

# Consolidated Financial Results for the 1st Quarter of Fiscal Year Ending March 31, 2022 (J-GAAP)

August 2, 2021

Company name: T.RAD Co., Ltd.

Code No.: 7236

Representative: Tomio Miyazaki, President & COO

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Scheduled date of filing of 1st quarter securities report:

Scheduled date of start of dividend payments: —

Supplemental materials prepared for consolidated financial results: None

Briefing on consolidated financial results: None

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August 3, 2021

(Amounts less than one million yen have been truncated)

## 1. Consolidated Financial Performance for the 1st Quarter of Fiscal Year Ending March 31, 2022

(April 1, 2021 to June 30, 2021)

### (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	%
Three months ended June30, 2021	32,874	30.2	2,239	—	2,272	—	1,310	—
Three months ended June30, 2020	25,249	-25.9	(567)	—	(618)	—	(989)	—

Note: Comprehensive income

Three months ended June 30, 2021: ¥ 2,720 million (—%)

Three months ended June 30, 2020: ¥ -2,312 million (—%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June30, 2021	181.14	—
Three months ended June30, 2020	(137.44)	—

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Three months ended June30, 2021	92,427	45,938	47.1	6,014.79
Fiscal year ended March 31, 2021	86,800	43,218	47.3	5,673.72

Reference: Shareholders' equity

As of June 30, 2021: ¥43,515 million

As of March 31, 2021 : ¥41,048 million

## 2. Dividends

	Dividends per Share				
	1Q	2Q	3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	—	0.00	—	0.00	0.00
Fiscal year ending March 31, 2022	—	—	—	—	—
Fiscal year ending March 31, 2022 (Forecast)	—	40.00	—	50.00	90.00

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

### 3. Forecast of Consolidated Financial Performance for the Fiscal Year Ending March 31, 2022

(April 1, 2021 to March 31, 2022)

(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
2 <sup>nd</sup> Quarter ending September 30, 2021	66,200	35.7	2,700	265.2	2,700	263.9	1,600	164.8	221.15
Fiscal year ending March 31, 2022	134,900	19.3	5,200	311.5	5,000	224.5	2,700	317.8	373.19

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: Yes

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 June 30, 2021: 8,380,711 shares

As of March 31, 2021: 8,380,711 shares

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

As of June 30, 2021: 1,145,944 shares

As of March 31, 2021: 1,145,779 shares

3) Average number of shares outstanding during the period

Three months ended June 30, 2021: 7,234,852 shares

Three months ended June 30, 2020: 7,199,082 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.

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## 1. Qualitative Information for the First Quarter of Fiscal Year Ending March 31, 2022

### (1) Consolidated financial performance

As for the economic environment during the first quarter of the current consolidated cumulative period, although there are some signs of recovery, the economic environment remains challenging due to a shortage of semiconductors, soaring prices of raw materials, and the influence of novel coronavirus infections etc. The future business condition depends on the prevalence of the infectious disease. Therefore, there is concern that uncertainty about the future will continue.

Under the circumstances, the net sales of the T.RAD Group (on a foreign currency basis) increased from the same period of the previous year except the United States, Asia. Operating income increased in all regions. The profit attributable to owner of parent increased from the same period of the previous year due to the net sales largely increased etc. despite increase of income taxes.

As a result, net sales during the consolidated cumulative first quarter increased by 7,624 million yen from the previous fiscal year, amounting to 32,874 million yen (up 30.2% year on year), operating income increased by 2,807 million yen, amounting to 2,239 million yen, ordinary income increased by 2,891 million yen, amounting to 2,272 million yen and profit attributable to owners of parent increased by 2,299 million yen, amounting to 1,310 million yen.

The segment results are as follows.

The book-closing date for the consolidated subsidiaries for the first three months of the fiscal year under review is March 31. In preparing the consolidated financial statements, the financial statements as of, and for the three-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.

Domestic subsidiaries have the same settlement date that coincides with the last day of the consolidated fiscal year. The corresponding segment is Other.

