

Consolidated Financial Results [Japanese GAAP]

for the Fiscal Year Ended March 31, 2019 (April 1, 2018 – March 31, 2019)



May 10, 2019

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 27, 2019
 Scheduled date of the filing of Securities Report: June 28, 2019
 Scheduled date of dividend payment: June 28, 2019
 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, 2019 (April 1, 2018 – March 31, 2019)

(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, 2019	427,425	6.3	32,306	(9.8)	34,838	4.8	17,405	(1.7)
Fiscal Year ended March 31, 2018	401,977	21.7	35,802	1.4	33,241	(16.9)	17,701	(26.8)

(Note) Comprehensive income:

Fiscal Year ended March 31, 2019: (4,434) million yen — %
 Fiscal Year ended March 31, 2018: 35,161 million yen 13.6%

	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, 2019	67.68	58.28	6.4	5.9	7.6
Fiscal Year ended March 31, 2018	68.80	59.29	6.7	5.8	8.9

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

Fiscal Year ended March 31, 2019: 2,786 million yen
 Fiscal Year ended March 31, 2018: (1,364) 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, 2019	584,135	320,661	46.2	1,050.06
As of March 31, 2018	601,330	322,425	46.0	1,074.09

(Reference) Shareholders' equity: As of March 31, 2019: 270,016 million yen
 As of March 31, 2018: 276,329 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, 2019	35,632	(17,461)	(6,964)	70,207
Fiscal Year ended March 31, 2018	33,509	(33,756)	8,059	61,171

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, 2018	—	13.50	—	13.50	27.00	6,971	39.2	2.6
Fiscal Year ended March 31, 2019	—	16.00	—	14.00	30.00	7,746	44.3	2.8
Fiscal Year ending March 31, 2020 (Forecast)	—	15.00	—	15.00	30.00		34.3	

(Note) Detail of 2nd quarter dividend of Fiscal Year ended March 31, 2019: Ordinary 14.00 yen, Commemorative 2.00 yen

3. Consolidated financial forecast for the Fiscal Year Ending March 31, 2020 (April 1, 2019 — March 31, 2020)

(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	(0.2)	17,500	7.5	19,700	2.7	10,500	(9.7)	40.83
Full Year	440,000	2.9	36,500	13.0	41,500	19.1	22,500	29.3	87.50

*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, 2019: 272,623,270 shares
As of March 31, 2018: 272,623,270 shares

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

As of March 31, 2019: 15,480,336 shares
As of March 31, 2018: 15,354,390 shares

3. Average number of shares during the period:

Fiscal Year ended March 31, 2019: 257,186,103 shares
Fiscal Year ended March 31, 2018: 257,295,305 shares

(Reference) Overview of Non-Consolidated Financial Results for the Year Ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

(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, 2019	155,578	2.4	14,841	(9.6)	23,070	7.7	15,688	17.8
Fiscal Year ended March 31, 2018	151,983	4.9	16,422	(10.6)	21,419	(13.0)	13,321	(28.7)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal Year ended March 31, 2019	60.77	52.20
Fiscal Year ended March 31, 2018	51.60	44.10

(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, 2019	392,544	206,840	52.7	801.23
As of March 31, 2018	402,459	202,790	50.4	785.53

(Reference) Shareholders' equity: As of March 31, 2019: 206,840 million yen
As of March 31, 2018: 202,790 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

During the period under review, the global economy continued to face heightened geopolitical risks and uncertainties concerning political, policy, and trade developments in different countries. Under such circumstances, in spite of signs of a moderate slowdown in economic growth in China and Europe, the global economy as a whole continued to enjoy a turnaround with robust corporate revenue and improved employment in the United States together with ongoing recoveries in emerging countries in Asia. The Japanese economy, which had been temporarily weak due to the impacts of natural disasters such as heavy rains, continued to experience mild recovery supported by a gradual pickup in the global economy as well as improvements in capital expenditures and employment and income environments.

