

## Consolidated Financial Report for the Nine Months Ended December 31, 2022

### TOYOBO Co., Ltd.

URL <https://ir.toyobo.co.jp/en/ir.html>

Stock Code: 3101 (Prime Market, Tokyo Stock Exchange)

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(Figures are rounded to the nearest million yen)

## 1. Consolidated Business Performance

### (1) Consolidated Operating Results

Nine months ended December 31

Percentages indicate year-on-year increase/ (decrease)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2022	298,738	8.8	9,568	(58.2)	6,943	(61.8)	9,759	(19.5)
2021	274,541	12.6	22,893	25.1	18,198	46.0	12,125	-

(Note) Comprehensive Income: Nine months ended December 31, 2022: ¥10,158 million (41.4%)

Nine months ended December 31, 2021: ¥17,326 million -%

	Net profit per share	Net profit per share after dilution
	Yen	Yen
2022	109.72	-
2021	136.44	-

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2022	529,881	203,642	38.0	2,263.83
March 31, 2022	517,774	197,149	37.6	2,192.17

(Reference) Total shareholders' equity: December 31, 2022: ¥201,436 million, March 31, 2022: ¥194,876 million

## 2. Dividends

Record date	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY 3/2022	-	0.00	-	40.00	40.00
FY 3/2023	-	0.00	-		
FY 3/2023 (Forecast)				40.00	40.00

(Note) Revision of dividends forecast for this period: None

### 3. Forecasts for Fiscal Year Ending March 31, 2023

Percentages indicate year-on-year increase/ (decrease)

	Net sales		Operating profit		Ordinary profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year	400,000	6.5	11,000	(61.3)	7,500	(67.5)

	Profit attributable to owners of parent		Net profit per share
	Millions of yen	%	Yen
Fiscal year	6,500	(49.5)	73.08

(Note) Revision of earnings forecast for this period: Yes

### 4. Other

1. Significant changes in subsidiaries during the subject fiscal year (Transfer of particular subsidiaries following a change in the scope of consolidation): None

1) New company : None

2) Excluded company : None

2. Adoption of simplified and special accounting methods: None

3. Changes from accounting methods, procedures and the presentation of the consolidated financial statements:

1) Changes based on revision of accounting standards : None

2) Changes other than 1) above : None

3) Changes due to accounting estimation change : None

4) Error correction : None

4. Number of shares issued and outstanding (common stock):

1) Number of shares outstanding (including treasury stock):

December 31, 2022: 89,048,792 shares    March 31, 2022: 89,048,792 shares

2) Number of treasury stock:

December 31, 2022: 68,549 shares    March 31, 2022: 152,550 shares

3) Average number of shares outstanding for each period (cumulative term):

Nine months ended December 31, 2022: 88,946,400 shares

2021: 88,871,077 shares

※ Quarterly Financial Results reports are exempt from Quarterly review

※ Explanation regarding the appropriate use of forecasts of business results

The forward-looking statements made in this document, including the aforementioned forecasts, are based on all information available to the management at the time of this document's release. Actual results may differ from the results anticipated in the statements.

(How to obtain supplementary document on earnings)

The supplementary document on earnings is disclosed on the same day as the Quarterly Financial Results report, and it is made available on the Company's website.

## 1. Qualitative Information and Financial Statements

### (1) Qualitative Information on Consolidated Results

The business environment surrounding the Toyobo Group (hereinafter the “Group”) in the nine months ended December 31, 2022 was characterized by a slowdown in the global economy due to monetary tightening policies in Europe and the United States to curb the acceleration of inflation, the impact of rising raw material and fuel prices accompanying the prolongation of the situation in Ukraine, and China’s zero-COVID policy (lockdowns). On the other hand, in Japan, the sense of economic stagnation has intensified due to inflation caused by rising raw material and fuel prices and yen depreciation caused by monetary easing measures, in addition to delays in the recovery of automobile production as a result of shortages in the supply of materials such as semiconductors. Going forward, Japan’s economy is expected to make a moderate recovery against the backdrop of the living-with-COVID policy and increased inbound demand. However, constraining factors such as the global economic slowdown and high fuel prices continue to make the situation uncertain.

