

FY2019 2nd Quarter Consolidated Financial and Operating Results <IFRS>

(Overview – English translation of the Japanese original)

October 31, 2018

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 9, 2018

Scheduled date for commencement of dividend payments: December 10, 2018

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 FY2019 Quarter 2 (from April 1, 2018 to September 30, 2018)

(1) Consolidated operating results (cumulative)

(% indicates changes from the previous corresponding term)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%
FY2019 Quarter 2	44,433	5.2	4,706	21.5	5,126	28.3	3,792	30.8	3,792	30.8	4,758	(7.1)
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	–

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
FY2019 Quarter 2	313.27		–	
FY2018 Quarter 2	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.

(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
FY2019 Quarter 2	111,382	66,224	66,216	59.4	5,470.11
FY2018 Full year	107,631	62,135	62,127	57.7	5,132.20

2. Dividends

	Annual cash dividend per share				
	1Q	2Q	3Q	4Q	Annual
	Yen	Yen	Yen	Yen	Yen
FY2018	–	10.00	–	55.00	–
FY2019	–	55.00	–	–	–
FY2019 (Forecast)	–	–	–	55.00	110.00

Note: Revision to the dividend forecast: None

Whereas an underlying share for the dividend at the end of FY2018 Quarter 2 is not affected by the consolidation of shares, an underlying share for the dividend at the end of FY2018 takes into account the consolidation of shares.

Therefore, these cannot be simply summed up to calculate the total amount of the annual dividend in FY2018 and is indicated as “–”.

3. Forecast for FY2019 (from April 1, 2018 to March 31, 2019)

(% 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	90,000	0.9	9,400	7.0	9,900	15.9	7,100	10.7	586.52

Note: Revision to the business results forecast: None

4. Others

(1) Significant changes in subsidiaries during FY2019 Quarter 2: None

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

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

1) Changes in accounting policies required by IFRS: Yes

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)

FY2019 Quarter 2	12,972,187 shares	FY2018	12,972,187 shares
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2) Number of treasury shares at the end of the period

FY2019 Quarter 2	867,045 shares	FY2018	866,678 shares
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3) Average number of shares during the period

FY2019 Quarter 2	12,105,249 shares	FY2018 Quarter 2	12,227,110 shares
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The Company consolidated 5 shares of its common stock into 1 share effective as of October 1, 2017. Accordingly, the average number of shares during the period is 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 by a certified public accountant or an auditing firm.

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

Table of Contents

1. Qualitative Information on Financial Results for FY2019 Quarter 2.....	2
(1) Explanation of Operating Results.....	2
(2) Explanation of Financial Position	4
(3) Explanation of Forward-looking Information such as Forecast of Consolidated Business Results.....	4
2. Condensed Consolidated Financial Statements and Primary Notes.....	5
(1) Condensed Consolidated Statements of Financial Position.....	5
(2) Condensed Consolidated Statements of Income and Comprehensive Income.....	6
(3) Condensed Consolidated Statements of Changes in Equity.....	10
(4) Condensed Consolidated Statements of Cash Flows.....	12
(5) Notes on Condensed Consolidated Financial Statements	13
(Notes on Going Concern Assumption)	13
(Changes in Accounting Policies)	13
(Segment Information, etc.)	13

1. Qualitative Information on Financial Results for FY2019 Quarter 2

(1) Explanation of Operating Results

During the six months ended September 30, 2018, the Japanese economy continued a gradual recovery, aided by the recovery trend of corporate capital investment enhanced by active capacity expansion and labor-saving investments in the manufacturing industry, even though export growth slightly slowed.

Under such circumstances, although some markets experienced a slowdown to a certain extent, machine tools, robots, and semiconductor manufacturing equipment in the equipment industries, which are the Group's main target markets, saw solid demand as a whole.

As a result, consolidated revenue totaled ¥44,433 million in the six months ended September 30, 2018, up 5.2% from the same period last year. Consolidated operating profit increased by 21.5% to ¥4,706 million, consolidated profit before tax increased by 28.3% to ¥5,126 million, and profit attributable to owners of parent amounted to ¥3,792 million, up 30.8%.

On the other hand, orders received decreased by 14.0% to ¥41,776 million, and order backlog decreased by 5.3% to ¥19,886 million. This is attributable to sluggish orders received due to the narrowing trend of overall capital investment in China triggered by US-China trade friction in addition to production adjustments made by semiconductor manufacturing equipment manufacturers.

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 ¥45,960 million, up 6.8% year on year. Segment profit increased by 14.6% to ¥3,237 million.

