

Translation

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MEMBERSHIP
August 9, 2022

CONSOLIDATED FINANCIAL RESULTS for the First Three Months of the Fiscal Year Ending March 31, 2023 <under Japanese GAAP>

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Listing: Prime Market of the Tokyo Stock Exchange
Securities identification code: 7867
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Scheduled date to file quarterly securities report: August 10, 2022
Scheduled date to commence dividend payments: –
Supplementary material on quarterly financial results: No
Quarterly financial results presentation meeting: Yes (for institutional investors and analysts)

(in millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated performance for the first three months of the fiscal year ending March 31, 2023 (From April 1, 2022 to June 30, 2022)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

Three months ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2022	39,552	12.8	1,665	(22.5)	1,335	(37.7)	735	(75.6)
June 30, 2021	35,058	30.8	2,148	–	2,144	–	3,009	–

Note: Comprehensive income
Three months ended June 30, 2022: ¥6,600 million [138.3%]
Three months ended June 30, 2021: ¥2,769 million [–%]

Three months ended	Basic earnings per share	Diluted earnings per share
	yen	yen
June 30, 2022	8.04	8.03
June 30, 2021	32.18	32.17

(2) Consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
June 30, 2022	164,972	83,544	50.5	909.74
March 31, 2022	156,090	79,174	50.5	860.74

Reference: Equity
As of June 30, 2022: ¥83,259 million
As of March 31, 2022: ¥78,863 million

2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	yen	yen	yen	yen	yen
Fiscal year ended March 31, 2022	–	10.00	–	22.50	32.50
Fiscal year ending March 31, 2023	–				
Fiscal year ending March 31, 2023 (Forecast)		17.50	–	15.00	32.50

Note: Revisions to the cash dividend forecasts most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2023

(From April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2022 (cumulative)	80,000	3.9	5,500	(7.3)	5,400	(9.1)	3,500	(33.3)	37.72
Fiscal year ending March 31, 2023	170,000	2.8	12,000	(2.8)	11,800	(6.8)	7,500	(17.7)	80.83

Note: Revisions to the consolidated earnings forecasts most recently announced: None

* Notes

(1) Changes in significant subsidiaries during the three months under review (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Application of specific accounting for preparing quarterly consolidated financial statements: Yes

Note: For more details, please refer to the section of “(3) Notes Regarding Consolidated Financial Statements, (Application of specific accounting for preparing quarterly consolidated financial statements)” of “2. Consolidated Financial Statements and Significant Notes Thereto” on page 13 of the attached material.

(3) Changes in accounting policies, changes in accounting estimates, and restatement

A. Changes in accounting policies due to revisions to accounting standards: Yes

B. Changes in accounting policies due to other reasons: None

C. Changes in accounting estimates: None

D. Restatement: None

Note: For more details, please refer to the section of “(3) Notes Regarding Consolidated Financial Statements, (Changes in accounting policies)” of “2. Consolidated Financial Statements and Significant Notes Thereto” on page 13 of the attached material.

(4) Number of issued shares (common shares)

A. Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2022	94,990,850 shares
As of March 31, 2022	94,990,850 shares

B. Number of treasury shares at the end of the period

As of June 30, 2022	3,470,832 shares
As of March 31, 2022	3,367,301 shares

C. Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	91,502,219 shares
Three months ended June 30, 2021	93,502,437 shares

Note: The Company has introduced “Performance-linked stock-based compensation system for Directors (excluding outside directors and part-time directors)” and “Performance-linked stock-based compensation system for Executive Officers.” Treasury shares remaining in the “Performance-linked stock-based compensation system for Directors (excluding outside directors and part-time directors)” and the “Performance-linked stock-based compensation system for Executive Officers” that are recorded as treasury shares in shareholders’ equity are included in treasury shares to be deducted in the calculation of the total number of issued shares at the end of the period for the calculation of net assets per share. They are also included in treasury shares to be deducted in the calculation of the average number of shares during the period for the calculation of basic earnings per share.

