

Consolidated Financial Results [Japanese GAAP]

for the Fiscal Year Ended March 31, 2018 (April 1, 2017 – March 31, 2018)



May 11, 2018

Company name: Kansai Paint Co., Ltd.
 Stock listing: Tokyo Stock Exchange
 Code number: 4613
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 Scheduled date of the annual shareholders' meeting: June 28, 2018
 Scheduled date of the filing of Securities Report: June 29, 2018
 Scheduled date of dividend payment: June 29, 2018
 Supplemental information: Yes
 Financial results briefing: Yes

(Amounts are rounded down to the nearest million yen)

1. Consolidated financial results for the Fiscal Year Ended March 31, 2018 (April 1, 2017 – March 31, 2018)

(1) Consolidated operating results

(The percentages represent the rates of increase (decrease) compared to the corresponding prior period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal Year ended March 31, 2018	401,977	21.7	35,802	1.4	33,241	(16.9)	17,701	(26.8)
Fiscal Year ended March 31, 2017	330,235	0.6	35,310	1.5	40,025	0.8	24,168	(14.7)

(Note) Comprehensive income:

Fiscal Year ended March 31, 2018: 35,161 million yen 13.6%
 Fiscal Year ended March 31, 2017: 30,957 million yen 412.2%

	Net income per share	Diluted net income per share	Return on equity	Ordinary income – total assets ratio	Operating income – sales ratio
	Yen	Yen	%	%	%
Fiscal Year ended March 31, 2018	68.80	59.29	6.7	5.8	8.9
Fiscal Year ended March 31, 2017	93.16	83.46	9.5	8.2	10.7

(Reference) Equity in earnings (losses) of unconsolidated subsidiaries and affiliates:

Fiscal Year ended March 31, 2018: (1,364) million yen
 Fiscal Year ended March 31, 2017: 4,185 million yen

(2) Consolidated financial positions

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2018	603,766	322,425	45.8	1,074.09
As of March 31, 2017	542,163	296,165	46.7	984.50

(Reference) Shareholders' equity: As of March 31, 2018: 276,329 million yen
 As of March 31, 2017: 253,348 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of fiscal year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal Year ended March 31, 2018	33,509	(33,756)	8,059	61,171
Fiscal Year ended March 31, 2017	29,146	(97,020)	60,264	52,314

2. Dividends

	Dividends per share					Total amounts of dividends	Payout ratio (Consolidated)	Net asset payout ratio (Consolidated)
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal Year ended March 31, 2017	–	11.00	–	11.00	22.00	5,680	23.6	2.3
Fiscal Year ended March 31, 2018	–	13.50	–	13.50	27.00	6,971	39.2	2.6
Fiscal Year ending March 31, 2019 (Forecast)	–	16.00	–	14.00	30.00		28.1	

(Note) Detail of 2nd quarter dividend: Ordinary 14.00 yen, Commemorative 2.00 yen

For more details, please refer to "Notice of commemorative dividend for the 100th anniversary of foundation" announced today.

3. Consolidated financial forecast for the Fiscal Year Ending March 31, 2019 (April 1, 2018 — March 31, 2019)

(The percentages represent the rates of increase (decrease) compared to the corresponding prior period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First Half of the Fiscal Year	215,000	12.1	18,700	(5.9)	22,000	(2.3)	13,500	7.1	52.47
Full Year	435,000	8.2	40,000	11.7	46,500	39.9	27,500	55.4	106.89

*Notes

(1) Changes in significant subsidiaries during the period

(changes in specified subsidiaries due to changes in scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates, and retrospective restatement

