

# Condensed Consolidated Financial Information

(Japanese Standard)  
**for the Six Months  
Ended Sept. 30, 2017**

(April 1, 2017 through Sept. 30, 2017)

Note: The English version of these financial results contains key items only. The English version of the financial statements is provided for reference purposes only and is based on the original Japanese version, which takes precedence. In the event that a difference in interpretation arises, please refer to the original Japanese version.

**SANYO CHEMICAL INDUSTRIES, LTD.**

URL <https://www.sanyo-chemical.co.jp>

## **Cautionary Statement with Respect to Forward-Looking Statement**

This financial information contains forward-looking statements that are based on Sanyo Chemical Group's current plans, strategies and results. These forward-looking statements were formulated by managers based on currently-available information, however actual results may vary significantly depending on the economic environment where Sanyo Chemical Group conduct its business, competitive conditions, changes in the states of product development, relevant laws and regulations, and fluctuations in the currency exchange rate. Moreover, the factors that can affect these forward-looking statements are not limited to those listed here.

The following summary of the business results that Sanyo Chemical Group submitted Tokyo Stock Exchange is unaudited and for reference only.

Ticker code: 4471

## Consolidated Financial Highlights

### 1-1. Results of Operations

	Six months ended Sept. 30,			
	2017		2016	
	Millions of Yen	Change	Millions of Yen	Change
Net sales	78,075	8.4%	72,035	(8.2%)
Operating profit	5,880	(21.9%)	7,524	25.0%
Ordinary profit	6,930	(7.2%)	7,466	14.4%
Profit attributable to owners of parent	4,780	(7.3%)	5,155	43.2%
Comprehensive income	7,655	444.3%	1,406	(39.5%)

	Six months ended Sept. 30,	
	2017	2016
	Yen	Yen
Net income per share	216.82	233.80
Net income per share, diluted	-	-

\*Sanyo Chemical conducted a reverse stock split at a ratio of one share for every five shares on October 1, 2016. The figures for net income per share are amounts on the assumption that Sanyo Chemical conducts the reverse stock split on the beginning of previous fiscal year.

### 1-2. Financial Conditions

	As of Sept. 30,	As of March 31,
	2017	2017
	Millions of Yen	Millions of Yen
Total assets	195,299	186,863
Net assets	133,940	127,651
Shareholders' equity ratio	65.3%	65.1%
Shareholders' equity	127,595	121,603

### 2. Cash Dividend

	Year ended March 31,		
	2017	2018	2018 (Forecast)
	Yen	Yen	Yen
Cash dividend per share			
1Q (as of June 30)	-	-	-
2Q (as of Sept. 30)	9.00	55.00	-
3Q (as of Dec. 31)	-	-	-
4Q (as of March 31)	55.00	-	55.00
Total	-	-	110.00

[Note] Revision of the latest forecasts of cash dividends announced: None

\*Sanyo Chemical conducted a reverse stock split at a ratio of one share for every five shares on October 1, 2016. The figure for interim consolidated dividends per share for FY2016 is one before Sanyo Chemical conducted the reverse stock split, and total annual dividends are shown as "-" because the number can't be obtained by simply adding.

### 3. Earnings Forecasts

	Year ended March 31,	
	2018	
	Millions of Yen	Change
Net sales	167,000	11.2%
Operating profit	14,000	2.6%
Ordinary profit	15,500	1.0%
Profit attributable to owners of parent	11,000	7.9%

  

	Year ended March 31,	
	2018	
	Yen	
Net income per share	498.93	

[Note] Revisions of the latest forecasts for consolidated operating results announced: None

Notes:

1. Amounts are rounded down to the nearest million.
2. The percentage change is year-on-year change compared with the same period of the previous fiscal year.

#### 4. Notes

**(1) Significant changes in subsidiaries during the period under review (changes in specific subsidiaries causing a change in the scope of consolidation):** None

**(2) Application of special accounting methods for the preparation of consolidated quarterly financial statements:** Yes

(Note) See Page 13, “2. Consolidated Financial Statements, (4) Notes to Consolidated Financial Statements (Application of special accounting methods for the preparation of consolidated quarterly financial statements)” for more information.

