



## Consolidated Earnings Report for the First Quarter of Fiscal 2017 [Japanese GAAP]

July 28, 2016

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>
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Filing of Quarterly Securities Report:	August 5, 2016
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 2017 (April 1, 2016 to June 30, 2016)

(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 2017	187,405	1.0%	17,295	27.3%	16,859	15.5%	10,002	181.2%
Fiscal 2016	185,546	20.0%	13,584	33.2%	14,600	37.7%	3,557	△38.8%

Note: Comprehensive income or loss : June 30, 2016: ¥△6,783 million (—%), June 30, 2015: ¥ 2,707 million (△63.8%)

First Quarter	Net income per share (¥)	Net income per share (diluted) (¥)
Fiscal 2017	62.25	62.22
Fiscal 2016	22.14	—

(2) Consolidated Financial Position

(¥ millions)

	Total assets	Net assets	Equity ratio (%)	Net assets per share (¥)
June 30, 2016	556,619	317,746	50.0	1,731.54
March 31, 2016	588,683	329,671	48.6	1,780.94

Note: Equity: June 30, 2016: ¥ 278,247 million, March 31, 2016: ¥ 286,185 million

### 2. Dividends

	Dividend per share (¥)				
	First Quarter	Second Quarter	Third Quarter	Year End	Full Year
Fiscal 2016	—	16.00	—	20.00	36.00
Fiscal 2017	—				
Fiscal 2017 (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, 2016 and March 31, 2017 record date are currently undecided.

### 3. Forecast of Consolidated Results for Fiscal 2017 (April 1, 2016 to March 31, 2017)

(¥ 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	380,000	△0.9%	36,000	11.1%	36,000	9.5%	20,000	41.1%	124.46
Full year	780,000	△4.1%	78,000	△5.1%	79,000	△6.3%	47,000	1.5%	292.48

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 2017, 1Q	160,789,436	Fiscal 2016	160,789,436
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② Number of treasury stock:

Fiscal 2017, 1Q	95,649	Fiscal 2016	95,649
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③ Average number of stock during the first quarter:

Fiscal 2017, 1Q	160,693,787	Fiscal 2016, 1Q	160,694,003
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\*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 2017 (April 1, 2016 to March 31, 2017)**

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

	Net sales		Operating income		Recurring profit		Net income		Net income per share (¥)
First half	137,000	9.0%	9,000	4.8%	20,000	5.6%	14,000	2.5%	87.12
Full year	287,000	6.0%	22,000	2.1%	37,000	0.1%	26,000	19.3%	161.80

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.

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

### (1) Explanation Regarding Consolidated Operating Results

During the first quarter of fiscal 2017, the period under review, the Japanese economy continued to stagnate, due to sluggish personal consumption and a decline in public investment. Meanwhile, although the U.S. economy held firm, the global economy continued to decelerate as a whole. This was primarily due to slowing economic growth in China and economic recession in South America and Russia, along with the financial market confusion in the run-up to the Brexit referendum and risks in the Middle East.

In the Japanese auto industry, production volume decreased year on year mainly due to the impact of lackluster sales of mini vehicles. Overseas, production volume increased in the U.S., China and Western Europe. As a result, global automobile production volume as a whole increased year on year.

In this climate, the Koito Group reported first-quarter net sales of ¥187.4 billion, up 1.0% year on year. This modest increase was due to the impact of the yen's appreciation, despite significant sales growth in the mainstay automotive lighting equipment segment, which was driven by an increase in new orders and a shift in automobile lamps to LED.

Results by geographical segment are outlined as follows.

#### [Japan]

Sales in Japan increased 7.3% year on year to ¥67.4 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 1.8% year on year to ¥44.1 billion. This modest increase was due to the impact of the appreciation of yen, despite significant increase in sales on a currency basis, led by expanded production volume and newly gained orders accompanied by growing demand for automobiles, and a shift in automobile lamps to LED.

#### [China]

Sales in China decreased 7.9% year on year to ¥49.4 billion. This was mainly due to the impact of yen's appreciation, more than offsetting the expanded production volume of automobile lamps, driven by an increase in automobile production volume and newly gained orders.

