

Consolidated Financial Results for the 2nd Quarter of Fiscal Year Ending March 31, 2017 (J-GAAP)

November 4, 2016

Company name: T.RAD Co., Ltd. Listing: Tokyo Stock Exchange, First Section
 Code No.: 7236 URL: <http://www.trad.co.jp>
 Representative: Hiromi Kano, President
 Contact: Norio Kanai, Executive Officer, Finance & Accounting Dept. Tel: +81-3-3373-1101
 Scheduled date of filing of 2nd quarter securities report: November 7, 2016
 Scheduled date of start of dividend payments: December 1, 2016
 Supplemental materials prepared for consolidated financial results: None
 Briefing on consolidated financial results: Yes(for institutional investors, and analysts)

(Amounts less than one million yen have been truncated)

1. Consolidated Financial Performance for the 2nd Quarter of Fiscal Year Ending March 31, 2017

(April 1, 2016 to September 30, 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	%
Six months ended September 30, 2016	49,629	-3.0	1,261	141.4	1,211	56.9	837	296.4
Six months ended September 30, 2015	51,142	7.1	522	-65.1	772	-54.5	211	—

Note: Comprehensive income

Six months ended September 30, 2016: ¥(2,394) million —%

Six months ended September 30, 2015: ¥(703) million —%

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended September 30, 2016	10.41	—
Six months ended September 30, 2015	2.57	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Six months ended September 30, 2016	73,179	38,642	51.8	475.72
Fiscal year ended March 31, 2016	78,764	41,855	51.9	497.69

Reference: Shareholders' equity

As of September 30, 2016: ¥37,878 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	105,000	2.8	2,500	100.4	2,900	103.6	1,700	128.3	20.70

Note: Revisions to the forecast of consolidated financial performance since the latest official announcement: None

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 September 30, 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 September 30, 2016: 3,819,840 shares

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

3) Average number of shares outstanding during the period

Six months ended September 30, 2016: 80,457,780 shares

Six months ended September 30, 2015: 82,147,218 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.

Table of Contents

1. Qualitative Information for the Second Quarter of Fiscal Year Ending March 31, 2017	4
(1) Consolidated financial performance	4
(2) Consolidated financial position	6
(3) Future projections including forecasts of consolidated financial performance	6
2. Other Information	6
(1) Changes in significant subsidiaries during the current quarter	6
(2) Adoption of specific accounting policies for quarterly consolidated financial statements	6
(3) Changes in accounting principles, estimation procedures or presentation methods	6
(4) Additional information	6
3. Significant events concerning going concern assumptions	6
4. Quarterly Consolidated Financial Statements	7
(1) Quarterly consolidated balance sheets	7
(2) Quarterly consolidated statements of income and quarterly consolidated statement of comprehensive income	9
(Quarterly consolidated statements of income)	9
(Quarterly consolidated statement of comprehensive income)	11
(3) Quarterly consolidated statements of cash flows	12
(4) Notes to quarterly consolidated financial statements	14
(Going concern assumptions)	14
(Notes in the event of significant changes in shareholders' equity)	14
(Segment information)	14
5. Supplementary information	
Sales states (consolidated)	16

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

(1) Consolidated financial performance

Regarding the economic situation in the first six months of the consolidated fiscal year under review, business confidence stayed flat due to weak internal and external demand and the yen's appreciation. The prospects for the global economy remain uncertain under a higher yen trend, Europe's political instability such as Brexit, and presidential election in the United States.

Under these circumstances, net sales of the T.RAD group on a foreign currency basis increased in the United States, Europe, Asia, and China, except Japan. Operating income increased in Japan, the United States, Europe, and China, except in Asia. Profit attributable to owners of parent increased compared with the same period of the previous year, thanks to the increased profit in Japan and bases in the United States along with reduction of income taxes.

