# Consolidated Financial Results
## for the First Nine Months of the Fiscal Year Ending March 31, 2022 [J-GAAP]

February 10, 2022

**Company Name:** **Dai Nippon Printing Co., Ltd.**
Stock exchange listing: Tokyo
Stock code: 7912 URL: https://www.dnp.co.jp/eng/
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Securities report issuing date: February 10, 2022
Dividend payment date: –
Preparation of quarterly earnings presentation material: No
Holding of quarterly results briefing: No

(Amounts under one million yen have been rounded down.)

**1. Consolidated financial results for the first nine months ended December 31, 2021 (April 1, 2021 – December 31, 2021)**

**(1) Consolidated financial results**

(Percentages show change from corresponding year-ago period.)

| | Net Sales | | Operating Income | | Ordinary Income | | Net Income Attributable to Parent Company Shareholders | |
|---|---|---|---|---|---|---|---|---|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| Nine months ended December 31, 2021 | 1,001,660 | 1.4 | 49,258 | 54.1 | 58,962 | 48.9 | 69,551 | 188.5 |
| Nine months ended December 31, 2020 | 987,689 | (5.7) | 31,959 | (22.7) | 39,598 | (17.3) | 24,109 | (72.3) |

Note: Comprehensive income: For the first nine months ended December 31, 2021: ¥109,884 million (35.3%)
For the first nine months ended December 31, 2020: ¥81,199 million (7.3%)

| | Net Income per Share | Diluted Net Income per Share |
|---|---|---|
| | Yen | Yen |
| Nine months ended December 31, 2021 | 253.54 | 253.50 |
| Nine months ended December 31, 2020 | 85.84 | 85.80 |

**(2) Consolidated financial position**

| | Total Assets | Net Assets | Equity Ratio |
|---|---|---|---|
| | Million yen | Million yen | % |
| As of December 31, 2021 | 1,906,032 | 1,155,107 | 57.7 |
| As of March 31, 2021 | 1,825,019 | 1,098,613 | 57.2 |

Note: Stockholders' equity as of December 31, 2021: ¥1,100,048 million As of March 31, 2021: ¥1,043,977 million

## 2. Dividends

| | Annual Dividends (Yen) | | | | |
|---|---|---|---|---|---|
| | First Quarter-end | Second Quarter-end | Third Quarter-end | Year-end | Total |
| Year ended March 31, 2021 | – | 32.00 | – | 32.00 | 64.00 |
| Year ending March 31, 2022 | – | 32.00 | – | | |
| Year ending March 31, 2022 (Forecasts) | | | | 32.00 | 64.00 |

Note: Revisions to the most recently announced dividend forecasts during the third quarter: No

## 3. Consolidated earnings forecasts for the year ending March 31, 2022 (April 1, 2021 – March 31, 2022)

(Percentages show change from corresponding year-ago period.)

| | Net Sales | | Operating Income | | Ordinary Income | | Net Income Attributable to Parent Company Shareholders | | Net Income per Share |
|---|---|---|---|---|---|---|---|---|---|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| Full year | 1,350,000 | 1.1 | 63,000 | 27.2 | 73,000 | 21.9 | 70,000 | 179.0 | 256.31 |

Note: Revisions to the most recently announced earnings forecasts during the third quarter: Yes

## Other information

(1) Changes in significant subsidiaries during the third quarter (changes in specified subsidiaries resulting in change of scope of consolidation): No

(2) Application of accounting procedures peculiar to quarterly consolidated financial statement preparation: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of revisions
1) Changes in accounting policies with revision of accounting standards: Yes
2) Changes in accounting policies other than the 1) above: No
3) Changes in accounting estimates: No
4) Restatement of revisions: No

Note: For more information, see the section titled, “2. Quarterly consolidated financial statements and key notes (3) Notes regarding quarterly consolidated financial statements [Changes in accounting policies],” on page 9.

(4) Number of common shares issued and outstanding

| | | | | |
|---|---|---|---|---|
| 1) Number of common shares outstanding at end of each period (including treasury shares) | As of December 31, 2021 | 317,240,346 shares | As of March 31, 2021 | 324,240,346 shares |
| 2) Number of treasury shares at end of each period | As of December 31, 2021 | 48,173,707 shares | As of March 31, 2021 | 43,363,670 shares |
| 3) Average number of shares outstanding during the period (cumulative from the start of the fiscal year) | Nine months ended December 31, 2021 | 274,316,961 shares | Nine months ended December 31, 2020 | 280,879,755 shares |

* These financial results are exempt from auditing by a certified public accountant or an auditing company.

