Consolidated Financial Results
for the First Three Quarters of the Fiscal Year Ending March 31, 2017
[Japan GAAP]

Prepared in accordance with accounting principles generally accepted in Japan

Translated from the original Japanese-language document

February 10, 2017

Daifuku Co., Ltd.
Stock code: 6383, First Section of Tokyo Stock Exchange
URL: www.daifuku.com/jp/
Representative: Masaki Hojo, President and CEO
Contact: Tsukasa Saito, General Manager of Finance & Accounting Division
Tel: +81-6-6472-1261

Scheduled date for filing quarterly financial report: February 13, 2017
Scheduled date of commencing dividend payment: -
Quarterly earnings supplementary materials: Yes
Quarterly earnings presentation: Yes (for institutional investors and securities analysts)

Note: Figures are rounded down to the nearest one million yen.

1. Consolidated Financial Results for the First Three Quarters of Fiscal 2016

(April 1, 2016 - December 31, 2016)

(1) Operating results

(Figures in percentages denote the year-on-year change)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of the parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First 3 quarters of fiscal 2016	**224,323**	**(5.1)**	**16,305**	**4.8**	**16,601**	**0.2**	**12,200**	**11.5**
First 3 quarters of fiscal 2015	236,345	26.9	15,563	69.6	16,565	65.4	10,940	66.5

Note: Comprehensive income

First three quarters of fiscal 2016: 6,060 million yen (-31.3%)

First three quarters of fiscal 2015: 8,820 million yen (-10.9%)

	Net income per share	Diluted net income per share
	Yen	Yen
First 3 quarters of fiscal 2016	**100.24**	**—**
First 3 quarters of fiscal 2015	97.01	91.51

(2) Financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
First 3 quarters of fiscal 2016	**273,961**	**132,357**	**47.3**
Fiscal 2015	296,055	130,116	42.9

Reference: Shareholders' equity

First three quarters of fiscal 2016: 129,473 million yen

Fiscal 2015: 127,052 million yen

2. Dividends

	Dividend per share				
	End of Q1	End of Q2	End of Q3	End of FY	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal 2015	—	10.00	—	20.00	30.00
Fiscal 2016	—	12.00	—		
Fiscal 2016 (forecast)				28.00	40.00

Note: Revisions to the latest dividend forecast: Yes
Fiscal 2016 dividends breakdown (forecast)
Ordinary dividend: 35 yen
Commemorative dividend: 5 yen (for celebrating our 80th anniversary)

3. Consolidated Earnings Forecast for the Fiscal 2016

(April 1, 2016 - March 31, 2017)

(Percentage figures denote increases or decreases compared with the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of the parent company		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	320,000	(4.8)	22,500	7.8	23,000	4.6	16,500	20.9	135.57

Note: Revisions to the latest consolidated financial forecast: Yes

Notes:

(1) Changes in significant subsidiaries that affected the scope of consolidation during the period: None

(2) Adoption of specific accounting methods for preparing the quarterly consolidated financial statements: None

(3) Changes in accounting policies, accounting estimates, and restatement
1) Changes in accounting standards associated with the revisions of accounting standards: Yes
2) Other changes: None
3) Changes in accounting estimates: None
4) Restatement: None

For more details, please see 2-(1) "Changes in accounting policies, accounting estimates, and restatement."

(4) Number of shares issued (Common stock)
1) Number of shares issued including treasury stock at the end of the period
Third quarter of fiscal 2016: 123,610,077 shares
Fiscal 2015: 123,610,077 shares
2) Number of treasury stock at the end of the period
Third quarter of fiscal 2016: 1,827,033 shares
Fiscal 2015: 1,958,836 shares
3) Average number of shares during the period (cumulative from the beginning of the fiscal year)
First three quarters of fiscal 2016: 121,707,419 shares
First three quarters of fiscal 2015: 112,777,824 shares

Note: The number of treasury stock at the end of the first three quarters of the fiscal year ending March 31, 2017 includes 90,000 shares owned by the Board Benefit Trust. The number of treasury stock at the end of the fiscal year ended March 31, 2016 included 133,400 shares owned by a trust on behalf of Daifuku employees' shareholding association.

Regarding the status of quarterly review procedures

These quarterly consolidated financial statements are exempted from quarterly review as provided in Japan's Financial Instruments and Exchange Act. At the time of disclosure of this report, review procedures for these consolidated financial statements pursuant to this Act have not been completed.

Disclaimer

The business forecasts contained in this document are based on information available to management at the present time and certain assumptions judged to be rational. As such, actual sales and income may differ from this forecast due to uncertain factors present in the forecast or future changes in business circumstances. For the business forecasts, please see 1-(3) "Outlook for the fiscal year ending March 31, 2017."

