

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



July 30, 2025

## Consolidated Financial Results for the Three Months Ended June 30, 2025 [Japanese GAAP]

Company name: VALQUA, LTD.  
 Listing: Tokyo Stock Exchange  
 Securities code: 7995  
 URL: <https://www.valqua.com/>  
 Representative: Toshiharu Takisawa, Representative Director, President and COO  
 Inquiries: Koshiro Endo, General Manager, Investor Relations Division  
 Telephone: +81-3-5434-7372  
 Scheduled date of commencing dividend payments: –  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: None

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated financial results for the three months ended June 30, 2025 (April 1, 2025 to June 30, 2025)

#### (1) Consolidated operating results (cumulative)

(% indicates year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	13,949	(8.4)	1,802	24.6	1,803	(2.9)	1,261	(2.8)
June 30, 2024	15,230	(1.7)	1,446	(27.8)	1,856	(12.1)	1,298	(5.9)

(Note) Comprehensive income: Three months ended June 30, 2025 ¥426 million [(78.3)%]  
 Three months ended June 30, 2024 ¥1,964 million [7.7%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2025	71.72	–
June 30, 2024	73.84	–

#### (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
As of	Millions of yen	Millions of yen	%
June 30, 2025	77,017	49,627	64.4
March 31, 2025	77,823	50,521	64.9

(Reference) Shareholders' equity As of June 30, 2025 ¥49,594 million  
 As of March 31, 2025 ¥50,486 million

### 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	–	75.00	–	75.00	150.00
Fiscal year ending March 31, 2026	–				
Fiscal year ending March 31, 2026 (Forecast)		75.00	–	75.00	150.00

(Note) Revisions to the forecast of dividends most recently announced: None

### 3. Consolidated financial results forecast for the fiscal year ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(% indicates 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
First half of the year	29,000	(3.6)	3,000	2.6	3,000	(4.6)	1,800	(9.9)	102.30
Full year	62,000	3.1	7,000	23.5	7,000	16.7	4,800	2.6	272.80

(Note) Revisions to the financial results forecast most recently announced: None

**Notes**

- (1) Significant changes in scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies and accounting estimates, and retrospective restatement
  - (i) Changes in accounting policies due to revisions of accounting standards, etc.: None
  - (ii) Changes in accounting policies other than in (i): None
  - (iii) Changes in accounting estimates: None
  - (iv) Retrospective restatement: None

(4) Number of issued shares (common shares)

(i) Number of issued shares at the end of the period (including treasury shares)

As of June 30, 2025	18,688,733 shares
As of March 31, 2025	18,688,733 shares

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

As of June 30, 2025	1,093,781 shares
As of March 31, 2025	1,092,793 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year):

Three months ended June 30, 2025	17,595,023 shares
Three months ended June 30, 2024	17,578,753 shares

- \* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: Yes (voluntary)

- \* Explanation on appropriate use of financial results forecasts and other special notes

(Caution regarding forward-looking statements)

Outlook for financial results and other forward-looking statements contained in this document are based on information currently available to the Company and certain assumptions deemed reasonable by the Company. The Company does not guarantee that those forecasts will be achieved. Actual financial results, etc. may differ significantly due to various factors. Please refer to “(3) Explanation of Consolidated Earnings Forecast and Other Forward-Looking Statements” in “1. Overview of Operating Results, Etc.” on page 3 of the attached document for assumptions for financial results forecasts and cautionary notes in using financial results forecasts.

(Method of obtaining supplementary materials on financial results)

The supplementary materials on financial results will be made available on the Company website on July 30, 2025.