Under this business environment, sales of volatile organic compound (VOC) treatment equipment for recovering solvents have proceeded robustly owing to increased demand for lithium-ion batteries. Moreover, sales of raw materials and reagents for PCR testing grew in response to the demand for PCR testing due to the resurgence of COVID-19 infections. On the other hand, sales of polarizer protective films for LCDs “COSMOSHINE SRF” and mold releasing film for multilayer ceramic capacitors (MLCC) fell due to a temporary deterioration in the market. In addition, the films business and nonwoven materials business faced challenges due to the significant impact of rising raw material and fuel prices, despite efforts to implement product price revisions.

As a result, consolidated net sales in the nine months ended December 31, 2022 increased ¥24.2 billion (8.8%) over the same period of the previous fiscal year, to ¥298.7 billion. Operating profit decreased ¥13.3 billion (58.2%), to ¥9.6 billion and ordinary profit decreased ¥11.3 billion (61.8%) to ¥6.9 billion. Profit attributable to owners of parent decreased ¥2.4 billion (19.5%) to ¥9.8 billion despite recording extraordinary income in the first three months of the fiscal year of ¥5.6 billion from insurance claim income for a fire accident.

Results by business segment were as follows:

#### Films and Functional Materials

In this segment, efforts were made to implement product price revisions, and sales increased, although operating profit decreased due to the significant impacts from rising raw material and fuel prices and a deterioration of market conditions for the industrial film business.

In the films business, the packaging film business experienced difficulties in realizing product price revisions to compensate for rising raw material and fuel prices.

In the industrial film business, sales fell due to a temporary deterioration in the market for polarizer protective films for LCDs “COSMOSHINE SRF” and mold releasing film for MLCC.

In the functional materials business, sales of industrial adhesives “Vylon” declined due to the impact of China’s zero-COVID policy.

As a result, sales in this segment increased ¥1.0 billion (0.8%) from the same period of the previous fiscal year to ¥128.3 billion, and operating profit decreased ¥12.1 billion (72.8%) to ¥4.5

billion.

## **Mobility**

In this segment, efforts were made to implement product price revisions, and sales increased, although the operating loss increased due to the significant impact of rising raw material and fuel prices.

As for sales of engineering plastics in Japan, product price revisions were unable to keep up with rising raw material and fuel prices. Overseas, product price revisions were implemented and there was the effect of yen depreciation, but business was affected by rising raw material prices and logistics costs and China's zero-COVID policy.

Sales of airbag fabrics increased due to a year-on-year recovery in automobile production, but the spread did not improve due to higher purchase prices for yarn and other raw materials.

As a result, sales in this segment increased ¥5.1 billion (15.7%) from the same period of the previous fiscal year to ¥37.2 billion, with an operating loss of ¥2.9 billion. (Compared with operating loss of ¥1.4 billion for the same period of the previous fiscal year.)

## **Lifestyle and Environment**

In this segment, sales of the environmental solutions business were strong. The nonwoven materials business was made to implement product price revisions and sales increased, although the operating profit decreased due to the significant impact of rising raw material and fuel prices.

In the environmental solutions business, sales of replacement elements as well as VOC treatment equipment used in the manufacturing process for lithium-ion battery separators were strong due to the increase in demand for lithium-ion batteries as a result of the global shift to EV.

In the nonwoven materials business, the business faced challenges as product price revisions were unable to keep up with the rising raw material and fuel prices.

In the high performance fibers business, sales remained strong, centered on "ZYLON" for applications in building structural reinforcement and bicycle tires and "IZANAS" for use in fishing line.

As a result, sales in this segment increased ¥12.1 billion (14.7%) from the same period of the previous fiscal year to ¥94.5 billion, and operating profit decreased ¥1.1 billion (40.5%) to ¥1.6 billion.

## **Life Science**

In this segment, sales and operating profit increased despite increased costs for supporting good manufacturing practice (GMP) (including manufacturing and quality control standards for pharmaceuticals, etc.) in the contract manufacturing business of pharmaceuticals as demand for reagents for PCR testing strengthened due to the resurgence of COVID-19 infections.

