

Consolidated Financial Results for the 2nd Quarter of Fiscal Year Ending March 31, 2019 (J-GAAP)

November 5, 2018

Company name: T.RAD Co., Ltd. Listing: Tokyo Stock Exchange, First Section
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 Scheduled date of start of dividend payments: December 1, 2018
 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, 2019

(April 1, 2018 to September 30, 2018)

(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, 2018	67,580	14.7	3,073	14.5	3,298	7.8	1,540	5.0
Six months ended September 30, 2017	58,916	18.7	2,684	112.8	3,060	152.6	1,467	75.3

Note: Comprehensive income

Six months ended September 30, 2018: ¥772 million -43.6%

Six months ended September 30, 2017: ¥1,368 million —%

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended September 30, 2018	193.57	—
Six months ended September 30, 2017	184.36	—

Note: We consolidated each unit of 10 common shares into a unit of one share on October 1, 2017. Net income per share is calculated on the assumption that the consolidation of shares was conducted at beginning of the previous consolidated fiscal year.

(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, 2018	93,004	47,343	48.6	5,680.54
Fiscal year ended March 31, 2018	93,320	46,639	48.1	5,635.91

Reference: Shareholders' equity

As of September 30, 2018: ¥45,215 million

As of March 31, 2018 : ¥44,861 million

2. Dividends

	Dividends per Share				
	1Q	2Q	3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2018	—	3.00	—	60.00	—
Fiscal year ending March 31, 2019	—	40.00			
Fiscal year ending March 31, 2019 (Forecast)			—	50.00	90.00

Note: Revisions to the forecast of dividends since the latest official announcement: No

We consolidated each unit of 10 common shares into a unit of one share on October 1, 2017. The amount of the year-end dividends per share for the fiscal year ended March 31, 2018, is described taken consolidation of shares into consideration, and annual dividends per share is described as “—.” The annual dividends per share which is converted by the basis after consolidation of shares for the fiscal year ended March 31, 2018, are 90 yen.

3. Forecast of Consolidated Financial Performance for the Fiscal Year Ending March 31, 2019

(April 1, 2018 to March 31, 2019)

(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, 2019	138,000	10.9	5,200	-10.2	5,600	-13.1	1,600	-56.7	201.01

Note: Revisions to the forecast of consolidated financial performance since the latest official announcement: Yes

For details, please refer to “Revisions to the Forecasts of Financial Performance for the Year Ending March 31, 2019” released on November 5, 2018.

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, 2018: 8,344,405 shares

As of March 31, 2018 : 8,344,405 shares

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

As of September 30, 2018: 384,746 shares

As of March 31, 2018 : 384,514 shares

3) Average number of shares outstanding during the period

Six months ended September 30, 2018: 7,959,812 shares

Six months ended September 30, 2017: 7,961,645 shares

Note: We consolidated each unit of 10 common shares into a unit of one share on October 1, 2017. Number of shares issued and outstanding at end of year, Number of shares of treasury stock at end of period and Average number of shares outstanding during the period are calculated on the assumption that the consolidation of shares was conducted at beginning of the previous consolidated fiscal year.

* The consolidated financial results presented herein are not subject to the audit procedures by certified public accountant or audit firm.

* Explanations for proper use of forecasts and other specific affairs

The forward-looking statement such as forecast of financial performance etc. described in this report based on information currently available and certain assumptions judged to be reasonable. Actual performance may differ significantly from these projections due to various factors.

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1. Qualitative Information for the Second Quarter of Fiscal Year Ending March 31, 2019

(1) Consolidated financial performance

The economic environment during the current second quarter consolidated accumulative period remained strong, aided by the increase of exports and the favorable transition of domestic demand. However, there are concerns that the economy downward pressure risk which will be caused by the protectionist trade policy of the U.S. administration.

Under the circumstances, the net sales of the TRAD Group (on a foreign currency basis) in domestic and overseas increased from the same period of the previous year. Although the operating income decreased in Japan and Europe, it increased in the United States, Asia and China. Although income taxes increased, the profit attributable to owner of parent increased from the same period of the previous year due to the decrease of payment of settlement related to antitrust laws etc.