* Quarterly financial results reports are exempt from quarterly reviews conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

Regarding future forecasts, please refer to “(3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements,” under “1. Qualitative Information Regarding Consolidated Operating Results,” on page 8.

A financial results presentation meeting for institutional investors and analysts will be held via telephone conference on August 9, 2022.

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1. Qualitative Information Regarding Consolidated Operating Results

(1) Explanation of Operating Results

(Highlights of First Three Months of the Fiscal Year Ending March 31, 2023)

(Impacts etc. of the novel coronavirus disease (COVID-19))

With the lifting of measures to prevent the spread of COVID-19 in all areas throughout Japan, social and economic activities moved toward normalization, and we also saw a recovery in the flow of people to stores in the toy market.

In addition, the business environment surrounding the Company remains highly uncertain overall with the sharp rise in global raw materials prices and inflation and extreme foreign exchange fluctuations that began with the sudden deterioration in the situation in Ukraine.

(Consolidated performance)

• Net sales

Net sales were ¥39,552 million (up 12.8% year on year). This was due to strong shipments of toys, the continued popularity of amusement machines and GACHA capsule toys developed by T-ARTS Company, and sales growth in the KIDDYLAND retail business.

For our long-standing products, we continued our efforts to plan, develop, and enhance sales of attractive products. We launched new products such as “TOMICA Exciting Drive” a driving course with lever and handle operations, for TOMICA, and “Make you excited! PLARAIL BEST SELECTION SET,” which allows various layouts to be combined, for PLARAIL. The current fiscal year saw continued strong sales and the celebration of the 20th anniversary of the release of the trading card game DUEL MASTERS that enjoyed sales growth in the previous fiscal year, and overseas-bound exports of TRANSFORMERS grew mainly in North America and Asia. Furthermore, “Punirunes,” the LCD toy with a new texture, remained popular due to its product qualities integrating digital and real play and the attraction of its many characters. In addition, the amusement machine Pokémon Mezastar developed by T-ARTS Company continued to be well received, and sales increased for the T-ARTS Company’s GACHA capsule toy business owing to related products using hit contents, amid the increasing market popularity of capsule toys.

• Profit

Operating profit was ¥1,665 million (down 22.5% year on year). This was mainly because corporate activities returned to normal and selling, general and administrative expenses shifted to increase, with the above foreign exchange impact and the shift to a decline in COVID-19 cases mainly in Japan. While net sales increased, rising distribution costs at overseas locations, the product mix for domestic toys, and the impact of foreign exchange caused our sales cost ratio to increase year on year. Ordinary profit was ¥1,335 million (down 37.7% year on year) due to the recording of non-operating expenses mainly from foreign exchange losses. Profit attributable to owners of parent decreased to ¥735 million (down 75.6% year on year), but this was due to the recording of ¥1,884 million in extraordinary income as gain on transfer from the transfer of real estate used for offices in non-current assets in the same period of the previous fiscal year.

(Overview of Reportable Segments)
 <Overview of operating results by segment>

(Millions of yen)

	First three months of the fiscal year ended March 31, 2022	First three months of the fiscal year ending March 31, 2023	Change	Rate of change (%)
Net sales	35,058	39,552	4,494	12.8
Japan	28,863	33,245	4,381	15.2
Americas	4,908	6,122	1,214	24.7
Europe	896	894	(1)	(0.2)
Oceania	585	626	41	7.1
Asia (excl. Japan)	11,243	14,771	3,528	31.4
Eliminations and corporate	(11,438)	(16,108)	(4,669)	–
Operating profit/(loss)	2,148	1,665	(483)	(22.5)
Japan	2,785	2,996	210	7.6
Americas	(1)	(216)	(214)	–
Europe	(81)	(237)	(156)	–
Oceania	53	31	(21)	(40.8)
Asia (excl. Japan)	235	463	227	96.7
Eliminations and corporate	(842)	(1,371)	(529)	–