In the biotechnology business, sales of reagents for PCR testing increased sharply in response to the demand for PCR testing due to the resurgence of infections in the seventh and eighth waves of COVID-19. Sales of enzymes for diagnostic reagents as well as those for genetic testing reagents were strong due to an increase in sales for Europe and the United States in addition to the impact

of foreign exchange.

In the medical materials business, sales of artificial kidney hollow fiber trended strong, but were affected by rising raw material and fuel prices.

As a result, sales in this segment increased ¥4.7 billion (19.3%) from the same period of the previous fiscal year to ¥29.3 billion, and operating profit increased ¥1.6 billion (24.6%) to ¥8.0 billion.

### **Real Estate and Other Business**

This segment includes infrastructure-related businesses such as real estate, engineering, information processing services, and logistics services. Results in these businesses were generally in line with plans.

As a result, sales in this segment increased ¥1.3 billion (15.6%) from the same period of the previous fiscal year to ¥9.4 billion, and operating profit increased ¥0.1 billion (3.6%) to ¥1.7 billion.

## **(2) Qualitative Information on the Consolidated Financial Position**

### **Assets, Liabilities and Net Assets**

Total assets increased ¥12.1 billion (2.3%) from the end of the previous fiscal year, to ¥529.9 billion. This was mainly due to an increase in inventories and an increase in property, plant and equipment due to capital investment.

Total liabilities increased ¥5.6 billion (1.8%) to ¥326.2 billion. This was mainly due to an increase in notes and accounts payable – trade and borrowings.

Net assets increased ¥6.5 billion (3.3%) from the end of the previous fiscal year, to ¥203.6 billion mainly due to an increase in retained earnings and foreign currency translation adjustment.

## **(3) Qualitative Information on Consolidated Forecasts**

In light of recent developments, we have revised our consolidated earnings forecasts for the fiscal year ending March 31, 2023, which were announced on November 10, 2022. For details, please refer to the “Notice of Revision of Consolidated Earnings Forecasts” released today (February 8, 2023).

## 2. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2022)	Current Third Quarter (As of December 31, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	27,176	15,717
Notes and accounts receivable - trade	91,082	78,658
Contract assets	421	323
Electronically recorded monetary claims - operating	10,747	12,629
Merchandise and finished goods	57,362	71,198
Work in process	14,483	18,136
Raw materials and supplies	24,204	31,141
Other	14,150	14,089
Allowance for doubtful accounts	(311)	(273)
Total current assets	<u>239,314</u>	<u>241,618</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	53,960	56,535
Machinery, equipment and vehicles, net	51,786	52,037
Land	91,586	90,781
Other, net	30,242	40,685
Total property, plant and equipment	<u>227,574</u>	<u>240,037</u>
Intangible assets	4,307	4,198
Investments and other assets		
Other	47,551	45,116
Allowance for doubtful accounts	(972)	(1,087)
Total investments and other assets	<u>46,579</u>	<u>44,028</u>
Total non-current assets	<u>278,460</u>	<u>288,263</u>
Total assets	<u>517,774</u>	<u>529,881</u>

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2022)	Current Third Quarter (As of December 31, 2022)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	46,876	48,921
Electronically recorded obligations - operating	6,326	5,590
Short-term borrowings	40,592	44,488
Current portion of bonds payable	—	10,000
Current portion of long-term borrowings	21,418	13,059
Provisions	4,823	2,863
Other	26,714	27,245
Total current liabilities	146,750	152,166
Non-current liabilities		
Bonds payable	55,000	45,000
Long-term borrowings	70,681	81,285
Provision for retirement benefits for directors (and other officers)	236	232
Provision for environmental measures	12	12
Retirement benefit liability	19,841	19,317
Other	28,106	28,226
Total non-current liabilities	173,876	174,072
Total liabilities	320,626	326,239
<b>Net assets</b>		
Shareholders' equity		
Share capital	51,730	51,730
Capital surplus	32,193	32,098
Retained earnings	74,700	80,903
Treasury shares	(221)	(98)
Total shareholders' equity	158,402	164,633
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,882	2,960
Deferred gains or losses on hedges	7	9
Revaluation reserve for land	41,562	41,562
Foreign currency translation adjustment	(7,656)	(5,412)
Remeasurements of defined benefit plans	(2,321)	(2,317)
Total accumulated other comprehensive income	36,474	36,803
Non-controlling interests	2,273	2,207
Total net assets	197,149	203,642
<b>Total liabilities and net assets</b>	<b>517,774</b>	<b>529,881</b>