1. Changes in accounting policies in accordance with revision of accounting standards: None

2. Changes in accounting policies other than 1. above: None

3. Changes in accounting estimates: None

4. Retrospective restatement: None

(3) Number of shares of common stock issued

1. Number of shares of common stock issued at period-end (including treasury stock):

As of March 31, 2018: 272,623,270 shares

As of March 31, 2017: 272,623,270 shares

2. Number of shares of treasury stock at period-end:

As of March 31, 2018: 15,354,390 shares

As of March 31, 2017: 15,286,492 shares

3. Average number of shares during the period:

Fiscal Year ended March 31, 2018: 257,295,305 shares

Fiscal Year ended March 31, 2017: 259,419,630 shares

(Reference) Overview of Non-Consolidated Financial Results for the Year Ended March 31, 2018 (from April 1, 2017 to March 31, 2018)

(1) Non-Consolidated operating results

(The percentages represent the rates of increase (decrease) compared to the corresponding prior period.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal Year ended March 31, 2018	151,983	4.9	16,422	(10.6)	21,419	(13.0)	13,321	(28.7)
Fiscal Year ended March 31, 2017	144,851	(1.9)	18,379	18.4	24,625	27.7	18,688	54.4

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal Year ended March 31, 2018	51.60	44.10
Fiscal Year ended March 31, 2017	71.80	65.30

(2) Non-Consolidated financial positions

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2018	404,379	202,790	50.1	785.53
As of March 31, 2017	369,657	190,624	51.6	738.22

(Reference) Shareholders' equity: As of March 31, 2018: 202,790 million yen

As of March 31, 2017: 190,624 million yen

*Status of the implementation of audit procedures

These financial statements are not subject to the audit procedure of certified public accountant or audit firm.

*Explanation for appropriate use of forecasts and other notes

The forward-looking statements such as operational forecasts contained in this document are based on information currently available to the Company and certain assumptions which are regarded as legitimate. However, it does not mean that we guarantee its achievement. Actual results may differ from such forward-looking statements for a variety of reasons.

Overview of financial results

(1) Overview of financial results under review

The global economy during the fiscal year under review continued to face heightened geopolitical risks and uncertainties in political and policy developments in different countries; however, the United States saw positive corporate sentiment and improvement in employment, Europe enjoyed robust consumer spending, and China and emerging countries in Asia continued to enjoy economic recovery owing to the effects of various measures. The Japanese economy saw mild recovery owing to improvements in the global economy as well as in the employment and income environments.

The Group's net sales for the fiscal year under review were 401,977 million yen (up 21.7% year on year), and operating profit was 35,802 million yen (up 1.4% year on year) due to a rise in raw material prices and an increase in selling and general administrative expenses. Ordinary profit ended at 33,241 million yen (down 16.9% year on year) due to a decrease in equity in earnings of affiliates in Asia and the posting of bad debt reserve, despite a decrease in foreign exchange losses. In Japan, while a gain on change of employees' retirement plan was recorded, there was also a posting of impairment loss on land. Furthermore, due to premium severance pay for early retirement in Africa, net income attributable to owners of the parent ended at 17,701 million yen (down 26.8% year on year).

Segment overviews are as follows.

<Japan>

In the new car area of the automotive coatings sector, car production was higher than the previous year, resulting in an increase in sales. Sales of the industrial coatings sector increased year on year due to robust sales of paints for construction machinery. The protective coatings sectors saw markets recover, which led to a year-on-year increase in sales. In the automotive refinish paints sector, sales were slightly lower than the previous year, due to efforts to expand sales of high-value added products in a weak market. Sales of the decorative coatings and marine sector decreased year on year, since the market failed to stage a full-scale recovery.

As a result, sales of the segment as a whole were increased year on year. Although foreign exchange losses decreased, profits declined due to the rise in raw material prices and the posting of bad debt reserve on receivables from an affiliated company in the Middle East, whose performance is sluggish.

As a result of those factors, net sales of the segment ended at 155,552 million yen (up 2.7% year on year) and ordinary profit resulted in 19,051 million yen (down 19.1% year on year).

<India>

Amid continued economic growth, car production continued to increase in the automotive coatings sector, resulting in an increase in sales. Sales of the decorative coatings sector also rose owing to efforts in promoting sales activities amid continued demand growth. Profits increased due to cost reductions, despite a negative effect from the rise in raw material prices. Translated result in Japanese yen was positively affected by currency conversion.

