yen (up 224.9% year on year) due to increased net sales driven by a recovery of demand for measurement & control instruments and sensors and due to the improved cost ratio of instrumentation systems. Profit attributable to owners of parent was 249 million yen (down 53.4% year on year) because of the impact of posting gain on bargain purchase of 557 million yen as extraordinary income as a result of making Meiyō Electric Co., Ltd. a consolidated subsidiary of the Company in the same period of the previous year.

As the Group's net sales and profits tend to concentrate at the end of the fiscal year, there are considerable disparities between the net sales and profits of individual quarters and those of the full-year results.

Results by segment are as follows.

1) Measurement & Control Instruments

Net sales reached 3,725 million yen (up 15.8% year on year), and segment profit (operating profit) totaled 411 million yen (up 10.0% year on year). In the previous fiscal year, the Group was seriously impacted by the stagnation of customers' production activities and postponed capital investment due to the COVID-19 pandemic, while during the first half of the consolidated fiscal year under review, overseas demand primarily for recorders grew in Asia, particularly in China, and major customers' demand for controllers and thyristor regulators also recovered. Furthermore, the Group also developed sales activities by enhancing the product lineups of thermo-hygrometers and loggers to support food hygiene management in compliance with HACCP.

2) Instrumentation Systems

Net sales were 2,499 million yen (down 5.0% year on year). Segment profit (operating profit) of 149 million yen (up 481.3% year on year) was achieved through thorough process management and the cost management of individual projects. Sales of electronic component-related manufacturing systems, which picked up from the second half of the previous fiscal year, remained steady. Looking at decarbonization, demand increased for automotive fuel cell testing systems and water electrolysis testing systems for the research and development of technology for the utilization of hydrogen energy.

3) Sensor

Net sales were 3,107 million yen (up 1.3% year on year), and segment profit (operating profit) totaled 572 million yen (up 45.6% year on year). There is strong overseas demand for both infrared radiation thermometers and temperature sensors to be used for semiconductor/electronic component-related manufacturing systems, and it is expected that domestic demand will recover in the future. In addition, demand for infrared radiation thermometers and temperature sensors was also firm for the renovation of steel-related equipment and biomass-related issues, respectively.

4) Other

Net sales were 377 million yen (down 5.0% year on year), and segment profit (operating profit) was 62 million yen (down 33.7% year on year).

(Reference) Orders received, net sales and operating profit by segment

Orders received (by segment)

(Thousand yen)

Name of segment	Six months ended September 30, 2020	Six months ended September 30, 2021	Change	% change
Measurement & Control Instruments	3,078,762	3,814,407	735,644	23.9
Instrumentation Systems	3,135,165	4,273,090	1,137,925	36.3
Sensor	3,823,616	3,312,526	-511,089	-13.4
Other	330,221	312,137	-18,084	-5.5
Total	10,367,766	11,712,162	1,344,395	13.0

Net sales (by segment)

(Thousand yen)

Name of segment	Six months ended September 30, 2020	Six months ended September 30, 2021	Change	% change
Measurement & Control Instruments	3,216,550	3,725,918	509,368	15.8
Instrumentation Systems	2,631,802	2,499,356	-132,446	-5.0
Sensor	3,067,713	3,107,817	40,103	1.3
Other	397,982	377,911	-20,070	-5.0
Total	9,314,048	9,711,004	396,956	4.3

Net sales (by geographical segment)

(Thousand yen)

Name of segment	Six months ended September 30, 2020	Six months ended September 30, 2021	Change	% change
Japan	7,814,554	7,923,948	109,394	1.4
Asia	1,342,328	1,595,968	253,640	18.9
North America	111,637	97,552	-14,085	-12.6
Europe	36,418	77,314	40,896	112.3
Other	9,111	16,220	7,109	78.0
Total	9,314,048	9,711,004	396,956	4.3

Operating profit (by segment)

(Thousand yen)

Name of segment	Six months ended September 30, 2020	Six months ended September 30, 2021	Change	% change
Measurement & Control Instruments	374,058	411,377	37,318	10.0
Instrumentation Systems	25,743	149,632	123,889	481.3
Sensor	393,570	572,892	179,322	45.6
Other	93,861	62,270	-31,591	-33.7
Corporate expenses (Note)	-787,858	-808,288	-20,430	-
Total	99,375	387,884	288,509	290.3

Note: Corporate expenses are primarily general and administrative expenses that cannot be allocated to specific segments.