<https://www.valqua.com>

○Table of Contents of the attached document

1.	Overview of Operating Results, Etc. ....	2
(1)	Overview of Operating Results for the Period Under Review .....	2
(2)	Overview of Financial Position for the Period Under Review .....	2
(3)	Explanation of Consolidated Earnings Forecast and Other Forward-Looking Statements.....	3
2.	Quarterly Consolidated Financial Statements and Major Notes .....	4
(1)	Quarterly Consolidated Balance Sheet.....	4
(2)	Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income .....	6
	(Quarterly Consolidated Statement of Income).....	6
	(Quarterly Consolidated Statement of Comprehensive Income).....	7
(3)	Notes to Quarterly Consolidated Financial Statements.....	8
	(Notes on Segment Information, Etc.).....	8
	(Notes When There Are Significant Changes in Amounts of Equity) .....	8
	(Notes on Going Concern) .....	9
	(Notes on Quarterly Consolidated Statement of Cash Flows).....	9
	(Subsequent Events) .....	9
3.	Supplementary Information.....	11
(1)	Orders Received .....	11
(2)	Overseas Net Sales .....	11

## 1. Overview of Operating Results, Etc.

### (1) Overview of Operating Results for the Period Under Review

#### ● Overview

During the three months ended June 30, 2025, the Group promoted measures to develop production bases and increase capacity in preparation for a recovery in the semiconductor industry and future market expansion, while striving to secure earnings in an increasingly uncertain business environment, from the viewpoint of “striving to create new value to achieve the highest satisfaction of stakeholders,” as set forth in the medium-term management plan “New Frontier 2026” (NF2026), which is in its second year.

The Group reports the following consolidated results for the period under review: net sales of ¥13,949 million (down 8.4% year on year), operating profit of ¥1,802 million (up 24.6% year on year), ordinary profit of ¥1,803 million (down 2.9% year on year), and profit attributable to owners of parent of ¥1,261 million (down 2.8% year on year).

Contribution to consolidated performance during the three months ended June 30, 2024 by an operating company in the Silicon Wafer Reclaim Business that was sold in the fourth quarter of the previous fiscal year was as follows: net sales of ¥734 million, operating profit of ¥71 million, ordinary profit of ¥113 million, and profit attributable owners of parent of ¥78 million.

In addition, orders received during the first quarter of the fiscal year (three months) totaled ¥13,259 million, mainly reflecting a delay in the recovery of high performance plastics products, and order backlog at the end of the quarter was ¥10,341 million.

#### ● Status by Business Segment

Financial results by business segment for the period under review are as follows.

As the result of the sale of an operating company in the Silicon Wafer Reclaim Business, business segments have been changed from the current fiscal year. For details, please refer to page 8.

#### ・ Seal Products Business

In the Seal Products Business, net sales were ¥10,319 million (up 4.0% year on year) as sales of high-performance seal products for the advanced industries market remained at a high level, despite the impact of a decrease in the number of equipment maintenance projects for the plant market. Segment profit was ¥1,677 million (up 54.5% year on year).

#### ・ High Performance Plastics Products Business

In the High Performance Plastics Products Business, net sales were ¥3,630 million (down 20.6% year on year) and segment profit was ¥124 million (down 56.8% year on year), due to a significant decline in sales of fluorocarbon processed products for the advanced industries market, in addition to continued adjustments in demand for fluorocarbon tanks, valves, and other products for the plant market.

### (2) Overview of Financial Position for the Period Under Review

Total assets at the end of the period under review amounted to ¥77,017 million, a decrease of ¥805 million from the end of the previous fiscal year. Current Assets amounted to ¥45,713 million, a decrease of ¥716 million. This was mainly due to a decrease of ¥835 million in notes and accounts receivable - trade, and contract assets, a decrease of ¥708 million in cash and deposits, an increase of ¥521 million in electronically recorded monetary claims - operating, and an increase of ¥329 million in raw materials and supplies. Non-current assets amounted to ¥31,303 million, a decrease of ¥89 million. This was mainly due to a decrease of ¥2,601 million in construction in progress included in other, net under property, plant and equipment, an increase of ¥1,506 million in buildings and structures, an increase of ¥886 million in machinery and equipment included in other, net under property, plant and equipment, and an increase of ¥114 million in investment securities.

