



## Consolidated Earnings Report for the First Quarter of Fiscal 2016 [Japanese GAAP]

July 28, 2015

Company Name:	<b>KOITO MANUFACTURING CO., LTD.</b>
Stock Listing:	First Section, Tokyo Stock Exchange
Code Number:	7276
URL:	<a href="http://www.koito.co.jp">http://www.koito.co.jp</a>
Representative Director:	Hiroshi Mihara, President
Inquiries:	Hideo Yamamoto, Director and Managing Corporate Officer
Tel:	+81-3-3443-7111
Filing of Quarterly Securities Report:	August 3, 2015
Scheduled Payment of Dividends:	—
Supplementary explanatory materials prepared:	None
Explanatory meeting:	None

(¥ millions are rounded down)

### 1. Consolidated Results for the First Quarter of Fiscal 2016 (April 1, 2015 to June 30, 2015)

(1) Consolidated Operating Results (¥millions; percentage figures represent year-on-year changes)

First Quarter,	Net sales		Operating income		Recurring profit		Profit attributable to owners of parent	
Fiscal 2016	185,546	20.0%	13,584	33.2%	14,600	37.7%	3,557	△38.8%
Fiscal 2015	154,569	20.1%	10,196	47.0%	10,603	32.1%	5,808	9.3%

Note: Comprehensive income or loss: June 30, 2015: ¥2,707 million (△63.8%), June 30, 2014: ¥7,470 million (△40.1%)

First Quarter,	Net income per share (¥)	Net income per share (diluted) (¥)
Fiscal 2016	22.14	—
Fiscal 2015	36.14	—

(2) Consolidated Financial Position

(¥millions)

	Total assets	Net assets	Equity ratio (%)	Net assets per share (¥)
June 30, 2015	575,286	313,237	47.0	1,683.80
March 31, 2015	575,268	316,826	46.8	1,674.91

Note: Equity: June 30, 2015: ¥270,576 million; March 31, 2015: ¥269,148 million

### 2. Dividends

	Dividend per share (¥)				
	First Quarter	Second Quarter	Third Quarter	Year End	Full Year
Fiscal 2015	—	14.00	—	26.00	40.00
Fiscal 2016	—				
Fiscal 2016 (forecast)		—	—	—	—

Notes: 1. Revisions to recent dividend forecasts: None

2. The dividend record dates are September 30 and March 31, as prescribed by Koito's Articles of Incorporation; the dividend forecast for the September 30, 2015 and March 31, 2016 record date are currently undecided.

3. Breakdown of Fiscal 2015 year-end dividend: Regular dividend: ¥16.00; Commemorative dividend: ¥10.00

### 3. Forecast of Consolidated Results for Fiscal 2016 (April 1, 2015 to March 31, 2016)

(¥millions; percentage figures represent year-on-year changes)

	Net sales		Operating income		Recurring profit		Profit attributable to owners of parent		Net income per share (¥)
First half	384,000	18.8%	31,000	26.4%	32,000	25.0%	14,000	△4.5%	87.12
Full year	793,000	12.2%	70,000	9.1%	72,000	7.7%	37,000	2.6%	230.25

Note: Revisions to recent consolidated business forecasts: Yes

**\*Notes**

- (1) Changes to important subsidiaries during the first quarter (changes in specified subsidiaries resulting in revised scope of consolidation): None
- (2) Application of special accounting methods in the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting principles, accounting estimates and restatements
  - ① Changes in accounting policies in conjunction with revisions to accounting standards: Yes
  - ② Other changes: None
  - ③ Changes in accounting estimates: None
  - ④ Restatements: None

(Note) For details, please refer to (3) Changes in Accounting Principles, Accounting Estimates and Restatements under 2. Summary Information (Notes) on page 4 of the supplementary materials.