**(3) Changes in accounting policies, changes in accounting estimates, and restatements**

- a. Changes in accounting policies associated with revised accounting standards, etc.: None
- b. Changes in accounting policies other than a. above: None
- c. Changes in accounting estimates: None
- d. Restatements: None

**(4) Number of shares issued (common stock)**

- a. Number of shares issued at the end of the period (including treasury shares)
  - End of six months (Sept. 30, 2017): 23,534,752 shares
  - End of previous period (March 31, 2017): 23,534,752 shares
- b. Treasury shares at the end of the period
  - End of six months (Sept. 30, 2017): 1,487,896 shares
  - End of previous period (March 31, 2017): 1,487,184 shares
- c. Average number of shares (cumulative for the quarter)
  - Reporting six months (ended Sept. 30, 2017): 22,047,188 shares
  - Same six months of previous period (ended Sept. 30, 2016): 22,049,477 shares

\*Sanyo Chemical conducted a reverse stock split at a ratio of one share for every five shares on October 1, 2016.

The figures for the number of shares issued at the end of the period (including treasury shares), treasury shares at the end of the period and average number of shares (cumulative for the quarter) are amounts on the assumption that Sanyo Chemical conducted the reverse stock split on the beginning of previous fiscal year.

\*This quarterly financial report is not subject to quarterly review procedures.

\* Appropriate Use of Business Forecasts; Other Special Items

The above forecasts are based on data available as of the date of release of this document as well as assumptions based on uncertain factors, which might have a material effect on Sanyo Chemical's performance in the future. Therefore, Sanyo Chemical cannot guarantee that it will achieve the results. Actual earnings may differ significantly due to various factors. See Quarterly Financial Report (attachments) Page 7, “1. Analysis of Results of Operations and Financial Position, (3) Qualitative Information Concerning Future Forecast such as Consolidated Earnings Forecasts” for more information regarding the circumstances behind the assumptions used in earnings forecasts and matters to be noted when relying on earnings forecasts.

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## 1. Analysis of Results of Operations and Financial Position

### (1) Qualitative Information Concerning Consolidated Business Results

During the first six months (April 1, 2017 through Sept. 30, 2017) of the current fiscal year, the Japanese economy continues a mild upswing due to recovery of private consumption and export increase in addition to steady capacity investment. And, the outlook for the circumstance surrounding Japan mostly performed smoothly such as a sign of economic recovery in Europe and a break in Chinese economic slowdown in addition to steady economy in the United States.

In the chemical industry, business environment increases severe gradually because a downside in raw material costs is turning upward, though exchange rate keeps the yen low steadily.

Under these circumstances, net sales in the first six months of current fiscal year increased by 8.4% from the same period of the previous fiscal year, to ¥78,075 million due to sales volume increase, appropriate sales price revision to respond to a rise in raw material costs and other factors. In terms of profit, however, Sanyo Chemical Group decreased from the same period of the previous fiscal year mainly because of the reduction of spread between sales and purchase to respond to a hike in raw materials costs, despite sales volume increase. As a result, operating profit was ¥5,880 million (a 21.9% decrease from the same period of the previous fiscal year), and ordinary profit was ¥6,930 million (a 7.2% decrease). Profit attributable to owners of parent was ¥4,750 million (a 7.3% decrease).

#### 1) Business Performance

(Millions of yen)

	1H of FY 2016	1H of FY 2017	Changed amount		FY 2016
			(Amount)	(Ratio)	
Net sales	72,035	78,075	6,040	8.4%	150,166
Operating profit	7,524	5,880	(1,644)	(21.9%)	13,647
Ordinary profit	7,466	6,930	(535)	(7.2%)	15,341
Profit attributable to owners of parent	5,155	4,780	(374)	(7.3%)	10,192
Net income per share	¥233.80	¥216.82	(¥16.98)	(7.3%)	¥462.28
ROA (Return on assets*)	8.6%	7.3%	-	(1.3point)	8.5%
ROE (Return on equity)	9.1%	7.7%	-	(1.4point)	8.7%
Currency exchange(\$, CNY)	\$=¥105.26	\$=¥111.06	¥5.80		\$=¥108.39
	CNY=¥15.93	CNY=¥16.42	¥0.49		CNY=¥16.10
Naphtha price in Japan	¥31,400/kl	¥37,700/kl	¥6,300/kl		¥34,700/kl

\* ROA (Return on assets) is calculated based on ordinary profit.