The Group's net sales for the period under review were 427,425 million yen (up 6.3% year on year) while operating income declined to 32,306 million yen (down 9.8% year on year) due to a rise of raw material prices and an increase in selling, general and administrative expenses. Ordinary income was 34,838 million yen (up 4.8% year on year), due to an increase in equity in earnings of affiliates in Asia, and a decrease in provision of allowance for doubtful receivables. Net income attributable to owners of parent declined to 17,405 million yen (down 1.7% year on year), reflecting provision for loss on guarantees and other factors.

Segment overviews are as follows.

< Japan >

In the new car area of the automotive coatings sector, sales grew as we focused on expanding our market share despite car production remaining at the same level compared with the same period last year. Sales in the industrial coatings sector increased year on year due to robust sales of paints for construction machinery. Sales in the marine sector decreased significantly year on year due to sluggish business in the shipbuilding area. Sales in the protective coatings sector remained at almost the same level as the last year since the markets failed to stage a full-scale recovery. Sales in the decorative coatings and the automotive coatings (for refinishing) sectors slightly increased year on year.

As a result of those factors, sales in the segment as a whole were higher than the previous year. Profits grew due to a decrease in provision of allowance for doubtful receivables and other factors despite the impact of higher raw material prices. Net sales and ordinary income in the segment were 159,339 million yen (up 2.4% year on year) and 19,552 million yen (up 2.6% year on year), respectively.

< India >

Amid long-run economic growth centering on domestic demands, car production increased in the automotive coatings sector, leading to sales growth. Sales in the decorative coatings sector also rose on the back of our sales promotion driven by continued demand growth. Business performance, however, was negatively affected by the rise of raw material prices and the translation from weaker local currency into Japanese yen.

As a result of those factors, net sales and ordinary income in the segment were 86,922 million yen (up 4.2% year on year) and 11,051 million yen (down 17.3% year on year), respectively.

< Asia >

In China, sales in the automotive coatings sector increased year on year reflecting expanded demand from major customers while car production decreased year on year. Sales in 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. In Indonesia, sales in the automotive coatings, the industrial coatings, and the decorative coatings sectors were higher than the last year reflecting a robust economy. In Thailand, operating results exceeded the last year's level, following a recovery in car production.

As a result of those factors, net sales of the segment were 63,828 million yen. (up 0.8% year on year) Despite negative impact from the rise in raw material prices, ordinary income reached 5,398 million yen (up 1151.3% year on year) reflecting an increase in equity in earnings of affiliates as a result of recording impairment loss of goodwill in the Middle East in the previous year, and the absence of amortization of goodwill in the current fiscal year.

< Africa >

Amid the sluggish economy in South Africa and neighboring countries, we continued to endeavor to promote sales. Also due to the contribution of the business performance of companies in East Africa, which became our consolidated subsidiaries in August 2017, higher sales were recorded on the year-on-year basis. Despite a rise in sales compared with the same period last year, profitability faced significant pressure from the rise of raw material prices due to currency depreciation and the intensified price competition.

As a result of those factors, net sales of the segment were 39,446 million yen (up 12.3% year on year) while ordinary loss including the amortization of goodwill ended at 4,043 million yen.

< Europe >

In Turkey, despite a decrease in car production, sales in the local currency expanded significantly due to efforts for sales promotions. However, profits decreased due to an increase in foreign exchange loss caused by the depreciation of the local currency and a decrease in equity in earnings of affiliates. Together with a positive contribution from Kansai Helios Group, which became a consolidated subsidiary in March 2017, sales of the segment as a whole exceeded those in the last year. However, profits decreased year on year due to the negative impact from the rise of raw material prices.

As a result of those factors, net sales of the segment were 71,934 million yen (up 21.7% year on year) while ordinary income including the amortization of goodwill ended at 2,360 million yen (down 46.3% year on year).

<Others>

Sales grew in North America, due to efforts to expand sales of paints for automotive components in the industrial coatings sector. However, the region saw sluggish car production, which, together with the impact of intensified competition, led to a decrease in equity in earnings of affiliates.