(4) Number of shares issued (common stock)

① Number of shares issued (including treasury stock):	Fiscal 2016, 1Q	160,789,436	Fiscal 2015	160,789,436
② Number of treasury stock:	Fiscal 2016, 1Q	95,440	Fiscal 2015	95,419
③ Average number of stock during the first quarter:	Fiscal 2016, 1Q	160,694,003	Fiscal 2015, 1Q	160,694,357

**\*Explanations concerning status of quarterly review procedures**

This quarterly earnings report is not subject to the review procedures for quarterly reporting based on the Financial Instruments and Exchange Act. At the time of issue of this report, the review procedures for quarterly reporting based on the Financial Instruments and Exchange Act were being carried out.

《 For Reference Only 》

**Forecast of Non-consolidated Result for Fiscal 2016 (April 1, 2015 to March 31, 2016)**

(¥millions; percentage figures represent year-on-year changes)

	Net sales		Operating income		Recurring profit		Net income		Net income per share (¥)
First half	124,000	3.6%	8,000	△6.6%	18,000	8.2%	13,000	3.1%	80.90
Full year	264,000	4.9%	19,000	△2.9%	34,000	2.8%	23,000	△1.5%	143.13

Note: Revisions to recent non-consolidated business forecasts: Yes

\*Explanations concerning proper use of business forecasts and other noteworthy matters

The above forecasts are based on information available, and certain assumptions that are judged to be reasonable, at the time of the release of this report. Koito is not promising that the Company will achieve these forecasts. Actual results could differ from forecasts due to a variety of factors.

## Table of Contents of Supplementary Materials

1. Qualitative Information Concerning Quarterly Financial Statements and Other Matters.....	2
(1) Explanation Regarding Consolidated Operating Results.....	2
(2) Explanation Regarding Consolidated Financial Position.....	2
(3) Explanation Regarding Forecast of Consolidated Results for Fiscal 2016 and Other Future Projections.....	3
2. Summary Information (Notes).....	4
(1) Changes to Important Subsidiaries during the First Quarter.....	4
(2) Application of Special Accounting Methods in the Preparation of Quarterly Consolidated Financial Statements..	4
(3) Changes in Accounting Principles, Accounting Estimates and Restatements.....	4
3. Quarterly Consolidated Financial Statements.....	5
(1) Quarterly Consolidated Balance Sheets.....	5
(2) Quarterly Consolidated Statements of Income and Comprehensive Income.....	7
(3) Quarterly Consolidated Statements of Cash Flows.....	9
(4) Notes on Quarterly Consolidated Financial Statements.....	11
(Going Concern Assumption) .....	11
(Note Regarding Significant Changes in Shareholders' Equity).....	11
(Segment Information).....	11

## 1. Qualitative Information Concerning Quarterly Financial Statements and Other Matters

### (1) Explanation Regarding Consolidated Operating Results

During the first quarter of fiscal 2016, the period under review, the Japanese economy continued to stagnate, even though corporate earnings and employment conditions improved, as the weaker yen pushed import prices higher and slowed personal consumption. Meanwhile, as the US economy recovered, the global economy continued to decelerate in line with the slowing of economic growth in China and other parts of Asia, and due to issues such as the geopolitical risk in Ukraine and the Middle East and the debt crisis in Greece.

In the Japanese auto industry, production volume decreased year on year due to the stagnated economy and stalled demand caused by an increase in the excise on light motor vehicles among other taxes. Overseas, global production volume of automobiles also declined year on year due to production cutbacks primarily in Thailand, Indonesia and other ASEAN countries, South America, and Russia, despite growth in demand driving up output in North America.

In this climate, the Koito Group reported first-quarter consolidated net sales of ¥185.5 billion, up 20.0% year on year. This was due to sales growth in the mainstay automotive lighting equipment segment that was driven mostly by a shift in automobile lamps to LED and an increase in orders.

Results by geographical segment are outlined as follows.

#### **[Japan]**

Sales in Japan increased 0.8% year on year to ¥62.8 billion. The increase was mainly attributable to a shift in automobile lamps to LED that more than offset the decrease in the domestic production volume of automobiles.

