

FY2015 1st Quarter Consolidated Financial and Operating Results<JGAAP>

(Overview – English translation of the Japanese original)

July 31, 2014

Company Name: SANYO DENKI CO., LTD.

Code Number: 6516 (Listed on the First Section of the Tokyo Stock Exchange)

(URL: <http://www.sanyodenki.co.jp/>)

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Scheduled date for submitting the Quarterly Securities Report: August 12, 2014

Scheduled date for commencement of dividend payments: -

Availability of supplementary briefing material on quarterly results: None

Schedule of quarterly results briefing session: None

(Amounts below one million yen are truncated.)

1. Overview of the Consolidated Financial and Operating Results for FY2015 Quarter 1 (from April 1, 2014 to June 30, 2014)

(1) Consolidated operating results (cumulative)

(% indicates changes from the previous term)

	Net sales		Operating income		Ordinary income		Net income	
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%
FY2015 Quarter 1	24,375	68.8	2,192	144.7	2,237	86.9	1,705	115.0
FY2014 Quarter 1	14,440	(6.0)	896	10.5	1,197	58.6	793	189.5

Note: Comprehensive income: FY2015 Quarter 1: ¥1,482million (-15.1%) FY2014 Quarter 1: ¥1,746 million (176.1%)

	Net income per share	Diluted net income per share
	Yen	Yen
FY2015 Quarter 1	27.45	-
FY2014 Quarter 1	12.77	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ Million	¥ Million	%	Yen
FY2015 Quarter 1	80,382	45,903	57.1	738.88
FY2014 Full year	78,232	45,819	58.6	737.51

(Reference) Equity: FY2015 Quarter 1: ¥45,897 million FY2014: ¥45,813 million

2. Dividends

	Annual cash dividend per share				
	1Q	2Q	3Q	4Q	Annual
	Yen	Yen	Yen	Yen	Yen
FY2014	-	7.00	-	8.00	15.00
FY2015	-				
FY2015 (Forecast)		8.00	-	8.00	16.00

Note: Revision to the dividend forecast: None

3. Forecast for FY2015 (from April 1, 2014 to March 31, 2015)

(% indicates changes from the previous corresponding term)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%	Yen
Half year	41,000	30.7	3,500	65.4	3,500	48.1	2,600	56.9	41.85
Full year	77,500	14.5	6,600	36.9	6,600	22.9	4,900	31.4	78.88

Note: Revision to the dividend forecast: None

Note: In preparation of consolidated financial statements so far, necessary adjustments for consolidated accounting have been made with using the financial statements of 14 overseas consolidated subsidiaries as of three months

before. In order to prepare the most up-to-date consolidated financial statements, we will change our method to use the financial statements of the overseas consolidated subsidiaries for the same period as ours, beginning from FY2015.

Therefore, the above forecast includes the three-month results from January 1 to March 31, 2014 of the overseas consolidated subsidiaries.

The forecast for FY2015, excluding the influence of this measure, with using the data of the same period for all consolidated companies is as follows.

First six months: ¥36,500 million (16.3%) for net sales, ¥3,100 million (46.5%) for operating income, ¥3,100 million (31.2%) for ordinary income, ¥2,300 million (38.8%) for net income and ¥37.03 for net income per share

Full year: ¥73,000 million (7.9%) for net sales, ¥6,200 million (28.6%) for operating income, ¥6,200 million (15.5%) for ordinary income, ¥4,600 million (23.4%) for net income and ¥74.05 for net income per share

* Others

(1) Significant changes in subsidiaries during FY2015 Quarter 1: None

(Change of certain subsidiaries that involves the scope of consolidation)

(2) Adoption of special accounting treatment for preparing quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatements of prior period financial statements after error corrections

1) Changes in accounting policies due to revisions to accounting standards: Exists

2) Changes in accounting policies due to other than 1): None

3) Changes in accounting estimates: None

4) Restatement of prior period financial statements after error corrections: None

(Notes) For more detail, please refer to “(3) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatements of Prior Period Financial Statements after Error Corrections of 2. Matters Related to Summary Information (Notes)” on page 6 of the attachment.