As a result of those factors, net sales of the segment were 5,954 million yen (up 9.0% year on year) while ordinary income ended at 518 million yen (down 46.2% year on year).

Consolidated financial statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	65,088	74,614
Trade notes and accounts receivables	114,556	112,486
Securities	8,579	3,148
Finished goods	35,914	37,549
Work-in-process	5,027	5,569
Raw materials and supplies	25,658	26,121
Other	11,371	9,758
Allowance for doubtful receivables	(3,038)	(3,076)
Total current assets	263,158	266,172
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	54,196	55,100
Machinery, equipment and vehicles, net	26,141	28,898
Tools, furniture and fixtures, net	6,968	6,787
Land	25,230	24,226
Construction in progress	11,376	12,432
Total property, plant and equipment	123,913	127,444
Intangible assets		
Leasehold right	3,270	3,215
Software	2,845	2,547
Software in progress	194	461
Goodwill	47,203	39,782
Other	24,232	21,320
Total intangible assets	77,745	67,327
Investments and other assets		
Investment securities	99,812	84,032
Investments in capital	16,347	16,458
Loans receivable	163	111
Loans receivable to unconsolidated subsidiaries and affiliates	604	-
Net defined benefit asset	10,217	10,436
Deferred tax assets	6,678	6,764
Other	8,232	12,992
Allowance for doubtful receivables	(5,544)	(7,604)
Total investments and other assets	136,512	123,190
Total non-current assets	338,172	317,963
Total assets	601,330	584,135

	As of March 31, 2018	As of March 31, 2019
Liabilities		
Current liabilities		
Trade notes and accounts payables	73,592	71,140
Short-term borrowings	27,414	12,135
Short-term borrowings from unconsolidated subsidiaries and affiliates	80	130
Current portion of long-term debt	4,307	162
Current portion of convertible bonds with stock acquisition rights	-	40,126
Accrued expenses	9,273	9,908
Income and enterprise taxes payable	4,211	4,219
Provision for bonuses	5,330	4,864
Provision for loss on guarantees	-	2,219
Other	12,069	12,903
Total current liabilities	136,279	157,810
Non-current liabilities		
Convertible bonds with stock acquisition rights	100,937	60,160
Long-term debt	369	8,434
Deferred tax liabilities	28,491	25,182
Net defined benefit liability	8,237	8,607
Retirement benefits for directors and corporate auditors	104	109
Provision for management board incentive plan trust	39	95
Other	4,444	3,074
Total non-current liabilities	142,625	105,664
Total liabilities	278,904	263,474
Net assets		
Shareholders' equity		
Common stock	25,658	25,658
Capital surplus	13,232	22,342
Retained earnings	230,255	237,721
Treasury stock, at cost	(25,264)	(25,537)
Total shareholders' equity	243,882	260,185
Accumulated other comprehensive income		
Net unrealized holding gains on securities	36,363	29,876
Deferred gains on derivatives under hedge accounting	1,423	622
Foreign currency translation adjustments	(6,732)	(21,439)
Remeasurements of defined benefit plans	1,393	770
Total accumulated other comprehensive income	32,447	9,831
Non-controlling interests	46,096	50,644
Total net assets	322,425	320,661
Total liabilities and net assets	601,330	584,135

(2) Consolidated Statements of Income

(Millions of yen)

