

# Consolidated Financial Results for the 3rd Quarter of Fiscal Year Ending March 31, 2017 (J-GAAP)

February 3, 2017

Company name: T.RAD Co., Ltd.

Code No.: 7236

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Scheduled date of filing of 3rd quarter securities report:

Scheduled date of start of dividend payments:

Supplemental materials prepared for consolidated financial results: None

Briefing on consolidated financial results: None

Listing: Tokyo Stock Exchange, First Section

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February 6, 2017

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(Amounts less than one million yen have been truncated)

## 1. Consolidated Financial Performance for the 3rd Quarter of Fiscal Year Ending March 31, 2017

(April 1, 2016 to December 31, 2016)

### (1) Consolidated operating performance

(Percentage figures indicate year-on-year change)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2016	74,284	-2.5	2,037	103.3	2,317	83.8	1,618	160.9
Nine months ended December 31, 2015	76,168	3.2	1,002	-53.1	1,261	-50.7	620	134.4

Note: Comprehensive income

Nine months ended December 31, 2016: ¥(1,125) million —%

Nine months ended December 31, 2015: ¥(1,156) million —%

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended December 31, 2016	20.19	—
Nine months ended December 31, 2015	7.55	—

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Nine months ended December 31, 2016	75,246	39,675	51.7	488.48
Fiscal year ended March 31, 2016	78,764	41,855	51.9	497.69

Reference: Shareholders' equity

As of December 31, 2016: ¥38,893 million

As of March 31, 2016 : ¥40,880 million

## 2. Dividends

	Dividends per Share				
	1Q	2Q	3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2016	—	3.00	—	3.00	6.00
Fiscal year ending March 31, 2017	—	3.00	—		
Fiscal year ending March 31, 2017 (Forecast)				3.00	6.00

Note: Revisions to the forecast of dividends since the latest official announcement: None

### 3. Forecast of Consolidated Financial Performance for the Fiscal Year Ending March 31, 2017

(April 1, 2016 to March 31, 2017)

(Percentage figures indicate changes from the same period of the previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2017	106,000	3.8	3,000	140.5	3,400	138.7	2,100	182.0	26.37

Note: Revisions to the forecast of consolidated financial performance since the latest official announcement: Yes  
For details, please refer to Revision to the Forecasts of Financial performance released on February 3, 2017.

### 4. Other

(1) Changes in significant subsidiaries during the current quarter

(changes in specific subsidiaries resulting in changes in the scope of consolidation): None

(2) Adoption of specific accounting policies for quarterly consolidated financial statements: None

(3) Changes in accounting principles, estimation procedures or presentation methods

1) Changes associated with revision of accounting standards: None

2) Changes other than 1): None

3) Changes accounting estimation procedures: None

4) Changes in presentation methods: None

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

1) Number of shares issued and outstanding at end of period (including treasury stock)

As of December 31, 2016: 83,444,057 shares

As of March 31, 2016 : 83,444,057 shares

2) Number of shares of treasury stock at end of period

As of December 31, 2016: 3,821,555 shares

As of March 31, 2016 : 1,302,781 shares

3) Average number of shares outstanding during the period

Nine months ended December 31, 2016: 80,179,735 shares

Nine months ended December 31, 2015: 82,146,301 shares

\* Notice regarding review procedure for the quarterly consolidated financial statements

At the time of disclosure of this report, the procedures for review of quarterly consolidated financial statements, pursuant to the "Financial Instruments and Exchange Act" of Japan, have not been completed.

\* Summaries for relevant use of forecasts and other specific affairs

This report contains projections of performance and other projections based on information currently available and certain assumptions judged to be reasonable. Actual performance may differ materially from these projections resulting from changes in the economic environment and other risks and uncertainties.

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## 1. Qualitative Information for the Third Quarter of Fiscal Year Ending March 31, 2017

### (1) Consolidated financial performance

There was a moderate recovery trend in the economic environment during the consolidated cumulative third quarter, including expectations for improvements in the corporate profit environment, against the backdrop of the weaker yen and high stock prices after the U.S. presidential election. However, there is an uncertain outlook on overseas situations, including political instability in Europe, such as the withdrawal of UK from the EU, and the policy management of the new administration of the United States.

Under these circumstances, net sales of the TRAD group (on a foreign currency basis) increased in the United States, Europe, Asia, and China, except Japan. Operating income (on a foreign currency basis) increased in Japan, the United States, Europe, and China, except Asia, and the profit attributable to owners of parent increased compared with the same period of the previous year as well.