As a result, the net sales of the current second quarter consolidated accumulative period decreased by 1,512 million yen from the same period of the previous year, resulting in 49,629 million yen (down 3.0%), the operating income increased by 738 million yen, resulting in 1,261 million yen (up 141.4%), the ordinary income increased by 439 million yen, resulting in 1,211 million yen (up 56.9%) and the profit attributable to owners of parent increased by 626 million yen, resulting in 837 million yen (up 296.4%).

The segment results are as follows.

The book-closing date for consolidated subsidiaries for the first six months of the fiscal year under review is June 30. In preparing the consolidated financial statements, financial statements as of and for the six-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, T.RAD North America, Inc. has newly acquired shares of the company. The corresponding segment is the United States.

	Net Sales				Operating Income (Loss)			
	Six months ended September 30, 2015	Six months ended September 30, 2016	Increase/Decrease	Percentage change (on a foreign currency basis)*	Six months ended September 30, 2015	Six months ended September 30, 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	25,758	25,096	-662	-2.6	(319)	176	495	155.4
United States	11,906	11,449	-456	14.4	(228)	65	294	134.2
Europe	1,593	1,730	137	32.7	(211)	(123)	87	26.6
Asia	7,025	7,073	47	21.4	552	339	-212	-23.4
China	4,374	3,764	-610	9.9	632	674	42	36.2
Other (including eliminations)	483	515	32	6.7	97	128	31	32.2
Total	51,142	49,629	-1,512	6	522	1,261	738	253.7

*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 industrial machines decreased by the sluggish orders received from major customers. 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 662 million yen, resulting in 25,096 million yen.

Operating income increased by 495 million yen from the same period of the previous year, resulting in 176 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. Net sales of products for construction and industrial machines decreased due to decreased orders from major customers. As a result, net sales of corresponding segment increased by 14.4% on a foreign currency basis compared with the same period of the previous year. On a yen basis, it decreased by 456 million yen, resulting in 11,449 million yen due to the impact of foreign exchange.

The operating income increased by 294 million yen from the same period of the previous year, resulting in 65 million yen. On a foreign currency basis, it increased by 134.2%.

(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 32.7% on a foreign currency basis compared with the same period of the previous year. On a yen basis, it increased by 137 million yen, resulting in 1,730 million yen.

Operating loss of 123 million yen was posted, improving by 87 million yen from the same period of the previous year. On a foreign currency basis, operating income increased by 26.6%.

(iv) Asia

While net sales of products for motorcycles decreased in Thailand and Vietnam, the mass production of models for which orders were newly received started in Thailand and orders from major customers increased in Indonesia, regarding the products for automobile industry. As a result, net sales of corresponding segment increased by 21.4% on a foreign currency basis compared with the same period of the previous year. On a yen basis, it increased by 47 million yen, resulting in 7,073 million yen.

The operating income in Thailand decreased by 212 million from the same period of the previous year, resulting in 339 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 23.4%.

(v) China

The net sales of products for the automobile industry increased from the same period of the previous year by the favorable sales of models for which orders were newly received. Net sales of products for construction and industrial machines increased, contributed by increased orders for ASEAN and from major customers who mostly completed their inventory adjustment. As a result, net sales of corresponding segment increased by 9.9% on a foreign currency basis compared with the same period of the previous year. On a yen basis, it decreased by 610 million yen, resulting in 3,764 million yen due to the impact of foreign exchange.

The operating income increased by 42 million yen from the same period of the previous year, resulting in 674 million yen. On a foreign currency basis, it increased by 36.2%.

(vi) Other

As to the net sales in the Other segment including the business activities such as transportation business by the domestic consolidated subsidiaries, it increased by 32 million yen from the same period of the previous year, resulting in 515 million yen. The operating income increased by 31 million yen from the same period of the previous year, resulting in 128 million yen.

(2) Consolidated financial position

1) Assets, liabilities and net assets

Total assets at the end of the current second quarter of the fiscal year under review resulted in 73,179 million yen (down 5,585 million yen from the end of the previous consolidated accounting year) due to the decrease of current assets including cash and deposits, and tangible fixed assets.