(4) Number of issued shares (common shares)

1) Number of issued shares at the end of the period (including treasury stock)

FY2015 Quarter 1	64,860,935 shares	FY2014	64,860,935 shares
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2) Number of treasury stock at the end of the period

FY2015 Quarter 1	2,742,879 shares	FY2014	2,741,211 shares
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3) Average number of shares during the period

FY2015 Quarter 1	62,118,404 shares	FY2014 Quarter 1	62,128,435 shares
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*Status of execution of the quarterly review procedures of financial results

These quarterly financial results are prepared outside the quarterly review procedures required under the Financial Instruments and Exchange Act. As such, the quarterly review procedures for the quarterly consolidated financial statements are currently in progress at the time of the disclosure of these quarterly financial results.

*Explanation for the appropriate use of performance forecasts and other special notes

Statements in these reports regarding the next fiscal year and other future events are evaluations made based upon the information available at the time these reports were prepared and believed to be reasonable. Therefore, they do not constitute a guarantee that they will be realized. Accordingly, actual results may vary significantly from the forecast results stated here for a number of factors.

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1. Qualitative Information on Financial Results for FY2015 Quarter 1

(1) Explanation of Operating Results

During the first quarter under review, the Japanese economy showed trends of upward momentum, thanks to the government-led economic stimulus measures and the Bank of Japan's monetary easing policy. Under such circumstances, the demand from the equipment industries, including machine tools, robots and semiconductor manufacturing equipment, which are the Group's main markets, grew at a good rate.

As a result, consolidated net sales totaled ¥24,375 million in the first quarter under review, up 68.8% from the same period last year. Consolidated operating income increased by 144.7% to ¥2,192 million and consolidated ordinary income rose by 86.9% to ¥2,237 million, while consolidated net income amounted to ¥1,705 million, up 115.0%.

Order intake grew by 58.8% to ¥26,987 million, while a backlog of orders increased by 26.7% to ¥16,401 million.

In preparation of consolidated financial statements so far, necessary adjustments for consolidated accounting have been made with using the financial statements of 14 overseas consolidated subsidiaries as of three months before. In order to prepare the most up-to-date consolidated financial statements, we will change our method to use the financial statements of the overseas consolidated subsidiaries for the same period as ours, beginning from FY2015.

Therefore, the forecast includes the three-month results from January 1 to March 31, 2014 of the overseas consolidated subsidiaries. The actual results for overseas consolidated subsidiaries between January 1, 2014 and March 31, 2014 included in the actual results for this first quarter are as shown in the right column of the following table:

(Unit: ¥ Million)

	FY 2015 Quarter 1 Actual Results	January - March 2014 Actual Results for Overseas Consolidated Subsidiaries
Net Sales	24,375	4,641
Operating Income	2,192	434
Ordinary Income	2,237	425
Net Income	1,705	313

Segment operating results by geographical area are as follows:

1) Japan

Companies operating in Japan are the Company and its consolidated subsidiaries: SANYO KOGYO CO., LTD. and SANYO DENKI Techno Service CO., LTD. Segment sales amounted to ¥19,768 million, up 25.7% from the same period last year. Segment profit increased by 146.2% to ¥1,310 million.

2) North America

The Company has a consolidated subsidiary in North America: SANYO DENKI AMERICA, INC. Segment sales rose by 203.4% to ¥3,719 million. Segment profit increased by 56.3% to ¥142 million.

3) Europe

The Company's consolidated subsidiaries operating in Europe are SANYO DENKI EUROPE S.A. and SANYO DENKI GERMANY GmbH. Segment sales went up by 141.9% to ¥2,140 million. Segment profit increased by 293.3% to ¥206 million.

4) East Asia

The Company's consolidated subsidiaries operating in East Asia include SANYO DENKI SHANGHAI CO., LTD., SANYO DENKI (H.K.) CO., LIMITED, SANYO DENKI TAIWAN CO., LTD., SANYO DENKI KOREA CO., LTD. and SANYO DENKI Techno Service (Shenzhen) CO., LTD., which is a subsidiary of SANYO DENKI Techno Service CO., LTD., as well as SANYO DENKI (Shenzhen) CO., LTD. and

SANYO DENKI (Zhongshan) CO., LTD., both of which are subsidiaries of SANYO DENKI (H.K.) CO., LIMITED. Segment sales rose by 240.6% to ¥5,096 million. Segment profit increased by 3,244.5% to ¥219 million.