**(2) Consolidated Statements of Income and  
Consolidated Statements of Comprehensive Income**

(Millions of yen)

(Consolidated Statements of Income)	Previous Third Quarter (From April 1, 2021 To December 31, 2021)	Current Third Quarter (From April 1, 2022 To December 31, 2022)
Net sales	274,541	298,738
Cost of sales	202,540	233,449
Gross profit	72,000	65,289
Selling, general and administrative expenses	49,107	55,721
Operating profit	22,893	9,568
Non-operating income		
Dividend income	463	256
Foreign exchange gains	39	390
Other	751	1,178
Total non-operating income	1,253	1,824
Non-operating expenses		
Interest expenses	922	1,003
Loss on suspension of production	782	—
Other	4,244	3,446
Total non-operating expenses	5,948	4,449
Ordinary profit	18,198	6,943
Extraordinary income		
Gain on sale of non-current assets	—	1,198
Gain on sale of investment securities	232	2,796
Insurance claim income	—	5,607
Total extraordinary income	232	9,601
Extraordinary losses		
Loss on disposal of non-current assets	2,473	2,309
Loss on sale of investment securities	848	—
Other	77	—
Total extraordinary losses	3,399	2,309
Profit before income taxes	15,031	14,235
Income taxes	2,957	4,540
Profit	12,074	9,695
Loss attributable to non-controlling interests	(51)	(64)
Profit attributable to owners of parent	12,125	9,759



(Millions of yen)

(Consolidated Statements of Comprehensive Income)	Previous Third Quarter (From April 1, 2021 To December 31, 2021)	Current Third Quarter (From April 1, 2022 To December 31, 2022)
Profit	12,074	9,695
Other comprehensive income		
Valuation difference on available-for-sale securities	4,144	(1,923)
Deferred gains or losses on hedges	6	2
Foreign currency translation adjustment	984	1,637
Remeasurements of defined benefit plans, net of tax	(57)	4
Share of other comprehensive income of entities accounted for using equity method	176	743
Total other comprehensive income	<u>5,252</u>	<u>463</u>
Comprehensive income	<u>17,326</u>	<u>10,158</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	17,338	10,088
Comprehensive income attributable to non-controlling interests	(11)	70

### **(3) Note to Consolidated Financial Statement**

#### **(Note to Going Concern)**

Not applicable

#### **(Notes on Significant Changes in Shareholders' Equity)**

Not applicable

#### **(Additional Information)**

Merger with Toyobo Information System Create Co., Ltd.

The Company has resolved to implement an absorption-type merger, effective April 1, 2023, with its consolidated subsidiary, Toyobo Information System Create Co., Ltd. (hereinafter, "TISC"), at the meeting of the Board of Directors held on December 26, 2022, and entered into a merger agreement on the same date. Pursuant to Article 796, paragraph 2 (as for the Company) and Article 784, paragraph 1 (as for TISC) of the Companies Act, the merger will be conducted without the general meeting of shareholders of each company on their respective approval for the merger agreement.

The outline of the merger is as follows.

#### 1. Outline of the transaction

##### (1) Name and content of business of the company involved in the merger

Name of the company involved in the merger: Toyobo Information System Create Co., Ltd.

Content of business: System consulting; system development, operation, and maintenance; ERP solutions (GRANDIT, Oracle E-Business Suite, etc.); and network solutions

##### (2) Date of the business combination

April 1, 2023

##### (3) Legal form of the business combination

The merger will be conducted as an absorption-type merger, with the Company as the surviving company and TISC as the disappearing company, and TISC will be dissolved upon the merger.