Liabilities amounted to ¥27,390 million, an increase of ¥87 million from the end of the previous fiscal year. Current liabilities amounted to ¥17,384 million, a decrease of ¥1,185 million. This was mainly due to a decrease of ¥1,116 million in current portion of long-term borrowings. Non-current liabilities amounted to ¥10,005 million, an increase of ¥1,272 million. This was mainly due to an increase of ¥1,137 million in long-term borrowings, and an increase of ¥231 million in deferred tax liabilities and a decrease of ¥76 million in lease liabilities, both included in other under non-current liabilities.

Net assets amounted to ¥49,627 million, a decrease of ¥893 million from the end of the previous fiscal year. This was mainly due to a decrease of ¥887 million in foreign currency translation adjustment.

As a result, the shareholders' equity ratio decreased by 0.5 percentage point from the end of the previous fiscal year, from 64.9% to 64.4%.

(3) Explanation of Consolidated Earnings Forecast and Other Forward-Looking Statements

Currently, we have noted many uncertainties that could have an impact on the global economy, such as reciprocal tariffs by the U.S., deterioration of diplomatic relations among countries, and the situations in East Asia, Ukraine, and the Middle East. In addition, there are possible concerns surrounding the Group about a further slowdown in global capital expenditures, delays in a full-fledged recovery in semiconductor-related business conditions, labor shortages, rising personnel costs, and other issues.

Given these business conditions, the Group formulated a three-year medium-term management plan NF2026. The plan expresses our commitment in the following basic policy:

In an environment of rapid global fragmentation and drastic changes in business models due to digitalization, let's strive to create new value for the highest satisfaction of stakeholders from multiple perspectives under "THE VALQUA WAY"!

Through this, we will ensure the achievement of our long-term management targets of consolidated net sales of ¥80.0 billion and ROE of 15% or more, which we have set for the fiscal year ending March 31, 2027, our 100th anniversary, and steadily and swiftly implement various strategies with a view to achieving sustainable value creation in the future.

Based on the above, we forecast net sales of ¥29.0 billion, down 3.6% year on year, operating profit of ¥3.0 billion, up 2.6% year on year, ordinary profit of ¥3.0 billion, down 4.6% year on year, and profit attributable to owners of parent of ¥1.8 billion, down 9.9% year on year for the first six months of the current fiscal year, with net sales of ¥62.0 billion, up 3.1% year on year, operating profit of ¥7.0 billion, up 23.5% year on year, ordinary profit of ¥7.0 billion, up 16.7% year on year, and profit attributable to owners of parent of ¥4.8 billion, up 2.6% year on year for the current fiscal year, respectively.

Moreover, this forecast incorporates fluctuations in demand in the advanced industries market and others, as well as increases in energy and raw material prices and logistics costs to a certain extent. However, the forecast values and actual results may differ from each other should there arise an event that has a significant impact on the Group's business environment, such as disruptions in global supply chains, rapid fluctuations in foreign exchange rates, or further deterioration in geopolitical issues around the world.

## 2. Quarterly Consolidated Financial Statements and Major Notes

## (1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	7,969	7,260
Notes and accounts receivable - trade, and contract assets	12,497	11,661
Electronically recorded monetary claims - operating	4,142	4,664
Merchandise and finished goods	6,542	6,706
Work in process	1,095	1,136
Raw materials and supplies	11,491	11,821
Other	2,845	2,608
Allowance for doubtful accounts	(154)	(146)
Total current assets	46,430	45,713
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,194	8,700
Land	4,169	4,169
Other, net	11,260	9,542
Total property, plant and equipment	22,624	22,413
Intangible assets		
Other	1,876	1,816
Total intangible assets	1,876	1,816
Investments and other assets		
Investment securities	3,949	4,063
Other	2,977	3,043
Allowance for doubtful accounts	(34)	(32)
Total investments and other assets	6,891	7,074
Total non-current assets	31,393	31,303
Total assets	77,823	77,017

