

Consolidated Financial Results for the 3rd Quarter of Fiscal Year Ending March 31, 2020 (J-GAAP)

February 3, 2020

Company name: T.RAD Co., Ltd. Listing: Tokyo Stock Exchange, First Section
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 Scheduled date of start of dividend payments: —
 Supplemental materials prepared for consolidated financial results: None
 Briefing on consolidated financial results: None

(Amounts less than one million yen have been truncated)

1. Consolidated Financial Performance for the 3rd Quarter of Fiscal Year Ending March 31, 2020

(April 1, 2019 to December 31, 2019)

(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, 2019	97,034	-5.7	1,857	-57.4	1,845	-60.3	1,463	-28.9
Nine months ended December 31, 2018	102,875	13.7	4,357	-1.7	4,647	-8.1	2,058	-41.1

Note: Comprehensive income

Nine months ended December 31, 2019: ¥484 million -55.9%

Nine months ended December 31, 2018: ¥1,096 million -71.6%

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended December 31, 2019	196.37	—
Nine months ended December 31, 2018	258.65	—

(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, 2019	89,656	44,420	47.2	5,881.61
Fiscal year ended March 31, 2019	92,929	46,170	47.4	5,537.07

Reference: Shareholders' equity

As of December 31, 2019: ¥42,343 million

As of March 31, 2019 : ¥44,072 million

2. Dividends

	Dividends per Share				
	1Q	2Q	3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2019	—	40.00	—	50.00	90.00
Fiscal year ending March 31, 2020	—	40.00	—		
Fiscal year ending March 31, 2020 (Forecast)				50.00	90.00

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

3. Forecast of Consolidated Financial Performance for the Fiscal Year Ending March 31, 2020

(April 1, 2019 to March 31, 2020)

(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, 2020	130,500	-4.1	2,200	-56.8	2,300	-58.7	900	-48.1	125.01

Note: Revisions to the forecast of consolidated financial performance since the latest official announcement: No

4. Other

(1) Changes in significant subsidiaries during the current quarter consolidated accumulative period (changes in specific subsidiaries resulting in changes in the scope of consolidation): None

(2) Adoption of specific accounting policies for quarterly consolidated financial statements: None

(3) Changes in accounting principles, estimation procedures or presentation methods

1) Changes associated with revision of accounting standards: Yes

2) Changes other than 1): None

3) Changes accounting estimation procedures: None

4) Changes in presentation methods: None

For details, please refer to P.13 “2. Quarterly Consolidated Financial Statements and main notes (4) Notes to quarterly consolidated financial statements (Changes of accounting policy)

(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, 2019: 8,344,405 shares

As of March 31, 2019 : 8,344,405 shares

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

As of December 31, 2019: 1,145,155 shares

As of March 31, 2019 : 384,960 shares

3) Average number of shares outstanding during the period

Nine months ended December 31, 2019: 7,454,154 shares

Nine months ended December 31, 2018: 7,959,731 shares

* The consolidated financial results presented herein are not subject to the audit procedures by certified public accountant or audit firm.

* Explanations for proper use of forecasts and other specific affairs

The forward-looking statement such as forecast of financial performance etc. described in this report based on information currently available and certain assumptions judged to be reasonable. Actual performance may differ significantly from these projections due to various factors.

(Changes in presentation method of date)

We changed presentation method of date to Western calendar style from Japanese calendar style since “Consolidated Financial Results for the 1st Quarter of Fiscal Year Ending March 31, 2020”

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1. Qualitative Information for the Third Quarter of Fiscal Year Ending March 31, 2020

(1) Consolidated financial performance

The economic environment during the current third quarter consolidated accumulative period, remained strong aided by the favorable transition of domestic demand although decrease of exports behind the gradual slowdown in global economy. However, there are risks which exert downward pressure on the economy due to the slowdown in Chinese and Indian economy, U.S-China trade conflict and the withdrawal of UK from the EU etc.

Under the circumstances, the net sales of the T.RAD Group (on a foreign currency basis) decreased from the same period of the previous year except United States and China etc. Operating income decreased except Europe. The profit attributable to owner of parent decreased from the same period of the previous year due to the decrease of net sales etc.