#### **[North America]**

Sales in North America increased 51.4% year on year to ¥43.3 billion. Factors contributing to the sales increase included increased production volume and new orders received, which accompanied a recovery in automobile demand and a shift in automobile lamps to LED, as well as a Koito plant in Mexico commencing full operation.

#### **[China]**

Sales in China rose 27.5% year on year to ¥53.6 billion. This was mainly due to increased orders from Japanese, European and U.S. automobile manufacturers, even though the overall production volume of automobiles in China had flattened out in line with slowing economic growth.

#### **[Asia]**

Sales in Asia rose 16.6% to ¥17.3 billion. Sales growth was driven mainly by an increase in orders in Thailand and orders from motorcycle and automobile production in Indonesia for Koito, even though the overall production volume of automobiles in Thailand and Indonesia had declined.

#### **[Europe]**

Sales in Europe increased 25.5% year on year to ¥8.3 billion. Amid a stronger trend in automobile production in the region, Koito's sales in Europe were driven mainly by an increase in new orders and a shift of automobile lamps to LED.

On the earnings front, operating income increased 33.2% year on year to ¥13.5 billion with all geographical segments from Japan and North America to China, Asia, and Europe contributing to the gain. Commencement of full operation at a Koito plant in Mexico also contributed to profit. Recurring profit increased 37.7% to ¥14.6 billion. Profit attributable to owners of parent decreased 38.8% year on year to ¥3.5 billion. This was mostly due to consolidated subsidiary KI HOLDINGS CO., LTD. recording a ¥9.9 billion extraordinary loss on allowance provisioned as expenses for damages relating to aircraft seats.

### (2) Explanation Regarding Consolidated Financial Position

-1. Analysis of assets, liabilities and net assets

Total assets were ¥575.2 billion at June 30, 2015, about the same amount as the balance at March 31, 2015. This was mainly because fixed assets had declined due to a decrease in the balance of investment securities, and this had offset a rise in current assets from an increase in the balance of cash and time deposits.

Total liabilities had increased ¥3.6 billion from March 31, 2015 to ¥262.0 billion at June 30, 2015, partly due to an increase in allowances for damages.

Net assets were ¥313.2 billion at June 30, 2015, down ¥3.5 billion from March 31, 2015, mainly due to a decrease in non-controlling interests.

-2. Analysis of cash flows

Operating activities provided net cash of ¥31.0 billion, or ¥23.8 billion after taxes, mainly reflecting income before income taxes of ¥4.6 billion and depreciation of ¥6.8 billion.

Investing activities used net cash of ¥14.4 billion, mainly reflecting acquisition of property and equipment of ¥11.0 billion.

Financing activities used net cash of ¥9.0 billion, the result mainly of ¥4.5 billion in repayment of debt and ¥4.5 billion in dividends paid.

As a result, cash and cash equivalents as of June 30, 2015 were ¥33.6 billion, ¥0.6 billion higher than on March 31, 2015.

**(3) Explanation Regarding Forecast of Consolidated Results for Fiscal 2016 and Other Future Projections**

As regards Koito's business forecasts for fiscal 2016, the fiscal year ending March 31, 2016, net sales are projected to increase year on year. This can be attributed domestically, primarily to automobile lamps shift to LED despite a decline in overall automobile production volume in Japan, and overseas, production of automobiles increase in mainly the U.S. a projected increase in orders and automobile lamps shift to LED.

Earnings on all counts from operating income and recurring profit to profit attributable to owners of parent are forecast to increase in line with sales increasing, as well as due to factors such as the commencement of full production at a Koito plant in Mexico.

As stated in the “Announcement Regarding Revision of the Business Results Forecast” on July 28, 2015, the forecasts (both consolidated and non-consolidated) for the second quarter and full year of fiscal 2016, as announced on April 24, 2015 in the Consolidated Earnings Report for Fiscal 2015, were revised in the following manner based on recent business performance trends.