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	5,809	5,608
Electronically recorded obligations - operating	901	1,014
Short-term borrowings	4,952	4,854
Current portion of long-term borrowings	2,000	884
Income taxes payable	1,206	559
Provision for bonuses	699	314
Provision for bonuses for directors (and other officers)	86	17
Other	2,912	4,130
Total current liabilities	18,569	17,384
Non-current liabilities		
Long-term borrowings	6,662	7,800
Retirement benefit liability	373	363
Other	1,695	1,841
Total non-current liabilities	8,732	10,005
Total liabilities	27,302	27,390
<b>Net assets</b>		
Shareholders' equity		
Share capital	13,957	13,957
Capital surplus	4,756	4,756
Retained earnings	29,446	29,387
Treasury shares	(1,904)	(1,904)
Total shareholders' equity	46,256	46,197
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,307	1,383
Foreign currency translation adjustment	2,721	1,834
Remeasurements of defined benefit plans	201	178
Total accumulated other comprehensive income	4,230	3,396
Non-controlling interests	34	33
Total net assets	50,521	49,627
Total liabilities and net assets	77,823	77,017

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income  
(Quarterly Consolidated Statement of Income)

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	15,230	13,949
Cost of sales	9,173	7,922
Gross profit	6,057	6,026
Selling, general and administrative expenses	4,611	4,224
Operating profit	1,446	1,802
Non-operating income		
Interest income	9	18
Dividend income	33	28
Rental income from facilities	65	72
Share of profit of entities accounted for using equity method	104	5
Foreign exchange gains	249	–
Other	74	35
Total non-operating income	536	160
Non-operating expenses		
Interest expenses	52	62
Rental expenses on facilities	45	68
Other	27	29
Total non-operating expenses	126	159
Ordinary profit	1,856	1,803
Extraordinary income		
Gain on sale of non-current assets	–	30
Gain on sales of investments in capital of subsidiaries and associates	179	–
Total extraordinary income	179	30
Extraordinary losses		
Loss on abandonment of non-current assets	32	–
Business restructuring expenses	39	73
Total extraordinary losses	71	73
Profit before income taxes	1,964	1,760
Income taxes - current	561	299
Income taxes - deferred	91	198
Total income taxes	652	498
Profit	1,311	1,262
Profit attributable to non-controlling interests	13	0
Profit attributable to owners of parent	1,298	1,261



## (Quarterly Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit	1,311	1,262
Other comprehensive income		
Valuation difference on available-for-sale securities	280	77
Foreign currency translation adjustment	470	(889)
Remeasurements of defined benefit plans, net of tax	(28)	(22)
Share of other comprehensive income of entities accounted for using equity method	(69)	(1)
Total other comprehensive income	653	(836)
Comprehensive income	1,964	426
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,949	427
Comprehensive income attributable to non-controlling interests	15	(1)

## (3) Notes to Quarterly Consolidated Financial Statements

(Notes on Segment Information, Etc.)

[Segment Information]

## I. Three months ended June 30, 2024

Information on the amount of net sales and profit or loss for each reportable segment

(Millions of yen)

	Reportable segment			Total	Adjustments	Amount recorded in the quarterly consolidated statement of income (Note)
	Seal Products Business	High Performance Plastics Products Business	Silicon Wafer Reclaim and Other Businesses			
Net sales						
Sales to external customers	9,926	4,568	734	15,230	—	15,230
Inter-segment sales or transfers	—	—	—	—	—	—
Total	9,926	4,568	734	15,230	—	15,230
Segment profit	1,085	289	71	1,446	—	1,446

(Note) The total amount of segment profit is the same as operating profit in the quarterly consolidated statement of income.