2) North America

The Company has a consolidated subsidiary in North America: SANYO DENKI AMERICA, INC. Segment revenue increased by 0.7% to ¥5,181 million. Segment profit increased by 20.9% to ¥360 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 10.3% to ¥2,747 million. Segment profit increased by 15.0% to ¥255 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 decreased by 13.8% to ¥6,905 million. Segment profit increased by 22.3% to ¥440 million.

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 10.9% to ¥12,202 million. Segment profit increased by 56.9% to ¥607 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 solid demand for communications equipment and medical equipment. In contrast, we saw a decline in demand for high-end servers and factory automation (FA).

As a result, revenue decreased by 0.7% year on year to ¥12,030 million. The amount of orders received decreased by 2.1% to ¥11,967 million, and the order backlog increased by 7.9% to ¥3,977 million.

2) Power Systems Division

“SANUPS,” Sanyo Denki’s brand name for power supply equipment, saw stagnant demand due to a slowdown in the market of photovoltaic power and a slump in the information and telecommunications market. On the other hand, demand for plant equipment and public facilities remained solid.

As a result, revenue increased by 0.2% year on year to ¥3,325 million. The amount of orders received decreased by 5.8% to ¥3,657 million, and the order backlog decreased by 21.8% to ¥2,148 million.

3) Servo Systems Division

“SANMOTION,” Sanyo Denki’s brand name for servo system products, experienced favorable demand for injection molding machines and electronic part surface mounters. However, orders received were sluggish due to the narrowing trend of overall capital investment in China triggered by US-China trade friction in addition to production adjustments made by semiconductor manufacturing equipment manufacturers.

As a result, revenue increased by 9.7% year on year to ¥26,103 million. The amount of orders received decreased by 22.6% to ¥23,073 million, and the order backlog decreased by 11.0% to ¥12,164 million.

4) Electrical Equipment Sales Division

As for sales of industrial electrical equipment, control equipment and material for electronic equipment, demand for medical-related and semiconductor-related equipment remained solid.

Domestic demand for photovoltaic generation-related equipment declined, but inquiries for new transactions increased.

In iron and steel-related business sectors, some of the new capital investment and the renewal construction of aged equipment for production facilities were postponed. The delivery of spare parts for repair also slightly declined.

As a result, revenue increased by 10.4% year on year to ¥2,152 million. The amount of orders received increased by 23.7% to ¥2,290 million, and the order backlog increased by 107.9% to ¥828 million.

5) Electrical Works Contracting Division

Electrical works in steel mill plants saw a solid growth as the volume of renewal construction and repair works for aged electrical equipment was in line with the initial plan. On the other hand, demand for construction of large photovoltaic generation facilities significantly declined, even though we received orders for replacement of lighting equipment with energy-saving products.

As a result, revenue decreased by 21.9% year on year to ¥821 million. The amount of orders received dropped by 5.6% to ¥786 million, and the order backlog increased by 54.2% to ¥767 million.

(2) Explanation of Financial Position

As for the financial position of the six months ended September 30, 2018, total assets increased by ¥3,751 million from the end of the previous fiscal year, total liabilities decreased by ¥337 million, and total equity increased by ¥4,089 million.

Major factors of changes in assets were an increase of ¥2,346 million in inventories, an increase of ¥1,531 million in property, plant and equipment and a decrease of ¥1,125 million in trade and other receivables.

Major factors of changes in liabilities were a decrease of ¥2,682 million in trade and other payables, an increase of ¥1,636 million in borrowings (non-current liabilities) and an increase of ¥1,354 million in borrowings (current liabilities).

Major factors of changes in equity were an increase of ¥3,652 million in retained earnings and an increase of ¥438 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, 2018 decreased by ¥152 million from the end of the previous fiscal year to ¥13,029 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, 2018 amounted to ¥1,714 million (net cash provided of ¥3,162 million in the same period last year). This is mainly attributable to profit before tax of ¥5,126 million, a decrease of ¥2,143 million in trade and other payables and depreciation and amortization expense of ¥1,935 million.

(Cash flows from investing activities)

Net cash used in investing activities during the six months ended September 30, 2018 amounted to ¥4,226 million (net cash used of ¥2,593 million in the same period last year). This is mainly attributable to purchase of property, plant and equipment of ¥2,765 million and purchase of intangible assets of ¥1,246 million.

(Cash flows from financing activities)

Net cash provided by financing activities during the six months ended September 30, 2018 amounted to ¥2,182 million (net cash used of ¥936 million in the same period last year). This is mainly attributable to proceeds from long-term borrowings of ¥1,987 million, net increase in short-term borrowings of ¥1,100 million and dividends paid of ¥663 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, 2019, which was announced on October 30, 2018.