Forecast of Consolidated Results for the Second Quarter of Fiscal 2016 (April 1, 2015 to September 30, 2015)

(¥ millions)

	Net sales	Operating income	Recurring profit	Profit attributable to owners of parent	Net income per share (¥)
Previously Announced forecast (A)	371,000	28,000	29,000	15,000	93.35
Revised forecast (B)	384,000	31,000	32,000	14,000	87.12
Difference (B-A)	13,000	3,000	3,000	△1,000	—
Change (%)	3.5	10.7	10.3	△6.7	—
(Reference) Actual results for the second quarter of fiscal 2015	323,279	24,520	25,607	14,661	91.24

(Reference)

Forecast of Non-Consolidated Results for the Second Quarter of Fiscal 2016 (April 1, 2015 to September 30, 2015)

(¥ millions)

	Net sales	Operating income	Recurring profit	Net income	Net income per share (¥)
Previously Announced forecast (A)	123,000	8,000	17,000	11,000	68.45
Revised forecast (B)	124,000	8,000	18,000	13,000	80.90
Difference (B-A)	1,000	—	1,000	2,000	—
Change (%)	0.8	—	5.9	18.2	—
(Reference) Actual results for the second quarter of fiscal 2015	119,645	8,561	16,637	12,605	78.44

## Forecast of Consolidated Results for Fiscal 2016 (April 1, 2015 to March 31, 2016)

(¥ millions)

	Net sales	Operating income	Recurring profit	Profit attributable to owners of parent	Net income per share (¥)
Previously Announced forecast (A)	780,000	67,000	69,000	38,000	236.47
Revised forecast (B)	793,000	70,000	72,000	37,000	230.25
Difference (B-A)	13,000	3,000	3,000	△1,000	—
Change (%)	1.7	4.5	4.3	△2.6	—
(Reference) Actual results for fiscal 2015	706,470	64,155	66,880	36,060	224.41

## (Reference) Forecast of Non-Consolidated Results for Fiscal 2016 (April 1, 2015 to March 31, 2016)

(¥ millions)

	Net sales	Operating income	Recurring profit	Net income	Net income per share (¥)
Previously Announced forecast (A)	263,000	19,000	33,000	21,000	130.68
Revised forecast (B)	264,000	19,000	34,000	23,000	143.13
Difference (B-A)	1,000	—	1,000	2,000	—
Change (%)	0.4	—	3.0	9.5	—
(Reference) Actual results for fiscal 2015	251,563	19,574	33,071	23,360	145.37

**2. Summary Information (Notes)**

(1) Changes to Important Subsidiaries during the First Quarter:

None

(2) Application of Special Accounting Methods in the Preparation of Quarterly Consolidated Financial Statements:

None

(3) Changes in Accounting Principles, Accounting Estimates and Restatements:

Change in Accounting Principles

(Application of Accounting Standard for Business Combinations)

Effective April 1, 2015, the Company has adopted the Accounting Standard for Business Combinations (ASBJ Statement No. 21, September 13, 2013), Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, September 13, 2013) and Accounting Standard for Business Divestitures (ASBJ Statement No. 7, September 13, 2013). As a result, the presentation of quarterly net income, etc. was changed, and the presentation of minority interest was changed to the presentation of non-controlling interests. Consequently, the quarterly consolidated financial statements and consolidated financial statements were restated for the first quarter of the fiscal year ended March 31, 2015 and the fiscal year ended March 31, 2015 respectively.

There was no impact from the application of these standards on earnings performance.