As a result, net sales during the consolidated cumulative third quarter decreased by 5,840 million yen from the previous fiscal year, amounting to 97,034 million yen (down 5.7% year on year), operating income decreased by 2,499 million yen, amounting to 1,857 million yen (down 57.4% year on year), ordinary income decreased by 2,802 million yen, amounting to 1,845 million yen (down 60.3% year on year) and profit attributable to owners of parent decreased by 595 million yen, amounting to 1,463 million yen (down 28.9% year on year).

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.

Three of domestic subsidiaries have the same settlement date that coincides with the last day of the consolidated fiscal year. The segment impacted by such adjustments is Other.

	Net Sales				Operating Income (Loss)			
	Nine months ended December 31, 2018	Nine months ended December 31, 2019	Increase/Decrease	Percentage change (on a foreign currency basis)*	Nine months ended December 31, 2018	Nine months ended December 31, 2019	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	45,661	42,760	-2,900	-6.4	682	(614)	-1,297	-190.1
United States	24,073	24,007	-66	4.9	(28)	(635)	-606	—
Europe	3,228	1,970	-1,257	-32.1	(927)	(810)	117	2.1
Asia	13,714	13,071	-643	-4.7	1,981	1,609	-372	-18.9
China	15,478	14,416	-1,062	1.3	2,229	1,917	-311	-6.2
Other (including eliminations)	719	809	89	12.4	*1 420	*2 391	-28	-6.8
Total	102,875	97,034	-5,840	-3.1	4,357	1,857	-2,499	-56.6

*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.

*1 Breakdown of Other (including eliminations) is other segment income 142 millions of yen, eliminations of intersegment transaction 277 millions of yen.

*2 Breakdown of Other (including eliminations) is other segment income 116 millions of yen, eliminations of intersegment transaction 275 millions of yen.

(i) Japan

Net sales of products for automobile industry decreased from the same period of the previous year due to the decrease of the sales of major customers etc. The net sales of products for construction and industrial machines largely decreased from the same period of the previous year due to the decrease of demand for China and Mining market. As a result, the net sales in the Japan segment decreased by 2,900 million yen, resulting in 42,760 million yen.

Operating loss of 614 million yen was posted, worsening by 1,297 million yen from the same period of the previous year, due to decreased of net sales etc.

(ii) United States

The net sales of products for the automobile industry increased contributed by the increase of sales of orders received for our products of models etc. The net sales of products for construction and industrial machines decreased from the same period of the previous year due to the decrease of the sales of major customers.

As a result, the net sales in the United States segment decreased by 66 million yen from the same period of the previous year, resulting in 24,007 million yen due partly to foreign exchange factors. On a foreign currency basis, it increased by 4.9%.

Operating loss of 635 million yen was posted, worsening by 606 million yen from the same period of the previous year, due to increase of costs influenced by increase in custom duties and increase of scrap costs etc.

(iii) Europe

The net sales of products for the automobile industry increased due to the commencement of mass production of models for which orders were newly received in Czech Republic. The net sales of products for air conditioners largely decreased from the same period of the previous year due to the ending of transaction with major customers. As a result, the net sales in the Europe segment decreased by 1,257 million yen from the same period of the previous year, resulting in 1,970 million yen. On a foreign currency basis, it decreased by 32.1%.

Operating loss of 810 million yen was posted, improved by 117 million yen from the same period of the previous year, due to the decrease of scrap cost etc. On a foreign currency basis, it increased by 2.1%.

(iv) Asia

The net sales of products for the automobile industry decreased from the same period of the previous year due to the decrease of orders received in Thailand despite favorable sales of orders received models in Indonesia. As a result, the net sales in the Asia segment decreased by 643 million yen from the same period of the previous year, resulting in 13,071 million yen. On a foreign currency basis, it decreased by 4.7%.

Operating income decreased by 372 million yen from the same period of the previous year, resulting in 1,609 million yen. On a foreign currency basis, it decreased by 18.9%.