	Net Sales				Operating Income (Loss)			
	Three months ended June 30, 2020	Three months ended June 30, 2021	Increase/ Decrease	Percentage change (on a foreign currency basis)*	Three months ended June 30, 2020	Three months ended June 30, 2021	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	9,850	14,611	4,761	48.4	(1,037)	467	1,504	145.1
United States	7,561	7,444	-116	-3.2	(149)	(50)	98	66.5
Europe	693	1,082	389	38.5	(106)	54	160	144.8
Asia	3,834	4,014	179	-4.7	533	756	222	31.3
China	3,095	5,673	2,577	67.9	102	938	836	730.9
Other (including eliminations)	215	47	-167	-77.8	89	73	-15	-17.6
<b>Total</b>	<b>25,249</b>	<b>32,874</b>	<b>7,624</b>	<b>25.9</b>	<b>(567)</b>	<b>2,239</b>	<b>2,807</b>	<b>521.5</b>

\*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 were affected by the novel coronavirus infections in the first quarter of the previous year, and orders from major customers decreased. However, due to an increase in orders and other factors in the current term, net sales were significantly increased from the same period of the previous year. As a result, the net sales in the Japan segment increased by 4,761 million yen, resulting in 14,611 million yen.

Operating income increased by 1,504 million yen from the same period of the previous year due to the net sales largely increased etc., resulting in 467 million yen.

#### (ii) United States

Net sales of products for automotive industry decreased slightly due to the impact of change of models. Net sales of construction industrial machines decreased from the same period of the previous year due to the suspension of production of older models. As a result, the net sales in the United States segment decreased by 116 million yen from the same period of the previous year, resulting in 7,444 million yen. On a foreign currency basis, it decreased by 3.2%.

Operating loss of 50 million yen was posted, improved by 98 million yen from the same period of the previous year, by reducing scrap cost and fixed costs etc.

(iii) Europe

In the Czech Republic, the net sales of products for automotive industry were affected by the novel coronavirus infections in the same period of the previous year, and orders from major customers declined. However, the net sales in the current quarter increased from the same period of the previous year, due to an increase in orders etc. As a result, the net sales in the Europe segment increased by 389 million yen from the same period of the previous year, resulting in 1,082 million yen. On a foreign currency basis, it increased by 38.5%.

Operating income improved by 160 million yen from the same period of the previous year due to an improvement in the cost of sales ratio for major order models etc., resulting in 54 million yen. On a foreign currency basis, it increased by 144.8%.

(iv) Asia

Net sales of products for automotive industry decreased from the same period of the previous year due to a decrease in sales of ordered models in Thailand and Indonesia. However, due to an increase in the number of newly ordered models in Vietnam and the impact of foreign currency exchange rates etc., the net sales were increased from the same period of the previous year. As a result, the net sales in the Asia segment increased by 179 million yen from the same period of the previous year, resulting in 4,014 million yen. On a foreign currency basis, it decreased by 4.7%.

Operating income increased by 222 million yen from the same period of the previous year due to a change in the sales composition of ordered models for Thailand etc., resulting in 756 million yen. On a foreign currency basis, it increased by 31.3%.

(v) China

Net sales of products for automobile industry and construction industrial machines were affected by the novel coronavirus infections in the first quarter of the previous year, and orders from major customers decreased. However, sales were significantly increased from the same period of the previous year due to increased orders etc. As a result, the net sale in the China segment increased by 2,577 million yen from the same period of the previous year, resulting in 5,673 million yen. On a foreign currency basis, it increased by 67.9%.

The operating income increased by 836 million yen from the same period of the previous year due to the net sales increased etc., resulting in 938 million yen. On a foreign currency basis, it increased by 730.9%.

(2) Consolidated financial position

1) Assets, liabilities and net assets

Total assets at the end of current first quarter of the fiscal year under review resulted in 92,427 million yen (up 5,626 million yen from the end of the previous fiscal year) due to the increase of cash and deposits, accounts receivable-trade and tangible fixed assets etc.

Total liabilities resulted in 46,489 million yen (up 2,906 million yen) due to the increase of accounts payable-trade and short-term loans payable etc.

Net assets resulted in 45,938 million yen (up 2,720 million yen) due to the increase of retained earnings and foreign currency translation adjustment etc.

2) Cash flows

Cash and cash equivalents at the end of the current first quarter of the fiscal year under review totaled 16,706 million yen, increase of 2,092 million yen from the end of the previous fiscal year.

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

Net cash provided by operating activities was 3,764 million yen, increase of 2,232 million yen year on year due to the increase of profit before income taxes.

Net cash used in investing activities was 1,929 million yen, an increase of 847 million yen year on year.

As a result, the free cash flow, which is the sum of the net cash provided by operating activities and used in investing activities, amounted to 1,835 million yen (an increase of 1,385 million yen year-on-year).

