

FY2018 2nd Quarter Consolidated Financial and Operating Results<IFRS>

(Overview – English translation of the Japanese original)

October 31, 2017

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: November 10, 2017

Scheduled date for commencement of dividend payments: December 11, 2017

Availability of supplementary briefing material on quarterly results: Yes

Schedule of quarterly results briefing session: Yes (For analysts)

(Amounts below one million yen are truncated.)

1. Overview of the Consolidated Financial and Operating Results for FY2018 Quarter 2 (from April 1, 2017 to September 30, 2017)

(1) Consolidated operating results (cumulative)

(% indicates changes from the previous term)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%
FY2018 Quarter 2	42,241	17.9	3,873	61.1	3,994	106.2	2,900	111.3	2,900	111.3	5,123	—
FY2017 Quarter 2	35,818	—	2,403	—	1,936	—	1,372	—	1,372	—	358	—

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
FY2018 Quarter 2	237.19		—	
FY2017 Quarter 2	111.95		—	

The Company consolidated 5 shares of its common stock into 1 share effective as of October 1, 2017. Accordingly, basic earnings per share are calculated based on the assumption that the consolidation of shares was conducted at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent	Equity attributable to owners of parent per share
	¥ Million	¥ Million	¥ Million	%	Yen
FY2018 Quarter 2	101,316	61,618	61,611	60.8	5,039.25
FY2017 Full year	93,156	57,054	57,048	61.2	4,665.35

The Company consolidated 5 shares of its common stock into 1 share effective as of October 1, 2017. Accordingly, equity attributable to owners of parent per share is calculated based on the assumption that the consolidation of shares was conducted at the beginning of the previous fiscal year.

2. Dividends

	Annual cash dividend per share				
	1Q	2Q	3Q	4Q	Annual
	Yen	Yen	Yen	Yen	Yen
FY2017	—	9.00	—	9.00	18.00
FY2018	—	10.00	—	—	—
FY2018 (Forecast)	—	—	—	50.00	—

Note: Revision to the dividend forecast: None

The Company consolidated 5 shares of its common stock into 1 share effective as of October 1, 2017. Accordingly, whereas an underlying share for the dividend at the end of the second quarter is not affected by the consolidation of shares, an underlying share for the dividend at the end of the fiscal year takes into account the consolidation of shares. Therefore, these cannot be simply summed up to calculate the total amount of the annual dividend in the current fiscal year and is indicated as “—”.

3. Forecast for FY2018 (from April 1, 2017 to March 31, 2018)

(% indicates changes from the previous corresponding term)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%	Yen
Full year	87,900	17.5	8,500	57.0	8,600	61.3	6,100	51.3	498.91

Note: Revision to the business results forecast: None

The Company consolidated 5 shares of its common stock into 1 share effective as of October 1, 2017. Accordingly, basic earnings per share in the full-year forecast for FY2018 include the effect of the consolidation of shares.

4. Others

(1) Significant changes in subsidiaries during FY2018 Quarter 2: None
(Change of certain subsidiaries that involves the scope of consolidation)

(2) Changes in accounting policies and changes in accounting estimates

1) Changes in accounting policies required by IFRS: None

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

3) Changes in accounting estimates: None

(3) Number of issued shares (common shares)

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

FY2018 Quarter 2	12,972,187 shares	FY2017	12,972,187 shares
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2) Number of treasury shares at the end of the period

FY2018 Quarter 2	745,842 shares	FY2017	744,166 shares
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3) Average number of shares during the period

FY2018 Quarter 2	12,227,110 shares	FY2017 Quarter 2	12,261,117 shares
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The Company consolidated 5 shares of its common stock into 1 share effective as of October 1, 2017. Accordingly, number of issued shares at the end of the period, number of treasury shares at the end of the period and average number of shares during the period are calculated based on the assumption that the consolidation of shares was conducted at the beginning of the previous fiscal year.

*These quarterly consolidated financial results are outside the scope of the quarterly review procedures.

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

(Explanation for the appropriate use of forward-looking Information)

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. Accordingly, actual results may vary significantly from the forecast results stated here for a number of factors.