##### (4) Name of the company after the business combination

TOYOBO CO., LTD.

##### (5) Other items related to the outline of the transaction

###### (i) Purpose of the merger

The importance of digital technologies has been increasing every year and they have become essential in our business activities. Under these circumstances, the Company decided to conduct an absorption-type merger with TISC, aiming to consolidate the IT resources of the Group, build a system that can quickly respond to changes in the business environment associated with the advancement and increasing use of digital technologies, and contribute to reforms and growth in the Company's business.

###### (ii) Allotment regarding the merger

There was no issuance of new shares or allotment of any other consideration with respect to the merger.

###### (iii) Financial position and operating results of the Company involved in the merger for immediately preceding fiscal year (Fiscal year ended March 31, 2022)

Assets ¥2,083 million

Liabilities ¥1,473 million

Net assets ¥610 million

Net sales ¥4,190 million

Profit ¥7 million

## 2. Outline of the accounting method

In accordance with the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, January 16, 2019) and the “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, January 16, 2019), the merger will be accounted for as a transaction under common control.

## (Segment Information)

( i ) Nine months ended December 31, 2021

(Millions of yen)

	Segment to Be Reported						Other Business- ses (Note 1)	Total	Adjust- ment (Note 2)	Consolidated Statements of Income (Note 3)
	Films and Functional Materials	Mobility	Lifestyle and Environ- ment	Life Science	Real Estate	Total				
Net sales										
(1) Outside customers	127,293	32,151	82,405	24,585	2,941	269,376	5,165	274,541	—	274,541
(2) Inter-segment sales and transfers	114	15	300	24	306	759	10,862	11,621	(11,621)	—
Total	127,407	32,167	82,705	24,609	3,247	270,135	16,027	286,161	(11,621)	274,541
Segment profit (loss)	16,574	(1,445)	2,663	6,397	1,105	25,294	491	25,785	(2,892)	22,893

Note:

1. Other includes design and construction of buildings, equipment, etc., information services, logistics services and other items.
2. Segment profit or loss adjustment of (¥2,892) million includes eliminations of intersegment transactions of (¥199) million and companywide expenses that are not allocated across reporting segments of (¥2,693) million. The principal components of companywide expenses are those related to basic research and development.
3. Segment profit or loss has been adjusted with operating profit on the consolidated financial statements.

( ii ) Nine months ended December 31, 2022

(Millions of yen)

	Segment to Be Reported						Other Business- ses (Note 4)	Total	Adjust- ment (Note 5)	Consolidated Statements of Income (Note 6)
	Films and Functional Materials	Mobility	Lifestyle and Environ- ment	Life Science	Real Estate	Total				
Net sales										
(1) Outside customers	128,304	37,211	94,537	29,320	3,124	292,496	6,242	298,738	—	298,738
(2) Inter-segment sales and transfers	99	20	183	34	301	636	11,176	11,812	(11,812)	—
Total	128,403	37,230	94,719	29,354	3,424	293,131	17,418	310,550	(11,812)	298,738
Segment profit (loss)	4,508	(2,949)	1,584	7,968	1,204	12,315	450	12,765	(3,197)	9,568

Note:

4. Other includes design and construction of buildings, equipment, etc., information services, logistics services and other items.
5. Segment profit or loss adjustment of (¥3,197) million includes eliminations of intersegment transactions of (¥202) million and companywide expenses that are not allocated across reporting segments of (¥2,995) million. The principal components of companywide expenses are those related to basic research and development.
6. Segment profit or loss has been adjusted with operating profit on the consolidated financial statements.

## (Significant Subsequent Events)

Company split involving the spin-off of the functional materials business to wholly owned subsidiary

The Company decided at a board of directors meeting held on January 25, 2023 that Toyobo MC Corporation (“the New Company” hereafter), a wholly owned subsidiary that is established on September 5, 2022, will succeed the Company’s business involving functional materials through an absorption-type company split (“the Company Split” hereafter). The Company Split is scheduled to go into effect on April 1, 2023.

