

Consolidated Financial Results for the 2nd Quarter of Fiscal Year Ending March 31, 2021 (J-GAAP)

November 2, 2020

Company name: T.RAD Co., Ltd.

Code No.: 7236

Representative: Tomio Miyazaki, President & COO

Contact: Norio Kanai, Managing Director & CFO

Scheduled date of filing of 2nd 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

URL: <http://www.trad.co.jp>

Tel: +81-3-3373-1101

November 4, 2020

(Amounts less than one million yen have been truncated)

1. Consolidated Financial Performance for the 2nd Quarter of Fiscal Year Ending March 31, 2021

(April 1, 2020 to September 30, 2020)

(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, 2020	48,768	-26.2	(1,634)	—	(1,647)	—	(2,469)	—
Six months ended September 30, 2019	66,100	-2.2	1,666	-45.8	1,633	-50.5	1,701	10.5

Note: Comprehensive income

Six months ended September 30, 2020: ¥ -3,207 million —%

Six months ended September 30, 2019: ¥1,046 million 35.5%

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended September 30, 2020	(342.39)	—
Six months ended September 30, 2019	224.46	—

(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, 2020	81,475	41,230	47.9	5,389.34
Fiscal year ended March 31, 2020	88,493	44,846	48.1	5,916.09

Reference: Shareholders' equity

As of September 30, 2020: ¥38,992 million

As of March 31, 2020 : ¥43,048 million

2. Dividends

	Dividends per Share				
	1Q	2Q	3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2020	—	40.00	—	50.00	90.00
Fiscal year ending March 31, 2021	—	0.00	—	—	—
Fiscal year ending March 31, 2021 (Forecast)	—	—	—	—	—

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

At the present moment, the expected dividend amount for the fiscal year ending March 31, 2021 has not been decided.

3. Forecast of Consolidated Financial Performance for the Fiscal Year Ending March 31, 2021

(April 1, 2020 to March 31, 2021)

(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, 2021	108,300	-17.0	300	-89.4	100	-96.5	(1,400)	-197.6	(194.47)

Note: Revisions to the forecast of consolidated financial performance since the latest official announcement: No

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, 2020: 8,380,711 shares
 - As of March 31, 2020: 8,344,405 shares
 - 2) Number of shares of treasury stock at end of period
 - As of September 30, 2020: 1,145,653 shares
 - As of March 31, 2020: 1,145,320 shares
 - 3) Average number of shares outstanding during the period
 - Six months ended September 30, 2020: 7,211,071 shares
 - Six months ended September 30, 2019: 7,581,576 shares

* 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.

Table of Contents

1. Qualitative Information for the Second Quarter of Fiscal Year Ending March 31, 2021	4
(1) Consolidated financial performance	4
(2) Consolidated financial position	5
(3) Future projections including forecasts of consolidated financial performance	5
2. Quarterly Consolidated Financial Statements and main notes	6
(1) Quarterly consolidated balance sheets	6
(2) Quarterly consolidated statements of income and quarterly consolidated statement of comprehensive income	8
(Quarterly consolidated statements of income)	8
(Quarterly consolidated statement of comprehensive income)	10
(3) Quarterly consolidated statements of cash flows	11
(4) Notes to quarterly consolidated financial statements	13
(Going concern assumptions)	13
(Notes in the event of significant changes in shareholders' equity)	13
(Additional information)	13
(Segment information)	14
3. Supplementary information	
Sales states (consolidated)	16

1. Qualitative Information for the Second Quarter of Fiscal Year Ending March 31, 2021

(1) Consolidated financial performance

As for the economic environment during the second quarter of the current consolidated cumulative period, the global economy deteriorated significantly due to the spread of novel coronavirus infections. It is concerned that severe economic conditions will continue in the future as the economy depends on the epidemic trend of the infection.

Under the circumstances, the net sales of the T.RAD Group (on a foreign currency basis) largely decreased from the same period of the previous year in domestic and overseas. Operating income, ordinary income and the profit attributable to owner of parent decreased in domestic and overseas.

As a result, net sales during the consolidated cumulative second quarter decreased by 17,331 million yen from the previous fiscal year, amounting to 48,768 million yen (down 26.2% year on year). Operating loss of 1,634 million yen was posted, worsening by 3,301 million yen year on year. Ordinary loss of 1,647 million yen was posted, worsening by 3,281 million yen year on year. Loss attributable to owners of parent of 2,469 million yen was posted, worsening by 4,170 million yen 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 include the United States, Europe, Asia and China.