#### [Asia]

Sales in Asia increased 4.0% year on year to ¥18.0 billion. Sales growth was mainly driven by an increase in production volume accompanied by a recovery in demand for automobiles in the ASEAN region, an increase in new orders in Thailand and Indonesia, and a shift in motorcycle lamps to LED.

#### [Europe]

Sales in Europe increased 0.2% year on year to ¥8.3 billion. Amid a robust trend in automobile production in the region, KOITO's sales in Europe were mainly driven by an increase in new orders and a shift in automobile lamps to LED.

On the earnings front, operating income was ¥17.2 billion, up 27.3% and recurring profit was ¥16.8 billion, up 15.5% year on year. The increase was mainly attributable to revenues rising in Japan, as well as the other segments of North America, Asia, and Europe, along with promoting rationalization of operations. Profit attributable to owners of parent increased 181.2% year on year to ¥10.0 billion, since consolidated subsidiary KI HOLDINGS CO., LTD. recorded a loss on compensation for damages related to aircraft seats in the previous fiscal year.

### (2) Explanation Regarding Consolidated Financial Position

#### -1. Analysis of assets, liabilities and net assets

Total assets as of June 30, 2016 decreased ¥32.0 billion to ¥556.6 billion. This was mainly due to a decrease in current assets such as trade notes and accounts receivable as well as the effect of exchange rate conversion.

Total liabilities as of June 30, 2016 decreased ¥20.1 billion to ¥238.8 billion mainly due to a decrease in trade notes and accounts payable.

Net assets as of June 30, 2016 decreased ¥11.9 billion to ¥317.7 billion. This decrease was mainly due to a decrease in translation adjustments, despite an increase in retained earnings.

-2. Analysis of cash flows

Operating activities provided net cash of ¥32.3 billion after payment of taxes, mainly reflecting income before income taxes of ¥16.7 billion and depreciation of ¥7.0 billion.

Investing activities used net cash of ¥8.2 billion, mainly reflecting acquisition of property and equipment of ¥7.8 billion.

Financing activities used net cash of ¥13.8 billion, the result mainly of reflecting repayment of debt of ¥10.1 billion and dividends paid of ¥3.7 billion.

As a result, cash and cash equivalents as of June 30, 2016 were ¥40.1 billion, ¥8.2 billion higher than on March 31, 2016.

**(3) Explanation Regarding Forecast of Consolidated Results for Fiscal 2017 and Other Future Projections**

As regards KOITO's business forecasts for fiscal 2017, the fiscal year ending March 31, 2017, net sales in Japan are projected to increase due to the expansion of market transition to LED automotive lamps and the increase in new orders while automobile production volume decreases. For overseas business, while new orders are expected to grow and the market to shift to LED automotive lamps mainly in North America and China, the net sales are expected to fall from the previous fiscal year due to the effect of yen's appreciation. As a result, the consolidated net sales are expected to decrease year on year.

On the earnings front, operating income and recurring profit are likely expected to decrease compared to the previous fiscal year due to the exchange rate conversion overseas, despite the positive impact of higher revenue in Japan. However, profit attributable to owners of parent is expected to rise. This is due to the rebound from a loss on the settlement of damages related to aircraft seats at consolidated subsidiary KI HOLDINGS CO., LTD. that recorded in the previous fiscal year.

The previously announced first half and full-year business forecasts (both consolidated and non-consolidated) for fiscal 2017 announced in the Consolidated Earnings Report for Fiscal 2016 on April 26, 2016, have been revised in the following manner.