## II. Three months ended June 30, 2025

Information on the amount of net sales and profit or loss for each reportable segment

(Millions of yen)

	Reportable segment		Total	Adjustments	Amount recorded in the quarterly consolidated statement of income (Note)
	Seal Products Business	High Performance Plastics Products Business			
Net sales					
Sales to external customers	10,319	3,630	13,949	—	13,949
Inter-segment sales or transfers	—	—	—	—	—
Total	10,319	3,630	13,949	—	13,949
Segment profit	1,677	124	1,802	—	1,802

(Note) The total amount of segment profit or loss is the same as operating profit in the quarterly consolidated statement of income.

## Matters regarding changes in reportable segments

(Reclassification of reportable segments)

From the period under review, our reportable segments have been reorganized into two segments: the Seal Products Business and the High Performance Plastics Products Business. In the past, the Group had three reportable segments: the Seal Products Business, the High Performance Plastics Products Business, and the Silicon Wafer Reclaim and Other Businesses.

At a meeting of the Board of Directors held on February 26, 2025, the Company resolved to transfer all of its shares held in VALQUA FFT Inc., a major constituent company in the Silicon Wafer Reclaim and Other Businesses, and the transfer was made on March 21, 2025. As a result of reconsidering reportable segments based on the Group's business management structure after this share transfer, we decided it would be appropriate to consolidate them into two segments: the Seal Products Business and the High Performance Plastics Products Business.

Segment information for the three months ended June 30, 2024, has been prepared based on the classification after the change and excluding the net sales and operating profit of VALQUA FFT Inc., which were included in the "Silicon Wafer Reclaim and Other Businesses" segment.

(Notes When There Are Significant Changes in Amounts of Equity)

Not applicable.

## (Notes on Going Concern)

Not applicable.

## (Notes on Quarterly Consolidated Statement of Cash Flows)

The Company has not prepared quarterly consolidated statement of cash flows for the first three months of the current fiscal year. In addition, the amounts of depreciation (including amortization related to intangible assets excluding goodwill) for the first three months of the current and previous fiscal years are as stated below.

	(Millions of yen)	
	Three months ended June 30, 2024	Three months ended June 30, 2025
Depreciation	684	689

## (Subsequent Events)

## (Business combination through acquisition)

At a meeting of the Board of Directors held on June 30, 2025, the Company resolved to acquire all shares of Torque System Co., Ltd. and entered into a share transfer agreement on the same day. Based on this share transfer agreement, the Company will acquire all shares of Torque System Co., Ltd. on July 31, 2025, and make it a consolidated subsidiary.

## (1) Outline of the business combination

## (i) Name and business description of the acquired company

Name of the acquired company Torque System Co., Ltd.

Business description Sale and rental of tools and equipment specialized in bolt tightening, etc.

## (ii) Main reason for conducting the business combination

Torque System Co., Ltd. was founded in 2002 as a specialized trading company focusing on large bolt tightening tools. Since then, it has been developing businesses such as the sale and rental of tools and equipment specialized in bolt tightening tools, as well as engineering services, targeting fields such as oil refining plants and chemical plants. On the other hand, as laid out in the Group's medium-term management plan "NF2026," the Group is strengthening efforts to address the shortage of manpower in the seal maintenance area as one of the strategies for creating new value for the equipment market and plant market. Against this backdrop, the Company decided to welcome Torque System Co., Ltd. into the Group, believing that by integrating the engineering capabilities of Torque System Co., Ltd. with our seal solutions, we can further enhance our ability to create customer value.

## (iii) Date of business combination

July 31, 2025 (planned)

## (iv) Legal form of business combination

Share acquisition

## (v) Name of company after combination

Torque System Co., Ltd.

## (vi) Ratio of voting rights to be acquired

100%

## (vii) Main basis for determining the acquiring company

The Company acquired the shares in exchange for cash consideration.