As a result of those factors, net sales of the segment ended at 83,432 million yen (up 11.7% year on year) and ordinary profit resulted in 13,366 million yen (up 15.0% year on year).

<Asia>

In China, car production was robust, resulting in sales of the automotive coatings sector maintaining the previous year's level. Sales of the industrial coatings sector saw growth in paints for construction machinery, leading to a year-on-year increase in sales in China as a whole. On the other hand, equity in earnings of affiliates decreased due to sluggish sales to local car manufacturers. In Indonesia, sales in the automotive and decorative coatings sector were higher than the previous year owing to a robust economy. In Thailand, operating results fell short of the previous year's level, despite recovery in car production. Performance in the Middle East was sluggish despite aggressive sales activities. Equity in earnings of affiliates decreased significantly due to the recognition of impairment loss on goodwill reflecting decline in profitability caused by a delay in originally forecasted business plan.

As a result those factors, net sales of the segment were 63,300 million yen (up 11.8% year on year), while ordinary profit ended at 431 million yen (down 93.4% year on year) due to the impact of the rise in raw material prices and an increase in selling and general administrative expenses, as well as the significant decline in equity in earnings of affiliates.

<Africa>

Amid the sluggish economy in South Africa and neighboring countries, we continued to make efforts in promoting sales activities. Also due to the contribution of results of companies in East Africa, which became consolidated subsidiaries in August 2017, sales were higher than the previous year. However, profitability faced significant pressure from the rise in raw material prices due to currency depreciation, intensified price competition, and the posting of share acquisition-related costs, which led to a year-on-year decrease in the profit.

As a result of those factors, net sales of the segment ended at 35,132 million yen (up 25.4% year on year) and ordinary loss including the amortization of goodwill resulted in 4,965 million yen.

<Europe>

In Turkey, sales of paints for automobile and automotive components were robust owing to an increase in car production. Sales in local currencies increased significantly, as did profits, due to various cost reduction measures. However, Translated result in Japanese yen was negatively affected by currency conversion.

The result of Polisan Kansai Boya Sanayi Ve Ticaret A.S. of Turkey, which became an equity method affiliate in December 2016, was booked under equity in earnings of affiliates, including the amortization of goodwill. The result of the Kansai Helios Group, which became a consolidated subsidiary in March 2017, was also booked, including the amortization of goodwill.

As a result of those factors, net sales of the segment ended at 59,098 million yen (up 251.1% year on year) and ordinary profit resulted in 4,395 million yen (up 329.1% year on year).

<Others>

North America saw sluggish car production, which, together with the impact of intensified competition, led to a decrease in equity in earnings of affiliates. The result of U.S. Paint Corporation, which became a consolidated subsidiary in August 2016, was booked including amortization of goodwill.

As a result of those factors, net sales of the segment ended at 5,461 million yen (up 106.6% year on year) and ordinary profit resulted in 963 million yen (down 4.1% year on year).

Consolidated financial statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	53,027	65,088
Trade notes and accounts receivables	103,199	114,556
Securities	9,181	8,579
Finished goods	33,610	35,914
Work-in-process	4,252	5,027
Raw materials and supplies	21,274	25,658
Deferred tax assets	2,776	3,056
Other	9,867	11,371
Allowance for doubtful receivables	(3,237)	(3,038)
Total current assets	233,953	266,214
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	52,919	54,196
Machinery, equipment and vehicles, net	23,846	26,141
Tools, furniture and fixtures, net	6,362	6,968
Land	24,364	25,230
Construction in progress	6,664	11,376
Total property, plant and equipment	114,157	123,913
Intangible assets		
Leasehold right	3,454	3,270
Software	2,954	2,845
Software in progress	163	194
Goodwill	36,957	47,203
Other	22,795	24,232
Total intangible assets	66,326	77,745
Investments and other assets		
Investment securities	95,830	99,812
Investments in capital	14,410	16,347
Loans receivable	117	163
Loans receivable to unconsolidated subsidiaries and affiliates	1,772	604
Net defined benefit asset	7,944	10,217
Deferred tax assets	3,754	6,058
Other	5,026	8,232
Allowance for doubtful receivables	(1,129)	(5,544)
Total investments and other assets	127,726	135,891
Total non-current assets	308,210	337,551
Total assets	542,163	603,766

