

**Summary of Consolidated Financial Results  
for the Third Quarter of the Fiscal Year Ending March 20, 2022  
(Nine Months Ended December 20, 2021)**

**[Japanese GAAP]**

February 2, 2022

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 Scheduled date of filing of Quarterly Report: February 2, 2022  
 Scheduled date of payment of dividend: -  
 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 Third Quarter of the Fiscal Year Ending March 20, 2022  
(March 21, 2021 – December 20, 2021)**

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Dec. 20, 2021	41,025	2.7	1,267	(38.0)	955	(58.0)	406	(70.2)
Nine months ended Dec. 20, 2020	39,950	(6.5)	2,044	(33.9)	2,276	(32.2)	1,363	(40.8)

Note: Comprehensive income  
 Nine months ended Dec. 20, 2021: 287 million yen (down 75.3%)  
 Nine months ended Dec. 20, 2020: 1,163 million yen (down 52.9%)

	Net income per share	Diluted net income per share	EBITDA	
	Yen	Yen	Million yen	%
Nine months ended Dec. 20, 2021	20.97	-	4,175	(14.5)
Nine months ended Dec. 20, 2020	69.65	-	4,885	(19.1)

Note: EBITDA = Ordinary profit + Depreciation + Amortization of goodwill + Equity in earnings of affiliates

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 20, 2021	58,379	27,254	46.6	1,403.12
As of Mar. 20, 2021	55,443	27,679	49.8	1,428.84

Reference: Shareholders' equity As of Dec. 20, 2021: 27,230 million yen As of Mar. 20, 2021: 27,597 million yen

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 20, 2021	-	19.00	-	19.00	38.00
Fiscal year ending Mar. 20, 2022	-	20.00	-	-	-
Fiscal year ending Mar. 20, 2022 (forecast)	-	-	-	20.00	40.00

Note: Revision to the most recently announced dividend forecast: None

**3. Consolidated Forecast for the Fiscal Year Ending March 20, 2022 (March 21, 2021 – March 20, 2022)**

(Percentages represent year-on-year changes)

	Net sales		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	56,030	5.0	1,200	(53.0)	1,000	(65.2)	410	(75.4)	21.16

Reference: EBITDA forecast for the fiscal year ending March 20, 2022 4,940 million yen (down 22.9%)

Note: Revision to the most recently announced consolidated forecast: Yes

**\* Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

Newly added: -

Excluded: -

(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 shares outstanding (common shares)

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

As of Dec. 20, 2021:	21,039,326 shares	As of Mar. 20, 2021:	21,039,326 shares
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2) Number of treasury shares at the end of the period

As of Dec. 20, 2021:	1,631,925 shares	As of Mar. 20, 2021:	1,724,357 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 20, 2021:	19,363,805 shares	Nine months ended Dec. 20, 2020:	19,571,439 shares
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Note: For the purpose of calculating net assets per share, the number of shares of the Company held by the ALINCO Employee Shareholding Association Exclusive Trust Account (438,900 shares as of December 20, 2021) under the "Trust-type Employee Shareholding Incentive Plan (E-Ship)" is included in the number of treasury shares, which was to be deducted from the calculation of the number of shares outstanding at the end of the period. For the purpose of calculating net income per share, the Company's shares held by the trust are also included in the number of treasury shares, which was to be deducted from the calculation of the average number of shares outstanding during the period (469,880 shares for the nine months ended December 20, 2021).

\*The current quarterly financial report is not subject to quarterly review by certified public accountants or 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 ALINCO'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 "Explanation of Consolidated Forecast and Other Forward-looking Statements" on page 5 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 nine months of the fiscal year ending March 20, 2022, the operating environment remained challenging as a new variant of the COVID-19 virus had a severe impact on the Japanese economy and resulted in states of emergency and other measures to slow the spread of infections. The economy started to recover in October following the end of states of emergency and many other pandemic measures. However, the outlook remains uncertain because of the increase in COVID-19 cases caused by the omicron variant.