(Dividends and performance forecasts after the consolidation of shares)

The consolidation of shares and the change in the number of shares constituting one unit were approved and resolved at the 115th Annual General Meeting of Shareholders held on June 14, 2017, and thus the Company consolidated its common shares at a rate of 5 shares to 1 share and changed the number of shares constituting one unit of its common shares from 1,000 shares to 100 shares effective as of October 1, 2017. Accordingly, the forecast for the dividend per share at the end of FY2018 and basic earnings per share in the full-year forecast for FY2018 include the effect of the consolidation of shares. The dividend at the end of FY2018 Quarter 2 will be paid based on the number of shares before the consolidation of shares.

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1. Qualitative Information on Financial Results for FY2018 Quarter 2

(1) Explanation of Operating Results

During the six months ended September 30, 2017, the Japanese economy recovered steadily, aided by the rebound of exports as well as robust domestic demand.

Under such circumstances, demand was strong for machine tools, robots, and semiconductor manufacturing equipment in the equipment industries, which are the Group's main target markets.

As a result, consolidated revenue totaled ¥42,241 million in the six months ended September 30, 2017, up 17.9% from the same period last year. Consolidated operating profit increased by 61.1% to ¥3,873 million, consolidated profit before tax increased by 106.2% to ¥3,994 million, and profit attributable to owners of parent amounted to ¥2,900 million, up 111.3%.

Orders received increased by 33.3% to ¥48,598 million, and order backlog increased by 67.4% to ¥20,994 million.

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 revenue amounted to ¥43,042 million, up 19.2% from the same period last year. Segment profit increased by 85.8% to ¥2,824 million.

2) North America

The Company has a consolidated subsidiary in North America: SANYO DENKI AMERICA, INC. Segment revenue increased by 2.5% to ¥5,147 million. Segment profit decreased by 29.2% to ¥298 million.

3) Europe

The Company's consolidated subsidiaries operating in Europe are SANYO DENKI EUROPE S.A. and SANYO DENKI GERMANY GmbH. Segment revenue increased by 12.2% to ¥2,491 million. Segment profit increased by 24.6% to ¥221 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., SANYO DENKI ENGINEERING (Shanghai) CO., LTD., SANYO DENKI (Shenzhen) CO., LTD., SANYO DENKI (Zhongshan) CO., LTD., and SANYO DENKI ENGINEERING(Shenzhen) CO.,LTD.. Segment revenue increased by 38.9% to ¥8,012 million. Segment profit was ¥360 million compared to ¥3 million of the same period last year.

5) Southeast Asia

The Company's consolidated subsidiaries operating in Southeast Asia include SANYO DENKI PHILIPPINES, INC., SANYO DENKI SINGAPORE PTE. LTD., SANYO DENKI INDIA PRIVATE LIMITED and SANYO DENKI (THAILAND) CO., LTD. Segment revenue increased by 36.9% to ¥11,006 million. Segment profit increased by 123.0% to ¥387 million.

The general state of business by division is as follows:

1) Cooling Systems Division

“San Ace,” Sanyo Denki’s brand name for cooling system products, experienced increased demand for servo amplifiers as well as factory automation such as machine tools and semiconductor manufacturing equipment. Demand for servers for data centers was also solid. In contrast, we saw a decline in domestic demand for power conditioners for photovoltaic generation.

As a result, revenue increased by 10.6% year on year to ¥12,121 million. The amount of orders received increased by 14.2% to ¥12,226 million, and the order backlog increased by 25.1% to ¥3,686 million.

2) Power Systems Division

“SANUPS,” Sanyo Denki’s brand name for power supply equipment, saw stagnant demand for power conditioners due to the shrinking market of the feed-in tariff scheme for electricity generated by photovoltaic power. On the other hand, demand for uninterruptible power systems for factory automation equipment such as semiconductor manufacturing equipment remained solid.

As a result, revenue decreased by 14.4% year on year to ¥3,318 million. The amount of orders received dropped by 15.8% to ¥3,883 million, and the order backlog decreased by 8.4% to ¥2,747 million.

3) Servo Systems Division

“SANMOTION,” Sanyo Denki’s brand name for servo system products, experienced increased demand for machine tools, robots, injection molding machines, semiconductor manufacturing equipment and electronic part surface mounters, which are the major target industries. In particular, demand for machine tools and electronic part surface mounters increased significantly year on year, helped by increasing capital investment for smartphones in China.