**3. Quarterly Consolidated Financial Statements**  
**(1) Quarterly Consolidated Balance Sheets**

(¥ millions)

	Fiscal 2015 As of March 31, 2015	First Quarter of Fiscal 2016 As of June 30, 2015
<b>Assets</b>		
<b>Current assets:</b>		
Cash and time deposits	125,691	139,522
Trade notes and accounts receivable	120,467	109,327
Electronically recorded monetary claims-operating	7,941	8,033
Marketable securities	1,356	2,569
Inventories	60,790	61,767
Deferred income tax assets	4,816	4,586
Other current assets	35,710	34,966
Less: Allowance for doubtful accounts	△1,974	△1,788
<b>Total current assets</b>	<b>354,800</b>	<b>358,985</b>
<b>Fixed assets:</b>		
<b>Property, plant and equipment:</b>		
Buildings and structures (net)	41,831	41,859
Machinery and transportation equipment (net)	55,041	57,278
Fixtures, equipment and tools (net)	18,413	18,921
Land	14,291	14,342
Construction in progress	11,281	13,977
<b>Total property, plant and equipment</b>	<b>140,859</b>	<b>146,378</b>
<b>Intangible fixed assets:</b>		
Goodwill	1,026	972
Other intangible fixed assets	1,728	1,763
<b>Total intangible fixed assets</b>	<b>2,754</b>	<b>2,735</b>
<b>Investments and other assets:</b>		
Investment securities	74,907	65,324
Deferred income tax assets	95	91
Other investments	2,003	1,921
Less: Allowance for doubtful accounts	△152	△152
<b>Total investments and other assets</b>	<b>76,854</b>	<b>67,185</b>
<b>Total fixed assets</b>	<b>220,468</b>	<b>216,300</b>
<b>Total assets</b>	<b>575,268</b>	<b>575,286</b>



(¥ millions)

	Fiscal 2015 As of March 31, 2015	First Quarter of Fiscal 2016 As of June 30, 2015
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Trade notes and accounts payable	122,929	115,540
Short-term loans	37,702	33,578
Accrued expenses	22,664	27,365
Income taxes payable	9,161	4,569
Allowance for employees' bonuses	4,833	5,315
Reserve for product warranties	2,657	2,657
Other current liabilities	10,057	13,241
<b>Total current liabilities</b>	<b>210,005</b>	<b>202,267</b>
<b>Non-current liabilities:</b>		
Long-term debt	3,798	4,011
Deferred income tax liabilities	6,601	7,822
Allowance for directors' and corporate auditors' retirement benefits	383	396
Allowance for expenses for damages	5,655	15,226
Reserve for product warranties	4,844	4,844
Allowance for environmental strategies	230	230
Allowance for employees' retirement benefits	24,862	24,804
Other non-current liabilities	2,060	2,444
<b>Total non-current liabilities</b>	<b>48,436</b>	<b>59,781</b>
<b>Total liabilities</b>	<b>258,442</b>	<b>262,048</b>
<b>Net assets</b>		
<b>Shareholders' equity:</b>		
Common stock	14,270	14,270
Additional paid-in capital	17,108	17,108
Retained earnings	188,935	188,315
Treasury common stock, at cost	△85	△85
<b>Total shareholders' equity</b>	<b>220,229</b>	<b>219,608</b>
<b>Accumulated other comprehensive income:</b>		
Valuation adjustment on investment securities	27,922	28,508
Translation adjustments	18,435	20,047
Adjustments in defined benefit plans	2,561	2,412
<b>Total accumulated other comprehensive income</b>	<b>48,919</b>	<b>50,967</b>
<b>Non-controlling interests</b>	<b>47,677</b>	<b>42,661</b>
<b>Total net assets</b>	<b>316,826</b>	<b>313,237</b>
<b>Total liabilities and net assets</b>	<b>575,268</b>	<b>575,286</b>

**(2) Quarterly Consolidated Statements of Income and Comprehensive Income**  
(First quarter, for the three months ended June 30)

(¥ millions)

