

Consolidated Financial Results for the 3rd Quarter of Fiscal Year Ending March 31, 2024 (J-GAAP)

February 5, 2024

Company name: T.RAD Co., Ltd.

Code No.: 7236

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Scheduled date of filing of 3rd quarter securities report:

Scheduled date of start of dividend payments:

Supplemental materials prepared for consolidated financial results: None

Briefing on consolidated financial results: None

Listing: Tokyo Stock Exchange, Prime Market

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February 6, 2024

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(Amounts less than one million yen have been truncated)

1. Consolidated Financial Performance for the 3rd Quarter of Fiscal Year Ending March 31, 2024

(April 1, 2023 to December 31, 2023)

(1) Consolidated operating performance

(Percentage figures indicate year-on-year change)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2023	122,135	5.0	3,159	368.0	3,532	138.0	1,352	—
Nine months ended December 31, 2022	116,365	18.8	675	-85.0	1,484	-70.4	(379)	—

Note: Comprehensive income

Nine months ended December 31, 2023: ¥ 3,713 million (-9.6%)

Nine months ended December 31, 2022: ¥ 4,109 million (-10.3%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Nine months ended December 31, 2023	207.04		—	
Nine months ended December 31, 2022	(58.06)		—	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Nine months ended December 31, 2023	99,612	46,848	45.5	6,924.27
Fiscal year ended March 31, 2023	94,098	43,851	44.9	6,479.13

Reference: Shareholders' equity

As of December 31, 2023: ¥45,310 million

As of March 31, 2023 : ¥42,261 million

2. Dividends

	Dividends per Share				
	1Q	2Q	3Q	Year-end	Total
	Yen				
Fiscal year ended March 31, 2023	—	80.00	—	0.00	80.00
Fiscal year ending March 31, 2024	—	80.00	—		
Fiscal year ending March 31, 2024 (Forecast)				100.00	180.00

Note: Revisions to dividend forecasts since the latest official announcement: Yes

For revisions to dividend forecasts, please refer to “Notice of Revisions to Full-Year Earnings Forecasts of Consolidated Financial Performance and Dividend Forecasts” that we announced today (February 5, 2024).

3. Forecast of Consolidated Financial Performance for the Fiscal Year Ending March 31, 2024

(April 1, 2023 to March 31, 2024)

(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, 2024	158,000	5.7	3,800	261.8	4,500	116.1	1,300	—	198.66

Note: Revisions to the forecast of consolidated financial performance since the latest official announcement: Yes
For revisions to forecasts of consolidated financial performance, please refer to “Notice of Revisions to Full-Year Earnings Forecasts of Consolidated Financial Performance and Dividend Forecasts” that we announced today (February 5, 2024).

4. Other

- (1) Changes in significant subsidiaries during the current quarter
(changes in specific subsidiaries resulting in changes in the scope of consolidation): No
- (2) Adoption of specific accounting policies for quarterly consolidated financial statements: None
- (3) Changes in accounting principles, estimation procedures or presentation methods
 - 1) Changes associated with revision of accounting standards: None
 - 2) Changes other than 1): None
 - 3) Changes accounting estimation procedures: None
 - 4) Changes in presentation methods: None
- (4) Number of shares issued and outstanding (common stock)
 - 1) Number of shares issued and outstanding at end of period (including treasury stock)
 - As of December 31, 2023: 6,592,411 shares
 - As of March 31, 2023: 6,712,411 shares
 - 2) Number of shares of treasury stock at end of period
 - As of December 31, 2023: 48,675 shares
 - As of March 31, 2023: 189,621 shares
 - 3) Average number of shares outstanding during the period
 - Nine months ended December 31, 2023: 6,533,320 shares
 - Nine months ended December 31, 2022: 6,528,920 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 statements in this document are based on information currently available to the Company and certain assumptions that the Company believes reasonable. They are not intended to be a promise by the Company to achieve such results. Actual results may differ materially due to various factors.

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1. Qualitative Information for the Third Quarter of Fiscal Year Ending March 31, 2024

(1) Consolidated financial performance

In the economic environment during the third quarter of the current consolidated cumulative period, the outbreak of conflicts in the Middle East, along with ongoing geopolitical risks, particularly regarding the situation in Ukraine, demonstrated no signs of improvement. Moreover, the Chinese economy continues to recover at slow pace, perpetuating uncertainty in the global markets. Nonetheless, the stabilization of semiconductor supplies has contributed to a trend of improving demand for products for automobile industry in certain regions.