As a result, revenue increased by 40.0% year on year to ¥23,800 million. The amount of orders received increased by 70.0% to ¥29,802 million, and the order backlog increased by 151.6% to ¥13,663 million.

4) Electrical Equipment Sales Division

As for sales of industrial electrical equipment, control equipment and material for electronic equipment, demand for general industrial equipment in the robot-related and machine tool-related markets and semiconductor-related equipment remained solid. On the other hand, demand for photovoltaic generation-related equipment declined significantly.

In iron and steel-related business sectors, capital investment in new facilities and the replacement of aged equipment for production facilities increased, and the delivery of spare parts for repair remained solid.

As a result, revenue decreased by 28.6% year on year to ¥1,949 million. The amount of orders received fell by 26.3% to ¥1,851 million, and the order backlog decreased by 30.9% to ¥398 million.

5) Electrical Works Contracting Division

As for works related to steel mill plant equipment, the volume of renewal construction and repair works was in line with the initial plan. However, demand for works related to photovoltaic generation facilities decreased significantly.

As a result, revenue decreased by 16.3% year on year to ¥1,052 million. The amount of orders received dropped by 23.1% to ¥833 million, and the order backlog decreased by 15.0% to ¥497 million.

(2) Explanation of Financial Position

As for the financial position of the six months ended September 30, 2017, total assets increased by ¥8,160 million from the end of the previous fiscal year, total liabilities increased by ¥3,596 million, and total equity increased by ¥4,564 million.

Major factors of changes in assets were an increase of ¥3,382 million in inventories, an increase of ¥1,769 million in other financial assets (non-current assets), and an increase of ¥1,576 million in property, plant and equipment.

Major factors of changes in liabilities were an increase of ¥4,135 million in trade and other payables, a decrease of ¥928 million in net defined benefit liability, and an increase of ¥410 million in deferred tax liabilities.

Major factors of changes in equity included an increase of ¥3,218 million in retained earnings and an increase of ¥1,354 million in other components of equity.

(Condition of cash flows)

Cash and cash equivalents (hereinafter referred to as “cash”) during the six months ended September 30, 2017 decreased by ¥93 million from the end of the previous fiscal year to ¥13,673 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 six months ended September 30, 2017 amounted to ¥3,162 million (net cash provided of ¥3,708 million in the same period last year). This is mainly attributable to an increase of ¥4,148 million in inventories, an increase of ¥4,074 million in trade and other payables, and profit before tax of ¥3,994 million.

(Cash flows from investing activities)

Net cash used in investing activities during the six months ended September 30, 2017 amounted to ¥2,593 million (net cash used of ¥1,261 million in the same period last year). This is mainly attributable to purchase of property, plant and equipment of ¥1,690 million and purchase of intangible assets of ¥443 million.

(Cash flows from financing activities)

Net cash used in financing activities during the six months ended September 30, 2017 amounted to ¥936 million (net cash used of ¥1,701 million in the same period last year). This is mainly attributable to dividends paid of ¥549 million, repayments of long-term borrowings of ¥169 million, and net decrease in short-term borrowings of ¥136 million.

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

No revisions have been made to the business results forecast for the fiscal year ending March 31, 2018, which was announced on October 30, 2017.

2. Condensed Consolidated Financial Statements and Primary Notes

(1) Condensed Consolidated Statements of Financial Position

(Million yen)

	Note	As of March 31, 2017	As of September 30, 2017
Assets			
Current assets			
Cash and cash equivalents		13,766	13,673
Trade and other receivables		26,967	28,278
Other financial assets		924	880
Inventories		16,233	19,615
Other current assets		250	536
Total current assets		58,143	62,984
Non-current assets			
Property, plant and equipment		18,916	20,493
Intangible assets		3,850	3,804
Investment property		1,503	1,503
Other financial assets		9,823	11,593
Deferred tax assets		413	441
Other non-current assets		504	495
Total non-current assets		35,012	38,332
Total assets		93,156	101,316
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables		18,876	23,012
Borrowings		7,033	6,870
Other financial liabilities		322	272
Income taxes payable		1,111	1,291
Other current liabilities		1,266	1,491
Total current liabilities		28,610	32,938
Non-current liabilities			
Borrowings		159	25
Other financial liabilities		180	109
Net defined benefit liability		6,954	6,025
Deferred tax liabilities		3	413
Other non-current liabilities		194	184
Total non-current liabilities		7,491	6,759
Total liabilities		36,101	39,698
Equity			
Share capital		9,926	9,926
Share premium		11,460	11,460
Retained earnings		35,526	38,745
Treasury shares		(1,436)	(1,445)
Other components of equity		1,570	2,924
Total equity attributable to owners of parent		57,048	61,611
Non-controlling interests		6	7
Total equity		57,054	61,618
Total liabilities and equity		93,156	101,316