As a result, net sales during the consolidated cumulative second quarter increased by 8,664 million yen from the previous fiscal year, amounting to 67,580 million yen (up 14.7% year on year), operating income increased by 389 million yen, amounting to 3,073 million yen (up 14.5% year on year), ordinary income increased by 237 million yen, amounting to 3,298 million yen (up 7.8% year on year) and profit attributable to owners of parent increased by 73 million yen, amounting to 1,540 million yen (up 5.0% year on year).

The segment results are as follows.

The book-closing date for the consolidated subsidiaries for the first six months of the fiscal year under review is June 30. In preparing the consolidated financial statements, the 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 relevant to such adjustments are the United States, Europe, Asia and China.

Three of domestic subsidiaries have the same settlement date that coincides with the last day of the consolidated fiscal year. The segment impacted by such adjustments is Other.

From the previous third quarterly consolidated accounting period, Qingdao Toyo Heat Exchanger Co., Ltd. is included in China segment. In addition, T.RAD CONNECT Co., Ltd. in which we newly established during the second quarterly consolidated accounting period, is included in Other segment.

	Net Sales				Operating Income (Loss)			
	Six months ended September 30, 2017	Six months ended September 30, 2018	Increase/Decrease	Percentage change (on a foreign currency basis)*	Six months ended September 30, 2017	Six months ended September 30, 2018	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	27,346	29,738	2,392	8.7	813	365	- 448	-55.1
United States	15,450	15,882	431	4.2	190	247	57	31.9
Europe	1,971	2,268	297	15.1	(166)	(478)	-312	-190.0
Asia	7,851	8,690	838	11.5	904	1,167	263	30.0
China	5,770	10,512	4,741	81.5	1,038	1,469	431	40.0
Other (including eliminations)	526	489	-36	-7.0	(95)	302	397	417.6
Total	58,916	67,580	8,664	15.2	2,684	3,073	389	14.3

*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 the favorable transition of the orders received for our products of models. The net sales of products for construction and industrial machines increased from the same period of the previous year due to the favorable China and Mining market. As a result, the net sales in the Japan segment increased by 2,392 million yen, resulting in 29,738 million yen.

Operating income decreased by 448 million yen from the same period of the previous year due to rising raw material price and increase of R&D expenses and etc., resulting in 365 million yen.

(ii) United States

The net sales of products for the automobile industry increased due to the commencement of mass production of models for which orders were newly received etc.

The net sales of products for construction and industrial machines increased from the same period of the previous year due to the increase of demands by the major customers.

As a result, the net sales in the United States segment increased by 431 million yen from the same period of the previous year, resulting in 15,882 million yen. On a foreign currency basis, it increased by 4.2%.

Operating income increased by 57 million yen from the same period of the previous year, resulting in 247 million yen. On a foreign currency basis, it increased by 31.9%.

(iii) Europe

The net sales of products for the automobile industry increased from the same period of the previous year, contributed by the increase of orders received from major customers in Czech Republic. As a result, the net sales in the Europe segment increased by 297 million yen from the same period of the previous year, resulting in 2,268 million yen. On a foreign currency basis, it increased by 15.1%.

Operating loss of 478 million yen was posted, worsening by 312 million yen from the same period of the previous year by increased cost associated with launch of a new order model in Czech Republic. On a foreign currency basis, it decreased by 190.0%.

(iv) Asia

The net sales of products for the automobile industry increased from the same period of the previous year by the favorable sales of the orders received for our models in ASEAN subsidiaries. As a result, the net sales in the Asia segment increased by 838 million yen from the same period of the previous year, resulting in 8,690 million yen. On a foreign currency basis, it increased by 11.5%.

Operating income increased by 263 million yen from the same period of the previous year, resulting in 1,167 million yen. On a foreign currency basis, it increased by 30.0%.

(v) China

The net sales of products for the automobile industry largely increased from the same period of the previous year due to a new addition of net sales 3,821 million yen of Qingdao Toyo Heat Exchanger Co., Ltd. We acquired its shares additionally and making it a subsidiary from the previous third quarterly consolidated accounting period. Net sales of products for construction and industrial machines increased from the same period of the previous year due to increase in orders influenced by the favorable Chinese market. As a result, the net sale in the China segment increased by 4,741 million yen from the same period of the previous year, resulting in 10,512 million yen. On a foreign currency basis, it increased by 81.5%.

The operating income increased by 431 million yen from the same period of the previous year, resulting in 1,469 million yen. On a foreign currency basis, it increased by 40.0%.