5) Southeast Asia

The Company's consolidated subsidiaries operating in Southeast Asia include SANYO DENKI PHILIPPINES, INC., SANYO DENKI SINGAPORE PTE. LTD., as well as SANYO DENKI (THAILAND) CO., LTD. and SANYO DENKI TECHNO SERVICE (SINGAPORE) PTE. LTD., both of which are subsidiaries of SANYO DENKI SINGAPORE PTE. LTD. Segment sales increased by 145.3% to ¥7,435 million. Segment profit rose by 36.2% to ¥252 million.

The general state of business by division is as follows:

1) Cooling Systems Division

As for "San Ace," that is Sanyo Denki's brand name for cooling system products, demand grew for servers for data centers in North America, Taiwan and Japan. Demand from the telecommunications industry, which continues to be a large market, and from power conditioners for photovoltaic generation also grew.

Moreover, for the factory automation industry, the demand for machine tools, etc. has been on a recover trend, and the sales volume increased.

As a result, net sales increased by 102.9% year on year to ¥7,691 million. The amount of orders received rose by 83.3% to ¥7,755 million, and the order backlog increased by 22.2% to ¥2,876 million.

2) Power Systems Division

Among our products under the brand name of "SANUPS" for power supply equipment, the demand for engine generators from the government sector, for uninterruptible power systems from the manufacturing equipment sector, and demand centering around repair-and-maintenance showed strong growth. Production volume for power conditioners for photovoltaic generation will expand to meet increased demand, and we are aiming for quick turnaround in provision. However, demand for power units from the telecommunications industry decreased.

As a result, net sales decreased by 8.3% year on year to ¥2,122 million, the amount of orders received dropped by 0.2% to ¥3,423 million, and the order backlog rose by 21.9% to ¥3,889 million.

3) Servo Systems Division

As for "SANMOTION," which is the brand name for servo systems, capital expenditure in IT related industries in China showed strong growth, and the demand for machine tools, mounters, and general industrial machines increased. Furthermore, thanks to the expansion of capital expenditure in automobile-related industries, the demands for robots and injection machines achieved strong growth.

Consequently, net sales went up by 80.4% year on year to ¥12,269 million, the amount of orders received increased by 85.9% to ¥13,426 million, and the order backlog rose by 45.1% to ¥5,859 million.

4) Electrical Equipment Sales Division

Sales of industrial electrical equipment, control equipment and electric materials showed strong increases in the transportation, telecommunications and production equipment-related sectors, and showed a recovery trend in health-related sectors. In addition, demand for photovoltaic generation equipment and its related control panels remained strong.

In iron and steel-related business sectors demand increased as a result of a response to increased production, renewal of aged equipment and rationalization. In addition, demand for spare parts for important equipment, to ensure stable operation of equipment, showed large increases.

As a result, net sales increased by 68.2% year on year to ¥1,830 million, the amount of orders received rose by 6.9% to ¥1,830 million, and the order backlog increased by 5.7% to ¥3,015 million.

5) Electrical Works Contracting Division

With respect to steel mill-related equipment, capital investment was reinvigorated due to a recovery trend in the iron and steel business sectors, and repair work to ensure stable operation of production equipment increased.

Moreover, demand for overall construction including photovoltaic generation-related equipment and its devices and work design boomed thanks to increased cooperation with trading and engineering firms.

As a result, net sales increased by 3.7% year on year to ¥461 million, the amount of orders received increased by 37.2% to ¥551 million, and the order backlog went up by 50.5% to ¥760 million.

(2) Explanation of Financial Position

As for the financial position at the end of the first quarter under review, total assets went up by ¥2,150 million from the end of the previous consolidated fiscal year, liabilities rose by ¥2,066 million, and net assets increased by ¥83 million.

Major factors of fluctuation in total assets were a reduction of ¥1,002 million in cash and bank deposits, an increase of ¥670 million in notes and accounts receivable-trade, and an increase of ¥448 million in (long-term) deferred tax assets.