As for the liabilities, despite the loans payable increased, it resulted in 34,537 million yen (down 2,372 million yen) as the current liabilities including accounts payable-trade and accounts payable-other decreased.

Net assets amounted to 38,642 million yen (down 3,212 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 second quarter of the fiscal year under review totaled 4,815 million yen, a decrease of 1,611 million yen from the same period of the previous year.

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

Net cash provided by operating activities was 1,785 million yen, an increase of 334 million yen year on year. Net cash used in investing activities was 3,175 million yen, a decrease of 879 million yen year on year. Net cash provided by financing activities was 10 million yen, a decrease of 1,199 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 did not revise the forecast of consolidated financial performance released on May 16, 2016, as the financial results for the first three months of the fiscal year under review were within the expected range.

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_2Q
	As of March 31, 2016	As of September 30, 2016
	Amount	Amount
(Assets)		
Current assets		
Cash and deposits	6,363	4,523
Notes and accounts receivable-trade	18,214	18,612
Electronically recorded monetary claims-operating	1,735	1,897
Short-term investment securities	622	499
Merchandise and finished goods	1,677	1,587
Work in process	405	503
Raw materials and supplies	4,214	3,627
Deferred tax assets	503	559
Other current assets	2,975	2,114
Allowance for doubtful accounts	(38)	(74)
Total current assets	36,673	33,850
Noncurrent assets		
Tangible fixed assets		
Building and structures, net	6,993	6,330
Machinery, equipment and vehicles, net	13,786	12,883
Land	2,576	2,466
Lease assets, net	162	165
Construction in progress	4,940	4,359
Other tangible fixed assets, net	2,153	2,045
Total tangible fixed assets	30,613	28,251
Intangible assets		
Goodwill	—	237
Other intangible assets	728	649
Total intangible assets	728	886
Investments and other assets		
Investment securities	8,266	8,308
Long-term loans receivable	303	0
Net defined benefit asset	43	8
Deferred tax assets	29	29
Others	2,135	1,872
Allowance for doubtful accounts	(28)	(28)
Total investments and other assets	10,750	10,190
Total noncurrent assets	42,091	39,329
Total assets	78,764	73,179

(Millions of yen)

	FY2015	FY2016_2Q
	As of March 31, 2016	As of September 30, 2016
	Amount	Amount
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	12,915	11,569
Short-term loans payable	9,839	5,499
Lease obligations	854	691
Income taxes payable	289	240
Accrued expenses	1,990	2,033
Provision for bonuses	1,198	1,199
Provision for directors' bonuses	22	21
Provision for product warranties	209	55
Provision for shareholders benefit program	40	19
Notes payable-facilities	163	75
Others	1,830	1,058
Total current liabilities	29,354	22,465
Noncurrent liabilities		
Long-term loans payable	4,464	9,327
Lease obligations	1,140	822
Deferred tax liabilities	1,705	1,685
Provision for directors' retirement benefits	0	1
Net defined benefit liability	45	37
Asset retirement obligations	88	88
Others	109	108
Total noncurrent liabilities	7,555	12,071
Total liabilities	36,909	34,537
(Net assets)		
Shareholders' equity		
Capital stock	8,545	8,545
Capital surplus	7,473	7,473
Retained earnings	22,625	23,215
Treasury stock	(405)	(890)
Total shareholders' equity	38,238	38,345
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	695	820
Foreign currency translation adjustment	1,590	(1,632)
Remeasurements of defined benefit plans	356	345
Total accumulated other comprehensive income	2,642	(466)
Subscription rights to shares	37	—
Non-controlling interests	936	764
Total net assets	41,855	38,642
Total liabilities and net assets	78,764	73,179

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

(Millions of yen)