Japan

(Millions of yen)

	First three months of the fiscal year ended March 31, 2022	First three months of the fiscal year ending March 31, 2023	Change
Net sales	28,863	33,245	4,381
Operating profit	2,785	2,996	210

Net sales were ¥33,245 million (up 15.2% year on year), and operating profit was ¥2,996 million (up 7.6% year on year). This was due to strong shipments of toys, the continued popularity of GACHA capsule toys and amusement machines developed by T-ARTS Company, and sales growth in the KIDDYLAND retail business.

With the lifting of measures to prevent the spread of COVID-19 in all areas, social and economic activities moved toward normalization, and we also saw a recovery in the flow of people to stores in the toy market. For our long-standing products, we continued our efforts to plan, develop, and enhance sales of attractive products. “TOMICA Exciting Drive” for TOMICA and “Make you excited! PLARAIL BEST SELECTION SET” for PLARAIL were well received.

Sales remained strong for the trading card game DUEL MASTERS, which celebrated the 20th anniversary of its release this fiscal year, mainly due to product initiatives to enhance the collectability of rare cards. “Beyblade Burst” has enjoyed long-term popularity both in Japan and overseas, and overseas-bound exports of TRANSFORMERS grew mainly in North America and Asia. For the Pokémon series, “MONSTER COLLECTION” and other related toys continued to be well received, and the TV animation, PAW Patrol, which entered its fourth year of broadcasting, further grew its popularity through the broadcasting of a new series on terrestrial television, enjoying strong sales of related products. “Punirunes,” the LCD toy with a new texture released in summer of last year, remained popular due to its product qualities integrating digital and real play and the attraction of its many characters, and the Company continued to focus proactively on the creation of hit products.

Furthermore, as an initiative to develop our IP on television and the internet, in April we began broadcasting the TV animation “BOTTLEMAN DX” and the new sensation danceable drama “RizSta -

Top of Artists!” and began streaming the online animation “TOMICA Heroes Jobraver - Specially-equipped combined robot.”

We also continued promoting initiatives around the key word “play” by launching “MUGENYOYO,” an innovative entertainment toy that allows players to enjoy playing yoyo, recording videos using AR effects, and posting them on social media.

For amusement machines offered by T-ARTS Company, sales of Pokémon Mezastar remained strong. In T-ARTS Company’s GACHA capsule toy business, amid a market environment of increasing popularity of capsule toys, sales increased due to the expanded installation of large-scale GACHA sales spaces and related products using popular contents, and sales of plush toys were well received.

Americas

(Millions of yen)

	First three months of the fiscal year ended March 31, 2022	First three months of the fiscal year ending March 31, 2023	Change
Net sales	4,908	6,122	1,214
Operating profit/ (loss)	(1)	(216)	(214)

Net sales was ¥6,122 million (up 24.7% year on year), partly due to the strong sales from Fat Brain Group, but we recorded an operating loss of ¥216 million (operating loss of ¥1 million in the same period of the previous fiscal year), partly due to the impact of surging distribution costs. Various regulations to combat COVID-19 have been relaxed to another degree. Amid these conditions, while we continue to be impacted by supply-chain disruptions, sales of “Ag Replicas” and rideable-type agricultural machinery toys were favorable, and sales of the plush toy MOCCHI- MOCCHI- (overseas product name: Club Mocchi-Mocchi-) grew.

Europe

(Millions of yen)

	First three months of the fiscal year ended March 31, 2022	First three months of the fiscal year ending March 31, 2023	Change
Net sales	896	894	(1)
Operating profit/ (loss)	(81)	(237)	(156)

Net sales were ¥894 million (down 0.2% year on year), due to a decline in sales of infant products, and operating loss was ¥237 million (operating loss of ¥81 million in the same period of the previous fiscal year), partly due to the impact of surging distribution costs. Various regulations to combat COVID-19 have been relaxed in European countries. Amid these conditions, sales of agricultural machinery toys such as “Ag Replicas” were strong, and sales grew for the push toy “Club Mocchi- Mocchi-.”