(v) China

The net sales of products for the automobile industry increased from the same period of the previous year due to the increase of sales for Japanese customers despite the decrease of sales of local customers. Net sales of products for construction and industrial machines decreased from the same period of the previous year due to the decrease in orders from major customers. As a result, the net sale in the China segment decreased by 1,062 million yen from the same period of the previous year due partly to foreign exchange factors, resulting in 14,416 million yen. On a foreign currency basis, it increased by 1.3%.

The operating income decreased by 311 million yen from the same period of the previous year, resulting in 1,917 million yen. On a foreign currency basis, it decreased by 6.2%.

(2) Consolidated financial position

1) Assets, liabilities and net assets

Total assets at the end of current third quarter of the fiscal year under review resulted in 89,656 million yen (down 3,272 million yen from the end of the previous fiscal year) due to the sales of investment securities etc.

Liabilities resulted in 45,236 million yen (down 1,522 million yen) due to the decrease of accounts payable-trade influenced by bank holiday at the end of the previous fiscal year etc.

Net assets resulted in 44,420 million yen (down 1,749 million yen) due to the purchase of treasury stock etc. despite increases of retained earnings etc.

2) Cash flows

Cash and cash equivalents at the end of the current third quarter of the fiscal year under review totaled 14,494 million yen, increase of 1,901 million yen from the end of the previous fiscal year.

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 1,807 million yen, a decrease of 4,617 million yen year on year due to the decrease of operating income and accounts payable-trade etc. Net cash provided by investing activities was 233 million yen, an increase of 5,450 million yen year on year due to the sales of investment securities etc. Net cash used in financing activities was 1,034 million yen, a decrease of 603 million yen year on year due to the purchase of treasury stock etc. despite increase of loans payable.

(3) Future projections including forecasts of consolidated financial performance

We did not revise the forecast of consolidated financial performance released on November 5, 2019, as the financial results for the first nine months of the fiscal year under review were within the expected range.

2. Quarterly Consolidated Financial Statements and main notes

(1) Quarterly consolidated balance sheets

(Millions of yen)

	FY2018	FY2019_3Q
	As of March 31, 2019	As of December 31, 2019
	Amount	Amount
(Assets)		
Current assets		
Cash and deposits	13,894	14,244
Notes and accounts receivable-trade	24,742	22,702
Electronically recorded monetary claims-operating	2,589	4,381
Short-term investment securities	399	399
Merchandise and finished goods	2,714	3,854
Work in process	734	921
Raw materials and supplies	5,370	5,547
Others	2,792	2,260
Allowance for doubtful accounts	(85)	(87)
Total current assets	53,152	54,224
Noncurrent assets		
Tangible fixed assets		
Building and structures, net	6,389	6,336
Machinery, equipment and vehicles, net	15,239	15,309
Land	2,335	2,355
Lease assets, net	102	459
Construction in progress	3,457	4,117
Other tangible fixed assets, net	2,117	2,061
Total tangible fixed assets	29,641	30,640
Intangible assets		
Goodwill	228	139
Others	1,255	1,348
Total intangible assets	1,484	1,487
Investments and other assets		
Investment securities	7,668	2,394
Net defined benefit asset	233	208
Deferred tax assets	63	65
Others	704	650
Allowance for doubtful accounts	(19)	(13)
Total investments and other assets	8,650	3,304
Total noncurrent assets	39,776	35,432
Total assets	92,929	89,656

(Millions of yen)