Major factors of fluctuation in liabilities were an increase of ¥972 million in notes and accounts payable-trade, a reduction of ¥774 million in income tax payable, and an increase of ¥629 million in short-term debt.

Major factors of fluctuation in net assets included a decrease of ¥483 million in foreign currency translation adjustments, an increase of ¥307 million in retained earnings and an increase of ¥218 million in valuation difference in available-for-sale securities.

(Condition of cash flows)

Cash and cash equivalents (hereinafter referred to as “cash”) at the end of the first quarter under review decreased by ¥1,079 million from the end of the previous fiscal year to ¥12,639 million. The conditions of each cash flow and factors thereof are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities during the first quarter under review increased to ¥992 million (an increase of ¥1,849 million in the same period last year). This is mainly attributable to income before income taxes and minority interests of ¥2,238 million, an increase in trade receivables of ¥861 million, and depreciation and amortization of ¥581 million.

(Cash flows from investing activities)

Net cash used in investing activities during the first quarter under review decreased to ¥1,600 million (a decrease of ¥437 million in the same period last year). This is mainly attributable to acquisition of fixed tangible assets such as production equipment and others amounting to ¥1,010 million.

(Cash flows from financing activities)

Net cash used in financing activities during the first quarter under review decreased to ¥103 million (a decrease of ¥298 million in the same period last year). This is mainly attributable to repayments of long-term debt of ¥291 million, ¥497 million in dividends paid, and an increase in short-term debt of ¥768 million.

(3) Explanation of Forward-Looking Information such as Forecast Consolidated Business Results

Forecast of business results for the fiscal year ending March 31, 2015 has not changed from the forecast of business results announced on April 23, 2014.

2. Matters Related to Summary Information (Notes)

(1) Significant Changes in Subsidiaries during the FY2015 Quarter 1

Not applicable.

(2) Adoption of Special Accounting Treatment for Preparing Quarterly Consolidated Financial Statements

Not applicable.

(3) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatements of Prior Period Financial Statements after Error Corrections

(Changes in Accounting Policies)

The Accounting Standard for Retirement Benefits (ASBJ Statement No. 26 of May 17, 2012; hereinafter referred to as the "Retirement Benefits Accounting Standard") and the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25 of May 17, 2012; hereinafter referred to as the "Guidance on Retirement Benefits Accounting Standard") shall apply from the consolidated accounting period for the first quarter under review with respect to the provisions provided in the main section of paragraph 35 of the Retirement Benefits Accounting Standard and the main section of paragraph 67 of the Guidance on Retirement Benefits Accounting Standard; the accounting methods for retirement benefit obligations and service costs were reviewed; and the periodic attribution method for forecasted retirement benefit payments was changed from a periodic fixed-rate standard to a benefit calculation formula standard.

With respect to the application of the Retirement Benefits Accounting Standard, etc. the cumulative effect associated with changing the accounting method for retirement benefit obligations and service costs shall be deleted or added to retained earnings at the beginning of the first quarter's consolidated accounting period, in accordance with the transitional procedure prescribed by paragraph 37 of the Retirement Benefits Accounting Standard.

As a result, net defined benefit liability at the beginning of this first quarter's consolidated accounting period increased to ¥1,387 million, and retained earnings fell by ¥900 million. In addition, there was a minor impact on profit and loss for the first quarter's consolidated accounting period.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2014	As of June 30, 2014
Assets		
Current assets		
Cash and bank deposits	14,162	13,160
Notes and accounts receivable-trade	21,952	22,622
Securities	60	167
Merchandise and finished goods	4,442	4,416
Work in process	3,299	3,623
Raw materials and supplies	6,079	6,503
Costs on uncompleted construction contracts	188	253
Other receivables	484	717
Deferred tax assets	850	618
Others	475	473
Allowance for doubtful accounts	(36)	(34)
Total current assets	51,959	52,523
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	8,614	9,642
Machinery, equipment and vehicles, net	2,052	2,073
Land	6,443	6,440
Construction in progress	817	257
Others, net	727	695
Total tangible fixed assets	18,656	19,109
Intangible fixed assets	508	512
Investments and other assets		
Investments in securities	4,659	4,981
Deferred tax assets	160	609
Others	2,317	2,666
Allowance for doubtful accounts	(28)	(18)
Total investments and other assets	7,108	8,238
Total fixed assets	26,273	27,859
Total assets	78,232	80,382