* Explanation regarding appropriate use of earnings forecasts and other special notes

Forward-looking statements in this report, including earnings forecasts, are based on assumptions about economic conditions, market trends, and other factors at the time the report was published. Actual results may differ significantly due to a variety of factors.

For information about earnings forecasts, see the section titled, “1. Qualitative information on the consolidated results for the third quarter (3) Explanation of the consolidated earnings forecasts,” on page 4.

## Contents

## 1. Qualitative information on the consolidated results for the third quarter

### (1) Explanation of the consolidated financial results

Conditions surrounding the DNP Group during the first nine months of the fiscal year ending March 2022 were affected by the global spread of variants of the novel coronavirus (COVID-19), with individuals' lives, society, and the economy remaining subject to various restrictions. As working styles and lifestyles have changed at an accelerated pace, demand has increased within Japan for network-based distance learning and online medical consultations, as well as for 5th-generation mobile communications (5G) and higher-performance digital devices, etc. In addition, as people around the world are becoming more aware of the need to prevent global warming and reduce the burdens that humans place on the global environment, demand for eco-friendly products and services has expanded.

Amid these conditions, the DNP Group worked to create the kind of innovative value that people expect of it, as well as to resolve social issues in order to realize a better, more sustainable society and more comfortable lifestyles. As it always has, the DNP Group continues to aspire to contribute to society and enrich people's lives. Today we express that desire through our brand statement, "Today's Innovation is Tomorrow's Basic." By combining our unique strengths in printing and information (P&I), forming deeper alliances with our many partners, and by providing value that is indispensable to individuals and society, we have worked to develop people's awareness of DNP as a presence that people cannot do without. In particular, we designated "focus business" areas where we anticipate strong market growth and profitability: the Internet of Things (IoT) and next-generation communications, data distribution, mobility, and the environment. We are working to expand our business by prioritizing and optimizing management resources in these areas. We have also taken on structural reforms aimed at boosting competitiveness as we work to build a strong business portfolio.

As a result of these efforts, consolidated net sales for the first nine months grew 1.4% year on year to ¥1,001.6 billion, consolidated operating income grew 54.1% to ¥49.2 billion, consolidated ordinary income grew 48.9% to ¥58.9 billion, and net income attributable to parent company shareholders grew 188.5% to ¥69.5 billion, helped by the recording of extraordinary gains associated with revision of our retirement benefit plans and the sale of some investment securities.

Business segment results are presented below.

**[PRINTING]**
**Information Communication**
In the Information Innovation business, recovery in areas such as promotional direct mail was offset by decline in large Business Process Outsourcing (BPO) projects and a slowdown in growth of demand for smart cards related to Japan's social ID ("My Number") cards. As a result, overall sales in the Information Innovation business declined.

In Imaging Communications, sales increased due to a recovery in demand for photo shooting, photo printing materials and services, mainly in the US, which is the core market of this business.

In Publishing, e-book sales remained firm, and sales increased in the "honto" hybrid bookstore network that handles both printed and electronic books. Sales of digital library services and library management operations were also solid, but sluggish sales of magazine printing contributed to a decline in overall Publishing sales.

As a result of the above, especially due to the decline in large BPO projects related to government policies, overall segment sales fell 2.0% year on year to ¥518.6 billion. Nevertheless, largely thanks to effective cost structure reforms, operating income grew 67.7% to ¥17.8 billion.

**Lifestyle and Industrial Supplies**
In the Packaging business, overall sales increased. Although the COVID-19 pandemic led to declines in sales of commercial packaging materials for souvenirs sold at tourist destinations and for use by restaurants, we worked hard to develop and sell eco-friendly packaging products, and were also helped by increased sales of aseptic filling systems.

In the Living Spaces business, sales increased in decorative films for automobile interiors and decorative materials for residential interiors and exteriors, thanks to recovery trends in the housing and automobile markets. In addition, demand for antibacterial and antiviral products that are effective in preventing infections also increased, contributing to an increase in overall Living Spaces sales.