	FY2018	FY2019_3Q
	As of March 31, 2019	As of December 31, 2019
	Amount	Amount
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	14,280	13,272
Electronically recorded obligations – operating	5,340	4,926
Short-term loans payable	8,061	7,750
Lease obligations	414	457
Income taxes payable	658	546
Accrued expenses	2,797	3,013
Provision for bonuses	1,390	792
Provision for directors' bonuses	84	25
Provision for product warranties	235	225
Provision for shareholders benefit program	48	15
Electronically recorded obligations - non-operating	729	1,008
Asset retirement obligations	116	—
Others	1,895	1,289
Total current liabilities	36,053	33,323
Noncurrent liabilities		
Long-term loans payable	8,368	9,979
Lease obligations	777	872
Deferred tax liabilities	1,324	795
Provision for directors' retirement benefits	5	7
Net defined benefit liability	95	125
Asset retirement obligations	90	90
Others	43	41
Total noncurrent liabilities	10,705	11,912
Total liabilities	46,759	45,236
(Net assets)		
Shareholders' equity		
Capital stock	8,545	8,545
Capital surplus	7,551	7,496
Retained earnings	28,315	29,093
Treasury stock	(901)	(2,257)
Total shareholders' equity	43,512	42,878
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	456	45
Foreign currency translation adjustment	(381)	(1,046)
Remeasurements of defined benefit plans	485	465
Total accumulated other comprehensive income	559	(535)
Non-controlling interests	2,098	2,077
Total net assets	46,170	44,420
Total liabilities and net assets	92,929	89,656

(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, 2018	Nine months ended December 31, 2019
	(Apr. 1, 2018–December 31, 2018)	(Apr. 1, 2019–December 31, 2019)
	Amount	Amount
Net sales	102,875	97,034
Cost of sales	90,521	87,443
Gross profit	12,354	9,591
Selling, general and administrative expenses		
Packing and delivery expenses	1,319	1,137
Salaries and allowances	1,620	1,779
Provision for bonuses	216	186
Provision for directors' bonuses	63	25
Retirement benefit expenses	42	58
Welfare expenses	789	965
Provision for product warranties	119	151
Research and development expenses	990	913
Others	2,834	2,515
Total selling, general and administrative expenses	7,996	7,733
Operating income (loss)	4,357	1,857
Non-operating income		
Interest income	93	105
Dividends income	184	103
Gain on investments in partnership	—	5
Equity in earnings of affiliates	150	—
Others	149	75
Total non-operating income	578	289
Non-operating expenses		
Interest expenses	188	232
Foreign exchange losses	83	38
Equity in losses of affiliates	—	12
Others	15	18
Total non-operating expenses	287	301
Ordinary income (loss)	4,647	1,845

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
	(Apr. 1, 2018–December 31, 2018)	(Apr. 1, 2019–December 31, 2019)
	Amount	Amount
Extraordinary income		
Gain on sales of noncurrent assets	26	38
Gain on sales of investment securities	—	1,428
Total extraordinary income	26	1,467
Extraordinary loss		
Loss on sales of noncurrent assets	42	13
Loss on retirement of noncurrent assets	71	112
Loss on sales of investment securities	—	382
Impairment loss	192	—
Provision of allowance for doubtful accounts of golf club membership	11	0
Surcharges	282	23
Total extraordinary loss	601	532
Income (loss) before income taxes	4,072	2,780
Income taxes-current	1,333	1,436
Income taxes-deferred	422	(341)
Total income taxes	1,755	1,094
Profit (loss)	2,317	1,685
Profit (loss) attributable to non-controlling interests	258	221
Profit (loss) attributable to owners of parent	2,058	1,463

(Quarterly consolidated statement of comprehensive income)

(Millions of yen)

	Nine months ended December 31, 2018 (Apr. 1, 2018–December 31, 2018)	Nine months ended December 31, 2019 (Apr. 1, 2019–December 31, 2019)
	Amount	Amount
Profit (loss)	2,317	1,685
Other comprehensive income		
Valuation difference on available-for-sale securities	(632)	(410)
Foreign currency translation adjustment	(520)	(773)
Remeasurements of defined benefit plans, net of tax	(53)	(19)
Share of other comprehensive income of associates accounted for using equity method	(13)	2
Total other comprehensive income	(1,220)	(1,201)
Comprehensive income	1,096	484
(Breakdown)		
Comprehensive income attributable to owners of the parent	913	368
Comprehensive income attributable to non-controlling interests	183	115

(3) Quarterly consolidated statements of cash flows

(Millions of yen)