(2) Details of financial position

(Assets)

Total assets at the end of the first half of the consolidated fiscal year under review were 30,106 million yen, decreasing 292 million yen year on year.

Current assets stood at 20,059 million yen, decreasing 239 million yen year on year. The main changes were increases of 512 million yen in cash and deposits and 556 million yen in inventories, and a decrease of 1,354 million yen in trade receivables.

Non-current assets dropped 52 million yen year on year, to 10,047 million yen.

(Liabilities)

Total liabilities at the end of the first half of the consolidated fiscal year under review decreased 406 million yen year on year, to 10,489 million yen.

Current liabilities decreased 109 million yen year on year, reaching 7,165 million yen. The main factor was a 59 million yen decrease in income taxes payable.

Non-current liabilities decreased 297 million yen year on year to 3,324 million yen.

(Net assets)

Total assets at the end of the first half of the consolidated fiscal year under review were 19,617 million yen, increasing 114 million yen year on year.

(3) Details of cash flows

1) Cash flows from operating activities

Net cash provided by operating activities was 1,219 million yen during the first half of the consolidated fiscal year under review (up 273 million yen year on year) as cash inflow based on profit before income taxes of 499 million yen, a decrease in trade receivables of 1,492 million yen and other factors surpassed cash outflow which included increased inventories of 520 million yen.

2) Cash flows from investing activities

The amount of cash outflow items including purchases of property, plant and equipment and intangible assets of 456 million yen exceeded the amount of cash inflow items including proceeds from maturity of insurance funds of 277 million yen. Net cash used in investing activities during the first half of the consolidated fiscal year under review was 118 million yen (down 380 million yen year on year).

3) Cash flows from financing activities

Net cash used in financing activities during the first half of the consolidated fiscal year under review was 611 million yen (156 million yen less than was used in year-ago period) due to cash outflow including dividend payment of 380 million yen, repayments of long-term borrowings of 152 million, and a net decrease in short-term borrowings of 34 million yen.

As a result, cash and cash equivalents at the end of the first half of the consolidated fiscal year under review increased by 531 million yen from 5,430 million yen at the end of the previous fiscal year, to 5,962 million yen.

(4) Details of outlook including consolidated financial forecasts in the future

Although uncertainty about the future remains due to the global semiconductor shortage, soaring raw materials prices and other factors, it is expected that capital investments in operating sites will increase to research and develop decarbonization technology and make progress in IoT. As a result, it is assumed that demand in the period following the first half of the consolidated fiscal year under review will remain steady. Therefore, the Group revised its consolidated financial forecasts for the fiscal year ending March 31, 2022 (from April 1, 2021 to March 31, 2022) announced on May 13, 2021 in line with the progress made in the first half of the consolidated fiscal year under review.

Full year consolidated financial forecasts for the fiscal year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

	Net sales (Millions of yen)	Operating profit (Millions of yen)	Ordinary profit (Millions of yen)	Profit attributable to owners of parent (Millions of yen)	Basic earnings per share (Yen)
Revised forecasts	22,300	1,300	1,400	850	100.36
Previously announced forecasts	22,300	1,200	1,300	800	94.45

Also, in the hydrogen-related business, which has been a particular focus of the Company, it is expected that diverse needs will develop over the course of the establishment of a carbon-free society. Therefore, the Group endeavors to further expand its business by addressing problem solving and closely cooperating with customers.

2. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated balance sheet

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	6,991,754	7,504,625
Notes and accounts receivable - trade	5,563,338	—
Notes and accounts receivable - trade, and contract assets	—	4,298,012
Electronically recorded monetary claims - operating	1,985,350	1,896,385
Merchandise and finished goods	742,011	714,170
Work in process	2,143,817	2,612,281
Raw materials and supplies	2,641,022	2,757,182
Other	240,284	287,773
Allowance for doubtful accounts	-8,515	-10,897
Total current assets	20,299,064	20,059,534
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,131,615	3,057,983
Other	2,447,240	2,554,953
Total property, plant and equipment	5,578,855	5,612,937
Intangible assets		
Other	398,409	411,639
Total intangible assets	398,409	411,639
Investments and other assets		
Other	4,181,349	4,080,278
Allowance for doubtful accounts	-58,725	-57,564
Total investments and other assets	4,122,623	4,022,713
Total non-current assets	10,099,888	10,047,290
Total assets	30,398,953	30,106,824

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,840,950	1,929,141
Electronically recorded obligations - operating	1,770,134	1,777,226
Short-term borrowings	1,322,600	1,287,650
Current portion of long-term borrowings	272,110	307,862
Income taxes payable	299,775	240,243
Provision for bonuses	576,043	595,621
Electronically recorded obligations-operating-facilities	29,751	101,223
Other	1,163,546	926,618
Total current liabilities	7,274,912	7,165,587
Non-current liabilities		
Long-term borrowings	995,750	807,502
Retirement benefit liability	1,819,122	1,859,886
Provision for retirement benefits for directors (and other officers)	462,937	317,703
Other	343,948	339,017
Total non-current liabilities	3,621,758	3,324,110
Total liabilities	10,896,670	10,489,697
Net assets		
Shareholders' equity		
Share capital	4,292,027	4,292,027
Capital surplus	4,017,909	4,017,909
Retained earnings	9,245,739	9,110,152
Treasury shares	-1,157,509	-1,158,360
Total shareholders' equity	16,398,167	16,261,729
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	306,624	404,931
Foreign currency translation adjustment	-24,420	44,338
Remeasurements of defined benefit plans	-41,258	-37,009
Total accumulated other comprehensive income	240,945	412,261
Non-controlling interests	2,863,170	2,943,135
Total net assets	19,502,282	19,617,126
Total liabilities and net assets	30,398,953	30,106,824

(2) Consolidated statement of income and comprehensive income
(Consolidated statement of income)

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	9,314,048	9,711,004
Cost of sales	6,688,755	6,653,177
Gross profit	2,625,293	3,057,826
Selling, general and administrative expenses		
Salaries, allowances and bonuses	1,033,754	1,025,883
Provision for bonuses	146,869	217,995
Retirement benefit expenses	75,759	57,881
Provision for retirement benefits for directors (and other officers)	33,604	36,766
Research and development expenses	270,295	374,232
Other	965,634	957,183
Total selling, general and administrative expenses	2,525,918	2,669,942
Operating profit	99,375	387,884
Non-operating income		
Interest income	4,714	3,104
Dividend income	28,285	24,900
Electricity sale income	23,311	23,578
Foreign exchange gains	—	27,869
Surrender value of insurance policies	9,175	57,255
Other	45,278	23,290
Total non-operating income	110,765	159,999
Non-operating expenses		
Interest expenses	5,898	4,585
Finance related expenses	3,456	2,627
Electricity sale expenses	8,959	7,970
Foreign exchange losses	19,376	—
Other	11,551	9,936
Total non-operating expenses	49,242	25,119
Ordinary profit	160,898	522,764
Extraordinary income		
Gain on sale of non-current assets	222	49
Gain on sale of investment securities	—	1,908
Gain on bargain purchase	557,005	—
Total extraordinary income	557,228	1,958
Extraordinary losses		
Loss on disposal of non-current assets	2,917	852
Loss on valuation of investment securities	7,688	24,040
Loss on step acquisitions	1,030	—
Total extraordinary losses	11,636	24,892
Profit before income taxes	706,489	499,830
Income taxes	97,387	164,146
Profit	609,102	335,683
Profit attributable to non-controlling interests	72,811	86,002
Profit attributable to owners of parent	536,290	249,681