Oceania

(Millions of yen)

	First three months of the fiscal year ended March 31, 2022	First three months of the fiscal year ending March 31, 2023	Change
Net sales	585	626	41
Operating profit	53	31	(21)

Net sales were ¥626 million (up 7.1% year on year), and operating profit was ¥31 million (down 40.8% year on year). This was due to strong sales of rideable-type agricultural machinery toys and growing sales of infant products such as “Lamaze & Friends” in the infant and preschool products category. In Oceania, various regulations to combat COVID-19 continued to be relaxed ahead of other countries from the previous fiscal year.

Asia (excl. Japan)

(Millions of yen)

	First three months of the fiscal year ended March 31, 2022	First three months of the fiscal year ending March 31, 2023	Change
Net sales	11,243	14,771	3,528
Operating profit	235	463	227

Net sales were ¥14,771 million (up 31.4% year on year), and operating profit was ¥463 million (up 96.7% year on year), mainly due to offering the popular Japanese products “Punirunes,” the LCD toy with a new texture, and T-ARTS Company’s amusement machines in Asia. Restrictions imposed on outings starting in spring 2022 by national and regional governments and lockdowns in Shanghai, China continued to impact purchasing trends. Amid these conditions, we offered long-standing products in Japan such as “TOMICA,” “PLARAIL,” “LICCA doll,” and “ANIA,” and sales were particularly strong for single-pack “TOMICA” vehicles.

(2) Overview of Financial Position

Assets, Liabilities and Net Assets

<Assets>

At the end of the first quarter of the fiscal year ending March 31, 2023, current assets stood at ¥113,968 million, up ¥3,643 million from the end of the previous fiscal year ended March 31, 2022. This was mainly attributable to an increase in merchandise and finished goods, despite a decrease in cash and deposits.

Non-current assets stood at ¥51,003 million, up ¥5,237 million from the end of the previous fiscal year. This was mainly attributable to increases in property, plant and equipment and intangible assets, despite a decrease in investments and other assets.

<Liabilities>

At the end of the first quarter, current liabilities stood at ¥53,271 million, up ¥3,343 million from the end of the previous fiscal year. This was mainly attributable to increases in notes and accounts payable - trade and short-term borrowings, despite decreases in income taxes payable and accrued expenses.

Non-current liabilities stood at ¥28,155 million, up ¥1,166 million from the end of the previous fiscal year. This was mainly attributable to increases in lease obligations and deferred tax liabilities, despite a decrease in long-term borrowings.

<Net assets>

At the end of the first quarter, total net assets were ¥83,544 million, up ¥4,370 million from the end of the previous fiscal year. This was mainly attributable to increases in foreign currency translation adjustment and deferred gains or losses on hedges, despite a decrease in retained earnings.

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements

No changes have been made to the earnings forecasts that were announced on May 10, 2022.

2. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	65,424	58,718
Notes and accounts receivable - trade	20,291	20,925
Merchandise and finished goods	16,082	23,091
Work in process	837	894
Raw materials and supplies	1,096	1,116
Other	6,758	9,410
Allowance for doubtful accounts	(165)	(187)
Total current assets	110,324	113,968
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,347	13,528
Accumulated depreciation	(9,034)	(9,190)
Accumulated impairment loss	(941)	(940)
Buildings and structures, net	3,370	3,396
Machinery, equipment and vehicles	2,892	3,001
Accumulated depreciation	(2,305)	(2,399)
Accumulated impairment loss	(36)	(37)
Machinery, equipment and vehicles, net	549	564
Tools, furniture and fixtures	24,209	24,745
Accumulated depreciation	(22,344)	(22,834)
Accumulated impairment loss	(947)	(956)
Tools, furniture and fixtures, net	918	954
Land	3,916	3,936
Leased assets	8,425	8,615
Accumulated depreciation	(3,663)	(3,826)
Accumulated impairment loss	(378)	(390)
Leased assets, net	4,383	4,397
Right-of-use assets	-	3,263
Construction in progress	387	394
Total property, plant and equipment	13,526	16,907
Intangible assets		
Goodwill	15,988	17,387
Other	9,902	10,721
Total intangible assets	25,890	28,109
Investments and other assets		
Investment securities	2,970	2,747
Deferred tax assets	1,215	1,087
Other	2,230	2,222
Allowance for doubtful accounts	(66)	(70)
Total investments and other assets	6,349	5,987
Total non-current assets	45,766	51,003
Total assets	156,090	164,972