As a result, the net sales during the consolidated cumulative third quarter decreased by 1,884 million yen from the same period of the previous year and amounted to 74,284 million yen (down 2.5%) due to the effect of exchange rate fluctuations. However, the operating income increased by 1,035 million yen and amounted to 2,037 million yen (up 103.3%), ordinary income increased by 1,056 million yen and amounted to 2,317 million yen (up 83.8%), and the profit attributable to owners of parent increased by 998 million yen and amounted to 1,618 million yen (up 160.9%).

The segment results are as follows.

The book-closing date for consolidated subsidiaries for the first nine months of the fiscal year under review is September 30. In preparing the consolidated financial statements, financial statements as of and for the nine-month period ended on this date were used. With respect to material transactions conducted during the period between this date and the book-closing date for consolidated accounting, we have made adjustments as necessary for consolidated accounting. The segments impacted by such adjustments are the United States, Europe, Asia and China.

Meantime, from the previous consolidated accounting year, the closing date of accounts for 3 domestic companies has been changed from December 31 to March 31. The applicable segment is "Others" in the table below.

From the first quarterly consolidated accounting period, Tripac International Inc. is included in the scope of consolidation as our consolidated subsidiary in the United States, TRAD North America, Inc. has newly acquired shares of the company. The corresponding segment is the United States.

	Net Sales				Operating Income (Loss)			
	Nine months ended December 31, 2015	Nine months ended December 31, 2016	Increase/Decrease	Percentage change (on a foreign currency basis)*	Nine months ended December 31, 2015	Nine months ended December 31, 2016	Increase/Decrease	Percentage change (on a foreign currency basis)*
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(%)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(%)
Japan	38,899	38,256	-643	-1.7	(170)	579	749	440.4
United States	16,984	16,768	-215	17.1	(497)	(141)	355	66.2
Europe	2,364	2,617	253	30.0	(242)	(116)	126	44.4
Asia	9,756	10,295	538	16.3	712	580	-132	-6.0
China	6,384	5,609	-775	10.0	996	992	-4	24.7
Other (including eliminations)	1,778	736	-1,041	-58.6	202	143	-58	-28.8
Total	76,168	74,284	-1,884	4.7	1,002	2,037	1,035	149.4

\*The percentage changes (on a foreign currency basis) in the chart are the percentage changes after correcting for differences arising from fluctuations in the foreign exchange rates applicable to overseas net sales.

#### (i) Japan

Net sales of products for automobile industry increased from the same period of the previous year thanks to strong sales of models for which orders were newly received from our major customers. Net sales of products for construction and industry machines declined due to continued sluggish orders from major customers, despite some signs of recovery were seen in the market. Net sales of products for air-conditioners decreased due to in-house production by customers. As a result, the net sales in the Japan segment decreased by 643 million yen, resulting in 38,256 million yen.

Operating income increased by 749 million yen from the same period of the previous year, resulting in 579 million yen by the effect of price decline of materials.

(ii) United States

Net sales of products for automobile industry significantly increased with addition of net sales of Tripac International Inc. together with the commencement of mass production of models for which orders were newly received. As a result, net sales of corresponding segment increased by 17.1% on a foreign currency basis compared with the same period of the previous year. On a yen basis, it decreased by 215 million yen, resulting in 16,768 million yen due to the impact of foreign exchange.

Operating income increased by 355 million yen compared to that in the same period of the previous year due to the end of production disruption, but personnel expenses, scrap costs, etc. remained high, resulting in a decrease of 141 million yen. On a foreign currency basis, it increased by 66.2%.

(iii) Europe

In the Czech Republic, as a result of significant increase in net sales of products for air-conditioners, net sales of corresponding segment increased by 30.0% on a foreign currency basis compared with the same period of the previous year. On a yen basis, it increased by 253 million yen, resulting in 2,617 million yen.

Operating loss of 116 million yen was posted, improving by 126 million yen from the same period of the previous year. On a foreign currency basis, operating income increased by 44.4%.

(iv) Asia

As for net sales of products for automobile industry, those for motorcycles declined, but the mass production of new orders for four-wheelers began in Thailand while orders placed by major customers increased in Indonesia. As a result, net sales of corresponding segment increased by 16.3% on a foreign currency basis compared with the same period of the previous year. On a yen basis, it increased by 538 million yen, resulting in 10,295 million yen.