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Liabilities		
Current liabilities		
Trade notes and accounts payables	59,382	73,592
Short-term borrowings	8,520	27,414
Short-term borrowings from unconsolidated subsidiaries and affiliates	80	80
Current portion of long-term debt	1,805	4,307
Accrued expenses	9,189	9,273
Income and enterprise taxes payable	4,374	4,211
Deferred tax liabilities	17	31
Provision for bonuses	4,770	5,330
Other	11,332	12,069
Total current liabilities	99,472	136,310
Non-current liabilities		
Convertible bonds with stock acquisition rights	101,587	100,937
Long-term debt	4,405	369
Deferred tax liabilities	28,750	30,896
Net defined benefit liability	9,632	8,237
Retirement benefits for directors and corporate auditors	124	104
Provision for management board incentive plan trust	-	39
Other	2,024	4,444
Total non-current liabilities	146,525	145,029
Total liabilities	245,998	281,340
Net assets		
Shareholders' equity		
Common stock	25,658	25,658
Capital surplus	14,421	13,232
Retained earnings	218,880	230,255
Treasury stock, at cost	(25,088)	(25,264)
Total shareholders' equity	233,872	243,882
Accumulated other comprehensive income		
Net unrealized holding gains on securities	31,229	36,363
Deferred gains on derivatives under hedge accounting	-	1,423
Foreign currency translation adjustments	(12,548)	(6,732)
Remeasurements of defined benefit plans	794	1,393
Total accumulated other comprehensive income	19,475	32,447
Non-controlling interests	42,817	46,096
Total net assets	296,165	322,425
Total liabilities and net assets	542,163	603,766

(2) Consolidated Statements of Income

(Millions of yen)

	Fiscal Year ended March 31, 2017	Fiscal Year ended March 31, 2018
Net sales	330,235	401,977
Cost of sales	218,584	269,945
Gross profit	111,651	132,032
Selling, general and administrative expenses	76,340	96,230
Operating income	35,310	35,802
Non-operating income		
Interest income	1,035	1,407
Dividend income	1,462	1,546
Equity in earnings of unconsolidated subsidiaries and affiliates	4,185	-
Miscellaneous income	1,511	1,510
Total non-operating income	8,195	4,465
Non-operating expenses		
Interest expense	954	1,509
Interest on bonds	70	-
Loss on disposal of inventories	214	232
Equity in losses of unconsolidated subsidiaries and affiliates	-	1,364
Provision of allowance for doubtful receivables	-	2,316
Foreign currency exchange loss	1,624	459
Miscellaneous expenses	615	1,144
Total non-operating expenses	3,480	7,025
Ordinary income	40,025	33,241
Extraordinary income		
Gain on sale of property, plant and equipment	130	137
Gain on sale of investment securities	891	1,573
Gain on sale of shares of subsidiaries and affiliates	155	-
Gain on revision of retirement benefit plan	-	760
Total extraordinary income	1,178	2,472
Extraordinary losses		
Impairment loss	41	301
Loss on sale or disposal of property, plant and equipment	159	555
Write-down of securities and investment securities	1	-
Loss on liquidation of subsidiaries	532	-
Loss on sales of membership	0	-
Early extra retirement payments	-	597
Total extraordinary losses	735	1,455
Income before income taxes and non-controlling interests	40,467	34,258
Income taxes - current	13,638	15,156
Income taxes - deferred	(1,186)	(3,334)
Total income taxes	12,452	11,821
Net income	28,015	22,437
Net income attributable to non-controlling interests	3,846	4,735
Net income attributable to owners of the parent	24,168	17,701