	Six months ended September 30, 2015 (Apr. 1, 2015–Sep 30, 2015)	Six months ended September 30, 2016 (Apr. 1, 2016–Sep 30, 2016)
	Amount	Amount
Net sales	51,142	49,629
Cost of sales	46,604	44,447
Gross profit	4,538	5,182
Selling, general and administrative expenses		
Packing and delivery expenses	560	541
Salaries and allowances	906	827
Provision for bonuses	239	234
Provision for directors' bonuses	20	21
Retirement benefit expenses	39	34
Welfare expenses	445	430
Provision for product warranties	43	(1)
Research and development expenses	491	551
Other expenses	1,269	1,280
Total selling, general and administrative expenses	4,015	3,920
Operating income	522	1,261
Non-operating income		
Interest income	41	37
Dividends income	124	114
Equity in earnings of affiliates	189	205
Others	71	83
Total non-operating income	426	440
Non-operating expenses		
Interest expenses	94	110
Foreign exchange losses	57	370
Loss on investments in partnership	17	0
Others	7	10
Total non-operating expenses	176	490
Ordinary income	772	1,211

(Millions of yen)

	Six months ended September 30, 2015 (Apr. 1, 2015–Sep 30, 2015)	Six months ended September 30, 2016 (Apr. 1, 2016–Sep 30, 2016)
	Amount	Amount
Extraordinary income		
Gain on sales of noncurrent assets	33	9
Gain on reversal of subscription rights to shares	1	37
Total extraordinary income	34	47
Extraordinary loss		
Loss on sales of noncurrent assets	2	8
Loss on retirement of noncurrent assets	40	57
Loss on valuation of golf club memberships	—	0
Surcharges	90	95
Total extraordinary loss	133	162
Income before income taxes	673	1,097
Income taxes-current	441	363
Income taxes-deferred	22	(124)
Total income taxes	463	239
Profit	209	858
Profit (loss) attributable to non-controlling interests	(1)	20
Profit attributable to owners of parent	211	837

(Quarterly consolidated statement of comprehensive income)

(Millions of yen)

	Six months ended September 30, 2015 (Apr. 1, 2015–Sep 30, 2015)	Six months ended September 30, 2016 (Apr. 1, 2016–Sep 30, 2016)
	Amount	Amount
Profit	209	858
Other comprehensive income		
Valuation difference on available-for-sale securities	(916)	125
Foreign currency translation adjustment	32	(2,923)
Remeasurements of defined benefit plans, net of tax	(5)	(10)
Share of other comprehensive income of associates accounted for using equity method	(23)	(443)
Total other comprehensive income	(913)	(3,253)
Comprehensive income	(703)	(2,394)
(Breakdown)		
Comprehensive income attributable to owners of the parent	(696)	(2,271)
Comprehensive income attributable to non-controlling interests	(7)	(123)

(3) Quarterly consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2015 (Apr. 1, 2015–Sep 30, 2015)	Six months ended September 30, 2016 (Apr. 1, 2016–Sep 30, 2016)
	Amount	Amount
Net cash provided by (used in) operating activities		
Income before income taxes	673	1,097
Depreciation and amortization	2,670	2,475
Retirement benefit expenses	(1)	(16)
Increase(decrease) in net defined benefit liability	25	31
Increase (decrease) in provision for directors' retirement benefits	(7)	0
Increase (decrease) in allowance for doubtful accounts	5	5
Increase (decrease) in provision for bonuses	39	2
Increase (decrease) in provision for directors' bonuses	(35)	(0)
Increase (decrease) in provision for product warranties	7	(131)
Loss on retirement of noncurrent assets	40	57
Loss(gain) on sales of tangible fixed assets	(31)	(1)
Surcharges	90	95
Interest and dividends income	(165)	(151)
Interest expenses	94	110
Equity in (earnings) losses of affiliates	(189)	(205)
Decrease(increase) in notes and accounts receivable-trade	(776)	(1,347)
Decrease(increase) in inventories	9	27
Increase(decrease) in notes and accounts payable-trade	(537)	(651)
Decrease(increase) in other current assets	(93)	369
Increase (decrease) in other current liabilities	316	265
Other, net	6	33
Subtotal	2,142	2,065
Interest and dividends income received	274	246
Interest expenses paid	(94)	(109)
Income taxes paid	(483)	(327)
Surcharges paid	(387)	(88)
Net cash provided by (used in) operating activities	1,450	1,785