Forecast of Consolidated Results for the Second Quarter of Fiscal 2017 (April 1, 2016 to September 30, 2016)

(¥ millions)

	Net sales	Operating income	Recurring profit	Profit attributable to owners of parent	Net income per share (¥)
Previously Announced forecast (A)	375,000	33,000	34,000	19,000	118.24
Revised forecast (B)	380,000	36,000	36,000	20,000	124.46
Difference (B-A)	5,000	3,000	2,000	1,000	—
Change (%)	1.3	9.1	5.9	5.3	—
(Reference) Actual results for the second quarter of fiscal 2016	383,310	32,399	32,882	14,175	88.21

(Reference)

Forecast of Non-Consolidated Results for the Second Quarter of Fiscal 2017 (April 1, 2016 to September 30, 2016)

(¥ millions)

	Net sales	Operating income	Recurring profit	Net income	Net income per share (¥)
Previously Announced forecast (A)	130,000	8,000	18,000	13,000	80.90
Revised forecast (B)	137,000	9,000	20,000	14,000	87.12
Difference (B-A)	7,000	1,000	2,000	1,000	—
Change (%)	5.4	12.5	11.1	7.7	—
(Reference) Actual results for the second quarter of fiscal 2016	125,721	8,588	18,936	13,663	85.03

## Forecast of Consolidated Results for Fiscal 2017 (April 1, 2016 to March 31, 2017)

(¥ millions)

	Net sales	Operating income	Recurring profit	Profit attributable to owners of parent	Net income per share (¥)
Previously Announced forecast (A)	790,000	77,000	79,000	47,000	292.48
Revised forecast (B)	780,000	78,000	79,000	47,000	292.48
Difference (B-A)	△10,000	1,000	—	—	—
Change (%)	△1.3	1.3	—	—	—
(Reference) Actual results for fiscal 2016	813,477	82,218	84,296	46,303	288.15

## (Reference) Forecast of Non-Consolidated Results for Fiscal 2017 (April 1, 2016 to March 31, 2017)

(¥ millions)

	Net sales	Operating income	Recurring profit	Net income	Net income per share (¥)
Previously Announced forecast (A)	280,000	21,000	35,000	25,000	155.58
Revised forecast (B)	287,000	22,000	37,000	26,000	161.80
Difference (B-A)	7,000	1,000	2,000	1,000	—
Change (%)	2.5	4.8	5.7	4.0	—
(Reference) Actual results for fiscal 2016	270,857	21,546	36,979	21,802	135.68

**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 the Practical Solution on Accounting for Changes in Depreciation Method related to Tax Reform 2016)

In accordance with the amendment in the Corporation Tax Act, a part of domestic consolidated subsidiaries have adopted the “Practical Solution on a Change in Depreciation Method related to Tax Reform 2016” (Practical Issue Task Force (PITF) No. 32, issued on June 17, 2016) in the first quarter of fiscal year ending March 31, 2017, and have changed the depreciation method for structures and attachment to buildings acquired on or after April 1, 2016 from the declining-balance method to the straight-line method.

This change in accounting policy had no effect on the consolidated financial statements for the first quarter of fiscal year ending March 31, 2017.

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

(¥ millions)

	Fiscal 2016 As of March 31, 2016	First Quarter of Fiscal 2017 As of June 30, 2016
<b>Assets</b>		
<b>Current assets:</b>		
Cash and time deposits	161,762	169,497
Trade notes and accounts receivable	126,393	103,788
Electronically recorded monetary claims-operating	9,361	9,444
Marketable securities	182	—
Inventories	64,180	61,415
Deferred income tax assets	4,081	4,028
Other current assets	29,477	28,474
Less: Allowance for doubtful accounts	△876	△894
<b>Total current assets</b>	<b>394,562</b>	<b>375,754</b>
<b>Fixed assets:</b>		
<b>Property, plant and equipment:</b>		
Buildings and structures (net)	40,346	37,336
Machinery and transportation equipment (net)	56,804	53,058
Fixtures, equipment and tools (net)	17,959	17,372
Land	13,749	13,467
Construction in progress	10,439	8,831
<b>Total property, plant and equipment</b>	<b>139,300</b>	<b>130,067</b>
<b>Intangible fixed assets</b>	<b>1,997</b>	<b>1,839</b>
<b>Investments and other assets:</b>		
Investment securities	45,988	40,716
Claims provable in bankruptcy, claims provable in rehabilitation and other	60	60
Deferred income tax assets	5,221	6,712
Other investments	1,741	1,659
Less: Allowance for doubtful accounts	△188	△189
<b>Total investments and other assets</b>	<b>52,822</b>	<b>48,959</b>
<b>Total fixed assets</b>	<b>194,121</b>	<b>180,865</b>
<b>Total assets</b>	<b>588,683</b>	<b>556,619</b>