(3) Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal Year ended March 31, 2017	Fiscal Year ended March 31, 2018
Net income	28,015	22,437
Other comprehensive income		
Net unrealized holding gains on securities	5,573	4,537
Deferred gains on derivatives under hedge accounting	-	1,423
Foreign currency translation adjustments	(2,494)	6,175
Remeasurements of defined benefit plans	9	598
Shares in other comprehensive income of equity method affiliates	(146)	(10)
Total other comprehensive income	2,942	12,724
Comprehensive income	30,957	35,161
Comprehensive income attributable to:		
Owners of the parent	27,979	30,673
Non-controlling interests	2,977	4,488

(4) Consolidated Statements of Changes in Net Assets
Fiscal year ended March 31, 2017 (April 1, 2016 - March 31, 2017)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	25,658	18,896	200,096	(5,077)	239,574
Changes during the period					
Cash dividends paid			(5,379)		(5,379)
Net income attributable to owners of the parent			24,168		24,168
Purchase of treasury stock				(20,011)	(20,011)
Disposal of treasury stock		0		0	0
Purchase of shares of consolidated subsidiaries		(4,474)	(4)		(4,479)
Net changes in items other than shareholders' equity					
Total changes during the period	-	(4,474)	18,784	(20,011)	(5,701)
Balance at the end of the year	25,658	14,421	218,880	(25,088)	233,872

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Net unrealized holding gains on securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the year	25,424	(10,545)	785	15,664	38,665	293,903
Changes during the period						
Cash dividends paid						(5,379)
Net income attributable to owners of the parent						24,168
Purchase of treasury stock						(20,011)
Disposal of treasury stock						0
Purchase of shares of consolidated subsidiaries						(4,479)
Net changes in items other than shareholders' equity	5,805	(2,003)	9	3,811	4,151	7,963
Total changes during the period	5,805	(2,003)	9	3,811	4,151	2,261
Balance at the end of the year	31,229	(12,548)	794	19,475	42,817	296,165

Fiscal year ended March 31, 2018 (April 1, 2017 - March 31, 2018)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	25,658	14,421	218,880	(25,088)	233,872
Changes during the period					
Cash dividends paid			(6,326)		(6,326)
Net income attributable to owners of the parent			17,701		17,701
Purchase of treasury stock				(175)	(175)
Disposal of treasury stock		0		0	0
Purchase of shares of consolidated subsidiaries		6			6
Change in transactions with non-controlling shareholders		(1,196)			(1,196)
Change in treasury stock arising from change in equity in entities accounted for using equity method				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during the period	-	(1,189)	11,374	(175)	10,009
Balance at the end of the year	25,658	13,232	230,255	(25,264)	243,882

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Net unrealized holding gains on securities	Deferred gains on derivatives under hedge accounting	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the year	31,229	-	(12,548)	794	19,475	42,817	296,165
Changes during the period							
Cash dividends paid							(6,326)
Net income attributable to owners of the parent							17,701
Purchase of treasury stock							(175)
Disposal of treasury stock							0
Purchase of shares of consolidated subsidiaries							6
Change in transactions with non-controlling shareholders							(1,196)
Change in treasury stock arising from change in equity in entities accounted for using equity method							(0)
Net changes in items other than shareholders' equity	5,133	1,423	5,816	598	12,971	3,278	16,250
Total changes during the period	5,133	1,423	5,816	598	12,971	3,278	26,260
Balance at the end of the year	36,363	1,423	(6,732)	1,393	32,447	46,096	322,425