Notes:

1. ROA and ROE for 1H of FY 2016 and FY 2017 are annualized.

2. Sanyo Chemical conducted a reverse stock split at a ratio of one share for every five shares on October 1, 2016. The figures for net income per share are amounts on the assumption that Sanyo Chemical conducted the reverse stock split on the beginning of previous fiscal year.

#### 2) Business Performance by Segment

(Millions of yen)

	1H of FY2016		1H of FY2017		Changed amount		FY2016	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Toiletries and Health Care	26,063	2,546	29,266	685	3,202	(1,860)	55,442	3,598
Petroleum and Automotives	17,405	808	19,707	1,360	2,301	552	37,496	2,110
Plastics and Textiles	10,593	2,097	10,950	1,918	356	(179)	21,155	4,177
Information and Electrics/Electronics	9,972	1,537	9,573	1,363	(398)	(174)	19,368	2,774
Environmental Protection, Construction and Others	7,999	535	8,576	553	577	17	16,702	986

## **Toiletries and Health Care**

Sales in the Toiletries segment remained unchanged because demand for some surfactants used for liquid laundry detergents decreased, though sales for hair care products increased briskly.

In Health Care segment, profit decreased substantially because of reduction of spread between sales and purchase to respond to a hike in raw materials costs, though sales increased substantially because of foreign demand increase for superabsorbent polymers and successful sales expansion of new products.

As a result, total net sales in this segment increased by 12.3% from the same period of the previous fiscal year, to ¥29,266 million. Operating profit was ¥685 million (a 73.1% decrease).

## **Petroleum and Automotives**

Petroleum and Automotives segment increased substantially in sales and profit. This was due to steady sales increase of raw materials for polyurethane foams used in automobile seats and other applications, and domestic and foreign sales expansion of lubricating oil additives, in addition to sales expansion of high functional products of thermoplastic polyurethane beads for the interior parts of automobiles.

As a result, total net sales in this segment increased by 13.2% from the same period of the previous fiscal year, to ¥19,707 million. Operating profit was ¥1,360 million (a 68.4% increase).

## **Plastics and Textiles**

In Plastics segment, sales increased briskly because of substantial sales increase of permanent antistatic agents mainly abroad, and firm demand for active agents for rubbers and plastics.

The Textiles segment stayed flat in sales because sales of chemicals for carbon fibers substantially increased mainly abroad, despite weak sales of polyurethane resins used for synthetic leather and elastomer fiber, and flat sales of fiberglass agents.

As a result, total net sales in this segment increased by 3.4% from the same period of the previous fiscal year, to ¥10,950 million. Operating profit was ¥1,918 million (a 8.6% decrease).

## **Information and Electrics/Electronics**

Sales in the Information segment decreased in sales and profit. This was mainly because of late start-up of production increase for new products of polyester beads as a core component of polymerization toners, despite steady demand increase for toner resins for pulverized toners.

Sales in the Electrics/Electronics segment increased briskly because steady demand for UV/EB curing resins and adhesives for electronic parts, etc.

As a result, total net sales in this segment decreased by 4.0% from the same period of the previous fiscal year, to ¥9,573 million. Operating profit was ¥1,363 million (a 11.3% decrease).

## **Environmental Protection, Construction and Others**

Sales in the Environmental Protection segment increased because of brisk demand for cationic monomers (polymer flocculant materials), though the market of polymer flocculants remained weak.

Sales of Construction segment increased briskly. This was mainly thanks to strong sales increase of cement agents as materials used for civil engineering and building work, and steady sales increase of raw materials for polyurethane foams used in furniture and heat insulating materials.