(Million yen)

	As of March 31, 2014	As of June 30, 2014
Liabilities		
Current liabilities		
Notes and accounts payable–trade	12,703	13,675
Short-term debt	8,265	8,895
Accrued income taxes	1,080	305
Deferred tax liabilities	5	4
Reserve for bonuses to directors and corporate auditors	72	17
Other current liabilities	3,878	4,116
Total current liabilities	26,006	27,015
Long-term liabilities		
Long-term debt	2,206	1,985
Lease obligations	356	334
Deferred tax liabilities	128	136
Deferred tax liabilities–revaluation	977	977
Net defined benefit liability	2,598	3,943
Other long term liabilities	139	87
Total non-current liabilities	6,406	7,463
Total liabilities	32,412	34,479
Net assets		
Shareholders' equity		
Common stock	9,926	9,926
Capital surplus	11,460	11,460
Retained earnings	23,605	23,913
Treasury stock	(906)	(907)
Total shareholders' equity	44,086	44,392
Accumulated other comprehensive income		
Unrealized holding gain on securities	690	908
Revaluation reserve for land, net of tax	799	799
Foreign currency translation adjustments	1,125	641
Remeasurements of defined benefit plans	(887)	(845)
Total accumulated other comprehensive income	1,727	1,504
Minority interests	5	5
Total net assets	45,819	45,903
Total liabilities and net assets	78,232	80,382

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
FY2014 Quarter 1 and FY2015 Quarter 1

(Million yen)

	FY2014 Quarter 1 (from April 1, 2013 to June 30, 2013)	FY2015 Quarter 1 (from April 1, 2014 to June 30, 2014)
Net sales	14,440	24,375
Cost of sales	11,109	18,554
Gross profit	3,331	5,820
Selling, general and administrative expenses	2,434	3,627
Operating income	896	2,192
Other income		
Interest income	9	21
Dividend income	53	59
Foreign exchange gain	233	-
Subsidy income	13	15
Others	22	56
Total other income	332	152
Other expenses		
Interest expense	21	15
Foreign currency translation loss	-	74
Others	10	17
Total other expenses	32	107
Ordinary income	1,197	2,237
Extraordinary income		
Gain on sales of fixed assets	1	0
Total extraordinary income	1	0
Extraordinary loss		
Loss on sales of fixed assets	0	-
Loss on retirement of fixed assets	7	0
Directors' retirement benefits	20	-
Total extraordinary loss	27	0
Income before income taxes and minority interests	1,170	2,238
Income taxes-current	97	393
Income taxes-deferred	279	138
Total income taxes	377	532
Income before minority interests	793	1,705
Minority interests	0	0
Net income	793	1,705

Quarterly Consolidated Statements of Comprehensive Income
FY2014 Quarter 1 and FY2015 Quarter 1

(Million yen)

	FY2014 Quarter 1 (from April 1, 2013 to June 30, 2013)	FY2015 Quarter 1 (from April 1, 2014 to June 30, 2014)
Income before minority interests	793	1,705
Other comprehensive income		
Unrealized holding gain on securities	288	218
Foreign currency translation adjustments	665	(483)
Adjustment on retirement benefits	-	42
Total other comprehensive income	953	(222)
Comprehensive income	1,746	1,482
Comprehensive income attributable to:		
Owners of the parent	1,746	1,482
Minority interests	0	0