	Fiscal Year ended March 31, 2018	Fiscal Year ended March 31, 2019
Net sales	401,977	427,425
Cost of sales	269,945	294,161
Gross profit	132,032	133,264
Selling, general and administrative expenses	96,230	100,958
Operating income	35,802	32,306
Non-operating income		
Interest income	1,407	1,342
Dividend income	1,546	1,680
Equity in earnings of unconsolidated subsidiaries and affiliates	-	2,786
Miscellaneous income	1,510	1,096
Total non-operating income	4,465	6,905
Non-operating expenses		
Interest expense	1,509	1,872
Loss on disposal of inventories	232	374
Equity in losses of unconsolidated subsidiaries and affiliates	1,364	-
Provision of allowance for doubtful receivables	2,316	823
Foreign currency exchange loss	459	635
Miscellaneous expenses	1,144	667
Total non-operating expenses	7,025	4,373
Ordinary income	33,241	34,838
Extraordinary income		
Gain on sale of property, plant and equipment	137	150
Gain on sale of investment securities	1,573	2,015
Gain on sale of shares of subsidiaries and affiliates	-	855
Gain on liquidation of subsidiaries	-	31
Gain on revision of retirement benefit plan	760	-
Total extraordinary income	2,472	3,053
Extraordinary losses		
Loss on sale or disposal of property, plant and equipment	555	431
Impairment loss	301	673
Write-down of securities and investment securities	-	50
Loss on liquidation of subsidiaries	-	294
Loss on disaster	-	144
Early extra retirement payments	597	410
Provision for loss on guarantees	-	2,219
Total extraordinary losses	1,455	4,225
Income before income taxes and non-controlling interests	34,258	33,666
Income taxes - current	15,156	13,172
Income taxes - deferred	(3,334)	(760)
Total income taxes	11,821	12,411
Net income	22,437	21,254
Net income attributable to non-controlling interests	4,735	3,849
Net income attributable to owners of the parent	17,701	17,405

(3) Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal Year ended March 31, 2018	Fiscal Year ended March 31, 2019
Net income	22,437	21,254
Other comprehensive income		
Net unrealized holding gains (losses) on securities	4,537	(6,163)
Deferred gains (losses) on derivatives under hedge accounting	1,423	(800)
Foreign currency translation adjustments	6,175	(12,209)
Remeasurements of defined benefit plans	598	(622)
Shares in other comprehensive income of equity method affiliates	(10)	(5,892)
Total other comprehensive income	12,724	(25,689)
Comprehensive income	35,161	(4,434)
Comprehensive income attributable to:		
Owners of the parent	30,673	(5,210)
Non-controlling interests	4,488	776

(4) Consolidated Statements of Changes in Net Assets

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

Fiscal year ended March 31, 2019 (April 1, 2018 - March 31, 2019)

(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	13,232	230,255	(25,264)	243,882
Changes during the period					
Cash dividends paid			(7,617)		(7,617)
Net income attributable to owners of the parent			17,405		17,405
Purchase of treasury stock				(274)	(274)
Disposal of treasury stock		0		0	0
Change in transactions with non-controlling shareholders		9,110	(2,322)		6,788
Net changes in items other than shareholders' equity					
Total changes during the period	-	9,110	7,465	(273)	16,302
Balance at the end of the year	25,658	22,342	237,721	(25,537)	260,185

	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	36,363	1,423	(6,732)	1,393	32,447	46,096	322,425
Changes during the period							
Cash dividends paid							(7,617)
Net income attributable to owners of the parent							17,405
Purchase of treasury stock							(274)
Disposal of treasury stock							0
Change in transactions with non-controlling shareholders							6,788
Net changes in items other than shareholders' equity	(6,486)	(800)	(14,706)	(622)	(22,616)	4,548	(18,067)
Total changes during the period	(6,486)	(800)	(14,706)	(622)	(22,616)	4,548	(1,764)
Balance at the end of the year	29,876	622	(21,439)	770	9,831	50,644	320,661