### 1. Background and Aim

The Company has signed an agreement with Mitsubishi Corporation (headquartered in Chiyoda-ku, Tokyo, and headed by Representative Director, President & CEO Katsuya Nakanishi; “MC” hereafter) to set up the New Company, after which the Company Split is carried out and an investment from MC (“the Investment” hereafter) is provided to the New Company with the aim of sharpening the competitive edge of the Company’s functional materials and continuing to provide solutions globally. The Company and MC have since been considering how to implement the Company Split and the Investment. The Company Split is to be implemented as part of the procedure in the runup to the contract shareholders’ agreement between the Company and MC and the start of the joint venture.

### 2. Summary of the Company Split

#### (1) Schedule of the Company Split

Date of decision at the board of directors meeting	January 25, 2023
Date of sealing the agreement on the absorption-type company split	January 25, 2023
Effective date of the Company Split	Scheduled for April 1, 2023

(Note) The Company Split is scheduled to be carried out without the approval at a general shareholders’ meeting, because it falls under a simple absorption-type company split prescribed by Paragraph 2, Article 784 of the Companies Act.

#### (2) Method of the Company Split

The Company will be the split company and the New Company will be the succeeding company in the absorption-type company split (simple absorption-type company split).

#### (3) Allocations of shares due to the Company Split

At the time of the Company Split, the New Company will newly issue 31,000 common shares and allocate them to the Company as compensation for the Company Split.

#### (4) Handling of the stock acquisition right and bond with stock acquisition right due to the Company Split

Not applicable.

#### (5) Capital stock subject to change due to the Company Split

No change in the capital stock for the split company (the Company).

#### (6) Rights and obligations that the succeeding company succeeds

The New Company will succeed what the absorption-type company split contract stipulates regarding the assets, liabilities, and rights and obligations such as contractual status, which are related to the functional materials business described in 4. below.

#### (7) Projected execution of debt obligations

We deem there is no projected problem for the succeeding company to execute debt obligations it must shoulder after the Company Split goes into effect.

### 3. Outline of those involved in the Company Split

	Split company	Succeeding company (The New Company)
1) Company name	Toyobo Co., Ltd.	Toyobo MC Corporation
2) Address	1-13-1, Umeda, Kita-ku, Osaka	Osaka Umeda Twin Towers South, 1-13-1, Umeda, Kita-ku, Osaka
3) Title and name of representative (Note 1)	President and Representative Director, Ikuo Takeuchi	Director, Chikao Morishige (The Company's Representative Director, Co-COO and CTO)
4) Business description	Business related to films and functional materials; mobility; lifestyle and environment; life science	Planning, development, manufacturing and sales of products related to functional materials
5) Capital stock	51,730 million yen	100 million yen
6) Date of establishment	June 26, 1914	September 5, 2022
7) End of each accounting term	March 31	March 31
8) Business performance and fiscal conditions of the latest business year (Note 2)		
Net assets	197,149 million yen	There is no ended business year.
Total assets	517,774 million yen	
Net assets per share	2,192.17 yen	

(Note 1): After the Company Split is made, another representative will be selected from MC, increasing the number to two.

(Note 2): The Company's data are based on the consolidated settlement of accounts for the business year ended in March 2022.

### 4. Business operations of the division that will be spun off and succeeded by the New Company

Business related to planning, development, manufacturing and sales of functional materials in Japan and overseas (business related to polymerization development, Vylon and Hardlen, photo functional materials, fine chemicals, engineering plastics, water treatment membranes, environment solution devices, activated carbon products, activated carbon fibers, spun-bonded fabrics, lifestyle materials, high-performance fibers), and businesses related to these businesses.

### 5. Other important items

The Company is scheduled to hold 51% of the shares in the New Company, while MC is scheduled to hold 49% through a third-party allocation of shares for the Investment scheduled for April 1, 2023, after the Company Split.

### 6. Outline of the accounting method to be implemented

In accordance with the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, January 16, 2019) and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, January 16, 2019), the Company Split will be accounted for as a transaction under common control.