	First Quarter of Fiscal 2015 April 1, 2014 to June 30, 2014	First Quarter of Fiscal 2016 April 1, 2015 to June 30, 2015
<b>Net sales</b>	154,569	185,546
Cost of sales	132,832	157,475
<b>Gross profit</b>	21,737	28,071
Selling, general and administrative expenses	11,541	14,486
<b>Operating income</b>	10,196	13,584
Non-operating income:		
Interest income	448	660
Dividends	444	548
Equity in earnings of affiliates	7	1
Other non-operating income	131	418
Total non-operating income	1,032	1,628
Non-operating expenses		
Interest expenses	214	194
Aircraft business safety measure expenses	51	141
Foreign exchange losses	337	57
Other non-operating expenses	22	218
Total non-operating expenses	625	612
<b>Recurring profit</b>	10,603	14,600
Extraordinary gains:		
Gain on sales of investment securities	—	157
Gain on sales of property and equipment	2	33
Total extraordinary gains	2	190
Extraordinary losses:		
Provision for expenses for damages	—	9,968
Loss on sales and disposal of property and equipment	184	163
Other extraordinary losses	0	—
Total extraordinary losses	184	10,132
<b>Income before income taxes</b>	10,420	4,658
Income taxes	3,309	3,179
Income tax adjustment	△488	1,347
Total income taxes	2,821	4,526
<b>Profit</b>	7,599	132
(Break down)		
Profit attributable to owners of parent	5,808	3,557
Profit or loss attributable to non-controlling interests	1,791	△3,424

(¥ millions)

	First Quarter Fiscal 2015 April 1, 2014 to June 30, 2014	First Quarter Fiscal 2016 April 1, 2015 to June 30, 2015
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,505	718
Translation adjustments	△1,472	2,009
Adjustments in defined benefit plans	△162	△153
Total other comprehensive income	△129	2,574
Comprehensive income	7,470	2,707
(Break down)		
Comprehensive income attributable to owners of parent	5,534	5,605
Comprehensive income attributable to non-controlling interests	1,935	△2,898

### (3) Quarterly Consolidated Statements of Cash Flows

(¥ millions)

	First Quarter of Fiscal 2015 April 1, 2014 to June 30, 2014	First Quarter of Fiscal 2016 April 1, 2015 to June 30, 2015
<b>Cash flows from operating activities</b>		
Income before income taxes	10,420	4,658
Depreciation	5,428	6,837
Amortization of goodwill	—	54
Equity in earnings of affiliated companies	△7	△1
Provision for allowance for doubtful accounts	253	△220
Net defined liability for retirement benefits	△377	△294
Provision for reserve for bonuses	446	481
Interest and dividends received	△892	△1,208
Interest payments	214	194
Gain on sale of marketable and investment securities	△5	△157
Loss on sale of property and equipment	90	130
Decrease in trade notes and accounts receivable	14,049	11,442
Increase in inventories	△815	△148
Increase in other current assets	△2,830	1,162
Decrease in trade notes and accounts payable	△5,562	△9,310
Increase in accrued expenses and other current liabilities	3,905	4,501
Provision for expenses for damages	—	9,968
Others	1,957	2,946
Sub total	26,274	31,035
Interest and dividends received	892	1,208
Interest paid	△214	△194
Damages paid	△993	△397
Income taxes paid	△6,108	△7,812
<b>Net cash provided by operating activities</b>	<b>19,851</b>	<b>23,840</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	△15,780	△33,944
Proceeds from time deposits	11,327	19,486
Payments for purchase of marketable and investment securities	△4	△44
Proceeds from sale of marketable and investment securities	15	10,800
Acquisition of property and equipment	△8,818	△11,017
Proceeds from sale and disposal of property and equipment	182	△9
Payments for new loans	△0	△5
Proceeds from loan repayments	4	3
Others	△572	240
<b>Net cash used in investing activities</b>	<b>△13,646</b>	<b>△14,490</b>

(¥ millions)