(¥ millions)

	Fiscal 2016 As of March 31, 2016	First Quarter of Fiscal 2017 As of June 30, 2016
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Trade notes and accounts payable	128,357	116,598
Short-term loans	28,073	19,641
Accrued expenses	20,138	23,768
Income taxes payable	9,398	7,022
Allowance for employees' bonuses	4,820	5,289
Reserve for product warranties	2,824	2,824
Other current liabilities	11,180	10,423
<b>Total current liabilities</b>	<b>204,793</b>	<b>185,567</b>
<b>Non-current liabilities:</b>		
Long-term debt	13,176	12,617
Deferred income tax liabilities	6,410	5,919
Allowance for directors' and corporate auditors' retirement benefits	414	431
Reserve for product warranties	4,726	4,726
Allowance for environmental strategies	198	198
Net defined liability for retirement benefits	27,621	27,521
Other non-current liabilities	1,672	1,890
<b>Total non-current liabilities</b>	<b>54,219</b>	<b>53,304</b>
<b>Total liabilities</b>	<b>259,012</b>	<b>238,872</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	228,490	235,279
Treasury common stock, at cost	△86	△86
<b>Total shareholders' equity</b>	<b>259,782</b>	<b>266,571</b>
<b>Accumulated other comprehensive income:</b>		
Valuation adjustment on investment securities	19,123	15,744
Translation adjustments	7,712	△3,596
Adjustments in defined benefit plans	△432	△472
<b>Total accumulated other comprehensive income</b>	<b>26,403</b>	<b>11,675</b>
<b>Subscription rights to shares</b>	<b>291</b>	<b>291</b>
<b>Non-controlling interests</b>	<b>43,193</b>	<b>39,207</b>
<b>Total net assets</b>	<b>329,671</b>	<b>317,746</b>
<b>Total liabilities and net assets</b>	<b>588,683</b>	<b>556,619</b>

**(2) Quarterly Consolidated Statements of Income and Comprehensive Income**

(First quarter, for the three months ended June 30)

(¥ millions)

	First Quarter of Fiscal 2016 April 1, 2015 to June 30, 2015	First Quarter of Fiscal 2017 April 1, 2016 to June 30, 2016
<b>Net sales</b>	185,546	187,405
Cost of sales	157,475	155,381
<b>Gross profit</b>	28,071	32,024
Selling, general and administrative expenses	14,486	14,728
<b>Operating income</b>	13,584	17,295
Non-operating income:		
Interest income	660	145
Dividends	548	590
Equity in earnings of affiliates	1	2
Other non-operating income	418	365
Total non-operating income	1,628	1,103
Non-operating expenses		
Interest expenses	194	216
Foreign exchange losses	57	1,145
Aircraft business safety measure expenses	141	—
Other non-operating expenses	218	177
Total non-operating expenses	612	1,539
<b>Recurring profit</b>	14,600	16,859
Extraordinary gains:		
Gain on sales of property and equipment	33	6
Gain on sales of investment securities	157	—
Total extraordinary gains	190	6
Extraordinary losses:		
Loss on sales and disposal of property and equipment	163	93
Loss on valuation of investment securities	—	32
Provision for expenses for damages	9,968	—
Total extraordinary losses	10,132	125
<b>Income before income taxes</b>	4,658	16,739
Income taxes	3,179	4,697
Income tax adjustment	1,347	408
Total income taxes	4,526	5,105
Profit	132	11,633
(Break down)		
Profit attributable to owners of parent	3,557	10,002
Profit or loss attributable to non-controlling interests	△3,424	1,630