In the construction and housing related sectors, which are the primary industry of ALINCO group, there were indications of a recovery in industry trends in the first nine months of the current fiscal year, such as the continuation of year-on-year growth in building construction starts based on floor area. In this kind of situation, sales of the new ring lock ALBATROSS system (“ALBATROSS”), our main product, have recovered to the level recorded between October 2019 and March 2020, just before the impact of the COVID-19 crisis started. Currently, the market share of ALBATROSS and its related products has steadily increased because of the start of shipments to a major construction company and other reasons. In the rental business, the utilization rate for rental scaffolding materials recovered to the pre-pandemic level during the summer of 2021 and continued to increase. However, the sales of home fitness equipment, which made a record high sales during the pandemic in the previous fiscal year, has decreased significantly due to the peak out of stay-home demand.

Sales in the first nine months were 41,025 million yen, 2.7% higher than one year earlier, because of the recovery of sales in our core business of scaffolding manufacture, sales and rental. Operating profit decreased 38.0% to 1,267 million yen due to several factors that made expenses significantly higher than anticipated. Major factors include the steady increase in prices of raw materials, including steel and aluminum, which are affected by the international commodity market prices, and the rising cost of purchasing items from suppliers in other countries due to the depreciation of yen along with higher freight rates. Although selling prices were increased to reflect the higher cost of materials in order to improve profit margins, the benefits from increased selling prices were limited because prices of materials continued to climb as the yen depreciated even more.

Ordinary profit fell 58.0% to 955 million yen because of an equity-method loss associated with PT. KAPURINDO SENTANA BAJA (KAPURINDO), an equity-method affiliate in Indonesia. By making investments in KAPURINDO, ALINCO has been involved in Indonesia with the business of renting scaffolding and other construction materials for use at private sector building and civil engineering projects and power plant construction projects. Currently, activity at many construction sites has been temporarily suspended and other construction projects have been delayed or postponed because of the extended impact of the pandemic. Due to this situation, there are doubts about the ability of KAPURINDO to repay long-term loans received from ALINCO. (For more information, see the press release dated February 2, 2022 titled “Announcement of Non-operating Expenses (Equity-method Loss) and Revisions to Fiscal Year Forecast.”)

Profit attributable to owners of parent decreased 70.2% to 406 million yen mainly because of subsidy income related to construction of the Fukuchiyama Logistic Center and extraordinary income from a gain on the partial sales of stock held for business relationships.

HIGASHI ELECTRONICS INDUSTRY CO., LTD. has been added to the consolidated financial statements based on an acquisition date of July 31, 2021 for accounting purposes. Consequently, the income statement for the first nine months includes results of operations of Higashi Electronics Industry for the three-month period from August 1 to October 31, 2021. This company is included in the electronic equipment segment.

## Major components of year-on-year changes in sales and earnings

(Millions of yen)

	First nine months of FY3/21	First nine months of FY3/22	YoY Change	Major components of changes
Net sales	39,950	41,025	+1,074	<ul style="list-style-type: none"> <li>• Increase in sales of scaffolding materials (+1,883)</li> <li>• Increase in distribution warehouse rack sales and scaffolding material rental business sales (+692)</li> <li>• Newly consolidated subsidiary (+324)</li> </ul>
Operating profit	2,044	1,267	(776)	<ul style="list-style-type: none"> <li>• Lower fitness equipment sales due to the end of pandemic stay-at-home demand (-1,825)</li> <li>• Higher earnings due to higher sales (+275)</li> <li>• Decrease in amortization of goodwill (+226)</li> <li>• Rising costs of raw materials including steel and aluminum (-616)</li> <li>• Rising procurement cost due to the depreciation of yen (-369)</li> <li>• Lower profit margins in the scaffolding material rental business (-252)</li> <li>• Increase in freight rates (-46)</li> </ul>
Ordinary profit	2,276	955	(1,321)	<ul style="list-style-type: none"> <li>• Increase in foreign exchange gain due to hedging effect of foreign exchange contract, etc. (+132)</li> <li>• Increase in gain on sales of scrap and other miscellaneous income (+125)</li> <li>• Increase in equity-method loss (-822)</li> </ul>
Profit attributable to owners of parent	1,363	406	(957)	<ul style="list-style-type: none"> <li>• Lower taxes due to decline in earnings (+177)</li> <li>• Increase in extraordinary income due to subsidy income related to construction of Fukuchiyama Logistic Center (+119)</li> </ul>

The performance for each business segment was as follows. Segment sales do not include intersegment sales.