(5) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal Year ended March 31, 2017	Fiscal Year ended March 31, 2018
Cash flows from operating activities		
Income before income taxes and non-controlling interests	40,467	34,258
Depreciation and amortization	10,153	13,176
Impairment loss	41	301
Amortization of goodwill	1,500	3,687
Increase (decrease) in allowance for doubtful receivables	(216)	4,044
Decrease in net defined benefit liability	(720)	(3,016)
Interest and dividend income	(2,498)	(2,954)
Interest expense	1,025	1,509
Equity in losses (earnings) of unconsolidated subsidiaries and affiliates	(4,185)	1,364
Gain on sale of investment securities	(891)	(1,573)
Write-down of investment securities	1	-
Loss on sale or disposal of property, plant and equipment, net	28	417
Increase in trade notes and accounts receivables	(1,381)	(9,802)
Increase in inventories	(4,198)	(4,003)
Increase (decrease) in trade notes and accounts payables	(1,027)	11,691
Other, net	1,961	(3,326)
Subtotal	40,060	45,775
Interest and dividends received	3,487	4,709
Interest paid	(1,093)	(1,555)
Income taxes paid	(13,308)	(15,420)
Net cash provided by operating activities	29,146	33,509
Cash flows from investing activities		
Payments into time deposits	(59,715)	(3,344)
Proceeds from withdrawal of time deposits	70,580	269
Net decrease in securities	426	731
Purchase of property, plant and equipment	(12,310)	(15,486)
Proceeds from sale of property, plant and equipment	230	396
Purchase of intangible assets	(1,878)	(755)
Purchase of investment securities	(18,540)	(147)
Proceeds from sale of investment securities	1,181	2,037
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(42,102)	(13,367)
Payments for investments in capital	-	(436)
Payments of loans receivable	(35,238)	(294)
Collection of loans receivable	519	378
Payments for derivative settlement, net	-	(2,794)
Other, net	(171)	(943)
Net cash used in investing activities	(97,020)	(33,756)
Cash flows from financing activities		
Net increase in short-term borrowings	3,546	18,678
Proceeds from long-term debt	3,265	304
Repayments of long-term debt	(1,569)	(2,248)
Proceeds from issuance of convertible bonds with stock acquisition rights	102,100	-
Redemption of bonds	(15,000)	-
Purchase of treasury stock	(20,011)	(175)
Cash dividends paid	(5,379)	(6,326)
Cash dividends paid to non-controlling interests	(1,493)	(2,105)
Proceeds from share issuance to non-controlling shareholders	80	-
Purchase of investments in subsidiaries without change in scope of consolidation	(5,244)	(4)
Other, net	(30)	(62)
Net cash provided by financing activities	60,264	8,059
Effect of exchange rate changes on cash and cash equivalents	(936)	1,044
Increase (decrease) in cash and cash equivalents	(8,546)	8,857
Cash and cash equivalents at beginning of period	60,861	52,314
Cash and cash equivalents at end of period	52,314	61,171

Segment information

(1) General information for reportable segments

The reportable segments of the Kansai Paint Group are defined as components of the Group for which separate financial information is available and reviewed regularly by the Board of Directors in determining how to allocate management resources and evaluate operating performance. The Company and its consolidated subsidiaries and affiliates are primarily engaged in the manufacturing and sale of paints and coatings. The Company is mainly in charge of business activities in Japan while locally incorporated overseas subsidiaries are in charge in each region. Locally incorporated overseas subsidiaries are independent business units that develop their own business activities and establish their own comprehensive strategies in each region. Accordingly, the Kansai Paint Group, being composed of regional segments based on manufacturing and selling systems, has the following five reportable segments: Japan, India, Asia, Africa and Europe.

(2) Information about sales, profit and loss, assets and other material items by reportable segment

Fiscal year ended March 31, 2017 (April 1, 2016 - March 31, 2017)

(Millions of yen)