2. Condensed Consolidated Financial Statements and Primary Notes

(1) Condensed Consolidated Statements of Financial Position

(Million yen)

	Note	As of March 31, 2018	As of September 30, 2018
Assets			
Current assets			
Cash and cash equivalents		13,182	13,029
Trade and other receivables		30,835	29,710
Other financial assets		751	967
Inventories		21,052	23,398
Other current assets		916	1,515
Total current assets		66,738	68,620
Non-current assets			
Property, plant and equipment		23,720	25,252
Intangible assets		4,031	4,554
Investment property		1,503	1,503
Other financial assets		10,760	10,492
Deferred tax assets		477	553
Other non-current assets		398	405
Total non-current assets		40,892	42,762
Total assets		107,631	111,382
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables		24,987	22,305
Borrowings		5,944	7,299
Other financial liabilities		241	193
Income taxes payable		1,594	1,279
Other current liabilities		2,081	2,444
Total current liabilities		34,849	33,522
Non-current liabilities			
Borrowings		3,889	5,525
Other financial liabilities		76	61
Net defined benefit liability		6,454	5,700
Deferred tax liabilities		50	182
Other non-current liabilities		175	165
Total non-current liabilities		10,646	11,636
Total liabilities		45,495	45,158
Equity			
Share capital		9,926	9,926
Share premium		11,460	11,460
Retained earnings		41,361	45,014
Treasury shares		(2,406)	(2,409)
Other components of equity		1,784	2,223
Total equity attributable to owners of parent		62,127	66,216
Non-controlling interests		7	7
Total equity		62,135	66,224
Total liabilities and equity		107,631	111,382

(2) Condensed Consolidated Statements of Income and Comprehensive Income
Condensed Consolidated Statements of Income
Six months ended September 30, 2017 and 2018

(Million yen)

	Note	From April 1, 2017 to September 30, 2017	From April 1, 2018 to September 30, 2018
Revenue		42,241	44,433
Cost of sales		31,307	32,710
Gross profit		10,934	11,723
Selling, general and administrative expenses		7,131	7,125
Other income		77	112
Other expenses		7	3
Operating profit		3,873	4,706
Finance income		132	468
Finance costs		11	48
Profit before tax		3,994	5,126
Income tax expense		1,093	1,333
Profit		2,900	3,792
Profit attributable to			
Owners of parent		2,900	3,792
Non-controlling interests		0	0
Profit		2,900	3,792
Earnings per share			
Basic earnings per share (yen)		237.19	313.27

*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, 2017 and 2018

(Million yen)

	Note	From July 1, 2017 to September 30, 2017	From July 1, 2018 to September 30, 2018
Revenue		21,760	22,051
Cost of sales		16,107	16,458
Gross profit		5,653	5,592
Selling, general and administrative expenses		3,608	3,522
Other income		37	33
Other expenses		3	0
Operating profit		2,079	2,103
Finance income		14	129
Finance costs		4	25
Profit before tax		2,089	2,207
Income tax expense		662	576
Profit		1,426	1,630
Profit attributable to			
Owners of parent		1,426	1,630
Non-controlling interests		0	0
Profit		1,426	1,630
Earnings per share			
Basic earnings per share (yen)		116.66	134.71

*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, 2017 and 2018

(Million yen)

	Note	From April 1, 2017 to September 30, 2017	From April 1, 2018 to September 30, 2018
Profit		2,900	3,792
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income		1,221	(264)
Remeasurements of defined benefit plans		652	526
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		349	703
Total other comprehensive income		2,223	965
Comprehensive income		5,123	4,758
Comprehensive income attributable to			
Owners of parent		5,123	4,757
Non-controlling interests		0	0
Comprehensive income		5,123	4,758

Three months ended September 30, 2017 and 2018

(Million yen)

	Note	From July 1, 2017 to September 30, 2017	From July 1, 2018 to September 30, 2018
Profit		1,426	1,630
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income		391	46
Remeasurements of defined benefit plans		296	359
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		220	396
Total other comprehensive income		908	802
Comprehensive income		2,334	2,433
Comprehensive income attributable to			
Owners of parent		2,334	2,432
Non-controlling interests		0	0
Comprehensive income		2,334	2,433

(3) Condensed Consolidated Statements of Changes in Equity
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

Six months ended September 30, 2018 (from April 1, 2018 to September 30, 2018)

(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, 2018		9,926	11,460	41,361	(2,406)	3,320	–
Profit		–	–	3,792	–	–	–
Other comprehensive income		–	–	–	–	(264)	526
Comprehensive income		–	–	3,792	–	(264)	526
Purchase of treasury shares		–	–	–	(3)	–	–
Disposal of treasury shares		–	0	–	0	–	–
Dividends		–	–	(665)	–	–	–
Transfer to retained earnings		–	–	526	–	(0)	(526)
Total transactions with owners and other		–	0	(139)	(3)	(0)	(526)
Balance at September 30, 2018		9,926	11,460	45,014	(2,409)	3,056	–