As a result, total net sales in this segment increased by 7.2% from the same period of the previous fiscal year, to ¥8,576 million. Operating profit was ¥553 million (a 3.3% increase).

## (2) Analysis of Financial Position

The Group's financial position at the end of this first six-month period was as follows:

Total assets increased by ¥8,435 million compared to the previous consolidated fiscal year end, amounting to ¥195,299 million due to the increase in notes and accounts receivable-trade mainly because of the effects of the period-end holiday, the increase in construction in progress and investment securities, and other factors, despite the decrease in cash and deposits.

Net assets increased by ¥6,289 million from the previous consolidated fiscal year end, to ¥133,940 million. Our shareholder's equity ratio increased by 0.2 percentage point from the previous consolidated fiscal year end, to 65.3%.

Cash and cash equivalents ("Cash") as of the end of this first six months of the current consolidated fiscal year amounted to ¥17,177 million. This marked a decrease of ¥5,961 million compared to the end of the previous consolidated fiscal year (cash increased by ¥979 million during the same period of the previous fiscal year).

The cash flow movements during the period and the factors influencing them were as follows:

### Cash Flows from Operating Activities

Net cash provided by operating activities amounted to ¥6,266 million (compared to ¥9,070 million in net cash provided during the previous fiscal year). This result was mainly due to the cash inflow from income before income taxes and minority interests of ¥6,526 million, and depreciation and amortization of ¥4,076 million, which outweighed the outflow from the decrease in income tax payments of ¥1,761 million.

### Cash Flows from Investing Activities

Net cash used in investing activities amounted to ¥7,524 million (compared to ¥6,625 million in net cash used during the previous fiscal year). This result was mainly due to a cash outlay of ¥6,956 million for purchase of fixed assets.

### Cash Flows from Financing Activities

Net cash used in financing activities amounted to ¥4,803 million (¥279 million in net cash provided during the same period of the previous fiscal year). This result was the cash outflow from the decrease in short-term loans payable of ¥2,953 million (net) and cash dividends paid of ¥1,212 million.

## (3) Qualitative Information Concerning Future Forecast such as Consolidated Earnings Forecasts

Consolidated earnings during this first six-month period fell below expectations mainly because of the reduction of spread between sales and purchase. However we have not made any change to the consolidated earnings forecasts for the full year that we announced on April 2017.

The rates of progress in the six months toward the full-year consolidated earnings forecasts announced on April 28, 2017 are shown in the table below.

(Millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Half year consolidated earnings forecasts	80,000	6,600	7,500	5,300
Progress to forecasts (%)	97.6	89.1	92.4	90.2
Full year consolidated earnings forecasts	167,000	14,000	15,500	11,000
Progress to forecasts (%)	46.8	42.0	44.7	43.5

Note: These earnings forecasts were based on information available at the time announced. Actual earnings may differ due to various factors occurring in the future.



## 2. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

	Millions of Yen	
	As of Mar. 31, 2017	As of Sept. 30, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	23,138	17,177
Notes and accounts receivable - trade	38,689	44,180
Electronically recorded monetary claims - operating	2,406	2,386
Merchandise and finished goods	10,607	11,574
Semi-finished goods	3,321	3,458
Work in process	518	414
Raw materials and supplies	3,969	4,704
Deferred tax assets	1,226	1,167
Other	1,489	2,345
Allowance for doubtful accounts	(34)	(35)
Total current assets	85,334	87,372
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,576	17,397
Machinery, equipment and vehicles, net	28,362	27,873
Land	8,764	8,771
Construction in progress	6,489	10,930
Other, net	2,337	2,307
Total property, plant and equipment	63,530	67,281
Intangible assets		
Software	866	792
Goodwill	801	734
Other	1,121	1,159
Total intangible assets	2,788	2,687
Investments and other assets		
Investment securities	32,370	34,733
Long-term loans receivable	3	4
Deferred tax assets	216	211
Net defined benefit asset	1,491	1,520
Other	1,160	1,520
Allowance for doubtful accounts	(32)	(32)
Total investments and other assets	35,210	37,957
Total non-current assets	101,529	107,926
Total assets	186,863	195,299