(2) Condensed Consolidated Statements of Income and Comprehensive Income
Condensed Consolidated Statements of Income
Six months ended September 30, 2016 and 2017

(Million yen)

	Note	From April 1, 2016 to September 30, 2016	From April 1, 2017 to September 30, 2017
Revenue		35,818	42,241
Cost of sales		27,463	31,307
Gross profit		8,355	10,934
Selling, general and administrative expenses		6,058	7,131
Other income		111	77
Other expenses		5	7
Operating profit		2,403	3,873
Finance income		91	132
Finance costs		558	11
Profit before tax		1,936	3,994
Income tax expense		564	1,093
Profit		1,372	2,900
Profit attributable to			
Owners of parent		1,372	2,900
Non-controlling interests		0	0
Profit		1,372	2,900
Earnings per share			
Basic earnings per share (yen)		111.95	237.19

*The Company consolidated 5 shares of its common stock into 1 share effective as of October 1, 2017. Accordingly, basic earnings per share are calculated based on the assumption that the consolidation of shares was conducted at the beginning of the previous fiscal year.

Three months ended September 30, 2016 and 2017

(Million yen)

	Note	From July 1, 2016 to September 30, 2016	From July 1, 2017 to September 30, 2017
Revenue		17,923	21,760
Cost of sales		13,709	16,107
Gross profit		4,213	5,653
Selling, general and administrative expenses		2,915	3,608
Other income		58	37
Other expenses		3	3
Operating profit		1,353	2,079
Finance income		8	14
Finance costs		160	4
Profit before tax		1,201	2,089
Income tax expense		396	662
Profit		804	1,426
Profit attributable to			
Owners of parent		804	1,426
Non-controlling interests		0	0
Profit		804	1,426
Earnings per share			
Basic earnings per share (yen)		65.80	116.66

*The Company consolidated 5 shares of its common stock into 1 share effective as of October 1, 2017. Accordingly, basic earnings per share are calculated based on the assumption that the consolidation of shares was conducted at the beginning of the previous fiscal year.

Condensed Consolidated Statements of Comprehensive Income
Six months ended September 30, 2016 and 2017

(Million yen)

	Note	From April 1, 2016 to September 30, 2016	From April 1, 2017 to September 30, 2017
Profit		1,372	2,900
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income		746	1,221
Remeasurements of defined benefit plans		(272)	652
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(1,488)	349
Total other comprehensive income		(1,014)	2,223
Comprehensive income		358	5,123
Comprehensive income attributable to			
Owners of parent		358	5,123
Non-controlling interests		(0)	0
Comprehensive income		358	5,123

Three months ended September 30, 2016 and 2017

(Million yen)

	Note	From July 1, 2016 to September 30, 2016	From July 1, 2017 to September 30, 2017
Profit		804	1,426
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income		371	391
Remeasurements of defined benefit plans		147	296
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(187)	220
Total other comprehensive income		331	908
Comprehensive income		1,136	2,334
Comprehensive income attributable to			
Owners of parent		1,136	2,334
Non-controlling interests		0	0
Comprehensive income		1,136	2,334

(3) Condensed Consolidated Statements of Changes in Equity
Six months ended September 30, 2016 (from April 1, 2016 to September 30, 2016)

(Million yen)

	Note	Share capital	Share premium	Retained earnings	Treasury shares	Other components of equity	
						Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance at April 1, 2016		9,926	11,460	32,691	(919)	1,232	–
Profit		–	–	1,372	–	–	–
Other comprehensive income		–	–	–	–	746	(272)
Comprehensive income		–	–	1,372	–	746	(272)
Purchase of treasury shares		–	–	–	(512)	–	–
Dividends		–	–	(558)	–	–	–
Transfer to retained earnings		–	–	(275)	–	3	272
Total transactions with owners and other		–	–	(834)	(512)	3	272
Balance at September 30, 2016		9,926	11,460	33,229	(1,432)	1,982	–