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	FY2014 Quarter 1 (from April 1, 2013 to June 30, 2013)	FY2015 Quarter 1 (from April 1, 2014 to June 30, 2014)
Cash flows from operating activities		
Income before income taxes and minority interests	1,170	2,238
Depreciation and amortization	478	581
Decrease (increase) in notes and accounts receivable-trade	2,261	(861)
Decrease (increase) in inventories	(816)	(959)
Increase (decrease) in notes and accounts payable-trade	345	1,267
Others	(998)	(258)
Subtotal	2,441	2,006
Income taxes paid	(630)	(1,075)
Others	38	61
Net cash provided by (used in) operating activities	1,849	992
Cash flows from investing activities		
Purchase of property, plant and equipment	(453)	(1,010)
Others	15	(589)
Net cash provided by (used in) investing activities	(437)	(1,600)
Cash flows from financing activities		
Increase (decrease) in short-term debt	643	768
Repayments of long-term debt	(304)	(291)
Dividends paid	(559)	(497)
Acquisition of treasury stock	(1)	(1)
Others	(76)	(82)
Net cash provided by (used in) financing activities	(298)	(103)
Effect of exchange rate change on cash and cash equivalents	425	(368)
Net increase (decrease) in cash and cash equivalents	1,538	(1,079)
Cash and cash equivalents at beginning of year	9,733	13,719
Cash and cash equivalents at end of quarter	11,272	12,639

(4) Notes on Quarterly Consolidated Financial Statements
 (Notes on Going Concern Assumption)
 Not applicable

(Notes in Event of Significant Change in Shareholders' Equity)
 Not applicable

(Segment Information, etc.)

I FY2014 Quarter 1 (from April 1, 2013 to June 30, 2013)

1. Information on net sales and income (loss) by reporting segment

(Million yen)

	Reporting segment					
	Japan	North America	Europe	East Asia	Southeast Asia	Total
Sales						
Sales to customers	11,057	1,209	877	1,062	234	14,440
Intersegment sales or transfers	4,671	16	7	434	2,796	7,926
Total	15,729	1,225	885	1,496	3,031	22,367
Segment profit	532	91	52	6	185	868

2. Differences between amounts of income (loss) recognized in reporting segments and the corresponding amounts reported in the quarterly consolidated statements of income, and the primary items contributing to the difference

(Million yen)

Profit	Amount
Total of reporting segments	868
Elimination of intersegment transactions	27
Operating income in quarterly consolidated statements of income	896

II FY2015 Quarter 1 (from April 1, 2014 to June 30, 2014)

1. Information on net sales and income (loss) by reporting segment

(Million yen)

	Reporting segment					
	Japan	North America	Europe	East Asia	Southeast Asia	Total
Sales						
Sales to customers	14,325	3,696	2,129	3,621	602	24,375
Intersegment sales or transfers	5,443	23	11	1,474	6,833	13,785
Total	19,768	3,719	2,140	5,096	7,435	38,160
Segment profit	1,310	142	206	219	252	2,132

2. Differences between amounts of income (loss) recognized in reporting segments and the corresponding amounts reported in the quarterly consolidated statements of income, and the primary items contributing to the difference

(Million yen)

Profit	Amount
Total of reporting segments	2,132
Elimination of intersegment transactions	60
Operating income in quarterly consolidated statements of income	2,192

3. Matters related to changes of reporting segments, etc.

In preparation of consolidated financial statements so far, necessary adjustments for consolidated accounting have been made with using the financial statements of 14 overseas consolidated subsidiaries as of three months before. In order to prepare the most up-to-date consolidated financial statements, we will change our method to use the financial statements of the overseas consolidated subsidiaries for the same period as ours, beginning from FY2015.

Therefore, the forecast includes the three-month results from January 1 to March 31, 2014 of the overseas consolidated subsidiaries. The actual results for overseas consolidated subsidiaries between January 1, 2014 and March 31, 2014 included in the actual results for this first quarter are as follows:

(From January 1, 2014 to March 31, 2014)

(1) Information on net sales and income (loss) by reporting segment

(Million yen)

	Reporting segment					
	Japan	North America	Europe	East Asia	Southeast Asia	Total
Sales						
Sales to customers	-	1,841	1,074	1,446	278	4,641
Intersegment sales or transfers	-	19	8	600	3,391	4,019
Total	-	1,861	1,083	2,046	3,669	8,661
Segment profit	-	86	102	77	151	417

(2) Differences between amounts of income (loss) recognized in reporting segments and the corresponding amounts reported in the quarterly consolidated statements of income, and the primary items contributing to the difference

(Million yen)

Profit	Amount
Total of reporting segments	417
Elimination of intersegment transactions	17
Operating income in quarterly consolidated statements of income	434