## First nine months of FY3/22

(Millions of yen)

Segment	Net sales		Segment profit (loss)	
	Amount	YoY change (%)	Amount	YoY change (%)
Construction materials	14,647	17.9	1,212	40.9
Scaffolding material rental	12,018	3.0	255	(16.8)
Home equipment	11,337	(13.5)	(84)	-
Electronic equipment	3,021	9.6	68	401.7
Total for reportable segments	41,025	2.7	1,451	(29.1)
Adjustment	-	-	(496)	-
Amounts shown on quarterly consolidated statement of income	41,025	2.7	955	(58.0)

Notes: 1. Segment profit (loss) is adjusted to be consistent with ordinary profit in the quarterly consolidated statement of income.

2. The adjustment to segment profit (loss) is primarily non-operating income and expenses, such as equity-method income and losses, foreign exchange gains and losses, and interest expenses that cannot be allocated to a reportable segment.

In accordance with Implementation Guidance for Equity-method Accounting, there is an equity-method loss of 835 million yen for long-term loans extended by ALINCO to equity-method affiliate PT. KAPURINDO SENTANA BAJA.

## Construction materials

Sales increased 17.9% from one year earlier to 14,647 million yen. Sales of scaffolding and other temporary materials used at construction sites rose sharply by 46.4% year on year because of additional purchases by existing customers, and sales to new customers, including sales of ALBATROSS to a major construction company. In addition, sales of racks for distribution warehouses also remained strong.

The segment profit increased 40.9% from one year earlier to 1,212 million yen due to higher sales.

#### Scaffolding material rental

Sales increased 3.0% from one year earlier to 12,018 million yen. The utilization rate of rental scaffolding materials for medium and high-rise buildings increased. There were also strong sales for event-related rental equipment, which has been significantly affected by the pandemic, associated with the Tokyo Olympics.

The segment profit decreased 16.8% from one year earlier to 255 million yen as the intense price-based competition during the pandemic continued.

#### Home equipment

Sales decreased 13.5% from one year earlier to 11,337 million yen. Sales of aluminum ladders, stepladders and other products remained firm despite the impact of factors such as restrictions on outings due to the pandemic, which reduced footfall at mass retailers, and the continued restraint on the holding of exhibitions. However, sales of fitness equipment decreased in reaction to record high sales from the positive impact of stay-home demand one year earlier.

The segment loss was 84 million yen, a decrease of 950 million yen from the profit one year earlier, because of the decrease in sales and the rising cost of importing materials and supplies due to higher prices of raw materials resulting from yen depreciation and an increase in shipping cost.

#### Electronic equipment

Sales increased 9.6% from one year earlier to 3,021 million yen. We managed to minimize the negative impact on the supply chain of the current shortage of electronic components, primarily semiconductor components. In addition, sales increased as this business benefited from the recovery in demand for specified low-power wireless communication devices and wireless communication devices for business applications. The inclusion of newly consolidated subsidiary HIGASHI ELECTRONICS INDUSTRY CO., LTD. starting in the third quarter also contributed to sales growth.

The segment profit increased 401.7% to 68 million yen from one year earlier because of the sales growth despite expenses of 47 million yen related to stock acquisition through M&A.

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

Total assets increased 2,935 million yen from the end of the previous fiscal year to 58,379 million yen as of the end of the third quarter. Current assets increased 3,080 million yen to 36,266 million yen and non-current assets decreased 145 million yen to 22,113 million yen. The main reasons for the increase in total assets were the acquisition of two companies (HIGASHI ELECTRONICS INDUSTRY CO., LTD. and UEKIN Co., Ltd.) that are now consolidated subsidiaries, an increase in accounts receivable-trade in current assets, an increase in inventories in anticipation of increasing demand, and an increase in property, plant and equipment caused by the start of full-scale operations at the Fukuchiyama Logistic Center and purchases of rental assets. Long-term loans receivable decreased because of the equity-method loss recorded in association with the results of operations of equity-method affiliate KAPURINDO.