The operating income in Thailand decreased by 132 million from the same period of the previous year, resulting in 580 million yen due to the impact of decrease in net sales of motorcycles which had high profitability, and increased cost associated with launch of a new automobile model. On a foreign currency basis, it decreased by 6.0%.

(v) China

As for net sales of products for automobile industry, orders placed by major customers increased due to the start of the mass production of new orders for models and the impact of tax reduction measures for small cars. Net sales of products for construction and industrial machines increased due to an increase in orders placed for ASEAN and Korea and an increase in orders due to the near completion of inventory adjustments at each of our customers. As a result, net sales of corresponding segment increased by 10.0% on a foreign currency basis compared with the same period of the previous year. On a yen basis, it decreased by 775 million yen, resulting in 5,609 million yen due to the impact of foreign exchange.

The operating income decreased by 4 million yen from the same period of the previous year, resulting in 992 million yen, but on a foreign currency basis, it increased by 24.7%.

(vi) Other

The achievements of other segments, including those of our domestic consolidated subsidiaries for their transportation business and other business activities, resulted in a sales decrease of 1,041 million yen from those in the same period of the previous year and amounted to 736 million yen. This was due to a change in the end date of the previous year of three domestic subsidiaries of the segment from the end of December to the end of March, which resulted in a recorded increase in sales in the previous year for the three months' period. The operating income decreased by 58 million yen from the same period of the previous year, resulting in 143 million yen.

(2) Consolidated financial position

1) Assets, liabilities and net assets

Total assets at the end of the current third quarter of the fiscal year under review resulted in 75,246 million yen (down 3,518 million yen from the end of the previous consolidated accounting year) due to the decreases of tangible fixed assets.

Total liabilities resulted in 35,571 million yen (down 1,338 million) due to the reduction of loans payable and provision for bonuses.

Net assets amounted to 39,675 million yen (down 2,180 million yen) due to the decreases of valuation difference on foreign currency translation adjustment.

2) Cash flows

Cash and cash equivalents at the end of the current third quarter of the fiscal year under review totaled 6,397 million yen, an increase of 286 million yen from the same period of the previous year.

The factors for increase or decrease of each cash flow in the current third quarter consolidated accumulative period are as follows.

Cash flows from operating activities increased by 2,768 million yen from those in the same period of the previous year and amounted to 5,603 million yen, due to an increase in profit before income taxes and payment for settlement related to a U.S. civil group lawsuit in the previous year. Net cash used in investing activities was 3,735 million yen, a decrease of 2,010 million yen year on year. Net cash used by financing activities was 1,685 million yen, a decrease of 3,063 million yen compared with the same period of the previous year due to decrease in proceeds from loans payable, purchase of treasury shares, and increased paying dividends.

(3) Future projections including forecasts of consolidated financial performance

The Company revised the forecast of consolidated financial performance released on May 16, 2016. For details, please refer to “Revisions to the Forecasts of Financial Performance for the Year Ending March 31, 2017” that the Company announced today (February 3, 2017).

**2. Other Information**

(1) Changes in significant subsidiaries during the current quarter

Not applicable

Meantime, although it is not applicable to the movement of specified subsidiaries, in the first quarter consolidated accounting period, as T.RAD North America, Inc., a consolidated subsidiary in the United States, acquired newly the shares of Tripac International Inc., the company is included in the scope of consolidation.

(2) Adoption of specific accounting policies for quarterly consolidated financial statements

Not applicable

(3) Changes in accounting principles, estimation procedures or presentation methods

Not applicable

(4) Additional information

(Application of application guideline relating to the collectability of deferred tax asset)

The Company has been applying the “application guideline relating to the collectability of deferred tax asset” (Application Guideline for Corporate Accounting Standard No.26, issued on March 28, 2016) from the first quarter consolidated accounting period.

**3. Significant events concerning going concern assumptions**

Not applicable

#### 4. Quarterly Consolidated Financial Statements

##### (1) Quarterly consolidated balance sheets

(Millions of yen)