	Note	Other components of equity		Total equity attributable to owners of parent	Non-controlling interests	Total equity
		Exchange differences on translation of foreign operations	Total			
Balance at April 1, 2016		(977)	254	53,414	6	53,420
Profit		–	–	1,372	0	1,372
Other comprehensive income		(1,487)	(1,013)	(1,013)	(0)	(1,014)
Comprehensive income		(1,487)	(1,013)	358	(0)	358
Purchase of treasury shares		–	–	(512)	–	(512)
Dividends		–	–	(558)	(0)	(559)
Transfer to retained earnings		–	275	–	–	–
Total transactions with owners and other		–	275	(1,071)	(0)	(1,071)
Balance at September 30, 2016		(2,465)	(483)	52,701	5	52,707

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

(Million yen)

	Note	Share capital	Share premium	Retained earnings	Treasury shares	Other components of equity	
						Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance at April 1, 2017		9,926	11,460	35,526	(1,436)	2,789	–
Profit		–	–	2,900	–	–	–
Other comprehensive income		–	–	–	–	1,221	652
Comprehensive income		–	–	2,900	–	1,221	652
Purchase of treasury shares		–	–	–	(9)	–	–
Dividends		–	–	(550)	–	–	–
Transfer to retained earnings		–	–	868	–	(216)	(652)
Total transactions with owners and other		–	–	318	(9)	(216)	(652)
Balance at September 30, 2017		9,926	11,460	38,745	(1,445)	3,794	–

	Note	Other components of equity		Total equity attributable to owners of parent	Non-controlling interests	Total equity
		Exchange differences on translation of foreign operations	Total			
Balance at April 1, 2017		(1,219)	1,570	57,048	6	57,054
Profit		–	–	2,900	0	2,900
Other comprehensive income		349	2,222	2,222	0	2,223
Comprehensive income		349	2,222	5,123	0	5,123
Purchase of treasury shares		–	–	(9)	–	(9)
Dividends		–	–	(550)	(0)	(550)
Transfer to retained earnings		–	(868)	–	–	–
Total transactions with owners and other		–	(868)	(559)	(0)	(559)
Balance at September 30, 2017		(869)	2,924	61,611	7	61,618

(4) Condensed Consolidated Statements of Cash Flows

(Million yen)

	Note	From April 1, 2016 to September 30, 2016	From April 1, 2017 to September 30, 2017
Cash flows from operating activities			
Profit before tax		1,936	3,994
Depreciation and amortization expense		1,574	1,650
Interest and dividend income		(91)	(122)
Interest expenses		17	7
Decrease (increase) in trade and other receivables		1,173	(1,146)
Decrease (increase) in inventories		631	(4,148)
Increase (decrease) in trade and other payables		(1,379)	4,074
Other, net		(160)	(106)
Subtotal		3,702	4,203
Interest received		14	24
Dividend received		78	96
Interest paid		(21)	(9)
Income taxes paid		(67)	(1,152)
Net cash flows from operating activities		3,708	3,162
Cash flows from investing activities			
Purchase of property, plant and equipment		(606)	(1,690)
Purchase of intangible assets		(434)	(443)
Proceeds from sales of property, plant and equipment and intangible assets		2	0
Proceeds from sales of other financial assets		4	12
Other, net		(227)	(470)
Net cash flows from investing activities		(1,261)	(2,593)
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings		(116)	(136)
Repayments of long-term borrowings		(432)	(169)
Purchase of treasury shares		(512)	(9)
Dividends paid		(554)	(549)
Other, net		(85)	(71)
Net cash flows from financing activities		(1,701)	(936)
Effect of exchange rate changes on cash and cash equivalents		(751)	273
Net increase (decrease) in cash and cash equivalents		(6)	(93)
Cash and cash equivalents at beginning of period		12,743	13,766
Cash and cash equivalents at end of period		12,737	13,673

(5) Notes on Condensed Consolidated Financial Statements
(Notes on Going Concern Assumption)

There is no relevant information.

(Segment Information, etc.)

1 Overview of reportable segments

The Group's reportable segments are determined on the basis that separate financial information of such segments are available and examined periodically by the Board of Directors to make decisions regarding the allocation of management resources and assess the business performances of such segments.