	Nine months ended December 31, 2018 (Apr. 1, 2018–December 31, 2018)	Nine months ended December 31, 2019 (Apr. 1, 2019–December 31, 2019)
	Amount	Amount
Net cash provided by (used in) operating activities		
Profit (loss) before income taxes	4,072	2,780
Depreciation and amortization	4,576	4,486
Retirement benefit expenses	(77)	(28)
Increase(decrease) in net defined benefit liability	44	53
Increase (decrease) in provision for directors' retirement benefits	0	1
Increase (decrease) in allowance for doubtful accounts	15	(1)
Increase (decrease) in provision for bonuses	(652)	(597)
Increase (decrease) in provision for directors' bonuses	(33)	(58)
Increase (decrease) in provision for product warranties	60	(0)
Loss on retirement of noncurrent assets	71	112
Loss(gain) on sales of tangible fixed assets	16	(24)
Surcharges	282	23
Interest and dividends income	(278)	(208)
Interest expenses	188	232
Equity in (earnings) losses of affiliates	(150)	12
Impairment loss	192	—
Decrease(increase) in notes and accounts receivable-trade	(436)	(238)
Decrease(increase) in inventories	(685)	(1,732)
Increase(decrease) in notes and accounts payable-trade	1,179	(1,062)
Loss (gain) on sales of investment securities	—	(1,046)
Decrease(increase) in other current assets	(329)	248
Increase (decrease) in other current liabilities	233	301
Other, net	108	34
Subtotal	8,401	3,287
Interest and dividends income received	339	378
Interest expenses paid	(188)	(231)
Income taxes paid	(1,389)	(1,367)
Surcharges paid	(738)	(258)
Net cash provided by (used in) operating activities	6,424	1,807

(Millions of yen)

	Nine months ended December 31, 2018 (Apr. 1, 2018–December 31, 2018)	Nine months ended December 31, 2019 (Apr. 1, 2019–December 31, 2019)
	Amount	Amount
Net cash provided by (used in) investing activities		
Purchase of tangible fixed assets	(5,228)	(5,568)
Proceeds from sales of tangible fixed assets	230	48
Purchase of intangible assets	—	(296)
Proceeds from sales of investment securities	—	5,707
Payments into time deposits	(33)	(22)
Proceeds from withdrawal of time deposits	30	331
Others	(216)	31
Net cash provided by (used in) investing activities	(5,217)	233
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	16	867
Proceeds from long-term loans payable	1,180	2,338
Repayment of long-term loans payable	(1,338)	(1,685)
Proceeds from share issuance to non-controlling shareholders	52	—
Purchase of treasury stock	(1)	(1,356)
Cash dividends paid	(795)	(685)
Cash dividends paid to non-controlling shareholders	(102)	(168)
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	411	—
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(34)	—
Others	181	(343)
Net cash provided by (used in) financing activities	(430)	(1,034)
Effect of exchange rate change on cash and cash equivalents	(149)	(338)
Net increase (decrease) in cash and cash equivalents	626	667
Cash and cash equivalents at beginning of period	11,965	13,826
Cash and cash equivalents at end of period	12,592	14,494

(4) Notes to quarterly consolidated financial statements

(Going concern assumptions)

Not applicable

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

We acquired 373,500 treasury shares based on a resolution at the meeting of the board of directors held on June 18, 2019, we acquired 282,800 treasury shares based on a resolution at the meeting of the board of directors held on August 2, 2019, and we acquired 103,500 treasury shares based on a resolution at the meeting of the board of directors held on August 22, 2019. As a result, in the current third quarter consolidated accumulative period, treasury shares increased by 1,356 million yen and as of the end of the current third quarter consolidated accounting period, treasury shares resulted in 2,257 million yen.

(Changes of accounting policy)

The consolidated overseas subsidiaries that applying International Financial Reporting Standards(IFRS) have been applying IFRS No.16 "Lease" (January 13, 2016. Hereinafter referred to as "IFRS No.16") from beginning of the first quarterly consolidated accounting period.

This has led to lessees post all leases as assets and liabilities on balance sheet in principle. The application of IFRS No.16 is subject to the transitional accounting treatment. The consolidated overseas subsidiaries applies the method for recognizing the cumulative effect of adoption of this standards at applying start date.