Furthermore, net cash used in financing activities was 154 million yen, a decrease of 558 million yen year on year due to the decrease of cash dividends paid etc.

(3) Future projections including forecasts of consolidated financial performance

We did not revise the forecast of consolidated financial performance released on May 17, 2021, as the financial results for the first three 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)

	FY2020	FY2021_1Q
	As of March 31, 2021	As of June 30, 2021
	Amount	Amount
(Assets)		
Current assets		
Cash and deposits	14,403	16,641
Notes and accounts receivable-trade	24,145	25,384
Electronically recorded monetary claims-operating	3,025	3,147
Short-term investment securities	489	489
Merchandise and finished goods	2,962	3,359
Work in process	523	512
Raw materials and supplies	5,290	5,758
Others	2,650	2,830
Allowance for doubtful accounts	(165)	(183)
Total current assets	53,326	57,939
Noncurrent assets		
Tangible fixed assets		
Building and structures, net	5,844	5,918
Machinery, equipment and vehicles, net	14,537	14,691
Land	2,344	2,369
Lease assets, net	424	410
Construction in progress	3,642	4,330
Other tangible fixed assets, net	1,883	1,962
Total tangible fixed assets	28,676	29,683
Intangible assets		
Goodwill	11	—
Others	1,222	1,329
Total intangible assets	1,234	1,329
Investments and other assets		
Investment securities	2,009	1,925
Net defined benefit asset	848	840
Long-term loans receivable from employees	0	0
Deferred tax assets	89	80
Others	628	642
Allowance for doubtful accounts	(13)	(13)
Total investments and other assets	3,563	3,475
Total noncurrent assets	33,474	34,487
Total assets	86,800	92,427

(Millions of yen)

	FY2020	FY2021_1Q
	As of March 31, 2021	As of June 30, 2021
	Amount	Amount
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	13,074	14,735
Electronically recorded obligations – operating	3,295	3,872
Short-term loans payable	10,675	11,759
Lease obligations	444	454
Income taxes payable	484	639
Accrued expenses	2,628	3,067
Provision for bonuses	1,116	869
Provision for directors' bonuses	—	15
Provision for product warranties	578	364
Provision for loss on order received	148	152
Electronically recorded obligations - non-operating	461	442
Others	1,774	1,478
Total current liabilities	34,681	37,851
Noncurrent liabilities		
Long-term loans payable	5,910	5,328
Lease obligations	1,856	1,850
Deferred tax liabilities	694	1,011
Net defined benefit liability	230	242
Asset retirement obligations	91	91
Others	117	111
Total noncurrent liabilities	8,900	8,637
Total liabilities	43,582	46,489
(Net assets)		
Shareholders' equity		
Capital stock	8,570	8,570
Capital surplus	7,521	7,521
Retained earnings	27,466	28,776
Treasury stock	(2,258)	(2,258)
Total shareholders' equity	41,299	42,609
Accumulated other comprehensive income		
Foreign currency translation adjustment	(1,171)	(10)
Remeasurements of defined benefit plans	920	915
Total accumulated other comprehensive income	(250)	905
Non-controlling interests	2,169	2,423
Total net assets	43,218	45,938
Total liabilities and net assets	86,800	92,427

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

(Millions of yen)

	Three months ended June 30, 2020 (Apr. 1, 2020–June 30, 2020)	Three months ended June 30, 2021 (Apr. 1, 2021–June 30, 2021)
	Amount	Amount
Net sales	25,249	32,874
Cost of sales	23,563	28,246
Gross profit	1,686	4,627
Selling, general and administrative expenses		
Packing and delivery expenses	273	453
Salaries and allowances	447	449
Provision for bonuses	104	193
Provision for directors' bonuses	0	15
Retirement benefit expenses	20	18
Welfare expenses	337	309
Provision for product warranties	44	(51)
Research and development expenses	237	319
Others	787	679
Total selling, general and administrative expenses	2,254	2,387
Operating income (loss)	(567)	2,239
Non-operating income		
Interest income	22	36
Dividends income	3	2
Foreign exchange gains	91	11
Others	53	67
Total non-operating income	169	117
Non-operating expenses		
Interest expenses	70	55
Equity in losses of affiliates	144	22
Others	4	6
Total non-operating expenses	220	84
Ordinary income (loss)	(618)	2,272



(Millions of yen)