(Consolidated statement of comprehensive income)

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	609,102	335,683
Other comprehensive income		
Valuation difference on available-for-sale securities	130,676	97,759
Foreign currency translation adjustment	-78,864	107,913
Remeasurements of defined benefit plans, net of tax	15,863	4,249
Total other comprehensive income	67,675	209,922
Comprehensive income	676,777	545,606
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	642,911	420,998
Comprehensive income attributable to non-controlling interests	33,866	124,608

(3) Consolidated statement of cash flows

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	706,489	499,830
Depreciation	423,195	377,509
Increase (decrease) in allowance for doubtful accounts	-6,632	1,221
Interest and dividend income	-32,999	-28,004
Interest expenses	5,898	4,585
Decrease (increase) in trade receivables	1,888,943	1,492,105
Decrease (increase) in inventories	-309,981	-520,184
Increase (decrease) in trade payables	-882,002	53,372
Loss (gain) on step acquisitions	1,030	—
Gain on bargain purchase	-557,005	—
Other, net	-273,278	-418,823
Subtotal	963,657	1,461,612
Interest and dividends received	32,999	28,004
Interest paid	-5,898	-4,585
Subsidies received	—	9,142
Income taxes paid	-45,134	-274,991
Net cash provided by (used in) operating activities	945,624	1,219,181
Cash flows from investing activities		
Purchase of property, plant and equipment	-622,363	-378,229
Purchase of intangible assets	-50,122	-78,710
Proceeds from sale and redemption of short-term and long-term investment securities	—	94,208
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	1,082,790	—
Purchase of insurance funds	-48,561	-35,372
Proceeds from maturity of insurance funds	63,689	277,108
Other, net	-163,676	2,131
Net cash provided by (used in) investing activities	261,755	-118,865
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-100,000	-34,900
Repayments of long-term borrowings	-212,976	-152,496
Purchase of treasury shares	-426	-850
Dividends paid	-379,982	-380,353
Dividends paid to non-controlling interests	-74,293	-42,775
Net cash provided by (used in) financing activities	-767,678	-611,375
Effect of exchange rate change on cash and cash equivalents	-43,323	42,306
Net increase (decrease) in cash and cash equivalents	396,378	531,247
Cash and cash equivalents at beginning of period	4,800,885	5,430,860
Cash and cash equivalents at end of period	5,197,264	5,962,107

(4) Notes to consolidated financial statements

(Notes on going concern assumptions)

There is no items to report.

(Notes regarding significant change in shareholders' equity)

There is no items to report

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

Income tax expense for quarterly financial statement purposes is measured using the estimated tax rate to be applicable at year end and by applying such rate to the actual year-to-date pre-tax income.

If the estimated tax rate is not appropriate, we use the statutory tax rate.

(Changes in accounting policies)

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

The Group decided to apply the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the first quarter of the consolidated accounting period to recognize the revenue the Group expects to receive in exchange for the relevant good or service when the control over the promised good or service is transferred to the customer.

The Group has applied the alternative treatment stipulated in Section 98 of the Implementation Guidance on Accounting Standard for Revenue Recognition to recognize revenue from the domestic sale of merchandise or products at the time of its shipment when an ordinary period of time is expected from shipment to the transfer of the control of the relevant merchandise or products being shipped to the customer.

Regarding the application of the Accounting Standard for Revenue Recognition, etc., the Group complies with transitional treatment stipulated in the proviso of Section 84 of the Accounting Standard for Revenue Recognition, so that retained earnings at the beginning of the first quarter of the consolidated accounting period was adjusted for the cumulative impact of the retroactive application of the new accounting policy from the beginning of the first quarter of the consolidated accounting period, and the new accounting policy is applied in the new accounting period from the balance at the beginning of the period. However, by applying the method stipulated in Section 86 of the Accounting Standard for Revenue Recognition, the new accounting policy was not applied retroactively to contracts for which most of the revenue was recognized before the beginning of the first quarter of the consolidated accounting period in accordance with the previous treatment. Also, by applying the method stipulated in additional provision (1) of Section 86 of the Accounting Standard for Revenue Recognition, when any contract was modified before the beginning of the first quarter of the consolidated accounting period, the accounting processing was done based on contract conditions reflecting all of the contract modifications, and retained earnings at the beginning of the first quarter of the consolidated accounting period were adjusted for the cumulative impact.