As a result, the end of the current third quarter consolidated accounting period, lease assets increased by 401 million yen, lease obligations of current liabilities increased by 101 million yen, and lease obligations of noncurrent liabilities increased by 305 million yen. The effect on profit and loss in the current third quarter consolidated accumulative period is negligible.

(Segment information)

I Nine months ended December 31, 2018 (from April 1, 2018 to December 31, 2018)

1. Net sales and profit (loss) by reportable segments

(Millions of yen)

	Reportable segment						Other (Note 3)	Total
	Japan	United States	Europe	Asia	China	Total		
Net Sales:								
Sales to outside customers	45,661	24,073	3,228	13,714	15,478	102,156	719	102,875
Intersegment sales or Transfers	4,193	128	363	54	1,450	6,190	2,513	8,704
Total	49,854	24,202	3,591	13,769	16,929	108,346	3,233	111,580
Segment income (loss)	682	(28)	(927)	1,981	2,229	3,936	142	4,079

Note: 1. Our Group consists of the Company and these overseas corporations which are based on a manufacturing and sales structure. As such, “Japan”, “the United States”, “Europe”, “Asia” and “China” are our five reportable segments.

2. Major countries or regions belong to each reportable segment

Europe.....the Czech Republic, Russia, Germany

Asia Thailand, Indonesia, Vietnam

3. “Other” comprises business operations that are not categorized as reportable segments and includes the business activities of domestic subsidiaries, such as the transportation business.

2. Difference between total segment income (loss) for reportable segments and operating income on consolidated statements of income, and details of the difference (reconciliation of the difference)

(Millions of yen)

Income	Amount
Total segment income	3,936
Income for “Other”	142
Intersegment eliminations	277
Operating income on consolidated statements of income	4,357

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

(Significant impairment loss on noncurrent assets)

In the segment of “China,” we posted impairment losses of goodwill 192 million yen as an extraordinary loss.

(Significant change in goodwill amount)

Not applicable

(Significant gain on bargain purchase)

Not applicable

II Nine months ended December 31, 2019 (from April 1, 2019 to December 31, 2019)

1. Net sales and profit (loss) by reportable segments

(Millions of yen)

	Reportable segment						Other (Note 3)	Total
	Japan	United States	Europe	Asia	China	Total		
Net Sales:								
Sales to outside customers	42,760	24,007	1,970	13,071	14,416	96,225	809	97,034
Intersegment sales or transfers	5,011	115	346	48	1294	6,814	2,420	9,235
Total	47,771	24,122	2,316	13,119	15,710	103,040	3,229	106,270
Segment income (loss)	(614)	(635)	(810)	1609	1917	1,466	116	1,582

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

AsiaThailand, Indonesia, Vietnam

3. “Other” comprises business operations that are not categorized as reportable segments and includes the business activities of domestic subsidiaries, such as the transportation business.

2. Difference between total segment income (loss) for reportable segments and operating income on consolidated statements of income, and details of the difference (reconciliation of the difference)

(Millions of yen)

Income	Amount
Total segment income	1,466
Income for “Other”	116
Intersegment eliminations	275
Operating income on consolidated statements of income	1,857

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, 2018 (Apr. 1, 2018–December. 31, 2018)		Nine months ended December 31, 2019 (Apr. 1, 2019–December.31, 2019)		Increase/Decrease		FY2018 (Apr 1, 2018–Mar 31, 2019)	
	Amount	%	Amount	%	Amount	%	Amount	%
	For Automobile	73,296	71.3	72,482	74.6	-813	-1.1	97,771
For Construction & Industrial machine	23,093	22.4	19,769	20.4	-3,324	-14.4	30,342	22.3
For Air conditioner	3,881	3.8	2,477	2.6	-1,403	-36.2	4,602	3.4
Other	2,603	2.5	2,305	2.4	-298	-11.5	3,408	2.5
Total	102,875	100.0	97,034	100.0	-5,840	-5.7	136,125	100.0

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