	Three months ended June 30, 2020 (Apr. 1, 2020–June 30, 2020)	Three months ended June 30, 2021 (Apr. 1, 2021–June 30, 2021)
	Amount	Amount
Extraordinary income		
Gain on sales of noncurrent assets	4	1
Total extraordinary income	4	1
Extraordinary loss		
Loss on sales of noncurrent assets	3	—
Loss on retirement of noncurrent assets	51	25
Loss on liquidation of subsidiaries and associates	12	—
Total extraordinary loss	66	25
Income (loss) before income taxes	(681)	2,249
Income taxes-current	281	487
Income taxes-deferred	11	329
Total income taxes	293	816
Profit (loss)	(974)	1,432
Profit (loss) attributable to non-controlling interests	14	121
Profit (loss) attributable to owners of parent	(989)	1,310

## (Quarterly consolidated statement of comprehensive income)

(Millions of yen)

	Three months ended June 30, 2020 (Apr. 1, 2020–June 30, 2020)	Three months ended June 30, 2021 (Apr. 1, 2021–June 30, 2021)
	Amount	Amount
Profit (loss)	(974)	1,432
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	—
Foreign currency translation adjustment	(1,213)	1,261
Remeasurements of defined benefit plans, net of tax	(1)	(5)
Share of other comprehensive income of associates accounted for using equity method	(123)	32
Total other comprehensive income	(1,338)	1,288
Comprehensive income	(2,312)	2,720
(Breakdown)		
Comprehensive income attributable to owners of the parent	(2,243)	2,467
Comprehensive income attributable to non-controlling interests	(69)	253

## (3) Quarterly consolidated statements of cash flows

(Millions of yen)

	Three months ended June 30, 2020 (Apr. 1, 2020–June 30, 2020)	Three months ended June 30, 2021 (Apr. 1, 2021–June 30, 2021)
	Amount	Amount
Net cash provided by (used in) operating activities		
Profit (loss) before income taxes	(681)	2,249
Depreciation and amortization	1,478	1,397
Retirement benefit expenses	(3)	(4)
Increase(decrease) in net defined benefit liability	20	9
Increase (decrease) in provision for directors' retirement benefits	(4)	—
Increase (decrease) in allowance for doubtful accounts	92	7
Increase (decrease) in provision for bonuses	(825)	(248)
Increase (decrease) in provision for directors' bonuses	(42)	15
Increase (decrease) in provision for product warranties	13	(225)
Loss on retirement of noncurrent assets	51	25
Loss(gain) on sales of tangible fixed assets	(1)	(1)
Interest and dividends income	(25)	(38)
Interest expenses	70	55
Foreign exchange losses (gains)	(4)	(15)
Equity in (earnings) losses of affiliates	144	22
Decrease(increase) in notes and accounts receivable-trade	4,185	(541)
Decrease(increase) in inventories	(391)	(451)
Increase(decrease) in notes and accounts payable-trade	(2,152)	1,684
Decrease(increase) in other current assets	78	(125)
Increase (decrease) in other current liabilities	22	209
Other, net	57	16
Subtotal	2,082	4,039
Interest and dividends income received	25	132
Interest expenses paid	(70)	(50)
Income taxes paid	(505)	(357)
Net cash provided by (used in) operating activities	1,532	3,764

(Millions of yen)

	Three months ended June 30, 2020 (Apr. 1, 2020–June 30, 2020)	Three months ended June 30, 2021 (Apr. 1, 2021–June 30, 2021)
	Amount	Amount
Net cash provided by (used in) investing activities		
Payments into time deposits	(7)	(295)
Proceeds from withdrawal of time deposits	89	165
Purchase of tangible fixed assets	(1,218)	(1,545)
Proceeds from sales of tangible fixed assets	57	6
Purchase of intangible assets	(20)	(149)
Payments for asset retirement obligations	—	(100)
Others	17	(10)
Net cash provided by (used in) investing activities	(1,081)	(1,929)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	160	171
Proceeds from long-term loans payable	—	390
Repayment of long-term loans payable	(264)	(507)
Purchase of treasury stock	(0)	(0)
Cash dividends paid	(359)	—
Cash dividends paid to non-controlling shareholders	(97)	(103)
Others	(150)	(104)
Net cash provided by (used in) financing activities	(712)	(154)
Effect of exchange rate change on cash and cash equivalents	(448)	410
Net increase (decrease) in cash and cash equivalents	(710)	2,092
Cash and cash equivalents at beginning of period	13,724	14,614
Cash and cash equivalents at end of period	13,014	16,706