	Millions of Yen	
	As of Mar. 31, 2017	As of Sept. 30, 2017
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	19,552	22,964
Electronically recorded obligations - operating	4,546	6,393
Short-term loans payable	5,708	2,754
Current portion of long-term loans payable	1,515	2,064
Accrued expenses	3,041	3,306
Income taxes payable	1,873	1,528
Provision for bonuses	2,041	1,954
Provision for directors' bonuses	104	52
Electronically recorded obligations - non-operating	1,347	1,073
Other	4,732	4,815
Total current liabilities	44,464	46,908
Non-current liabilities		
Long-term loans payable	7,981	6,946
Deferred tax liabilities	5,170	5,888
Provision for directors' retirement benefits	275	315
Net defined benefit liability	494	519
Other	826	780
Total non-current liabilities	14,747	14,450
Total liabilities	59,212	61,358
<b>Net assets</b>		
Shareholders' equity		
Capital stock	13,051	13,051
Capital surplus	12,194	12,194
Retained earnings	88,697	92,265
Treasury shares	(5,745)	(5,748)
Total shareholders' equity	108,197	111,761
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,790	14,528
Foreign currency translation adjustment	396	1,125
Remeasurements of defined benefit plans	219	179
Total accumulated other comprehensive income	13,405	15,833
Non-controlling interests	6,047	6,345
Total net assets	127,651	133,940
<b>Total liabilities and net assets</b>	<b>186,863</b>	<b>195,299</b>

## (2) Consolidated Statements of Income and Comprehensive Income

### (2)- (1) Consolidated Statements of Income

	Millions of Yen	
	Six months ended Sept. 30,	
	2016	2017
Net sales	72,035	78,075
Cost of sales	53,767	61,240
Gross profit	18,267	16,834
Selling, general and administrative expenses	10,743	10,953
Operating profit	7,524	5,880
Non-operating income		
Interest income	33	18
Dividend income	364	457
Share of profit of entities accounted for using equity method	429	273
Real estate rent	134	161
Foreign exchange gains	—	290
Other	94	88
Total non-operating income	1,055	1,289
Non-operating expenses		
Interest expenses	71	62
Rent cost of real estate	50	51
Loss on abandonment of inventories	39	37
Foreign exchange losses	914	—
Other	38	87
Total non-operating expenses	1,113	239
Ordinary profit	7,466	6,930
Extraordinary income		
Gain on sales of investment securities	4	—
Insurance income	5	0
Total extraordinary income	10	0
Extraordinary losses		
Loss on retirement of non-current assets	316	404
Other	2	—
Total extraordinary losses	319	404
Profit before income taxes	7,156	6,526
Income taxes	1,566	1,566
Profit	5,589	4,959
Profit attributable to non-controlling interests	434	179
Profit attributable to owners of parent	5,155	4,780

**(2)- (2) Consolidated Statements of Comprehensive Income**

	Millions of Yen	
	Six months ended Sept. 30,	
	2016	2017
Profit	5,589	4,959
Other comprehensive income		
Valuation difference on available-for-sale securities	441	1,737
Foreign currency translation adjustment	(4,622)	997
Remeasurements of defined benefit plans, net of tax	(1)	(39)
Total other comprehensive income	(4,183)	2,695
Comprehensive income	1,406	7,655
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	2,046	7,207
Comprehensive income attributable to non-controlling interests	(640)	447