Total liabilities increased 3,360 million yen from the end of the previous fiscal year to 31,124 million yen. Current liabilities increased 2,903 million yen to 19,063 million yen and non-current liabilities increased 456 million yen to 12,061 million yen. The main reason for the increase in liabilities was an increase in notes and accounts payable-trade and borrowings.

Total net assets decreased 424 million yen from the end of the previous fiscal year to 27,254 million yen because of profit attributable to owners of parent of 406 million yen and dividend payments of 773 million yen.

**(3) Explanation of Consolidated Forecast and Other Forward-looking Statements**

Based on current performance, ALINCO has revised its consolidated forecasts for the fiscal year ending March 20, 2022 that were announced on April 30, 2021. For more information, please refer to the press release titled “Announcement of Non-operating Expenses (Equity-method Loss) and Revisions to Fiscal Year Forecast” dated February 2, 2022.

Orders for ALBATROSS and related products are expected to remain strong. In addition, we plan on more price hikes in order to reflect the continuously rising costs of raw materials and depreciation of the yen in order to improve profit margins and consolidated results of operations.

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

(Thousands of yen)

	FY3/21 (As of Mar. 20, 2021)	Third quarter of FY3/22 (As of Dec. 20, 2021)
<b>Assets</b>		
Current assets		
Cash and deposits	5,535,238	4,544,316
Notes and accounts receivable-trade	14,597,524	16,246,865
Merchandise and finished goods	8,427,257	9,529,993
Work in process	1,192,425	1,669,894
Raw materials	2,430,463	3,140,919
Other	1,024,220	1,158,316
Allowance for doubtful accounts	(21,901)	(24,174)
Total current assets	33,185,229	36,266,132
Non-current assets		
Property, plant and equipment		
Rental assets	25,621,129	26,084,934
Accumulated depreciation	(21,707,320)	(21,835,983)
Accumulated impairment loss	(298,857)	(285,242)
Rental assets, net	3,614,952	3,963,708
Buildings and structures	11,160,814	12,245,820
Accumulated depreciation	(7,398,587)	(7,777,387)
Buildings and structures, net	3,762,227	4,468,433
Machinery, equipment and vehicles	5,181,525	6,130,679
Accumulated depreciation	(3,996,403)	(4,990,291)
Machinery, equipment and vehicles, net	1,185,121	1,140,388
Land	5,095,600	5,203,582
Other	4,287,878	4,140,675
Accumulated depreciation	(3,392,528)	(3,581,928)
Accumulated impairment loss	(19,388)	(19,388)
Other, net	875,961	539,358
Total property, plant and equipment	14,533,863	15,315,471
Intangible assets		
Goodwill	980,156	1,031,865
Other	223,860	228,678
Total intangible assets	1,204,016	1,260,543
Investments and other assets		
Investment securities	1,671,110	1,482,625
Long-term loans receivable	1,298,068	477,932
Distressed receivables	3,134	216
Retirement benefit asset	2,410,670	2,455,442
Deferred tax assets	107,930	75,805
Other	1,036,034	1,048,703
Allowance for doubtful accounts	(6,184)	(3,266)
Total investments and other assets	6,520,764	5,537,457
Total non-current assets	22,258,644	22,113,473
Total assets	55,443,873	58,379,605