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,958	14,338
Short-term borrowings	7,628	8,698
Current portion of long-term borrowings	8,834	8,920
Lease obligations	2,686	3,419
Accounts payable - other	7,502	6,616
Accrued expenses	8,183	7,038
Income taxes payable	2,422	727
Provisions	714	558
Other	2,995	2,953
Total current liabilities	49,927	53,271
Non-current liabilities		
Long-term borrowings	18,894	16,900
Lease obligations	1,626	4,426
Deferred tax liabilities	770	1,025
Deferred tax liabilities for land revaluation	472	472
Provisions	243	326
Retirement benefit liability	2,585	2,582
Other	2,396	2,422
Total non-current liabilities	26,989	28,155
Total liabilities	76,916	81,427
Net assets		
Shareholders' equity		
Share capital	3,459	3,459
Capital surplus	8,014	8,019
Retained earnings	55,472	54,131
Treasury shares	(3,374)	(3,507)
Total shareholders' equity	63,571	62,102
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,103	937
Deferred gains or losses on hedges	800	1,909
Revaluation reserve for land	624	624
Foreign currency translation adjustment	13,158	18,112
Remeasurements of defined benefit plans	(395)	(426)
Total accumulated other comprehensive income	15,291	21,156
Share acquisition rights	310	285
Total net assets	79,174	83,544
Total liabilities and net assets	156,090	164,972

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
(Consolidated statement of income)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	35,058	39,552
Cost of sales	20,885	24,465
Gross profit	14,173	15,086
Selling, general and administrative expenses	12,024	13,421
Operating profit	2,148	1,665
Non-operating income		
Interest and dividend income	22	35
Rental income	38	37
Foreign exchange gains	16	–
Other	36	70
Total non-operating income	113	143
Non-operating expenses		
Interest expenses	97	96
Foreign exchange losses	–	271
Other	20	103
Total non-operating expenses	117	472
Ordinary profit	2,144	1,335
Extraordinary income		
Gain on sale of non-current assets	1,884	–
Total extraordinary income	1,884	–
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Loss on COVID-19	192	32
Other	20	–
Total extraordinary losses	213	32
Profit before income taxes	3,816	1,303
Income taxes	806	567
Profit	3,009	735
Profit attributable to owners of parent	3,009	735

(Consolidated statement of comprehensive income)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	3,009	735
Other comprehensive income		
Valuation difference on available-for-sale securities	(42)	(165)
Deferred gains or losses on hedges	(131)	1,108
Foreign currency translation adjustment	(73)	4,953
Remeasurements of defined benefit plans, net of tax	7	(30)
Total other comprehensive income	(239)	5,865
Comprehensive income	2,769	6,600
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,769	6,600
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes Regarding Consolidated Financial Statements

(Notes regarding assumption of going concern)

Nothing to note.

(Notes on significant changes in the amount of shareholders' equity)

Nothing to note.

(Application of specific accounting for preparing quarterly consolidated financial statements)

(Tax expense calculation)

Tax expenses on profit before income taxes for the three months under review are calculated by multiplying profit before income taxes for the three months under review by the reasonably estimated effective tax rate for the fiscal year including the first quarter under review after applying tax effect accounting.