	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, 2018		(1,536)	1,784	62,127	7	62,135
Profit		–	–	3,792	0	3,792
Other comprehensive income		703	965	965	0	965
Comprehensive income		703	965	4,757	0	4,758
Purchase of treasury shares		–	–	(3)	–	(3)
Disposal of treasury shares		–	–	0	–	0
Dividends		–	–	(665)	(0)	(665)
Transfer to retained earnings		–	(526)	–	–	–
Total transactions with owners and other		–	(526)	(668)	(0)	(668)
Balance at September 30, 2018		(832)	2,223	66,216	7	66,224

(4) Condensed Consolidated Statements of Cash Flows

(Million yen)

	Note	From April 1, 2017 to September 30, 2017	From April 1, 2018 to September 30, 2018
Cash flows from operating activities			
Profit before tax		3,994	5,126
Depreciation and amortization expense		1,650	1,935
Interest and dividend income		(122)	(143)
Interest expenses		7	46
Decrease (increase) in trade and other receivables		(1,146)	797
Decrease (increase) in inventories		(4,148)	(1,929)
Increase (decrease) in trade and other payables		4,074	(2,143)
Other, net		(106)	(372)
Subtotal		4,203	3,317
Interest received		24	30
Dividend received		96	112
Interest paid		(9)	(51)
Income taxes paid		(1,152)	(1,695)
Net cash flows from operating activities		3,162	1,714
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,690)	(2,765)
Purchase of intangible assets		(443)	(1,246)
Proceeds from sales of property, plant and equipment and intangible assets		0	5
Proceeds from sales of other financial assets		12	–
Other, net		(470)	(219)
Net cash flows from investing activities		(2,593)	(4,226)
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings		(136)	1,100
Proceeds from long-term borrowings		–	1,987
Repayments of long-term borrowings		(169)	(187)
Purchase of treasury shares		(9)	(3)
Dividends paid		(549)	(663)
Other, net		(71)	(51)
Net cash flows from financing activities		(936)	2,182
Effect of exchange rate changes on cash and cash equivalents		273	176
Net increase (decrease) in cash and cash equivalents		(93)	(152)
Cash and cash equivalents at beginning of period		13,766	13,182
Cash and cash equivalents at end of period		13,673	13,029

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

There is no relevant information.

(Changes in Accounting Policies)

The Group has adopted IFRS 15 “Revenue from Contracts with Customers” from the three months ended June 30, 2018. This adoption does not have a material effect on the Group’s consolidated financial statements.

Except for IFRS 15 “Revenue from Contracts with Customers,” significant accounting policies applied in the accompanying condensed consolidated financial statements are the same as those applied in the Group’s consolidated financial statements for the previous fiscal year.

(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, 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.

Six months ended September 30, 2018 (from April 1, 2018 to September 30, 2018)

(Million yen)

	Reportable segment						Adjustments (Note 2)	Consolidated
	Japan	North America	Europe	East Asia	Southeast Asia	Total		
Revenue								
Revenue from external customers	30,881	5,167	2,735	5,053	594	44,433	–	44,433
Intersegment revenue or transfers (Note 1)	15,078	13	11	1,851	11,607	28,563	(28,563)	–
Total	45,960	5,181	2,747	6,905	12,202	72,996	(28,563)	44,433
Segment profit	3,237	360	255	440	607	4,901	(195)	4,706
Finance income	–	–	–	–	–	–	–	468
Finance costs	–	–	–	–	–	–	–	48
Profit before tax	–	–	–	–	–	–	–	5,126

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

2. Adjustments of segment profit of ¥(195) 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.

Three months ended September 30, 2018 (from July 1, 2018 to September 30, 2018)

(Million yen)

	Reportable segment						Adjustments (Note 2)	Consolidated
	Japan	North America	Europe	East Asia	Southeast Asia	Total		
Revenue								
Revenue from external customers	15,575	2,408	1,396	2,383	286	22,051	–	22,051
Intersegment revenue or transfers (Note 1)	7,775	5	1	868	5,735	14,386	(14,386)	–
Total	23,351	2,414	1,397	3,252	6,022	36,437	(14,386)	22,051
Segment profit	1,387	171	149	184	320	2,213	(109)	2,103
Finance income	–	–	–	–	–	–	–	129
Finance costs	–	–	–	–	–	–	–	25
Profit before tax	–	–	–	–	–	–	–	2,207

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

2. Adjustments of segment profit of ¥(109) million are elimination of intersegment transactions.