(2) Consolidated financial position

1) Assets, liabilities and net assets

Total assets at the end of current second quarter of the fiscal year under review resulted in 93,004 million yen (down 316 million yen from the end of the previous fiscal year) due to the decrease of tangible fixed assets etc.

Total liabilities resulted in 45,660 million yen (down 1,020 million yen) due to the payment of long-term loans payable and payment of settlement etc.

Net assets resulted in 47,343 million yen (up 704 million yen) due to retained earnings increased.

2) Cash flows

Cash and cash equivalents at the end of the current second quarter of the fiscal year under review totaled 10,946 million yen, increase of 1,679 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 3,818 million yen, decrease of 1,448 million yen year on year due to the increase of working capital accompanying with the increase of net sales and the payment of settlement etc. Net cash used in investing activities was 3,959 million yen, due to capital investment increase of 1,574 million yen year on year. Net cash used in financing activities was 585 million yen, a decrease of 737 million yen year on year due to decrease loans payable etc.

(3) Future projections including forecasts of consolidated financial performance

We revised the forecast of consolidated financial performance released on May 14, 2018. For details, please refer to "Revisions to the Forecasts of Financial Performance for the Year Ending March 31, 2019" that we announced today (November 5, 2018).

2. Quarterly Consolidated Financial Statements and main notes

(1) Quarterly consolidated balance sheets

(Millions of yen)

	FY2017	FY2018_2Q
	As of March 31, 2018	As of September 30, 2018
	Amount	Amount
(Assets)		
Current assets		
Cash and deposits	12,128	11,794
Notes and accounts receivable-trade	24,928	25,615
Electronically recorded monetary claims-operating	2,659	2,428
Short-term investment securities	399	399
Merchandise and finished goods	2,728	3,018
Work in process	594	591
Raw materials and supplies	5,097	5,055
Others	2,253	2,360
Allowance for doubtful accounts	(85)	(87)
Total current assets	50,704	51,177
Noncurrent assets		
Tangible fixed assets		
Building and structures, net	6,528	6,442
Machinery, equipment and vehicles, net	16,287	15,862
Land	2,602	2,562
Lease assets, net	122	111
Construction in progress	3,476	3,325
Other tangible fixed assets, net	2,236	2,323
Total tangible fixed assets	31,254	30,627
Intangible assets		
Goodwill	583	286
Others	1,068	1,142
Total intangible assets	1,651	1,428
Investments and other assets		
Investment securities	8,470	8,654
Net defined benefit asset	467	444
Deferred tax assets	59	76
Others	741	635
Allowance for doubtful accounts	(28)	(39)
Total investments and other assets	9,710	9,770
Total noncurrent assets	42,616	41,826
Total assets	93,320	93,004

(Millions of yen)

	FY2017	FY2018_2Q
	As of March 31, 2018	As of September 30, 2018
	Amount	Amount
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	14,086	14,415
Electronically recorded obligations – operating	4,703	5,190
Short-term loans payable	7,646	7,841
Lease obligations	378	294
Income taxes payable	563	525
Accrued expenses	3,289	2,873
Provision for bonuses	1,468	1,497
Provision for directors' bonuses	96	46
Provision for product warranties	206	250
Provision for shareholders benefit program	62	37
Electronically recorded obligations - non-operating	757	556
Others	2,384	1,688
Total current liabilities	35,642	35,218
Noncurrent liabilities		
Long-term loans payable	8,582	7,846
Lease obligations	735	602
Deferred tax liabilities	1,480	1,758
Provision for directors' retirement benefits	4	5
Net defined benefit liability	95	94
Asset retirement obligations	89	90
Others	51	45
Total noncurrent liabilities	11,039	10,442
Total liabilities	46,681	45,660
(Net assets)		
Shareholders' equity		
Capital stock	8,545	8,545
Capital surplus	7,434	7,579
Retained earnings	27,376	28,439
Treasury stock	(899)	(900)
Total shareholders' equity	42,457	43,663
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,047	1,194
Foreign currency translation adjustment	679	(285)
Remeasurements of defined benefit plans	677	641
Total accumulated other comprehensive income	2,404	1,551
Non-controlling interests	1,777	2,128
Total net assets	46,639	47,343
Total liabilities and net assets	93,320	93,004