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 China region. Operating income increased from the same period of the previous year due to the increase of net sales etc. The profit attributable to owner of parent increased from the same period of the previous year.

As a result, net sales during the consolidated cumulative third quarter increased by 5,769 million yen from the previous fiscal year, amounting to 122,135 million yen (up 5.0% year on year), operating income increased by 2,484 million yen, amounting to 3,159 million yen (up 368.0% year on year), ordinary income increased by 2,047 million yen, amounting to 3,532 million yen (up 138.0% year on year) and profit attributable to owners of parent increased by 1,731 million yen, amounting to 1,352 million yen.

The segment results are as follows.

The book-closing date for the consolidated subsidiaries for the first nine months of the fiscal year under review is September 30. In preparing the consolidated financial statements, the financial statements as of, and for the nine-month period ended on this date were used. With respect to material transactions conducted during the period between this date and the book-closing date for consolidated accounting, we have made adjustments as necessary for consolidated accounting. The segments 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)			
	Nine months ended December 31, 2022	Nine months ended December 31, 2023	Increase/Decrease	Percentage change (on a foreign currency basis)*	Nine months ended December 31, 2022	Nine months ended December 31, 2023	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	48,988	52,555	3,567	7.3	1,000	1,160	160	16.0
United States	31,019	33,235	2,215	3.7	(3,011)	(2,222)	789	—
Europe	4,241	4,489	248	3.1	(442)	52	495	—
Asia	14,455	16,310	1,855	11.6	2,098	2,642	544	21.3
China	17,490	15,314	-2,175	-15.0	846	1,290	444	51.8
Others(including eliminations)	170	229	58	33.0	184	235	45	27.7
Total	116,365	122,135	5,769	5.0	675	3,159	2,484	416.1

*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 construction industrial machines were decreased from the same period of the previous year due to a decrease in orders etc. However, net sales of products for automobile industry were increased from the same period of the previous year due to an increase in orders etc. As a result, the net sales in the Japan segment increased by 3,567 million yen from the same period of the previous year, resulting in 52,555 million yen.

Operating income increased by 160 million yen from the same period last year, reaching 1,160 million yen, due to the successful transfer of increased materials, parts, and energy costs to sales prices.

(ii) United States

Net sales of products for automobile industry increased year on year due to the start of mass production of newly ordered models and an increase in orders received etc. Net sales of products for construction industrial machines were increased from the same period of the previous year due to an increase in orders etc. As a result, the net sales in the United States segment increased by 2,215 million yen from the same period of the previous year, resulting in 33,235 million yen. On a foreign currency basis, it increased by 3.7%.

Operating income increased by 789 million yen year-on-year, resulting in operating loss of 2,222 million yen due to the decrease of depreciation and successful transfer of increased materials, parts, and energy costs to sales prices.etc.

(iii) Europe

Net sales of products for automobile industry in the Czech Republic were increased from the same period of the previous year due to the commencement of mass production of models for which orders were newly received etc. As a result, the net sales in this segment increased by 248 million yen year-on-year to 4,489 million yen. On a foreign currency basis, it increased by 3.1%.

Operating income increased by 495 million yen year on year to 52 million yen, partly due to the local government's electricity cost subsidy policy.

(iv) Asia

Net sales of products for automobile industry decreased in Vietnam due to economic downturns and other factors but have increased from the same period last year in Thailand and Indonesia due to an increase in orders. As a result, the net sales in the Asia segment increased by 1,855 million yen from the same period of the previous year, resulting in 16,310 million yen. On a foreign currency basis, it increased by 11.6%.

As a result, the net sales in the Asia segment increased by 544 million yen from the same period of the previous year, resulting in 2,642 million yen. On a foreign currency basis, it increased by 21.3%.

(v) China

Net sales of products for automobile industry and construction industrial machines decreased due to a decline in orders resulting from a market downturn. As a result, the net sales in this segment decreased by 2,175 million yen from the same period of the previous year, to 15,314 million yen. On a foreign currency basis, it decreased by 15.0%.

Operating income increased by 444 million yen from the same period of the previous year, partly due to the impact of foreign exchange rates etc., resulting in 1,290 million yen. On a foreign currency basis, it increased by 51.8%.

(2) Consolidated financial position

1) Assets, liabilities and net assets

Total assets at the end of current third quarter resulted in 99,612 million yen (up 5,514 million yen from the end of the previous fiscal year) due to the increase of cash and deposits, tangible fixed assets and accounts receivable-trade etc.

Total liabilities resulted in 52,763 million yen (up 2,516 million yen) due to the increase of accounts payable-trade and electronically recorded obligations etc.