### (3) Consolidated Statements of Cash Flows

	Millions of Yen	
	Six months ended Sept. 30,	
	2016	2017
Cash flows from operating activities		
Profit before income taxes	7,156	6,526
Depreciation	3,556	4,076
Loss on retirement of non-current assets	316	404
Amortization of goodwill	66	66
Increase (decrease) in provision for bonuses	(13)	(89)
Changes in net defined benefit asset and liability	(121)	(60)
Increase (decrease) in provision for directors' retirement benefits	(176)	40
Increase (decrease) in provision for directors' bonuses	(49)	(52)
Interest and dividend income	(397)	(475)
Interest expenses	71	62
Share of (profit) loss of entities accounted for using equity method	(429)	(273)
Loss (gain) on sales of investment securities	(4)	—
Decrease (increase) in notes and accounts receivable - trade	497	(5,245)
Decrease (increase) in inventories	(872)	(1,574)
Increase (decrease) in notes and accounts payable - trade	(153)	5,095
Other, net	342	(1,284)
Subtotal	9,789	7,216
Interest and dividend income received	1,084	877
Interest expenses paid	(82)	(66)
Income taxes paid	(1,720)	(1,761)
Net cash provided by (used in) operating activities	9,070	6,266
Cash flows from investing activities		
Purchase of non-current assets	(6,522)	(6,956)
Purchase of investment securities	(13)	(2)
Proceeds from sales of investment securities	5	—
Other, net	(94)	(565)
Net cash provided by (used in) investing activities	(6,625)	(7,524)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	2,045	(2,953)
Repayments of long-term loans payable	(621)	(484)
Net decrease (increase) of treasury shares	(3)	(3)
Cash dividends paid	(992)	(1,212)
Dividends paid to non-controlling interests	(148)	(149)
Net cash provided by (used in) financing activities	279	(4,803)
Effect of exchange rate change on cash and cash equivalents	(1,137)	99
Net increase (decrease) in cash and cash equivalents	1,587	(5,961)
Cash and cash equivalents at beginning of period	19,323	23,138
Increase (decrease) in cash and cash equivalents resulting from changes in the fiscal year-end of subsidiaries	(607)	—
Cash and cash equivalents at end of period	20,302	17,177

#### (4) Notes to Consolidated Financial Statements

(Notes to Going Concern Assumptions)

None

(Notes on Significant Changes in the Amount of Shareholders' Equity)

None

(Application of special accounting methods for the preparation of consolidated quarterly financial statements)

After applying tax effect accounting to income before income taxes and minority interests for the fiscal year, which includes this six months under review, we make a reasonable estimate of the effective tax rate and multiply income before income taxes and minority interests by that estimated effective tax rate. Furthermore, income tax adjustments are included in the presentation of income taxes.

#### (Segment Information)

[Previous Consolidated Fiscal Year (April 1, 2016 through Sept. 30, 2016)]

Information regarding sales, operating profit or loss, assets, liabilities and other items by reporting segment

(Millions of yen)

	Reporting Segment						Adjustment	Total
	Toiletries and Health Care	Petroleum and Automotives	Plastics and Textiles	Information and Electrics/Electronics	Environmental Protection, Construction and Others	Subtotal		
Net sales								
Sales to third parties	26,063	17,405	10,593	9,972	7,999	72,035	—	72,035
Intersegment sales/transfers	—	—	9	—	155	165	(165)	—
Subtotal	26,063	17,405	10,603	9,972	8,155	72,200	(165)	72,035
Segment income (loss)	2,546	808	2,097	1,537	535	7,524	—	7,524

Note: Segment income is adjusted for operating profit described in Consolidated Statements of Income.

[Current Consolidated Fiscal Year (April 1, 2017 through Sept. 30, 2017)]

Information regarding sales, operating profit or loss, assets, liabilities and other items by reporting segment

(Millions of yen)

	Reporting Segment						Adjustment	Total
	Toiletries and Health Care	Petroleum and Automotives	Plastics and Textiles	Information and Electrics/Electronics	Environmental Protection, Construction and Others	Subtotal		
Net sales								
Sales to third parties	29,266	19,707	10,950	9,573	8,576	78,075	—	78,075
Intersegment sales/transfers	—	—	4	—	134	138	(138)	—
Subtotal	29,266	19,707	10,955	9,573	8,711	78,214	(138)	78,075
Segment income	685	1,360	1,918	1,363	553	5,880	—	5,880

Note: Segment income is adjusted for operating profit described in Consolidated Statements of Income.