T.RAD LOGISTICS Co., Ltd. of domestic subsidiary has the same settlement date that coincides with the last day of the consolidated fiscal year. The segment impacted by such adjustments is Others.

	Net Sales				Operating Income (Loss)			
	Six months ended September 30, 2019	Six months ended September 30, 2020	Increase/ Decrease	Percentage change (on a foreign currency basis)*	Six months ended September 30, 2019	Six months ended September 30, 2020	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	29,147	21,366	-7,781	-26.7	(289)	(1,765)	-1,475	-509.3
United States	16,568	10,821	-5,747	-34.7	(150)	(1,043)	-893	-593.8
Europe	1,308	1,090	-218	-10.3	(566)	(279)	287	47.4
Asia	8,626	5,646	-2,979	-33.7	1,037	341	-696	-67.0
China	9,929	9,350	-578	-3.6	1,289	1,049	-239	-16.2
Others (including eliminations)	519	493	-25	-5.5	346	63	-282	-81.7
Total	66,100	48,768	-17,331	-25.8	1,666	(1,634)	-3,301	-198.4

*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 and construction industrial machines declined sharply from the previous fiscal year due to a decrease in sales by major customers in line with the spread of novel coronavirus infections. As a result, the net sales in the Japan segment decreased by 7,781 million yen, resulting in 21,366 million yen.

Operating loss of 1,765 million yen was posted, worsening by 1,475 million yen from the same period of the previous year, due to the net sales declined sharply etc.

(ii) United States

Net sales of products for automobile industry and construction industrial machines declined sharply from the previous fiscal year due to a decrease in sales by major customers as the novel coronavirus infection spread. As a result, the net sales in the United States segment decreased by 5,747 million yen from the same period of the previous year, resulting in 10,821 million yen. On a foreign currency basis, it decreased by 34.7%.

Operating loss of 1,043 million yen was posted, worsening by 893 million yen from the same period of the previous year.

(iii) Europe

The net sales of products for the automobile industry decreased from the previous fiscal year due to a decrease in sales by major customers as the novel coronavirus infection spread in Czech Republic and Russia. As a result, the net sales in the Europe segment decreased by 218 million yen from the same period of the previous year, resulting in 1,090 million yen. On a foreign currency basis, it decreased by 10.3%.

Operating loss of 279 million yen was posted, improved by 287 million yen from the same period of the previous year, due to the stable production of newly ordered models in the Czech Republic etc. On a foreign currency basis, it increased by 47.4%.

(iv) Asia

The net sales of products for the automobile industry declined sharply from the previous fiscal year due to a decrease in sales by major customers as the novel coronavirus infection spread in Thailand, Indonesia and Vietnam. As a result, the net sales in the Asia segment decreased by 2,979 million yen from the same period of the previous year, resulting in 5,646 million yen. On a foreign currency basis, it decreased by 33.7%.

Operating income decreased by 696 million yen from the same period of the previous year, resulting in 341 million yen. On a foreign currency basis, it decreased by 67.0%.

(v) China

Net sales of products for automobile industry and construction industrial machines recovered ahead of other countries, but decreased from the previous fiscal year due to the impact of the spread of novel coronavirus. As a result, the net sale in the China segment decreased by 578 million yen from the same period of the previous year, resulting in 9,350 million yen. On a foreign currency basis, it decreased by 3.6%.

The operating income decreased by 239 million yen from the same period of the previous year due to decreased of net sales etc., resulting in 1,049 million yen. On a foreign currency basis, it decreased by 16.2%.

(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 81,475 million yen (down 7,017 million yen from the end of the previous fiscal year) due to the decrease of accounts receivable-trade and tangible fixed assets etc.

Total liabilities resulted in 40,244 million yen (down 3,401 million yen) due to the decrease of accounts payable-trade and provision for bonuses etc.

Net assets resulted in 41,230 million yen (down 3,616 million yen) due to the decrease of retained earnings and foreign currency translation adjustment etc.

2) Cash flows

Cash and cash equivalents at the end of the current second quarter of the fiscal year under review totaled 12,650 million yen, decrease of 2,256 million yen from the end of the previous fiscal 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 1,692 million yen, an increase of 1,451 million yen year on year due to the decrease of notes and accounts receivable-trade etc. Net cash used in investing activities was 2,437 million yen, an increase of 3,649 million yen year on year. Net cash used in financing activities was 21 million yen, an increase of 199 million yen year on year due to the increase of interest-bearing liabilities etc.