(4) Notes to quarterly consolidated financial statements

(Going concern assumptions)

Not applicable

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

Not applicable

(Changes of accounting policy)

(Application of accounting standard for revenue recognition)

We have applied the Accounting Standard for Revenue Recognition (hereinafter referred to as the "ASRR") under Statement No. 29, March 31, 2020, of the Accounting Standards Board of Japan (ASBJ) since the beginning of the first quarter of the current consolidated account period. We recognize revenue as the amount receivable in exchange for goods or services when the possession of the promised goods or services is transferred to the customer.

As a result of the adoption of the ASRR, We have changed from recognition of the cancellation of paid-for supplies in paid-for transactions to non-recognition of the cancellation of such supplies if we are obligated to repurchase the supplies.

We have complied with the transitional treatment prescribed in the provision of Paragraph 84 of the ASRR to apply ASRR, adjusted retained earnings per the cumulative effect of retroactively applying the new accounting policy before the current first quarter to at the beginning of the current quarter and applied the new accounting policy to the balance at the beginning of this quarter. However, following the method specified in Paragraph 86 of the ASRR, we have not applied the new accounting policy retrospectively to contracts for which almost all revenues were recognized per the previous treatment before the beginning of the first quarter of the current consolidated cumulative period. Furthermore, we have applied the method prescribed in Paragraph 86 (1) of the ASRR, conducted account processing for changes in contracts made before the first quarter of the current consolidated cumulative period based on the contract terms after reflecting all contract changes and adjusted the retained earnings per the cumulative effect of the changes at the beginning of the first quarter of the current consolidated cumulative period.

As a result, the cost of sales for the first cumulative quarterly consolidated accounting period decreased by 1 million yen. The operating income, ordinary income, and quarterly net profit before taxes each increased by 1 million yen. The balance of retained earnings at the beginning of the current quarter decreased by 1 million yen.

Following the transitional treatment prescribed in Paragraph 28-15 of the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12, March 31, 2020), we did not provide information which is broken down by category on revenue from contracts with customers for the first quarter of the previous consolidated cumulative period, broken down by category.

(Additional information)

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

There has been no notable change in the assumptions regarding the impact of novel coronavirus infections on the Group's business as described in the Additional Information section of the Annual Securities Report for the previous fiscal year.

(Segment information)

I Three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)

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	9,850	7,561	693	3,834	3,095	25,034	215	25,249
Intersegment sales or Transfers	1,035	32	85	13	357	1,525	373	1,899
Total	10,886	7,594	778	3,848	3,452	26,559	589	27,149
Segment income (loss)	(1,037)	(149)	(106)	533	102	(657)	(55)	(712)

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 or loss	Amount
Total segment income(loss)	(657)
Income(loss) for “Other”	(55)
Intersegment eliminations	144
Operating income on consolidated statements of income(loss)	(567)

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 Three months ended June 30, 2021 (from April 1, 2021 to June 30, 2021)

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	14,611	7,444	1,082	4,014	5,673	32,826	47	32,874
Intersegment sales or transfers	1,487	40	77	62	435	2,103	463	2,566
Total	16,098	7,485	1,159	4,076	6,108	34,929	511	35,441
Segment income (loss)	467	(50)	54	756	938	2,166	3	2,169

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 or loss	Amount
Total segment income(loss)	2,166
Income(loss) for “Other”	3
Intersegment eliminations	70
Operating income on consolidated statements of income(loss)	2,239

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)

	Three months ended June 30, 2020 (Apr. 1, 2020–June.30, 2020)		Three months ended June 30, 2021 (Apr. 1, 2021–June.30, 2021)		Increase/Decrease		FY2020 (Apr 1,2020-Mar 31,2021)	
	Amount	%	Amount	%	Amount	%	Amount	%
	For Automobile	18,796	74.4	24,249	73.8	5,452	29.0	85,817
For Construction & Industrial machine	5,233	20.7	7,438	22.6	2,204	42.1	22,381	19.8
For Air conditioner	563	2.2	500	1.5	-62	-11.1	1,961	1.7
Other	656	2.7	686	2.1	29	4.5	2,885	2.6
Total	25,249	100.0	32,874	100.0	7,624	30.2	113,046	100.0

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