The High-Performance Industrial Supplies business was affected by a temporary drop in production in its customers and suppliers caused by a global shortage of semiconductors. However, demand for battery pouches for lithium-ion batteries rose due to worldwide growth in demand for electric vehicles as well as increased demand for products like tablets and smartphones driven mainly by the spread of teleworking. Overall sales of High-Performance Industrial Supplies increased.

As a result of the above, overall segment sales grew 5.4% year on year to ¥290.5 billion. Operating income grew 31.3% to ¥11.6 billion due to growth in the High-Performance Industrial Supplies business, cost reductions resulting from optimization of manufacturing systems, and progress in passing on higher materials costs to customers.

**Electronics**

In the Display Components business, sales of optical films used for televisions decreased due to the winding down of “nesting consumption” (greater demand for home-use products as people spent more time at home). However, sales of films for laptop and desktop computer monitors remained steady due to the spread of teleworking and online learning. Overall optical film sales increased. Sales of metal masks used in the production of organic light-emitting diode (OLED) displays also increased, due to continued strong demand for OLED displays for smartphones. Overall, Display Components sales increased.

In the Electronic Devices business, the accelerated digital transformation of companies and local governments revved up demand for semiconductors, which in turn sparked greater sales of semiconductor photomasks used for communications, vehicular components, and data centers. In addition, we enjoyed strong sales of lead frames, a component of semiconductor packages, resulting in an overall increase in sales of Electronic Devices.

As a result of the above, overall segment sales grew 7.6% year on year to ¥156.9 billion, and operating income grew 29.3% to ¥35.4 billion due to growth in sales.

**[BEVERAGES]**

**Beverages**

We focused on the in-store and online sale of beverages in PET plastic bottles free of labels, including product name labels, in order to reduce the burden on the environment and in response to lifestyle changes, including increased online shopping, caused by the COVID-19 pandemic. In alcoholic beverages, we worked on expanding our lineup of “Lemondo” products and expanding sales of our new “Nomel’s Hard Lemonade.”

Overall segment sales declined by 3.5% year on year to ¥37.4 billion due to sluggish sales at restaurants and bars as a result of the government’s stay-at-home request and activity restrictions. Operating income was ¥0.8 billion (up 6.2% year on year) thanks to a thorough cost reduction campaign.

### (2) Explanation of the consolidated financial position

Total assets at the end of the third quarter increased by ¥81.0 billion from the end of the previous fiscal year to ¥1,906.0 billion, due mainly to an increase in investment securities.

Total liabilities increased by ¥24.5 billion from the end of the previous fiscal year to ¥750.9 billion, due mainly to an increase in deferred tax liabilities.

Net assets increased by ¥56.4 billion from the end of the previous fiscal year to ¥1,155.1 billion, due mainly to an increase in valuation difference on available-for-sale securities.

### (3) Explanation of the consolidated earnings forecasts

We have revised the consolidated earnings forecast for the fiscal year ending March 2022 that was originally published on May 13, 2021. For details, please refer to the "Announcement Regarding Recording of Extraordinary Gains and Revision of Consolidated Earnings Forecasts" dated February 10, 2022.

## 2. Quarterly consolidated financial statements and key notes
### (1) Quarterly consolidated balance sheets

(Million yen)

| | As of March 31, 2021 | As of December 31, 2021 |
|---|---|---|
| **ASSETS** | | |
| Current assets | | |
| Cash and time deposits | 301,162 | 260,095 |
| Notes and trade receivables | 324,625 | – |
| Notes, trade receivables, and contract assets | – | 336,854 |
| Marketable securities | 19,000 | 18,500 |
| Merchandise and finished products | 75,540 | 79,056 |
| Work in progress | 27,810 | 32,057 |
| Raw materials and supplies | 23,420 | 28,860 |
| Other | 34,975 | 27,174 |
| Allowance for doubtful accounts | (716) | (699) |
| Total current assets | 805,817 | 781,899 |
| Fixed assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 164,049 | 162,007 |
| Machinery and equipment, net | 73,710 | 72,862 |
| Land | 141,808 | 141,806 |
| Construction in progress | 13,238 | 24,387 |
| Other, net | 27,221 | 26,480 |
| Total property, plant and equipment | 420,029 | 427,544 |
| Intangible fixed assets | | |
| Other | 25,207 | 28,255 |
| Total intangible fixed assets | 25,207 | 28,255 |
| Investments and other assets | | |
| Investment securities | 422,799 | 475,154 |
| Other | 153,905 | 196,164 |
| Allowance for doubtful accounts | (2,741) | (2,987) |
| Total investments and other assets | 573,964 | 668,332 |
| Total fixed assets | 1,019,201 | 1,124,132 |
| **TOTAL ASSETS** | 1,825,019 | 1,906,032 |