	Reportable segments						Other *1	Total	Adjustment *2	Consolidated *3
	Japan	India	Asia	Africa	Europe	Total				
Net sales										
(1) Sales to customers	151,416	74,694	56,623	28,026	16,830	327,591	2,643	330,235	-	330,235
(2) Intersegment sales and transfers	15,355	18	3,691	206	37	19,309	-	19,309	(19,309)	-
Total sales	166,771	74,713	60,315	28,233	16,867	346,900	2,643	349,544	(19,309)	330,235
Segment income (loss)	23,535	11,622	6,569	(3,732)	1,024	39,020	1,004	40,025	-	40,025
Segment assets	258,063	61,072	95,472	37,617	113,133	565,359	17,272	582,631	(40,468)	542,163
Other items										
Depreciation and amortization	3,580	1,018	3,247	1,662	491	10,000	153	10,153	-	10,153
Amortization of goodwill	-	4	416	967	-	1,388	112	1,500	-	1,500
Interest income	592	191	213	63	0	1,061	0	1,062	(26)	1,035
Interest expense	5	1	68	636	270	982	0	983	(28)	954
Equity in earnings (losses) of unconsolidated subsidiaries and affiliates	740	(8)	2,140	204	290	3,366	818	4,185	-	4,185
Investments in unconsolidated subsidiaries and affiliates	12,030	211	19,193	1,422	13,425	46,283	4,249	50,532	-	50,532
Increase in property, plant and equipment and intangible assets	3,694	3,498	3,604	1,444	1,339	13,581	35	13,617	-	13,617

Notes:

*1 The "Other" category includes business activities of subsidiaries and affiliates in the U.S., Mexico and other locations.

*2 Adjustments for segment income (loss), segment assets and other items represent the elimination of intersegment transactions.

*3 Segment income (loss) is reconciled with the ordinary income in the Consolidated Statements of Income.

*4 Reportable segments other than Japan include the following countries:

India: India, Nepal and other locations.

Asia: Thailand, China, Indonesia and other locations.

Africa: South Africa, Zimbabwe, Namibia and other locations.

Europe: Slovenia, Turkey, Austria, Luxembourg and other locations.

Fiscal year ended March 31, 2018 (April 1, 2017 - March 31, 2018)

(Millions of yen)

	Reportable segments						Other *1	Total	Adjustment *2	Consolidated *3
	Japan	India	Asia	Africa	Europe	Total				
Net sales										
(1) Sales to customers	155,552	83,432	63,300	35,132	59,098	396,516	5,461	401,977	-	401,977
(2) Intersegment sales and transfers	17,122	48	3,907	297	58	21,435	-	21,435	(21,435)	-
Total sales	172,675	83,481	67,208	35,429	59,157	417,951	5,461	423,413	(21,435)	401,977
Segment income (loss)	19,051	13,366	431	(4,965)	4,395	32,278	963	33,241	-	33,241
Segment assets	297,733	66,199	97,024	56,956	121,771	639,686	17,444	657,130	(53,364)	603,766
Other items										
Depreciation and amortization	3,391	1,193	3,382	2,518	2,180	12,667	509	13,176	-	13,176
Amortization of goodwill	-	2	453	1,474	1,470	3,401	285	3,687	-	3,687
Interest income	1,382	353	260	48	23	2,069	0	2,069	(662)	1,407
Interest expense	173	0	57	1,080	676	1,988	0	1,988	(479)	1,509
Equity in earnings (losses) of unconsolidated subsidiaries and affiliates	904	(53)	(3,723)	187	531	(2,154)	790	(1,364)	-	(1,364)
Investments in unconsolidated subsidiaries and affiliates	13,517	211	18,103	1,477	12,632	45,943	4,830	50,773	-	50,773
Increase in property, plant and equipment and intangible assets	2,568	6,289	2,913	1,624	2,968	16,364	417	16,782	-	16,782

Notes:

- *1 The "Other" category includes business activities of subsidiaries and affiliates in the U.S., Mexico and other locations.
- *2 Adjustments for segment income (loss), segment assets and other items represent the elimination of intersegment transactions.
- *3 Segment income (loss) is reconciled with the ordinary income in the Consolidated Statements of Income.
- *4 Reportable segments other than Japan include the following countries:
 India: India, Nepal and other locations.
 Asia: Thailand, China, Indonesia and other locations.
 Africa: South Africa, Zimbabwe, Uganda and other locations.
 Europe: Slovenia, Turkey, Austria, Luxembourg and other locations.