(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, 2017 (Apr. 1, 2017–September 30, 2017)	Six months ended September 30, 2018 (Apr. 1, 2018–September 30, 2018)
	Amount	Amount
Net sales	58,916	67,580
Cost of sales	51,689	59,136
Gross profit	7,227	8,444
Selling, general and administrative expenses		
Packing and delivery expenses	644	867
Salaries and allowances	838	940
Provision for bonuses	279	322
Provision for directors' bonuses	33	46
Retirement benefit expenses	33	27
Welfare expenses	487	522
Provision for product warranties	10	78
Research and development expenses	589	694
Others	1,626	1,870
Total selling, general and administrative expenses	4,542	5,370
Operating income (loss)	2,684	3,073
Non-operating income		
Interest income	31	63
Dividends income	114	107
Equity in earnings of affiliates	186	114
Foreign exchange gains	29	—
Others	124	104
Total non-operating income	487	390
Non-operating expenses		
Interest expenses	104	131
Foreign exchange losses	—	22
Others	6	12
Total non-operating expenses	111	165
Ordinary income (loss)	3,060	3,298

(Millions of yen)

	Six months ended September 30, 2017 (Apr. 1, 2017–September 30, 2017)	Six months ended September 30, 2018 (Apr. 1, 2018–September 30, 2018)
	Amount	Amount
Extraordinary income		
Gain on sales of noncurrent assets	14	22
Gain on sales of investment securities	507	—
Total extraordinary income	521	22
Extraordinary loss		
Loss on sales of noncurrent assets	0	38
Loss on retirement of noncurrent assets	26	33
Impairment loss	—	192
Provision of allowance for doubtful accounts of golf club membership	—	11
Surcharges	1,256	274
Total extraordinary loss	1,284	549
Income (loss) before income taxes	2,298	2,770
Income taxes-current	747	859
Income taxes-deferred	0	222
Total income taxes	747	1,081
Profit (loss)	1,551	1,688
Profit (loss) attributable to non-controlling interests	83	147
Profit (loss) attributable to owners of parent	1,467	1,540

(Quarterly consolidated statement of comprehensive income)

(Millions of yen)

	Six months ended September 30, 2017 (Apr. 1, 2017–September 30, 2017)	Six months ended September 30, 2018 (Apr. 1, 2018–September 30, 2018)
	Amount	Amount
Profit (loss)	1,551	1,688
Other comprehensive income		
Valuation difference on available-for-sale securities	154	147
Foreign currency translation adjustment	(313)	(946)
Remeasurements of defined benefit plans, net of tax	(14)	(35)
Share of other comprehensive income of associates accounted for using equity method	(8)	(81)
Total other comprehensive income	(182)	(916)
Comprehensive income	1,368	772
(Breakdown)		
Comprehensive income attributable to owners of the parent	1,298	687
Comprehensive income attributable to non-controlling interests	70	84

(3) Quarterly consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2017 (Apr. 1, 2017–September 30, 2017)	Six months ended September 30, 2018 (Apr. 1, 2018–September 30, 2018)
	Amount	Amount
Net cash provided by (used in) operating activities		
Profit (loss) before income taxes	2,298	2,770
Depreciation and amortization	2,596	2,906
Retirement benefit expenses	(22)	(51)
Increase(decrease) in net defined benefit liability	27	27
Increase (decrease) in provision for directors' retirement benefits	1	1
Increase (decrease) in allowance for doubtful accounts	(33)	15
Increase (decrease) in provision for bonuses	39	30
Increase (decrease) in provision for directors' bonuses	(19)	(49)
Increase (decrease) in provision for product warranties	(20)	52
Loss on retirement of noncurrent assets	26	33
Loss(gain) on sales of tangible fixed assets	(13)	16
Loss (gain) on sales of investment securities	(507)	—
Surcharges	1,256	274
Interest and dividends income	(146)	(171)
Interest expenses	104	131
Equity in (earnings) losses of affiliates	(186)	(114)
Impairment loss	—	192
Decrease(increase) in notes and accounts receivable-trade	(2,079)	(935)
Decrease(increase) in inventories	(20)	(492)
Increase(decrease) in notes and accounts payable-trade	2,384	1,144
Decrease(increase) in other current assets	(19)	(136)
Increase (decrease) in other current liabilities	430	(511)
Other, net	(62)	116
Subtotal	6,036	5,249
Interest and dividends income received	221	231
Interest expenses paid	(104)	(131)
Income taxes paid	(683)	(812)
Surcharges paid	(202)	(718)
Net cash provided by (used in) operating activities	5,267	3,818