Net assets resulted in 46,848 million yen (up 2,997 million yen) due to the increase of foreign currency translation adjustment and retained earnings etc.

2) Cash flows

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

Net cash provided by operating activities was 10,288 million yen, an increase of 5,717 million yen year on year due to the increase of profit before income taxes and increase of dividends income etc.

Net cash used in investing activities was 5,440 million yen, an increase of 115 million yen year on year due to the execution of short-term loans receivable etc.

Free cash flow, the sum of net cash provided by operating activities and net cash used in investing activities, an increase of 5,602 million yen year-on-year. The result was a cash inflow of 4,847 million yen.

Furthermore, net cash used in financing activities was 2,022 million yen, a decrease of 630 million yen year on year due to the decrease of interest-bearing liabilities etc.

As an above result, cash and cash equivalents at the end of the current third quarter of the fiscal year under review totaled 14,023 million yen, an increase of 1,727 million yen from the end of the previous fiscal year.

(3) Future projections including forecasts of consolidated financial performance

We revised the forecasts of consolidated financial performance released on November 6, 2023.

For details, please refer to "Notice of Revisions to Full-Year Earnings Forecasts of Consolidated Financial Performance and Dividend Forecasts" that we announced today (February 5, 2024).

2. Quarterly Consolidated Financial Statements and main notes

(1) Quarterly consolidated balance sheets

(Millions of yen)

	FY2022	FY2023_3Q
	As of March 31, 2023	As of December 31, 2023
	Amount	Amount
(Assets)		
Current assets		
Cash and deposits	10,225	14,581
Notes receivable-trade	772	969
Electronically recorded monetary claims-operating	2,760	3,640
Accounts receivable-trade	25,527	27,654
Short-term investment securities	489	299
Merchandise and finished goods	4,356	3,699
Work in process	795	922
Raw materials and supplies	10,718	8,753
Others	2,738	2,843
Allowance for doubtful accounts	(246)	(147)
Total current assets	58,138	63,217
Noncurrent assets		
Tangible fixed assets		
Building and structures, net	6,662	6,622
Machinery, equipment and vehicles, net	13,783	14,081
Land	2,444	2,526
Lease assets, net	1,650	1,648
Construction in progress	2,729	3,205
Other tangible fixed assets, net	1,909	2,009
Total tangible fixed assets	29,179	30,094
Intangible assets		
Others	2,153	2,805
Total intangible assets	2,153	2,805
Investments and other assets		
Investment securities	2,967	1,713
Net defined benefit asset	895	930
Deferred tax assets	203	248
Others	565	607
Allowance for doubtful accounts	(5)	(5)
Total investments and other assets	4,626	3,493
Total noncurrent assets	35,959	36,394
Total assets	94,098	99,612

(Millions of yen)

	FY2022	FY2023_3Q
	As of March 31, 2023	As of December 31, 2023
	Amount	Amount
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	13,886	15,412
Electronically recorded obligations – operating	4,613	6,350
Short-term loans payable	11,045	8,436
Lease obligations	410	467
Income taxes payable	544	631
Accrued expenses	3,528	2,678
Provision for bonuses	1,355	856
Provision for directors’ bonuses	25	34
Provision for product warranties	661	531
Provision for loss on order received	209	232
Electronically recorded obligations - non-operating	715	625
Others	961	1,288
Total current liabilities	37,958	37,545
Noncurrent liabilities		
Long-term loans payable	8,159	10,781
Lease obligations	2,831	2,840
Deferred tax liabilities	793	1,037
Net defined benefit liability	292	348
Provision for share awards	29	41
Asset retirement obligations	92	93
Others	88	75
Total noncurrent liabilities	12,288	15,218
Total liabilities	50,246	52,763
(Net assets)		
Shareholders’ equity		
Capital stock	8,570	8,570
Capital surplus	7,353	7,352
Retained earnings	22,100	22,608
Treasury stock	(452)	(113)
Total shareholders’ equity	37,571	38,417
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11	16
Foreign currency translation adjustment	3,700	5,946
Remeasurements of defined benefit plans	977	929
Total accumulated other comprehensive income	4,690	6,892
Non-controlling interests	1,589	1,538
Total net assets	43,851	46,848
Total liabilities and net assets	94,098	99,612