The Group mainly produces and sells cooling fans, power supply equipment and servomotors, and operates the business globally through strategic planning with a focus on regional characteristics.

Reportable segments are composed of five reportable segments, namely, Japan, North America, Europe, East Asia and Southeast Asia, which are determined by regional characteristics including economic blocs in which the business is operated. In determining reportable segments, the Group has not aggregated operating segments.

2 Information on reportable segments

Six months ended September 30, 2016 (from April 1, 2016 to September 30, 2016) (Million yen)

	Reportable segment							Adjustments (Note 2)	Consolidated
	Japan	North America	Europe	East Asia	Southeast Asia	Total			
Revenue									
Revenue from external customers	24,062	4,999	2,215	3,947	593	35,818	–	35,818	
Intersegment revenue or transfers (Note 1)	12,047	24	4	1,822	7,447	21,347	(21,347)	–	
Total	36,109	5,024	2,220	5,770	8,041	57,166	(21,347)	35,818	
Segment profit	1,519	421	178	3	173	2,296	106	2,403	
Finance income	–	–	–	–	–	–	–	91	
Finance costs	–	–	–	–	–	–	–	558	
Profit before tax	–	–	–	–	–	–	–	1,936	

Notes: 1. Intersegment transaction prices are based on prevailing market prices.

2. Adjustments of segment profit of ¥106 million are elimination of intersegment transactions.

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

	Reportable segment							Adjustments (Note 2)	Consolidated
	Japan	North America	Europe	East Asia	Southeast Asia	Total			
Revenue									
Revenue from external customers	28,791	5,109	2,479	5,264	595	42,241	–	42,241	
Intersegment revenue or transfers (Note 1)	14,251	38	12	2,747	10,411	27,460	(27,460)	–	
Total	43,042	5,147	2,491	8,012	11,006	69,701	(27,460)	42,241	
Segment profit	2,824	298	221	360	387	4,092	(218)	3,873	
Finance income	–	–	–	–	–	–	–	132	
Finance costs	–	–	–	–	–	–	–	11	
Profit before tax	–	–	–	–	–	–	–	3,994	

Notes: 1. Intersegment transaction prices are based on prevailing market prices.

2. Adjustments of segment profit of ¥(218) million are elimination of intersegment transactions.

Three months ended September 30, 2016 (from July 1, 2016 to September 30, 2016) (Million yen)

	Reportable segment						Adjustments (Note 2)	Consolidated
	Japan	North America	Europe	East Asia	Southeast Asia	Total		
Revenue								
Revenue from external customers	12,330	2,451	1,056	1,806	278	17,923	–	17,923
Intersegment revenue or transfers (Note 1)	5,930	15	2	850	3,752	10,550	(10,550)	–
Total	18,261	2,466	1,059	2,656	4,030	28,473	(10,550)	17,923
Segment profit (loss)	1,023	215	98	(37)	60	1,360	(6)	1,353
Finance income	–	–	–	–	–	–	–	8
Finance costs	–	–	–	–	–	–	–	160
Profit before tax	–	–	–	–	–	–	–	1,201

Notes: 1. Intersegment transaction prices are based on prevailing market prices.

2. Adjustments of segment profit of ¥(6) million are elimination of intersegment transactions.

Three months ended September 30, 2017 (from July 1, 2017 to September 30, 2017) (Million yen)

	Reportable segment						Adjustments (Note 2)	Consolidated
	Japan	North America	Europe	East Asia	Southeast Asia	Total		
Revenue								
Revenue from external customers	15,087	2,342	1,266	2,736	327	21,760	–	21,760
Intersegment revenue or transfers (Note 1)	7,387	9	6	1,158	5,489	14,052	(14,052)	–
Total	22,474	2,351	1,273	3,895	5,817	35,813	(14,052)	21,760
Segment profit	1,501	80	141	213	332	2,268	(189)	2,079
Finance income	–	–	–	–	–	–	–	14
Finance costs	–	–	–	–	–	–	–	4
Profit before tax	–	–	–	–	–	–	–	2,089

Notes: 1. Intersegment transaction prices are based on prevailing market prices.

2. Adjustments of segment profit of ¥(189) million are elimination of intersegment transactions.