(Millions of yen)

	Six months ended September 30, 2017 (Apr. 1, 2017–September 30, 2017)	Six months ended September 30, 2018 (Apr. 1, 2018–September 30, 2018)
	Amount	Amount
Net cash provided by (used in) investing activities		
Purchase of tangible fixed assets	(2,701)	(3,220)
Proceeds from sales of tangible fixed assets	40	127
Proceeds from sales of investment securities	530	—
Payments into time deposits	(186)	(736)
Proceeds from withdrawal of time deposits	18	30
Others	(86)	(159)
Net cash provided by (used in) investing activities	(2,385)	(3,959)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(46)	38
Proceeds from long-term loans payable	1,600	730
Repayment of long-term loans payable	(758)	(1,073)
Proceeds from share insurance to non-controlling shareholders	1	50
Purchase of treasury stock	(2)	(0)
Cash dividends paid	(238)	(477)
Cash dividends paid to non-controlling shareholders	(52)	(51)
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	411
Others	(349)	(212)
Net cash provided by (used in) financing activities	152	(585)
Effect of exchange rate change on cash and cash equivalents	15	(294)
Net increase (decrease) in cash and cash equivalents	3,050	(1,019)
Cash and cash equivalents at beginning of period	6,216	11,965
Cash and cash equivalents at end of period	9,266	10,946

(4) Notes to quarterly consolidated financial statements

(Going concern assumptions)

Not applicable

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

Not applicable

(Additional information)

(Application of Partial Amendments to Accounting Standard for Tax Effect Accounting, etc.)

We have been applying the "Partial Amendments to Accounting Standard for Tax Effect Accounting, etc." (ASBJ Statement No.28, February 16, 2018) from beginning of the first quarterly consolidated accounting period.

This has led to Deferred tax assets has been presented to Investments and other assets and Deferred tax liabilities has been presented to Noncurrent liabilities.

(Segment information)

I Six months ended September 30, 2017 (from April 1, 2017 to September 30, 2017)

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	27,346	15,450	1,971	7,851	5,770	58,390	526	58,916
Intersegment sales or Transfers	3,530	83	305	50	745	4,717	1,553	6,271
Total	30,877	15,533	2,277	7,902	6,516	63,107	2,080	65,187
Segment income (loss)	813	190	(166)	904	1,038	2,780	135	2,915

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, Germany

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	2,780
Income for “Other”	135
Intersegment eliminations	(230)
Operating income on consolidated statements of income	2,684

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, 2018 (from April 1, 2018 to September 30, 2018)

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	29,738	15,882	2,268	8,690	10,512	67,091	489	67,580
Intersegment sales or transfers	2,764	70	266	34	931	4,067	1,642	5,710
Total	32,502	15,953	2,534	8,724	11,443	71,159	2,132	73,291
Segment income (loss)	365	247	(478)	1,167	1,469	2,771	101	2,872

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, Germany

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	2,771
Income for “Other”	101
Intersegment eliminations	201
Operating income on consolidated statements of income	3,073

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

(Significant impairment loss on noncurrent assets)

In the segment of “China,” we posted impairment losses of goodwill 192 million yen as an extraordinary loss.

(Significant change in goodwill amount)

Not applicable

(Significant gain on bargain purchase)

Not applicable

3. Supplementary information

Sales states (consolidated)

(Millions of yen)

	Six months ended September 30,2017 (Apr. 1, 2017–September. 30, 2017)		Six months ended September 30, 2018 (Apr. 1, 2018–September.30, 2018)		Increase/Decrease		FY2017 (Apr 1,2017-Mar 31,2018)	
	Amount	%	Amount	%	Amount	%	Amount	%
For Automobile	41,414	70.3	47,940	70.9	6,526	15.8	88,185	70.8
For Construction & Industrial machine	12,843	21.8	15,108	22.4	2,264	17.6	26,957	21.7
For Air conditioner	2,830	4.8	2,811	4.2	-18	-0.7	5,721	4.6
Other	1,828	3.1	1,720	2.5	-108	-5.9	3,625	2.9
Total	58,916	100.0	67,580	100.0	8,664	14.7	124,490	100.0

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