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

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
	(Apr. 1, 2022–December 31, 2022)	(Apr. 1, 2023–December 31, 2023)
	Amount	Amount
Net sales	116,365	122,135
Cost of sales	107,167	111,205
Gross profit	9,198	10,929
Selling, general and administrative expenses		
Packing and delivery expenses	1,253	1,184
Salaries and allowances	1,832	1,961
Provision for bonuses	230	255
Provision for directors' bonuses	41	34
Retirement benefit expenses	52	25
Welfare expenses	1,152	1,127
Provision for product warranties	1,041	203
Provision of allowance for doubtful accounts	—	5
Research and development expenses	856	898
Provision for share awards	25	11
Others	2,037	2,061
Total selling, general and administrative expenses	8,522	7,769
Operating income (loss)	675	3,159
Non-operating income		
Interest income		
Dividends income	96	175
Equity in earnings of affiliates	5	3
Foreign exchange gains	315	400
Subsidy income	421	144
Others	216	176
Total non-operating income	1,056	901
Non-operating expenses		
Interest expenses	229	518
Others	18	9
Total non-operating expenses	247	528
Ordinary income (loss)	1,484	3,532

(Millions of yen)

	Nine months ended December 31, 2022 (Apr. 1, 2022–December 31, 2022)	Nine months ended December 31, 2023 (Apr. 1, 2023–December 31, 2023)
	Amount	Amount
Extraordinary income		
Gain on sales of noncurrent assets	12	81
Gain on sales of investment securities	—	199
Total extraordinary income	12	280
Extraordinary loss		
Loss on sales of noncurrent assets	15	10
Loss on retirement of noncurrent assets	59	69
Loss on sales of investment securities	—	80
Loss on reversal of foreign currency translation adjustment	401	—
Total extraordinary loss	477	160
Income (loss) before income taxes	1,019	3,652
Income taxes-current	1,638	2,040
Income taxes-deferred	229	231
Total income taxes	1,867	2,271
Profit (loss)	(847)	1,380
Profit (loss) attributable to non-controlling interests	(468)	28
Profit (loss) attributable to owners of parent	(379)	1,352

(Quarterly consolidated statement of comprehensive income)

(Millions of yen)

	Nine months ended December 31, 2022 (Apr. 1, 2022–December 31, 2022)	Nine months ended December 31, 2023 (Apr. 1, 2023–December 31, 2023)
	Amount	Amount
Profit (loss)	(847)	1,380
Other comprehensive income		
Valuation difference on available-for-sale securities	9	5
Foreign currency translation adjustment	4,791	2,216
Remeasurements of defined benefit plans, net of tax	(12)	(51)
Share of other comprehensive income of associates accounted for using equity method	168	162
Total other comprehensive income	4,957	2,332
Comprehensive income	4,109	3,713
(Breakdown)		
Comprehensive income attributable to owners of the parent	4,263	3,555
Comprehensive income attributable to non-controlling interests	(154)	157

(3) Quarterly consolidated statements of cash flows

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
	(Apr. 1, 2022–December 31, 2022)	(Apr. 1, 2023–December 31, 2023)
	Amount	Amount
Net cash provided by (used in) operating activities		
Profit (loss) before income taxes	1,019	3,652
Depreciation and amortization	4,740	4,643
Retirement benefit expenses	(17)	(75)
Increase(decrease) in net defined benefit liability	35	(5)
Increase (decrease) in allowance for doubtful accounts	7	(120)
Increase (decrease) in provision for bonuses	(527)	(502)
Increase (decrease) in provision for directors' bonuses	(30)	9
Increase (decrease) in provision for product warranties	569	(185)
Loss on retirement of noncurrent assets	59	69
Loss(gain) on sales of tangible fixed assets	3	(70)
Loss (gain) on sales of investment securities	—	(119)
Interest and dividends income	(102)	(179)
Interest expenses	229	518
Foreign exchange losses (gains)	(39)	(206)
Equity in (earnings) losses of affiliates	(315)	(400)
Decrease(increase) in notes and accounts receivable-trade	(1,069)	(1,964)
Decrease(increase) in inventories	(1,877)	3,797
Increase(decrease) in notes and accounts payable-trade	2,912	2,358
Loss on reversal of foreign currency translation adjustment	401	—
Decrease(increase) in other current assets	(210)	225
Increase (decrease) in other current liabilities	958	(703)
Other, net	58	43
Subtotal	6,804	10,783
Interest and dividends income received	132	1,892
Interest expenses paid	(227)	(506)
Income taxes paid	(2,139)	(1,881)
Net cash provided by (used in) operating activities	4,570	10,288

(Millions of yen)