(Millions of yen)

	Six months ended September 30, 2015 (Apr. 1, 2015–Sep 30, 2015)	Six months ended September 30, 2016 (Apr. 1, 2016–Sep 30, 2016)
	Amount	Amount
Net cash provided by (used in) investing activities		
Purchase of tangible fixed assets	(3,817)	(3,143)
Proceeds from sales of tangible fixed assets	129	51
Purchase of investment securities	(245)	(0)
Proceeds from sales of investment securities	—	0
Payments of loans receivable	—	(0)
Other, net	(120)	(83)
Net cash provided by (used in) investing activities	(4,054)	(3,175)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	323	(1,490)
Proceeds from long-term loans payable	1,474	5,616
Repayment of long-term loans payable	(63)	(2,856)
Proceeds from share insurance to non-controlling shareholders	1	1
Purchase of treasury stock	(0)	(484)
Cash dividends paid	(164)	(337)
Others	(361)	(439)
Net cash provided by (used in) financing activities	1,209	10
Effect of exchange rate change on cash and cash equivalents	14	(689)
Net increase (decrease) in cash and cash equivalents	(1,379)	(2,069)
Cash and cash equivalents at beginning of period	7,805	6,760
Increase in cash and cash equivalents from newly consolidated subsidiary	—	124
Cash and cash equivalents at end of period	6,426	4,815

(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 second quarter consolidated accumulative period, the own shares increased by 484 million yen and as of the end of the current second quarter consolidated accounting period, the own shares resulted in 890 million yen.

(Segment information)

I Six months ended September 30, 2015 (from April 1, 2015 to September 30, 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	25,758	11,906	1,593	7,025	4,374	50,659	483	51,142
Intersegment sales or Transfers	2,613	163	10	105	322	3,214	1,517	4,731
Total	28,372	12,070	1,603	7,131	4,696	53,873	2,000	55,874
Segment income (loss)	(319)	(228)	(211)	552	632	425	113	539

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	425
Income for "Other"	113
Intersegment eliminations	(16)
Operating income on consolidated statements of income	522

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 Six months ended September 30, 2016 (from April 1, 2016 to September 30, 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	25,096	11,449	1,730	7,073	3,764	49,114	515	49,629
Intersegment sales or transfers	2,805	79	—	44	536	3,466	1,407	4,874
Total	27,902	11,529	1,730	7,118	4,300	52,580	1,923	54,504
Segment income (loss)	176	65	(123)	339	674	1,133	134	1,268

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	1,133
Income for “Other”	134
Intersegment eliminations	(6)
Operating income on consolidated statements of income	1,261

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)

	Six months ended September 30, 2015 (Apr. 1, 2015–Sep. 30, 2015)		Six months ended September 30, 2016 (Apr. 1, 2016–Sep. 30, 2016)		Increase/Decrease		FY2015 (Apr. 1, 2015–Mar. 31, 2016)	
	Amount	%	Amount	%	Amount	%	Amount	%
For Automobile	33,671	65.8	34,133	68.8	462	1.4	67,854	66.4
For Construction & Industrial machine	11,251	22.0	10,205	20.6	-1,045	-9.3	21,714	21.3
For Air conditioner	4,202	8.2	3,667	7.4	-535	-12.7	7,793	7.6
Other	2,017	4.0	1,623	3.2	-394	-19.5	4,769	4.7
Total	51,142	100.0	49,629	100.0	-1,512	-3.0	102,132	100.0

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