(Changes in accounting policies)

(Application of ASU 2016-02 "Leases")

At consolidated subsidiaries outside Japan adopting US GAAP, Accounting Standards Update No. 2016-02 "Leases" ("ASU 2016-02") has been applied from the first quarter under review. Due to this application, lessees, in principle, record all leases as assets and liabilities on the balance sheets. In applying ASU 2016-02, in accordance with the transition requirements, a method has been adopted to recognize the cumulative effect of accounting change at the date of initial application.

As a result, as of June 30, 2022, "right-of-use assets" in property, plant and equipment increased by ¥3,263 million, "lease obligations" in current liabilities increased by ¥600 million, and "lease obligations" in non-current liabilities increased by ¥2,842 million. The impact on profit and loss for the first three months of the fiscal year under review was immaterial.

(Additional information)

(Assumptions regarding the effects of COVID-19 used in accounting estimates)

It is still difficult to accurately predict when COVID-19 will come to a halt.

Based on the assumption that the impact of COVID-19 will not worsen from the situation at the end of the previous fiscal year, the Group has made accounting estimates, including the recoverability of deferred tax assets and the valuation of goodwill, trademark usage rights and other intangible assets.

There have been no significant changes to the assumptions used in these accounting estimates since the previous fiscal year.

(Consolidated statement of income)

Loss on COVID-19

During the first three months of the fiscal year ended March 31, 2022, it mainly includes fixed expenses (personnel expenses and depreciation, etc.) incurred at retail stores that had temporary closures or shortened business hours following the declaration of the state of emergency, which was issued by the Japanese government, due to the effects of the spread of COVID-19.

During the first three months of the fiscal year ending March 31, 2023, it mainly includes fixed expenses (personnel expenses and depreciation, etc.) incurred during the business activity suspension period following the lockdowns in Shanghai, China, due to the effects of the spread of COVID-19.

(Segment information)

I. First three months of the fiscal year ended March 31, 2022 (April 1, 2021 to June 30, 2021)

1. Information regarding net sales and profit or loss by reportable segment

(Millions of yen)

	Japan	Americas	Europe	Oceania	Asia (excl. Japan)	Total
Net sales						
External customers	26,548	4,851	892	585	2,181	35,058
Inter-segment sales and transfers	2,315	56	3	–	9,061	11,438
Total	28,863	4,908	896	585	11,243	46,496
Segment profit (loss)	2,785	(1)	(81)	53	235	2,991

2. Differences between the total amount of profit or loss in reportable segments and the amount recorded on the quarterly consolidated statement of income and details thereof
(Reconciliation)

(Millions of yen)

Profit	Amount
Reportable segments total	2,991
Inter-segment eliminations	(100)
Corporate expenses (Note)	(742)
Operating profit on the quarterly consolidated statement of income	2,148

Note: Corporate expenses primarily comprise general and administrative expenses not allocable to reportable segments.

II. First three months of the fiscal year ending March 31, 2023 (April 1, 2022 to June 30, 2022)

1. Information regarding net sales and profit or loss by reportable segment

(Millions of yen)

	Japan	Americas	Europe	Oceania	Asia (excl. Japan)	Total
Net sales						
External customers	29,593	6,021	894	626	2,415	39,552
Inter-segment sales and transfers	3,651	100	–	–	12,355	16,108
Total	33,245	6,122	894	626	14,771	55,660
Segment profit (loss)	2,996	(216)	(237)	31	463	3,037

2. Differences between the total amount of profit or loss in reportable segments and the amount recorded on the quarterly consolidated statement of income and details thereof
(Reconciliation)

(Millions of yen)

Profit	Amount
Reportable segments total	3,037
Inter-segment eliminations	(509)
Corporate expenses (Note)	(862)
Operating profit on the quarterly consolidated statement of income	1,665

Note: Corporate expenses primarily comprise general and administrative expenses not allocable to reportable segments.