	(¥ millions)	
	First Quarter Fiscal 2016 April 1, 2015 to June 30, 2015	First Quarter Fiscal 2017 April 1, 2016 to June 30, 2016
Other comprehensive income		
Valuation difference on available-for-sale securities	718	△3,457
Translation adjustments	2,009	△14,917
Adjustments in defined benefit plans	△153	△42
Total other comprehensive income	<u>2,574</u>	<u>△18,417</u>
Comprehensive income	<u>2,707</u>	<u>△6,783</u>
(Break down)		
Comprehensive income attributable to owners of parent	5,605	△4,724
Comprehensive income attributable to non-controlling interests	△2,898	△2,058

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

(¥ millions)

	First Quarter of Fiscal 2016 April 1, 2015 to June 30, 2015	First Quarter of Fiscal 2017 April 1, 2016 to June 30, 2016
<b>Cash flows from operating activities</b>		
Income before income taxes	4,658	16,739
Depreciation	6,837	7,036
Amortization of goodwill	54	—
Equity in earnings of affiliated companies	△1	△2
Provision for allowance for doubtful accounts	△220	88
Net defined liability for retirement benefits	△294	△121
Provision for reserve for bonuses	481	472
Interest and dividends received	△1,208	△735
Interest payments	194	216
Gain on sale of marketable and investment securities	△157	—
Loss on valuation of marketable and investment securities	—	32
Loss on sale of property and equipment	130	87
Provision for expenses for damages	9,968	—
Decrease in trade notes and accounts receivable	11,442	16,005
Increase in inventories	△148	△1,539
Increase or decrease in other current assets	1,162	△1,070
Decrease in trade notes and accounts payable	△9,310	△4,246
Increase in accrued expenses and other current liabilities	4,501	4,892
Others	2,946	662
Sub total	31,035	38,516
Interest and dividends received	1,208	735
Interest paid	△194	△216
Damages paid	△397	—
Income taxes paid	△7,812	△6,698
<b>Net cash provided by operating activities</b>	<b>23,840</b>	<b>32,337</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	△33,944	△30,011
Proceeds from time deposits	19,486	29,789
Payments for purchase of marketable and investment securities	△44	△42
Proceeds from sale of marketable and investment securities	10,800	0
Acquisition of property and equipment	△11,017	△7,873
Proceeds from sale and disposal of property and equipment	△9	△15
Payments for new loans	△5	△2
Proceeds from loan repayments	3	1
Others	240	△114
<b>Net cash used in investing activities</b>	<b>△14,490</b>	<b>△8,267</b>
<b>Cash flows from financing activities</b>		
Decrease in short-term loans	△4,772	△10,849
Increase in long-term debt	255	875
Repayment of long-term debt	△44	△152
Payments for repurchase of treasury stock	△0	—
Dividends paid by parent company	△3,754	△2,951
Dividends paid to non-controlling interests	△752	△759
<b>Net cash used in financing activities</b>	<b>△9,067</b>	<b>△13,836</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>333</b>	<b>△1,993</b>
<b>Increase in cash and cash equivalents</b>	<b>616</b>	<b>8,241</b>
<b>Cash and cash equivalents at beginning of quarter</b>	<b>33,082</b>	<b>31,886</b>
<b>Cash and cash equivalents at end of quarter</b>	<b>33,698</b>	<b>40,127</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 2016 (April 1, 2015 to June 30, 2015)

1. 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	62,817	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 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 and 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

II. First Quarter of fiscal 2017 (April 1, 2016 to June 30, 2016)

1. 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	67,421	44,149	49,423	18,068	8,343	187,405	—	187,405
Inter-segment sales and transfers	35,965	2	1,317	1,736	423	39,445	(39,445)	—
Total	103,387	44,151	50,741	19,805	8,766	226,851	(39,445)	187,405
Segment operating income	7,681	4,087	2,963	2,243	1,217	18,194	(898)	17,295

Notes 1. The ¥△898 million adjustment in segment income (operating income) includes ¥456 million in intersegment eliminations and ¥△1,355 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 and Mexico
- (2) Asia: Thailand, Indonesia, Taiwan and India
- (3) Europe: 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)

None

(Material Impairment Loss on Fixed Assets)

None