(3) Future projections including forecasts of consolidated financial performance

We did not revise the forecast of consolidated financial performance released on May 18, 2020, as the financial results for the first six months of the fiscal year under review were within the expected range.

2. Quarterly Consolidated Financial Statements and main notes

(1) Quarterly consolidated balance sheets

(Millions of yen)

	FY2019	FY2020_2Q
	As of March 31, 2020	As of September 30, 2020
	Amount	Amount
(Assets)		
Current assets		
Cash and deposits	13,419	12,332
Notes and accounts receivable-trade	22,274	19,391
Electronically recorded monetary claims-operating	3,873	2,527
Short-term investment securities	499	489
Merchandise and finished goods	3,864	3,332
Work in process	741	597
Raw materials and supplies	5,725	6,608
Others	2,603	2,147
Allowance for doubtful accounts	(73)	(149)
Total current assets	52,927	47,279
Noncurrent assets		
Tangible fixed assets		
Building and structures, net	6,501	6,216
Machinery, equipment and vehicles, net	15,687	15,411
Land	2,374	2,351
Lease assets, net	526	471
Construction in progress	4,104	3,603
Other tangible fixed assets, net	2,131	2,208
Total tangible fixed assets	31,326	30,262
Intangible assets		
Goodwill	111	53
Others	1,173	1,175
Total intangible assets	1,284	1,228
Investments and other assets		
Investment securities	2,206	1,995
Deferred tax assets	78	63
Others	681	658
Allowance for doubtful accounts	(13)	(13)
Total investments and other assets	2,953	2,703
Total noncurrent assets	35,565	34,195
Total assets	88,493	81,475

(Millions of yen)

	FY2019	FY2020_2Q
	As of March 31, 2020	As of September 30, 2020
	Amount	Amount
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	12,149	10,791
Electronically recorded obligations -- operating	3,414	2,439
Short-term loans payable	6,205	10,799
Lease obligations	611	540
Income taxes payable	791	447
Accrued expenses	2,779	2,394
Provision for bonuses	1,282	835
Provision for directors' bonuses	43	0
Provision for product warranties	181	233
Provision for shareholders benefit program	39	6
Provision for loss on order received	92	86
Electronically recorded obligations - non-operating	384	259
Asset retirement obligations	200	100
Others	1,495	1,493
Total current liabilities	29,671	30,428
Noncurrent liabilities		
Long-term loans payable	10,039	6,054
Lease obligations	2,350	2,105
Deferred tax liabilities	940	1,031
Provision for directors' retirement benefits	4	—
Net defined benefit liability	410	431
Asset retirement obligations	91	91
Others	138	102
Total noncurrent liabilities	13,974	9,816
Total liabilities	43,646	40,244
(Net assets)		
Shareholders' equity		
Capital stock	8,545	8,570
Capital surplus	7,496	7,521
Retained earnings	29,065	26,236
Treasury stock	(2,257)	(2,258)
Total shareholders' equity	42,850	40,070
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(6)	(4)
Foreign currency translation adjustment	(405)	(1,221)
Remeasurements of defined benefit plans	152	147
Total accumulated other comprehensive income	(259)	(1,078)
Non-controlling interests	2,256	2,238
Total net assets	44,846	41,230
Total liabilities and net assets	88,493	81,475

(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, 2019 (Apr. 1, 2019–September 30, 2019)	Six months ended September 30, 2020 (Apr. 1, 2020–September 30, 2020)
	Amount	Amount
Net sales	66,100	48,768
Cost of sales	59,142	45,951
Gross profit	6,958	2,817
Selling, general and administrative expenses		
Packing and delivery expenses	765	587
Salaries and allowances	1,069	971
Provision for bonuses	310	209
Provision for directors' bonuses	34	0
Retirement benefit expenses	42	40
Welfare expenses	686	550
Provision for product warranties	108	131
Research and development expenses	589	519
Others	1,684	1,442
Total selling, general and administrative expenses	5,292	4,452
Operating income (loss)	1,666	(1,634)
Non-operating income		
Interest income	62	52
Dividends income	93	3
Equity in earnings of affiliates	38	—
Foreign exchange gains	—	23
Subsidy income	—	89
Others	55	114
Total non-operating income	250	283
Non-operating expenses		
Interest expenses	147	137
Equity in losses of affiliates	—	152
Foreign exchange losses	120	—
Others	14	5
Total non-operating expenses	282	296
Ordinary income (loss)	1,633	(1,647)