	(Thousands of yen)	
	FY3/21 (As of Mar. 20, 2021)	Third quarter of FY3/22 (As of Dec. 20, 2021)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	7,267,563	9,875,384
Short-term borrowings	463,200	1,789,000
Current portion of long-term borrowings	5,068,624	5,415,753
Income taxes payable	662,320	50,085
Provision for bonuses	714,390	421,417
Other	1,983,181	1,511,363
<b>Total current liabilities</b>	<b>16,159,280</b>	<b>19,063,004</b>
<b>Non-current liabilities</b>		
Long-term borrowings	10,347,955	10,657,648
Retirement benefit liability	192,189	220,454
Provision for retirement benefits for directors (and other officers)	186,336	172,420
Deferred tax liabilities	440,073	588,741
Other	439,034	422,673
<b>Total non-current liabilities</b>	<b>11,605,588</b>	<b>12,061,938</b>
<b>Total liabilities</b>	<b>27,764,869</b>	<b>31,124,942</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	6,361,596	6,361,596
Capital surplus	4,922,140	4,943,927
Retained earnings	17,043,168	16,675,675
Treasury shares	(1,449,359)	(1,363,757)
<b>Total shareholders' equity</b>	<b>26,877,545</b>	<b>26,617,442</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	163,324	45,009
Deferred gains or losses on hedges	64,647	32,603
Foreign currency translation adjustment	249,004	328,569
Remeasurements of defined benefit plans	243,398	207,298
<b>Total accumulated other comprehensive income</b>	<b>720,375</b>	<b>613,481</b>
<b>Non-controlling interests</b>	<b>81,083</b>	<b>23,739</b>
<b>Total net assets</b>	<b>27,679,004</b>	<b>27,254,662</b>
<b>Total liabilities and net assets</b>	<b>55,443,873</b>	<b>58,379,605</b>

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

(Thousands of yen)

	First nine months of FY3/21 (Mar. 21, 2020 – Dec. 20, 2020)	First nine months of FY3/22 (Mar. 21, 2021 – Dec. 20, 2021)
Net sales	39,950,398	41,025,129
Cost of sales	28,459,324	30,532,717
Gross profit	11,491,073	10,492,411
Selling, general and administrative expenses	9,447,029	9,224,592
Operating profit	2,044,044	1,267,819
Non-operating income		
Interest income	29,157	34,474
Dividend income	82,593	64,358
Rental income from land and buildings	41,498	20,390
Foreign exchange gains	56,748	189,682
Gain on sales of scrap and waste	81,832	207,361
Other	106,713	94,254
Total non-operating income	398,543	610,521
Non-operating expenses		
Interest expenses	40,160	36,662
Paying rents	18,345	18,345
Product recall expense	51,519	-
Share of loss of entities accounted for using equity method	12,650	835,395
Other	42,995	32,477
Total non-operating expenses	165,671	922,880
Ordinary profit	2,276,916	955,461
Extraordinary income		
Gain on sales of property, plant and equipment	579	613
Gain on sales of investment securities	120,227	67,791
Subsidy income	-	171,630
Total extraordinary income	120,807	240,034
Extraordinary losses		
Loss on sales and retirement of property, plant and equipment	9,447	7,480
Total extraordinary losses	9,447	7,480
Profit before income taxes	2,388,276	1,188,014
Income taxes-current	853,574	560,361
Income taxes-deferred	115,061	230,846
Total income taxes	968,636	791,207
Profit	1,419,640	396,807
Profit (loss) attributable to non-controlling interests	56,534	(9,226)
Profit attributable to owners of parent	1,363,105	406,033

**Quarterly Consolidated Statement of Comprehensive Income**  
**For the Nine-month Period**

	(Thousands of yen)	
	First nine months of FY3/21 (Mar. 21, 2020 – Dec. 20, 2020)	First nine months of FY3/22 (Mar. 21, 2021 – Dec. 20, 2021)
Profit	1,419,640	396,807
Other comprehensive income		
Valuation difference on available-for-sale securities	70,661	(118,314)
Deferred gains or losses on hedges	(120,181)	(32,044)
Foreign currency translation adjustment	(310,247)	123,051
Remeasurements of defined benefit plans, net of tax	63,877	(36,099)
Share of other comprehensive income of entities accounted for using equity method	39,399	(46,306)
Total other comprehensive income	(256,489)	(109,713)
Comprehensive income	1,163,150	287,093
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,106,955	299,139
Comprehensive income attributable to non-controlling interests	56,194	(12,046)