This change has only a minor impact on the consolidated financial statements for the first half of the fiscal year under review.

Because of the application of the Accounting Standard for Revenue Recognition, etc., notes and accounts receivable - trade indicated in the consolidated balance sheet of the previous consolidated fiscal year are included in notes and accounts receivable - trade, and contract assets from the first quarter of the consolidated accounting period. In compliance with the transitional treatment stipulated in Section 89-2 of the Accounting Standard for Revenue Recognition, the details of the previous consolidated fiscal year were not reclassified using the new presentation method.

(Adoption of the Accounting Standard for Fair Value Measurement)

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

(Segment information)

Segment information

I Six months ended September 30, 2020 (from April 1, 2020 to September 30, 2020)

1. Information concerning net sales, profit/loss by reportable segment

(Thousands of yen)

	Reportable segments				Other(Note)	Total
	Measurement & Control Instruments	Instrumentation Systems	Sensor	Total		
Net sales						
External	3,216,550	2,631,802	3,067,713	8,916,066	397,982	9,314,048
Inter-segment sales and transfers	—	—	—	—	—	—
Total	3,216,550	2,631,802	3,067,713	8,916,066	397,982	9,314,048
Segment profit	374,058	25,743	393,570	793,371	93,861	887,233

Note: The "Other" segment is a business segment not included in the reportable segments and it covers business such as repair and maintenance services.

2. Reconciliations of the totals of segment profit to consolidated statement of income and breakdown by major item
(Thousands of yen)

Profit	Amount
Reportable segment total	793,371
Profit of Others segment	93,861
Corporate expenses(Note)	-787,858
operating profit	99,375

Note: Corporate expenses are primarily general and administrative expenses that cannot be allocated to specific segments.

3. Information concerning impairment loss of fixed assets and amortization of goodwill by reportable segment
(Significant negative goodwill)

In the Sensor Segment, the Group additionally acquired shares in Meiyo Electric Co., Ltd., which was an affiliated company accounted for using the equity method, to make it into a consolidated subsidiary at the beginning of the Six months ended September 30, 2021 and, as a result, recorded a gain on bargain purchase of 557,005 thousand yen. At the time of additionally acquiring shares, the Group also recorded a loss on step acquisitions of 1,030 thousand yen.

The gain on bargain purchase and loss on step acquisitions were not allocated to a specific reportable segment.

II. Six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

1. Information concerning net sales, profit/loss by reportable segment

(Thousands of yen)

	Reportable segments				Other(Note)	Total
	Measurement & Control Instruments	Instrumentation Systems	Sensor	Total		
Net sales						
External	3,725,918	2,499,356	3,107,817	9,333,092	377,911	9,711,004
Inter-segment sales and transfers	—	—	—	—	—	—
Total	3,725,918	2,499,356	3,107,817	9,333,092	377,911	9,711,004
Segment profit	411,377	149,632	572,892	1,133,902	62,270	1,196,172

Note: The "Other" segment is a business segment not included in the reportable segments and it covers business such as repair and maintenance services.

2. Reconciliations of the totals of segment profit to consolidated statement of income and breakdown by major item
(Thousands of yen)

Profit	Amount
Reportable segment total	1,133,902
Profit of Others segment	62,270
Corporate expenses(Note)	-808,288
operating profit	387,884

Note: Corporate expenses are primarily general and administrative expenses that cannot be allocated to specific segments.

3. Information concerning impairment loss of fixed assets and amortization of goodwill by reportable segment

There is no items to report