(Millions of yen)

	Six months ended September 30, 2019 (Apr. 1, 2019–September 30, 2019)	Six months ended September 30, 2020 (Apr. 1, 2020–September 30, 2020)
	Amount	Amount
Extraordinary income		
Gain on sales of noncurrent assets	36	39
Gain on sales of investment securities	1,350	—
Total extraordinary income	1,387	39
Extraordinary loss		
Loss on sales of noncurrent assets	2	34
Loss on retirement of noncurrent assets	52	76
Loss on sales of investment securities	382	—
Loss on liquidation of subsidiaries and associates	—	12
Surcharges	11	3
Total extraordinary loss	449	126
Income (loss) before income taxes	2,571	(1,734)
Income taxes-current	1,162	481
Income taxes-deferred	(457)	109
Total income taxes	704	590
Profit (loss)	1,867	(2,324)
Profit (loss) attributable to non-controlling interests	165	144
Profit (loss) attributable to owners of parent	1,701	(2,469)

(Quarterly consolidated statement of comprehensive income)

(Millions of yen)

	Six months ended September 30, 2019 (Apr. 1, 2019–September 30, 2019)	Six months ended September 30, 2020 (Apr. 1, 2020–September 30, 2020)
	Amount	Amount
Profit (loss)	1,867	(2,324)
Other comprehensive income		
Valuation difference on available-for-sale securities	(369)	1
Foreign currency translation adjustment	(426)	(820)
Remeasurements of defined benefit plans, net of tax	(13)	(4)
Share of other comprehensive income of associates accounted for using equity method	(11)	(59)
Total other comprehensive income	(820)	(883)
Comprehensive income	1,046	(3,207)
(Breakdown)		
Comprehensive income attributable to owners of the parent	932	(3,287)
Comprehensive income attributable to non-controlling interests	113	79

(3) Quarterly consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2019 (Apr. 1, 2019–September 30, 2019)	Six months ended September 30, 2020 (Apr. 1, 2020–September 30, 2020)
	Amount	Amount
Net cash provided by (used in) operating activities		
Profit (loss) before income taxes	2,571	(1,734)
Depreciation and amortization	2,917	3,060
Retirement benefit expenses	(18)	(6)
Increase(decrease) in net defined benefit liability	51	28
Increase (decrease) in provision for directors' retirement benefits	1	(4)
Increase (decrease) in allowance for doubtful accounts	(1)	76
Increase (decrease) in provision for bonuses	44	(446)
Increase (decrease) in provision for directors' bonuses	(49)	(42)
Increase (decrease) in provision for product warranties	(20)	56
Loss on retirement of noncurrent assets	52	76
Loss(gain) on sales of tangible fixed assets	(34)	(5)
Loss (gain) on sales of securities	(968)	—
Surcharges	11	3
Interest and dividends income	(156)	(56)
Interest expenses	147	137
Foreign exchange losses (gains)	—	(2)
Equity in (earnings) losses of affiliates	(38)	152
Decrease(increase) in notes and accounts receivable-trade	314	3,809
Decrease(increase) in inventories	(1,025)	(496)
Increase(decrease) in notes and accounts payable-trade	(2,376)	(2,175)
Decrease(increase) in other current assets	169	329
Increase (decrease) in other current liabilities	(456)	(341)
Other, net	69	60
Subtotal	1,205	2,480
Interest and dividends income received	325	56
Interest expenses paid	(146)	(131)
Income taxes paid	(897)	(712)
Surcharges paid	(246)	—
Net cash provided by (used in) operating activities	240	1,692

(Millions of yen)