**(3) 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 nine months of FY3/21 (Mar. 21, 2020 – Dec. 20, 2020)

1. Information related to net sales, profit or loss for reportable segments (Thousands of yen)

	Reportable segment					Adjustment	Amounts shown on quarterly consolidated statement of income
	Construction materials	Scaffolding material rental	Home equipment	Electronic equipment	Total		
Net sales							
External sales	12,419,329	11,670,599	13,104,999	2,755,469	39,950,398	-	39,950,398
Inter-segment sales and transfers	1,808,748	2,760	145,280	11,537	1,968,327	(1,968,327)	-
Total	14,228,078	11,673,359	13,250,280	2,767,006	41,918,725	(1,968,327)	39,950,398
Segment profit	860,245	306,985	865,556	13,722	2,046,509	230,406	2,276,916

Notes: 1. Segment profit is adjusted to be consistent with ordinary profit in the quarterly consolidated statement of income.

2. The 230,406 thousand yen segment profit adjustment is primarily corporate items, which are non-operating income and expenses, such as equity-method income and losses, foreign exchange gains and losses, and interest expenses, that cannot be allocated to a reportable segment.

2. Information related to revisions for reportable segments

**Change in depreciation method of property, plant and equipment**

Beginning with the first quarter of FY3/21, the depreciation method used for buildings and structures was changed from the declining-balance method to the straight-line method.

ALINCO reexamined the depreciation method based on a review of how the company's assets are used and take into account planned capital expenditures for buildings and other assets in FY3/21 and subsequent years. This reexamination resulted in the outlook for the continued stable utilization of assets for many more years under the current market conditions. ALINCO believes that the use of the straight-line method for the allocation of the acquisition price in equal installments over the useful life of assets will more accurately reflect how these assets are used.

The effect of this change on segment profit for the first nine months of FY3/21 is insignificant.

3. Information related to impairment losses on non-current assets or goodwill, etc. for reportable segments

**Significant change in goodwill**

In the construction materials business, a consolidated subsidiary SOFUKUKOKI CO., LTD became a wholly owned subsidiary as an additional equity investment was made by ALINCO in the second quarter of FY3/21. As a result of this transaction, goodwill in the segment increased 303,620 thousand yen in the first nine months of FY3/21.

## II. First nine months of FY3/22 (Mar. 21, 2021 – Dec. 20, 2021)

## 1. Information related to net sales, profit or loss for reportable segments

(Thousands of yen)

	Reportable segment					Adjustment	Amounts shown on quarterly consolidated statement of income
	Construction materials	Scaffolding material rental	Home equipment	Electronic equipment	Total		
Net sales							
External sales	14,647,616	12,018,598	11,337,707	3,021,206	41,025,129	-	41,025,129
Inter-segment sales and transfers	2,118,537	6,092	152,030	13,618	2,290,279	(2,290,279)	-
Total	16,766,153	12,024,691	11,489,738	3,034,825	43,315,409	(2,290,279)	41,025,129
Segment profit (loss)	1,212,393	255,507	(84,802)	68,849	1,451,948	(496,487)	955,461

Notes: 1. Segment profit (loss) is adjusted to be consistent with ordinary profit in the quarterly consolidated statement of income.

2. The minus 496,487 thousand yen segment profit (loss) adjustment is primarily corporate items, which are non-operating income and expenses, such as equity-method income and losses, foreign exchange gains and losses, and interest expenses, that cannot be allocated to a reportable segment.

In accordance with Implementation Guidance for Equity Method Accounting, there is an equity-method loss of 835,395 thousand yen for long-term loans extended by ALINCO to equity-method affiliate PT. KAPURINDO SENTANA BAJA.

## 2. Information related to impairment losses on non-current assets or goodwill, etc. for reportable segments

## Significant change in goodwill

In the electronic equipment segment, ALINCO acquired all shares of HIGASHI ELECTRONICS INDUSTRY CO., LTD. on August 18, 2021, and made this company a consolidated subsidiary during the second quarter of FY3/22. The matter caused an increase of goodwill by 115,424 thousand yen for the first nine months of FY3/22.

In the construction materials segment, ALINCO acquired all shares of UEKIN Co., Ltd. on November 24, 2021, and made this company a consolidated subsidiary during the third quarter of FY3/22. The matter caused an increase of goodwill by 150,096 thousand yen for the first nine months of FY3/22.

*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.*