(Million yen)

| | As of March 31, 2021 | As of December 31, 2021 |
|---|---|---|
| **LIABILITIES** | | |
| Current liabilities | | |
| Notes and trade payables | 226,606 | 233,893 |
| Short-term bank loans | 37,321 | 28,001 |
| Reserve for bonuses | 19,284 | 7,681 |
| Repair reserve | 17,688 | 18,351 |
| Other | 107,224 | 105,835 |
| Total current liabilities | 408,125 | 393,763 |
| Long-term liabilities | | |
| Bonds | 103,550 | 102,500 |
| Long-term debt | 11,569 | 15,375 |
| Repair reserve | 49,491 | 43,145 |
| Net defined benefit liability | 35,174 | 56,194 |
| Deferred tax liabilities | 95,997 | 119,393 |
| Other | 22,496 | 20,552 |
| Total long-term liabilities | 318,279 | 357,161 |
| **TOTAL LIABILITIES** | 726,405 | 750,925 |
| **NET ASSETS** | | |
| Stockholders' equity | | |
| Common stock | 114,464 | 114,464 |
| Capital surplus | 145,024 | 145,048 |
| Retained earnings | 683,784 | 712,552 |
| Treasury stock | (122,920) | (133,119) |
| Total stockholders' equity | 820,352 | 838,945 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 202,017 | 237,904 |
| Net deferred gains on hedges | 11 | 17 |
| Foreign currency translation adjustments | (5,082) | 1,118 |
| Remeasurements of defined benefit plans | 26,678 | 22,062 |
| Total accumulated other comprehensive income | 223,624 | 261,102 |
| Non-controlling interests | 54,636 | 55,058 |
| **TOTAL NET ASSETS** | 1,098,613 | 1,155,107 |
| **TOTAL LIABILITIES AND NET ASSETS** | 1,825,019 | 1,906,032 |

## (2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income

### Quarterly consolidated statements of income

#### First nine months of the fiscal years

(Million yen)

| | Nine months ended December 31, 2020 | Nine months ended December 31, 2021 |
|---|---|---|
| Net sales | 987,689 | 1,001,660 |
| Cost of sales | 785,013 | 783,112 |
| Gross profit | 202,676 | 218,548 |
| Selling, general and administrative expenses | 170,716 | 169,289 |
| Operating income | 31,959 | 49,258 |
| Non-operating income | | |
| Interest and dividend income | 3,948 | 3,727 |
| Equity in earnings of affiliates | 5,583 | 6,642 |
| Other | 3,053 | 3,337 |
| Total non-operating income | 12,585 | 13,707 |
| Non-operating expenses | | |
| Interest expense | 1,065 | 548 |
| Contributions | 1,458 | 829 |
| Other | 2,422 | 2,624 |
| Total non-operating expenses | 4,947 | 4,003 |
| Ordinary income | 39,598 | 58,962 |
| Extraordinary gains | | |
| Gain on sale of fixed assets | 453 | 5,962 |
| Gain on sale of investment securities | 165 | 11,284 |
| Retirement benefit plan revision gains | – | 18,534 |
| Compensation received | 365 | – |
| Other | – | 1,876 |
| Total extraordinary gains | 984 | 37,658 |
| Extraordinary losses | | |
| Loss on sale or disposal of fixed assets | 1,087 | 1,074 |
| Loss on devaluation of investment securities | 755 | 461 |
| Other | 1,117 | 305 |
| Total extraordinary losses | 2,960 | 1,841 |
| Income before income taxes and non-controlling interests | 37,621 | 94,779 |
| Current income taxes | 8,454 | 11,056 |
| Deferred income taxes | 3,157 | 12,512 |
| Total income taxes | 11,612 | 23,569 |
| Net income | 26,009 | 71,209 |
| Net income attributable to non-controlling shareholders | 1,899 | 1,658 |
| Net income attributable to parent company shareholders | 24,109 | 69,551 |