## (2) Acquisition cost of the acquired company and breakdown thereof by type of consideration

Consideration for acquisition	Cash	¥2,300 million
Acquisition cost		¥2,300 million

## (3) Details and amounts of main acquisition-related costs

Advisory fees and commissions: ¥18 million

(4) Amount of goodwill recognized, the reason for recognition, and the method and period of amortization  
To be determined.

(5) Amount and breakdown of assets acquired and liabilities assumed as of the date of the business combination  
To be determined.

(Significant borrowing of funds)

At a meeting of the Board of Directors held on June 30, 2025, the Company resolved to borrow funds for the acquisition of shares of Torque System Co., Ltd., and executed the borrowing on July 30, 2025.

Lender	Sumitomo Mitsui Banking Corporation	Sumitomo Mitsui Trust Bank, Limited	Mizuho Bank, Ltd.
Purpose	Securing funds for M&A	Securing funds for M&A	Securing funds for M&A
Amount borrowed	¥1,150 million	¥575 million	¥575 million
Loan interest	Benchmark interest rate + spread	Benchmark interest rate + spread	Benchmark interest rate + spread
Drawdown date	July 30, 2025	July 30, 2025	July 30, 2025
Maturity date	Five years from the drawdown date	Five years from the drawdown date	Five years from the drawdown date
Collateral	Unsecured/Unguaranteed	Unsecured/Unguaranteed	Unsecured/Unguaranteed

### 3. Supplementary Information

#### (1) Orders Received

(Millions of yen)

Segment name	Orders received			Order backlog		
	Three months ended June 30, 2024	Three months ended June 30, 2025	Year-on-year change (%)	As of June 30, 2024	As of June 30, 2025	Year-on-year change (%)
Seal Products Business	10,266	10,038	(2.2)	6,234	6,571	5.4
High Performance Plastics Products Business	4,061	3,220	(20.7)	4,122	3,770	(8.6)
Silicon Wafer Reclaim and Other Businesses	691	—	—	222	—	—
Total	15,019	13,259	(11.7)	10,578	10,341	(2.2)

(Note) From the period under review, our reportable segments have been reorganized into two segments: the Seal Products Business and the High Performance Plastics Products Business. In the past, the Group had three reportable segments: the Seal Products Business, the High Performance Plastics Products Business, and the Silicon Wafer Reclaim and Other Businesses.

Segment information for the three months ended June 30, 2024, has been prepared based on the classification after the change and excluding the orders received and order backlog of VALQUA FFT Inc., which were included in the “Silicon Wafer Reclaim and Other Businesses” segment.

#### (2) Overseas Net Sales

Three months ended June 30, 2024

	Asia	United States	The Others	Total
I. Overseas net sales (millions of yen)	3,760	1,123	42	4,926
II. Consolidated net sales (millions of yen)				15,230
III. Percentage of overseas net sales to consolidated net sales (%)	24.7	7.4	0.3	32.4

- (Notes) 1. Country or region classification is based on geographical proximity.  
 2. The breakdown of the main countries or regions belonging to each classification other than Japan is as follows:  
     (1) Asia ..... China, Taiwan, Thailand, Singapore, South Korea and Vietnam  
     (2) The Others ..... Europe  
 3. Overseas net sales are sales by the Company and its consolidated subsidiaries in countries or regions other than Japan.

Three months ended June 30, 2025

	Asia	United States	The Others	Total
I. Overseas net sales (millions of yen)	3,517	748	62	4,328
II. Consolidated net sales (millions of yen)				13,949
III. Percentage of overseas net sales to consolidated net sales (%)	25.2	5.4	0.5	31.0

- (Notes) 1. Country or region classification is based on geographical proximity.  
 2. The breakdown of the main countries or regions belonging to each classification other than Japan is as follows:  
     (1) Asia ..... China, Taiwan, Thailand, Singapore, South Korea and Vietnam  
     (2) The Others ..... Europe  
 3. Overseas net sales are sales by the Company and its consolidated subsidiaries in countries or regions other than Japan.