	FY2015	FY2016_3Q
	As of March 31, 2016	As of December 31, 2016
	Amount	Amount
(Assets)		
Current assets		
Cash and deposits	6,363	6,170
Notes and accounts receivable-trade	18,214	17,859
Electronically recorded monetary claims-operating	1,735	2,345
Short-term investment securities	622	499
Merchandise and finished goods	1,677	1,720
Work in process	405	452
Raw materials and supplies	4,214	3,785
Deferred tax assets	503	434
Other current assets	2,975	2,347
Allowance for doubtful accounts	(38)	(75)
Total current assets	36,673	35,539
Noncurrent assets		
Tangible fixed assets		
Building and structures, net	6,993	6,166
Machinery, equipment and vehicles, net	13,786	13,366
Land	2,576	2,462
Lease assets, net	162	145
Construction in progress	4,940	3,814
Other tangible fixed assets, net	2,153	1,990
Total tangible fixed assets	30,613	27,945
Intangible assets		
Goodwill	—	207
Other intangible assets	728	642
Total intangible assets	728	849
Investments and other assets		
Investment securities	8,266	9,084
Long-term loans receivable	303	—
Net defined benefit asset	43	—
Deferred tax assets	29	136
Others	2,135	1,719
Allowance for doubtful accounts	(28)	(28)
Total investments and other assets	10,750	10,911
Total noncurrent assets	42,091	39,706
Total assets	78,764	75,246

(Millions of yen)

	FY2015	FY2016_3Q
	As of March 31, 2016	As of December 31, 2016
	Amount	Amount
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	12,915	10,625
Electronically recorded obligations - operating	—	2,706
Short-term loans payable	9,839	4,252
Lease obligations	854	622
Income taxes payable	289	303
Accrued expenses	1,990	2,497
Deferred tax liabilities	—	1
Provision for bonuses	1,198	636
Provision for directors' bonuses	22	32
Provision for product warranties	209	66
Provision for shareholders benefit program	40	14
Notes payable-facilities	163	33
Electronically recorded obligations - non-operating	—	245
Others	1,830	1,343
Total current liabilities	29,354	23,381
Noncurrent liabilities		
Long-term loans payable	4,464	9,272
Lease obligations	1,140	715
Deferred tax liabilities	1,705	1,958
Provision for directors' retirement benefits	0	1
Net defined benefit liability	45	44
Asset retirement obligations	88	89
Others	109	107
Total noncurrent liabilities	7,555	12,189
Total liabilities	36,909	35,571
(Net assets)		
Shareholders' equity		
Capital stock	8,545	8,545
Capital surplus	7,473	7,473
Retained earnings	22,625	23,758
Treasury stock	(405)	(890)
Total shareholders' equity	38,238	38,887
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	695	1,498
Foreign currency translation adjustment	1,590	(1,831)
Remeasurements of defined benefit plans	356	339
Total accumulated other comprehensive income	2,642	6
Subscription rights to shares	37	—
Non-controlling interests	936	781
Total net assets	41,855	39,675
Total liabilities and net assets	78,764	75,246

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

(Millions of yen)

	Nine months ended December 31, 2015 (Apr. 1, 2015–Dec 31, 2015)	Nine months ended December 31, 2016 (Apr. 1, 2016–Dec 31, 2016)
	Amount	Amount
Net sales	76,168	74,284
Cost of sales	69,240	66,435
Gross profit	6,927	7,848
Selling, general and administrative expenses		
Packing and delivery expenses	829	828
Salaries and allowances	1,540	1,440
Provision for bonuses	134	123
Provision for directors' bonuses	13	32
Retirement benefit expenses	59	52
Welfare expenses	651	649
Provision for product warranties	43	16
Research and development expenses	627	750
Other expenses	2,026	1,917
Total selling, general and administrative expenses	5,924	5,810
Operating income	1,002	2,037
Non-operating income		
Interest income	52	50
Dividends income	223	214
Equity in earnings of affiliates	243	280
Others	93	113
Total non-operating income	611	657
Non-operating expenses		
Interest expenses	135	159
Foreign exchange losses	187	201
Loss on investments in partnership	17	0
Others	11	16
Total non-operating expenses	352	377
Ordinary income	1,261	2,317

(Millions of yen)

	Nine months ended December 31, 2015 (Apr. 1, 2015–Dec 31, 2015)	Nine months ended December 31, 2016 (Apr. 1, 2016–Dec 31, 2016)
	Amount	Amount
Extraordinary income		
Gain on sales of noncurrent assets	45	10
Gain on sales of investment securities	—	333
Gain on reversal of subscription rights to shares	1	37
Total extraordinary income	47	381
Extraordinary loss		
Loss on sales of noncurrent assets	4	8
Loss on retirement of noncurrent assets	52	71
Loss on valuation of golf club memberships	—	0
Surcharges	110	454
Total extraordinary loss	167	535
Income before income taxes	1,141	2,164
Income taxes-current	727	624
Income taxes-deferred	(189)	(127)
Total income taxes	538	496
Profit	603	1,667
Profit (loss) attributable to non-controlling interests	(17)	48
Profit attributable to owners of parent	620	1,618