**Quarterly consolidated statements of comprehensive income**
**First nine months of the fiscal years**

(Million yen)

| | Nine months ended December 31, 2020 | Nine months ended December 31, 2021 |
|---|---|---|
| Net income | 26,009 | 71,209 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 57,980 | 35,859 |
| Net deferred gains (losses) on hedges | (25) | 10 |
| Foreign currency translation adjustments | (2,625) | 5,034 |
| Remeasurements of defined benefit plans | 855 | (4,546) |
| Share of other comprehensive income of affiliates accounted for using equity method | (993) | 2,317 |
| Total other comprehensive income | 55,190 | 38,675 |
| Comprehensive income | 81,199 | 109,884 |
| Attributable to： | | |
| Parent company shareholders | 79,902 | 107,792 |
| Non-controlling shareholders | 1,297 | 2,092 |

### (3) Notes regarding quarterly consolidated financial statements

**[Notes on premise of a going concern]**
None

**[Significant changes in shareholders' equity]**
Treasury stock increased by ¥30,008 million during the first nine months of the fiscal year ending March 2022, due mainly to share repurchases based on a resolution passed by the Board of Directors on May 13, 2021.

Additionally, retained earnings decreased by ¥19,809 million and treasury stock decreased by ¥19,809 million during the first nine months of the fiscal year ending March 2022, due to the cancellation of treasury stock on May 24, 2021 based on a resolution passed by the Board of Directors on May 13, 2021.

**[Changes in accounting policies]**
(Adoption of revenue recognition standard)
The DNP Group applied the Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan Statement No. 29, March 31, 2020; hereafter "the revenue recognition standard") from the beginning of the first quarter of the fiscal year ending March 2022. From the time that control over promised goods or services is transferred to a customer, the amount of money expected to be received in exchange for those goods or services will be recognized as revenue. The main changes resulting from the adoption of the revenue recognition standard are as follows:

(1) Recognition of revenue related to paid transactions
The Company and some of its consolidated subsidiaries purchase raw materials, etc. from customers, process those materials, etc., and sell them back to the same customer. DNP previously recognized revenue from these types of transactions (with some exceptions) as the entire amount received for such products, including the amount paid for the purchase of raw materials and other inputs. Now, however, we have changed to a method whereby we recognize net revenue excluding the purchase price of raw materials and other inputs.

(2) Recognition of revenue from transactions in which DNP acts as agent
DNP previously recognized as revenue the entire amount received as payment from customers who purchased books sold by some of its consolidated subsidiaries. However, regarding transactions in which DNP acts as an agent when providing goods or services to customers, it now recognizes as revenue the net amount obtained after subtracting payments to suppliers from amounts received from customers.

In its application of the revenue recognition standard, DNP complies with the transitional measures stipulated in the notes to Section 84 of the standard. It retroactively applied the new standard to the period prior to the first quarter of the fiscal year ending March 2022, and adjusted the first quarter's initial retained earnings by the cumulative impact of that retroactive application, then began applying the new standard starting with the adjusted balance at the beginning of the period. However, using the approach stipulated in Section 86 of the revenue recognition standard, we did not retroactively apply the new standard to contracts where virtually all revenue had been recognized prior to the beginning of the first quarter. In addition, the Company used the approach laid out in Section 86 (1) of the revenue recognition standard regarding contracts that were changed before the beginning of the first quarter: accounting for such contracts was based on contract terms after all contract changes had been reflected, and the amount of cumulative impact was added to or subtracted from retained earnings at the beginning of the first quarter.

As a result, net sales for the first nine months declined by ¥21,768 million, cost of sales by ¥18,185 million, selling, general and administrative expenses by ¥3,202 million, and operating income by ¥380 million, while ordinary income and income before income taxes and non-controlling interests each decreased by ¥229 million. The balance of retained earnings at the beginning of the quarter increased by ¥25 million.

Due to the introduction of the revenue recognition standard, “current assets” amounts that were displayed as “notes and trade receivables” in the consolidated balance sheet for the fiscal year ended March 2021 are now included with “notes, trade receivables, and contract assets” as of the first quarter of the fiscal term ending March 2022. In line with the transitional approach stipulated in Section 89-2 of the revenue recognition standard, the DNP Group has not reclassified figures from the previous fiscal year (through March 2021) according to the new presentation method. Furthermore, in accordance with the transitional approach stipulated in Section 28-15 of the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12, March 31, 2020), the DNP Group’s income statement does not break down revenue generated by contracts with customers during the first nine months of the previous fiscal year as a separate item.