	First Quarter of Fiscal 2015 April 1, 2014 to June 30, 2014	First Quarter of Fiscal 2016 April 1, 2015 to June 30, 2015
<b>Cash flows from financing activities</b>		
Decrease in short-term loans	△2,909	△4,772
Increase in long-term debt	38	255
Repayment of long-term debt	△68	△44
Payments for repurchase of treasury stock	—	△0
Dividends paid by parent company	△2,004	△3,754
Dividends paid to non-controlling interests	△509	△752
<b>Net cash provided by or used in financing activities</b>	<b>△5,452</b>	<b>△9,067</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>△257</b>	<b>333</b>
<b>Increase in cash and cash equivalents</b>	<b>496</b>	<b>616</b>
<b>Cash and cash equivalents at beginning of quarter</b>	<b>27,750</b>	<b>33,082</b>
<b>Cash and cash equivalents at end of quarter</b>	<b>28,246</b>	<b>33,698</b>

**(4) Notes on Quarterly Consolidated Financial Statements**

(Going Concern Assumption)

None

(Note Regarding Significant Changes in Shareholders' Equity)

None

(Segment Information)

(Segment Information)

I. First Quarter of fiscal 2015 (April 1, 2014 to June 30, 2014)

Information Concerning Net Sales and Operating Income for Each Segment

(¥ millions)

	Japan	North America	China	Asia	Europe	Total	Adjustment (Note 1)	Amount recorded on quarterly consolidated financial statements (Note 3)
Net sales								
Sales to outside customers	62,290	28,644	42,099	14,899	6,636	154,569	—	154,569
Inter-segment sales and transfers	28,750	—	973	1,263	6,532	37,519	(37,519)	—
Total	91,041	28,644	43,072	16,163	13,168	192,088	(37,519)	154,569
Segment operating income	5,489	843	2,748	1,365	484	10,931	(735)	10,196

Notes 1. The ¥△735 million adjustment in segment operating income includes ¥432 million in intersegment eliminations and ¥△1,168 million in unallocated expenses. Unallocated expenses comprise expenses related to management divisions such as administrative and accounting divisions of the head office of the parent company.

2. The breakdown of countries and regions other than Japan and China is as follows:

(1) North America: United States, Mexico

(2) Asia: Thailand, Indonesia, Taiwan and India

(3) Europe: Belgium, United Kingdom and Czech Republic

3. Segment operating income is adjusted to operating income in the quarterly consolidated financial statements.

2. Information Concerning Impairment Loss or Goodwill on Fixed Assets for Each Segment

None

II. First Quarter of fiscal 2016 (April 1, 2015 to June 30, 2015)  
Information Concerning Net Sales and Operating Income for Each Segment

(¥ millions)

	Japan	North America	China	Asia	Europe	Total	Adjustment (Note 1)	Amount recorded on quarterly consolidated financial statements
Net sales								
Sales to outside customers	62,817	43,362	53,666	17,374	8,325	185,546	—	185,546
Inter-segment sales and transfers	32,377	2	1,245	1,811	550	35,987	(35,987)	—
Total	95,194	43,364	54,912	19,186	8,876	221,534	(35,987)	185,546
Segment operating income	5,718	3,005	3,469	1,422	760	14,376	(791)	13,584

Notes 1. The ¥△791 million adjustment in segment income (operating income) includes ¥346 million in intersegment eliminations and ¥△1,137 million in unallocated expenses. Unallocated expenses comprise expenses related to management divisions such as administrative and accounting divisions of the head office of the parent company.

2. The breakdown of countries and regions other than Japan and China is as follows:

(1) North America: United States, Mexico

(2) Asia: Thailand, Indonesia, Taiwan and India

(3) Europe: Belgium, United Kingdom and Czech Republic

3. Segment operating income is adjusted to operating income in the quarterly consolidated financial statements.

2. Information Concerning Impairment Loss or Goodwill on Fixed Assets for Each Segment

(Material Change in Amounts of Goodwill)

Omitted from record due to lack of materiality.

(Material Impairment Loss on Fixed Assets)

None