(5) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal Year ended March 31, 2018	Fiscal Year ended March 31, 2019
Cash flows from operating activities		
Income before income taxes and non-controlling interests	34,258	33,666
Depreciation and amortization	13,176	13,917
Impairment loss	301	673
Amortization of goodwill	3,687	4,780
Increase in allowance for doubtful receivables	4,044	2,249
Decrease in net defined benefit liability	(3,016)	(492)
Interest and dividend income	(2,954)	(3,022)
Interest expense	1,509	1,872
Equity in earnings (losses) of unconsolidated subsidiaries and affiliates	1,364	(2,786)
Gain on sale of investment securities	(1,573)	(2,015)
Write-down of investment securities	-	50
Gain on sale of shares of subsidiaries and associates	-	(855)
Loss on sale or disposal of property, plant and equipment, net	417	281
Increase in trade notes and accounts receivables	(9,802)	(2,408)
Increase in inventories	(4,003)	(6,783)
Increase (decrease) in trade notes and accounts payables	11,691	(90)
Other, net	(3,326)	6,519
Subtotal	45,775	45,556
Interest and dividends received	4,709	5,275
Interest paid	(1,555)	(2,078)
Income taxes paid	(15,420)	(13,121)
Net cash provided by operating activities	33,509	35,632
Cash flows from investing activities		
Payments into time deposits	(3,344)	(1,344)
Proceeds from withdrawal of time deposits	269	805
Net decrease in securities	731	5,629
Purchase of property, plant and equipment	(15,486)	(21,210)
Proceeds from sale of property, plant and equipment	396	1,294
Purchase of intangible assets	(755)	(1,250)
Purchase of investment securities	(147)	(212)
Proceeds from sale of investment securities	2,037	3,083
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(13,367)	(1,122)
Payments for investments in capital	(436)	(0)
Payments of loans receivable	(294)	(677)
Collection of loans receivable	378	429
Payments for settlement of derivative, net	(2,794)	(975)
Other, net	(943)	(1,911)
Net cash used in investing activities	(33,756)	(17,461)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	18,678	(14,570)
Proceeds from long-term debt	304	5,431
Repayments of long-term debt	(2,248)	(795)
Purchase of treasury stock	(175)	(9)
Cash dividends paid	(6,326)	(7,617)
Cash dividends paid to non-controlling interests	(2,105)	(1,630)
Proceeds from share issuance to non-controlling shareholders	-	12,235
Purchase of investments in subsidiaries without change in scope of consolidation	(4)	-
Other, net	(62)	(8)
Net cash provided by (used in) financing activities	8,059	(6,964)
Effect of exchange rate changes on cash and cash equivalents	1,044	(2,171)
Increase in cash and cash equivalents	8,857	9,035
Cash and cash equivalents at beginning of period	52,314	61,171
Cash and cash equivalents at end of period	61,171	70,207

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, 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	295,354	66,198	97,014	56,956	121,771	637,294	17,399	654,694	(53,364)	601,330
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.

Fiscal year ended March 31, 2019 (April 1, 2018 - March 31, 2019)

(Millions of yen)

	Reportable segments						Other *1	Total	Adjustment *2	Consolidated *3
	Japan	India	Asia	Africa	Europe	Total				
Net sales										
(1) Sales to customers	159,339	86,922	63,828	39,446	71,934	421,471	5,954	427,425	-	427,425
(2) Intersegment sales and transfers	15,543	56	3,625	304	93	19,624	0	19,624	(19,624)	-
Total sales	174,882	86,979	67,454	39,751	72,027	441,095	5,954	447,050	(19,624)	427,425
Segment income (loss)	19,552	11,051	5,398	(4,043)	2,360	34,319	518	34,838	-	34,838
Segment assets	272,574	70,842	94,993	44,803	103,901	587,115	14,587	601,702	(17,567)	584,135
Other items										
Depreciation and amortization	3,474	1,530	3,016	2,673	2,744	13,439	477	13,917	-	13,917
Amortization of goodwill	-	67	410	2,023	1,998	4,499	280	4,780	-	4,780
Interest income	1,114	278	257	42	22	1,715	0	1,716	(373)	1,342
Interest expense	83	121	43	1,258	887	2,394	1	2,395	(523)	1,872
Equity in earnings (losses) of unconsolidated subsidiaries and affiliates	994	(73)	1,304	173	129	2,528	257	2,786	-	2,786
Investments in unconsolidated subsidiaries and affiliates	13,919	225	18,286	1,644	8,816	42,891	2,544	45,436	-	45,436
Increase in property, plant and equipment and intangible assets	4,839	8,122	4,868	1,317	3,350	22,498	520	23,018	-	23,018

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, Bangladesh 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.