## (Quarterly consolidated statement of comprehensive income)

(Millions of yen)

	Nine months ended December 31, 2015 (Apr. 1, 2015–Dec 31, 2015)	Nine months ended December 31, 2016 (Apr. 1, 2016–Dec 31, 2016)
	Amount	Amount
Profit	603	1,667
Other comprehensive income		
Valuation difference on available-for-sale securities	(505)	803
Foreign currency translation adjustment	(1,058)	(3,188)
Remeasurements of defined benefit plans, net of tax	(5)	(16)
Share of other comprehensive income of associates accounted for using equity method	(190)	(390)
Total other comprehensive income	(1,759)	(2,792)
Comprehensive income	(1,156)	(1,125)
(Breakdown)		
Comprehensive income attributable to owners of the parent	(1,063)	(1,017)
Comprehensive income attributable to non-controlling interests	(92)	(108)

## (3) Quarterly consolidated statements of cash flows

(Millions of yen)

	Nine months ended December 31, 2015 (Apr. 1, 2015–Dec 31, 2015)	Nine months ended December 31, 2016 (Apr. 1, 2016–Dec 31, 2016)
	Amount	Amount
Net cash provided by (used in) operating activities		
Profit (loss) before income taxes	1,141	2,164
Depreciation and amortization	4,015	3,819
Retirement benefit expenses	(1)	(25)
Increase(decrease) in net defined benefit liability	38	47
Increase (decrease) in provision for directors' retirement benefits	(7)	1
Increase (decrease) in allowance for doubtful accounts	6	7
Increase (decrease) in provision for bonuses	(575)	(561)
Increase (decrease) in provision for directors' bonuses	(41)	10
Increase (decrease) in provision for product warranties	16	(118)
Loss on retirement of noncurrent assets	52	71
Loss(gain) on sales of tangible fixed assets	(41)	(2)
Surcharges	110	454
Interest and dividends income	(275)	(264)
Interest expenses	135	159
Equity in (earnings) losses of affiliates	(243)	(280)
Decrease(increase) in notes and accounts receivable-trade	(1,199)	(1,129)
Decrease(increase) in inventories	(78)	(273)
Increase(decrease) in notes and accounts payable-trade	1,300	1,193
Loss (gain) on sales of investment securities	—	(333)
Decrease(increase) in other current assets	(96)	272
Increase (decrease) in other current liabilities	328	861
Other, net	112	(47)
Subtotal	4,697	6,030
Interest and dividends income received	505	485
Interest expenses paid	(135)	(158)
Income taxes paid	(905)	(595)
Surcharges paid	(1,327)	(157)
Net cash provided by (used in) operating activities	2,834	5,603

(Millions of yen)

	Nine months ended December 31, 2015 (Apr. 1, 2015–Dec 31, 2015)	Nine months ended December 31, 2016 (Apr. 1, 2016–Dec 31, 2016)
	Amount	Amount
Net cash provided by (used in) investing activities		
Purchase of tangible fixed assets	(5,412)	(4,187)
Proceeds from sales of tangible fixed assets	159	52
Purchase of investment securities	(246)	(0)
Proceeds from sales of investment securities	—	602
Payments of loans receivable	—	(0)
Other, net	(246)	(201)
Net cash provided by (used in) investing activities	(5,745)	(3,735)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	394	(2,652)
Proceeds from long-term loans payable	1,953	5,638
Repayment of long-term loans payable	(110)	(2,944)
Proceeds from share insurance to non-controlling shareholders	1	1
Purchase of treasury stock	(1)	(484)
Cash dividends paid	(410)	(485)
Cash dividends paid to non-controlling shareholders	—	(142)
Others	(447)	(615)
Net cash provided by (used in) financing activities	1,378	(1,685)
Effect of exchange rate change on cash and cash equivalents	(161)	(667)
Net increase (decrease) in cash and cash equivalents	(1,693)	(484)
Cash and cash equivalents at beginning of period	7,805	6,760
Increase in cash and cash equivalents from newly consolidated subsidiary	—	122
Cash and cash equivalents at end of period	6,111	6,397

(4) Notes to quarterly consolidated financial statements  
 (Going concern assumptions)  
 Not applicable

(Notes in the event of significant changes in shareholders' equity)

Based on a resolution at the meeting of the board of directors held on May 30, 2016 and August 25, 2016, the Company acquired 2,515,000 own shares. As a result, in the current third quarter consolidated accumulative period, the own shares increased by 484 million yen and as of the end of the current third quarter consolidated accounting period, the own shares resulted in 890 million yen.