	Nine months ended December 31, 2022 (Apr. 1, 2022–December 31, 2022)	Nine months ended December 31, 2023 (Apr. 1, 2023–December 31, 2023)
	Amount	Amount
Net cash provided by (used in) investing activities		
Purchase of tangible assets	(4,580)	(4,372)
Proceeds from sales of tangible fixed assets	106	119
Purchase of intangible assets	(565)	(764)
Proceeds from sales of investment securities	—	202
Payments into time deposit	(1,245)	(1,626)
Payments for asset retirement obligations	963	1,152
Others	(3)	(151)
Net cash provided by (used in) investing activities	(5,324)	(5,440)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(333)	(1,942)
Proceeds from long-term loans payable	3,140	3,210
Repayment of long-term loans payable	(2,184)	(2,237)
Purchase of treasury stock	(116)	—
Cash dividends paid	(1,307)	(525)
Cash dividends paid to non-controlling shareholders	(224)	(246)
Others	(365)	(280)
Net cash provided by (used in) financing activities	(1,391)	(2,022)
Effect of exchange rate change on cash and cash equivalents	1,219	836
Net increase (decrease) in cash and cash equivalents	(927)	3,662
Cash and cash equivalents at beginning of period	13,404	10,361
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(180)	—
Cash and cash equivalents at end of period	12,296	14,023

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

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

Based on the resolution of the Board of Directors' meeting held on July 18, 2023, we disposed of 21,276 shares of treasury stock on August 18, 2023, as restricted stock compensation for Directors and Managing Executive Officers. And also, based on the resolution of the Board of Directors' meeting held on November 6, 2023, we cancelled 120,000 shares of treasury stock on November 24, 2023

As a result, treasury stock decreased by 338 million yen, capital surplus (gain on the disposal of treasury stock) decreased by 1 million yen and retained earnings decreased by 319 million yen in the third quarter of the current consolidated cumulative period. As of the end of the third quarter of the current consolidated cumulative period, the treasury stock amounted to 113 million yen, the capital surplus amounted to 7,352 million yen and retained earnings amounted to 22,608 million yen.

(Additional information)

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

There have been no significant changes to the assumptions about the impact of the COVID-19 pandemic on the Group's business, as stated in the "Additional Information" section of the Annual Securities Report for the previous fiscal year.

(Transfers between retirement benefit plans)

On April 1, 2023, the Company transferred a portion of its defined benefit corporate pension plan to a defined contribution pension plan. As a result, the Company applied the Accounting for Transfers between Retirement Benefit Plans (ASBJ Guidance No. 1, December 16, 2016) and the Practical Solution on Accounting for Transfers between Retirement Benefit Plans (PITF No. 2, February 7, 2007). No gain or loss was recognized as a result of this transition.

(Segment information)

I Nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

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	48,988	31,019	4,241	14,455	17,490	116,195	170	116,365
Intersegment sales or Transfers	5,531	77	90	309	1,794	7,802	1,510	9,312
Total	54,520	31,096	4,331	14,764	19,284	123,997	1,680	125,678
Segment income (loss)	1,000	(3,011)	(442)	2,098	846	490	37	528

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	490
Income for “Others”	37
Intersegment eliminations	147
Operating income on consolidated statements of income	675

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

(Significant impairment loss on noncurrent assets)

Not applicable

(Significant change in goodwill amount)

Not applicable

(Significant gain on bargain purchase)

Not applicable

II Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

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	52,555	33,235	4,489	16,310	15,314	121,905	229	122,135
Intersegment sales or Transfers	5,152	46	55	291	1,325	6,872	1,551	8,423
Total	57,708	33,282	4,545	16,602	16,639	128,778	1,780	130,558
Segment income (loss)	1,160	(2,222)	52	2,642	1,290	2,923	92	3,016

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, 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	2,923
Income for “Others”	92
Intersegment eliminations	142
Operating income on consolidated statements of income	3,159

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)

	Nine months ended December 31, 2022 (Apr. 1, 2022–December.31, 2022)		Nine months ended December 31, 2023 (Apr. 1, 2023–December.31, 2023)		Increase/Decrease		FY2022 (Apr 1,2022-Mar 31,2023)	
	Amount	Amount	Amount	%	Amount	%	Amount	%
For Automobile	89,719	77.1	95,577	78.3	5,858	6.5	114,417	76.5
For Construction & Industrial machine	22,881	19.7	23,089	18.9	208	0.9	30,283	20.3
For Air conditioner	1,629	1.4	1,698	1.4	69	4.2	2,090	1.4
Other	2,136	1.8	1,768	1.4	-367	-17.2	2,622	1.8
Total	116,365	100.0	122,135	100.0	5,769	5.0	149,413	100.0

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