<Reference>

**[Information by Geographic Segment]**

[Cumulative Six Months of the Previous Consolidated Fiscal Year (April 1, 2016 through Sept. 30, 2016)]

(Millions of yen)

	Japan	USA	China	Other	Total	Elimination or Common Assets	Consolidated Total
Sales							
(1) Sales to third parties	56,194	2,435	11,797	1,607	72,035	—	72,035
(2) Sales from inter-segment transactions and transfers	2,980	—	895	15	3,891	(3,891)	—
Total	59,175	2,435	12,692	1,623	75,926	(3,891)	72,035
Operating profit (loss)	6,299	(103)	1,188	48	7,433	91	7,524

[Cumulative Six Months of the Current Consolidated Fiscal Year (April 1, 2017 through Sept. 30, 2017)]

(Millions of yen)

	Japan	USA	China	Other	Total	Elimination or Common Assets	Consolidated Total
Sales							
(1) Sales to third parties	57,863	3,222	15,351	1,637	78,075	—	78,075
(2) Sales from inter-segment transactions and transfers	3,798	18	1,009	24	4,850	(4,850)	—
Total	61,661	3,241	16,361	1,661	82,925	(4,850)	78,075
Operating profit (loss)	5,881	155	(146)	(38)	5,853	26	5,880

**[Overseas Sales]**

[Cumulative Six Months of the Previous Consolidated Fiscal Year (April 1, 2016 through Sept. 30, 2016)]

(Millions of yen)

	Asia	(of which, China)	Americas	Other	Total
I. Overseas sales	19,113	(10,745)	3,585	5,011	27,710
II. Consolidated sales	—	(—)	—	—	72,035
III. Percentage of overseas sales to consolidated sales (%)	26.5	(14.9)	5.0	7.0	38.5

[Cumulative Six Months of the Current Consolidated Fiscal Year (April 1, 2017 through Sept. 30, 2017)]

(Millions of yen)

	Asia	(of which, China)	Americas	Other	Total
I. Overseas sales	23,195	(13,320)	4,854	4,950	33,000
II. Consolidated sales	—	(—)	—	—	78,075
III. Percentage of overseas sales to consolidated sales (%)	29.7	(17.1)	6.2	6.4	42.3

Notes:

- The term "overseas sales" refers to sales of the parent company and its consolidated subsidiaries registered in countries and regions outside Japan.
- Areas included in each country or region are determined based on their degree of proximity.
- Main countries or regions included in each geographic segment
  - Asia: South Korea, China, Indonesia, India, Thailand, etc.
  - Americas: USA, Mexico, Brazil, etc.
  - Other: Australia, Europe, Russia, the Middle East, etc.

### 3. Supplementary Information

#### Trend of Each Quarter Results (Consolidated)

Previous Fiscal Year

(Millions of yen)

	FY 2016				
	1Q	2Q	3Q	4Q	Total
	April 2016 through June 2016	July 2016 through Sept. 2016	Oct. 2016 through Dec. 2016	Jan. 2017 through March 2017	April 2016 through March 2017
Net sales	37,141	34,893	39,496	38,635	150,166
Operating profit	3,987	3,536	3,555	2,567	13,647
Ordinary profit	3,810	3,655	5,005	2,870	15,341
Profit attributable to owners of parent	2,550	2,604	3,428	1,608	10,192
Comprehensive income	(2,048)	3,454	7,741	2,048	11,196

Current Fiscal Year

(Millions of yen)

	FY 2017		Change	
	1Q	2Q	Same term of previous fiscal year	Previous term
	April 2017 through June 2017	July 2017 through Sept. 2017	July 2016 through Sept. 2016	April 2017 through June 2017
Net sales	38,735	39,339	12.7%	1.6%
Operating profit	3,175	2,704	(23.5%)	(14.8%)
Ordinary profit	3,793	3,137	(14.2%)	(17.3%)
Profit attributable to owners of parent	2,543	2,236	(14.1%)	(12.1%)
Comprehensive income	2,907	4,748	37.5%	63.3%