(Segment information)

I Nine months ended December 31, 2015 (from April 1, 2015 to December 31, 2015)

1. Net sales and profit (loss) by reportable segments

(Millions of yen)

	Reportable segment						Other (Note 3)	Total
	Japan	United States	Europe	Asia	China	Total		
Net Sales:								
Sales to outside customers	38,899	16,984	2,364	9,756	6,384	74,390	1,778	76,168
Intersegment sales or Transfers	4,571	205	10	131	486	5,405	2,266	7,671
Total	43,471	17,189	2,374	9,888	6,871	79,795	4,044	83,839
Segment income (loss)	(170)	(497)	(242)	712	996	800	229	1,029

Note: 1. Our Group consists of the Company and these overseas corporations which are based on a manufacturing and sales structure. As such, "Japan", "the United States", "Europe", "Asia" and "China" are our five reportable segments.

2. Major countries or regions belong to each reportable segment

Europe ..... the Czech Republic, Russia

Asia ..... Thailand, Indonesia, Vietnam

3. "Other" comprises business operations that are not categorized as reportable segments and includes the business activities of domestic subsidiaries, such as the transportation business.

2. Difference between total segment income (loss) for reportable segments and operating income on consolidated statements of income, and details of the difference (reconciliation of the difference)

(Millions of yen)

Income	Amount
Total segment income	800
Income for "Other"	229
Intersegment eliminations	(26)
Operating income on consolidated statements of income	1,002

3. Impairment loss on noncurrent assets and goodwill, etc., by reportable segment

(Significant impairment loss on noncurrent assets)

Not applicable

(Significant change in goodwill amount)

Not applicable

(Significant gain on bargain purchase)

Not applicable

II Nine months ended December 31, 2016 (from April 1, 2016 to December 31, 2016)

1. Net sales and profit (loss) by reportable segments

(Millions of yen)

	Reportable segment						Other (Note 3)	Total
	Japan	United States	Europe	Asia	China	Total		
Net Sales:								
Sales to outside customers	38,256	16,768	2,617	10,295	5,609	73,547	736	74,284
Intersegment sales or transfers	4,068	114	35	156	955	5,329	2,156	7,486
Total	42,324	16,882	2,653	10,451	6,564	78,877	2,892	81,770
Segment income (loss)	579	(141)	(116)	580	992	1,893	188	2,082

Note: 1. Our Group consists of the Company and these overseas corporations which are based on a manufacturing and sales structure. As such, “Japan”, “the United States”, “Europe”, “Asia” and “China” are our five reportable segments.

2. Major countries or regions belong to each reportable segment

Europe ..... the Czech Republic, Russia

Asia ..... Thailand, Indonesia, Vietnam

3. “Other” comprises business operations that are not categorized as reportable segments and includes the business activities of domestic subsidiaries, such as the transportation business.

2. Difference between total segment income (loss) for reportable segments and operating income on consolidated statements of income, and details of the difference (reconciliation of the difference)

(Millions of yen)

Income	Amount
Total segment income	1,893
Income for “Other”	188
Intersegment eliminations	(44)
Operating income on consolidated statements of income	2,037

3. Impairment loss on noncurrent assets and goodwill, etc., by reportable segment

(Significant impairment loss on noncurrent assets)

Not applicable

(Significant change in goodwill amount)

Not applicable

(Significant gain on bargain purchase)

Not applicable

## 5. Supplementary information

### Sales states (consolidated)

(Millions of yen)

	Nine months ended December 31, 2015 (Apr. 1, 2015–Dec. 31, 2015)		Nine months ended December 31, 2016 (Apr. 1, 2016–Dec. 31, 2016)		Increase/Decrease		FY2015 (Apr. 1, 2015–Mar. 31, 2016)	
	Amount	%	Amount	%	Amount	%	Amount	%
For Automobile	49,783	65.4	51,231	69.0	1,447	2.9	67,854	66.4
For Construction & Industrial machine	16,354	21.5	15,324	20.6	-1,030	-6.3	21,714	21.3
For Air conditioner	6,014	7.9	5,326	7.2	-688	-11.4	7,793	7.6
Other	4,014	5.2	2,401	3.2	-1,613	-40.2	4,769	4.7
Total	76,168	100.0	74,284	100.0	-1,884	-2.5	102,132	100.0

Notes: Amounts less than one million yen have been truncated.