(Adoption of accounting standard for fair value measurement)

The DNP Group began applying the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019; hereafter, “fair value measurement standard”) etc. as of the beginning of the first quarter of the fiscal year ending March 2022. Going forward, we intend to apply the new accounting policy defined by the standard in line with the transitional approach stipulated in Section 19 of said standard and Section 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). The impact of this change on the DNP Group’s quarterly consolidated financial statements will be minimal.

**[Additional information]**

(Transition of retirement benefit plans)

Since October 1, 2021, the Company and some of its consolidated subsidiaries have transitioned a portion of their retirement benefit plans to defined contribution pension plans.

Regarding accounting treatment associated with this change, we applied the Accounting Treatment for Transition between Retirement Benefit Plans (ASBJ Implementation Guidance No. 1, December 16, 2016) and Practical Solution on Accounting for Transfer between Retirement Benefit Plans (Practical Issues Task Force No. 2, February 7, 2007). As a result of this transition, we have recorded ¥18,534 million in retirement benefit plan revision gains as extraordinary gains for the first nine months of the fiscal year ending March 2022.

## [Segment information, etc.]

I. First nine months of previous fiscal year (April 1, 2020 – December 31, 2020)

Information on sales and income/loss by reporting segment

(Million yen)

| | Reporting segment | | | | | Adjustment Note 1 | Amounts reported on quarterly consolidated statements of income Note 2 |
|---|---|---|---|---|---|---|---|
| | Information Communication | Lifestyle and Industrial Supplies | Electronics | Beverages | Total | | |
| Net sales | | | | | | | |
| Outside customers | 527,462 | 275,441 | 145,969 | 38,815 | 987,689 | – | 987,689 |
| Inter-segment | 1,699 | 272 | – | 13 | 1,985 | (1,985) | – |
| Total | 529,162 | 275,713 | 145,969 | 38,829 | 989,674 | (1,985) | 987,689 |
| Segment income | 10,632 | 8,867 | 27,411 | 784 | 47,695 | (15,736) | 31,959 |

Notes: 1. Segment income is adjusted for costs related to basic research not assignable to a reporting segment or costs of research shared by different segments.
2. Segment income is adjusted to reflect operating income as reported on the quarterly consolidated statements of income.

II. First nine months of current fiscal year (April 1, 2021 – December 31, 2021)

1. Information on sales and income/loss by reporting segment and breakdown of revenue

(Million yen)

| | Reporting segment | | | | | Adjustment Note 1 | Amounts reported on quarterly consolidated statements of income Note 2 |
|---|---|---|---|---|---|---|---|
| | Information Communication | Lifestyle and Industrial Supplies | Electronics | Beverages | Total | | |
| Net sales Note 3 | | | | | | | |
| Outside customers | 516,979 | 290,238 | 156,991 | 37,450 | 1,001,660 | – | 1,001,660 |
| Inter-segment | 1,629 | 354 | – | 5 | 1,989 | (1,989) | – |
| Total | 518,609 | 290,593 | 156,991 | 37,455 | 1,003,650 | (1,989) | 1,001,660 |
| Segment income | 17,828 | 11,639 | 35,446 | 833 | 65,748 | (16,489) | 49,258 |

Notes: 1. Segment income is adjusted for costs related to basic research not assignable to a reporting segment or costs of research shared by different segments.
2. Segment income is adjusted to reflect operating income as reported on the quarterly consolidated statements of income.
3. Net sales include both revenue from contracts with customers and other revenue; these are not displayed as separate categories because the former accounts for almost the entirety of sales and the latter is not significant.

2. Notes concerning changes in reporting segments, etc.

As noted under “Changes in accounting policies,” the DNP Group began applying the revenue recognition accounting standard as of the beginning of the first quarter of the fiscal year ending March 2022 and changed its accounting methodology for recognizing revenue. This resulted in similar changes to its approach to measuring business segment profits and losses.

Compared with the previous standard, this change reduced Information Communication segment sales for the first nine months of the fiscal year ending March 2022 by ¥10,431 million and income by ¥292 million, Lifestyle and Industrial Supplies segment sales by ¥3,945 million and segment income by ¥72 million, Electronics segment sales by ¥5,621 million and income by ¥15 million, and Beverages segment sales by ¥1,768 million.