	Six months ended September 30, 2019 (Apr. 1, 2019–September 30, 2019)	Six months ended September 30, 2020 (Apr. 1, 2020–September 30, 2020)
	Amount	Amount
Net cash provided by (used in) investing activities		
Purchase of tangible assets	(3,975)	(2,508)
Proceeds from sales of tangible fixed assets	47	165
Purchase of intangible assets	(265)	(129)
Proceeds from sales of investment securities	5,299	1
Payments into time deposit	(24)	(465)
Proceeds from withdrawal of time deposits	99	485
Others	30	14
Net cash provided by (used in) investing activities	1,212	(2,437)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	1,005	1,252
Proceeds from long-term loans payable	2,300	—
Repayment of long-term loans payable	(1,472)	(502)
Purchase of treasury stock	(1,355)	(0)
Cash dividends paid	(397)	(359)
Cash dividends paid to non-controlling shareholders	(72)	(132)
Others	(227)	(278)
Net cash provided by (used in) financing activities	(220)	(21)
Effect of exchange rate change on cash and cash equivalents	(152)	(308)
Net increase (decrease) in cash and cash equivalents	1,080	(1,074)
Cash and cash equivalents at beginning of period	13,826	13,724
Cash and cash equivalents at end of period	14,907	12,650

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

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

According to the Board of Directors' resolution on July 20, 2020, we issued new shares on August 20, 2020, as restricted stock compensation (transfer-restricted share compensation) for directors and managing executive officers. The capital stock increased by 24 million yen, and the capital surplus increased by 24 million yen during the second quarter of the current consolidated cumulative period.

As a result, as of the end of the second quarter of the current consolidated fiscal year, the capital stock was 8,570 million yen, and the capital surplus was 7,521 million yen.

(Additional information)

(About the accounting estimate associated with the spread of novel coronavirus infections)

During the second quarter of the current consolidated cumulative period, as a result of the spread of novel coronavirus infections, we were significantly affected by the suspension of our business partners' operations. At this time, it is difficult to determine the impact on the Group because the timing of the termination of the pandemic is unpredictable.

During the second quarter of the current consolidated cumulative period, our financial estimates were made after considering the latest sales information. The estimates were based on the assumptions (the sales are assumed to recover from July 2020 through March 2021 gradually) made in the previous consolidated fiscal year (ending March 2020).

(Segment information)

I Six months ended September 30, 2019 (from April 1, 2019 to September 30, 2019)

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

(Millions of yen)

	Reportable segment						Others (Note 3)	Total
	Japan	United States	Europe	Asia	China	Total		
Net Sales:								
Sales to outside customers	29,147	16,568	1,308	8,626	9,929	65,580	519	66,100
Intersegment sales or Transfers	3,456	76	240	32	826	4,632	1,638	6,271
Total	32,604	16,645	1,549	8,658	10,755	70,213	2,157	72,371
Segment income (loss)	(289)	(150)	(566)	1,037	1,289	1,319	74	1,394

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. “Others” 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 or loss	Amount
Total segment income	1,319
Income for “Others”	74
Intersegment eliminations	271
Operating income on consolidated statements of income	1,666

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, 2020 (from April 1, 2020 to September 30, 2020)

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

(Millions of yen)

	Reportable segment						Others (Note 3)	Total
	Japan	United States	Europe	Asia	China	Total		
Net Sales:								
Sales to outside customers	21,366	10,821	1,090	5,646	9,350	48,275	493	48,768
Intersegment sales or transfers	2,570	156	156	26	643	3,553	807	4,361
Total	23,936	10,977	1,247	5,673	9,994	51,829	1,301	53,130
Segment income (loss)	(1,765)	(1,043)	(279)	341	1,049	(1,698)	(15)	(1,713)

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

AsiaThailand, Indonesia, Vietnam

3. “Others” 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 or loss	Amount
Total segment income(loss)	(1,698)
Income(loss) for “Others”	(15)
Intersegment eliminations	78
Operating income on consolidated statements of income(loss)	(1,634)

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

3. Supplementary information

Sales states (consolidated)

(Millions of yen)

	Six months ended September 30, 2019 (Apr. 1, 2019–September 30, 2019)		Six months ended September 30, 2020 (Apr. 1, 2020–September 30, 2020)		Increase/Decrease		FY2019 (Apr 1, 2019–Mar 31, 2020)	
	Amount	%	Amount	%	Amount	%	Amount	%
For Automobile	48,622	73.6	36,160	74.1	-12,462	-25.6	98,377	75.4
For Construction & Industrial machine	14,240	21.5	10,260	21.0	-3,980	-28.0	26,147	20.0
For Air conditioner	1,710	2.6	1,005	2.1	-704	-41.2	3,158	2.4
Other	1,526	2.3	1,342	2.8	-184	-12.1	2,841	2.2
Total	66,100	100.0	48,768	100.0	-17,331	-26.2	130,524	100.0

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