Quarterly earnings supplementary materials are available at the TDnet and our website: www.daifuku.com/ir/financials/results.

Contents

1. Qualitative Information Relating to Quarterly Consolidated Financial Results

(1) Operating results

During the first three quarters of the fiscal year under review, the global economy faced stagnant business confidence in emerging countries in the wake of the slowdown in economic growth in China. Thanks to a moderate recovery in developed nations, turmoil in stock and foreign exchange markets triggered by the Brexit decision in Great Britain remained limited. After the presidential election, an increase in U.S. public spending is expected, although future trade policy is emerging as a variable with serious implications for the global economy. The Japanese economy maintained a moderate recovery with some positive factors, including the underlying strength of capital investment.

The Daifuku Group's mainstay material handling systems have considerable growth potential, given the global expansion of investment in logistics systems by the e-commerce sector, rising demand for automation and larger facilities, and the use of capital investment to resolve labor shortages and boost productivity.

Amid these conditions, the operating results of the Group were strong, with record profits during the first three quarters of the fiscal year under review.

Orders topped 100 billion yen, an impressive outcome for the first three quarters of the fiscal year under review, helped by a project in China for flat-panel display (FPD) factories that handles the world's largest glass substrates, as well as substantial projects for the food and distribution sectors in North America. This high level of orders is continuing, underpinned by solid business conditions in the FPD and semiconductor sectors, increased capital investment by automakers, and rising demand for material handling systems in manufacturers and distributors. Full-year orders are projected to be 355 billion yen, surpassing the 330 billion yen targeted in the initial plan for the fiscal year under review.

Sales were positive, underpinned by extensive order backlogs. Specifically, the Group received orders of 247,064 million yen, down 11.9% from a year earlier, and recorded net sales of 224,323 million yen, down 5.1%.

Income surpassed the year-ago figure, reflecting the significantly increased profitability at U.S. subsidiaries, stable profitability at the parent company, Daifuku Co., Ltd., and the return to profitability of a European subsidiary, which sells systems used in airports. Consequently, the Group posted operating income of 16,305 million yen, up 4.8% from a year earlier, and ordinary income of 16,601 million yen, up 0.2%. Net income attributable to shareholders of the parent company was 12,200 million yen, up 11.5%.

The average exchange rate used for transactions within the Group during the first three quarters of the fiscal year under review was 108.85 yen to the U.S. dollar, compared with an exchange rate of 120.91 yen for the same period of the previous fiscal year. Due to the appreciation of the yen, orders declined by about 37.6 billion yen, sales by about 13.5 billion yen, and operating income by about 0.8 billion yen, compared with the same period of the previous fiscal year. Of the influence on orders, the actual change in orders received during the year for the first three quarters of the fiscal year under review was about 15.3 billion yen. Other than that, the order backlog at the end of the fiscal year ended March 31, 2016 was recalculated using the above exchange rate.

In addition, Daifuku prepared a new medium-term business plan, Value Innovation 2020, which will apply for the four-year period from April 1, 2017, to March 31, 2021, with final-year management targets of consolidated net sales of 420 billion yen and an operating margin of 8.0%. For more details about the plan, please see the Company's statement separately released on February 10, 2017.

Results by reportable segment are described below. Orders from and sales to outside customers are described as segment orders and sales, and quarterly net income attributable to shareholders of the parent company is recorded as segment income. For more details about segments, please see "Segment Information" below.

Daifuku Co., Ltd.

In our mainstay systems for manufacturers and distributors, orders for large projects remained firm in the distribution sectors, including e-commerce and co-ops, pharmaceutical wholesalers, and in the pharmaceutical and frozen-food sectors. Orders for retrofitting projects were also steady. In systems for semiconductor factories, orders were clustered during the first three quarters of the fiscal year under review. In automobile production line systems, orders for services and small upgrade projects remained firm in Japan.

Sales were firm at a high level, as favorable orders continued from last year.

Income fell, principally due to vigorous investment in R&D, despite the benefits of increased sales and cost cutting.

As a result, the Company recorded orders of 124,163 million yen, up 11.5% from the previous fiscal year, sales of 101,751 million yen, up 1.8%, and segment income of 7,236 million yen, down 9.3%.

Contec Co., Ltd. and its subsidiaries

In electronic devices, sales in Japan increased, as demand for industrial computers for the semiconductor production equipment remained strong. In the U.S. market, sales of industrial computers for the medical device sector remained solid. Sales on a yen basis rose only slightly, reflecting the appreciation of the yen.

In terms of profits, operating income and ordinary income increased, mainly attributable to an increase in sales of electronic devices, increased production efficiency, and a decrease in procurement costs along with the appreciation of the yen. However, segment income was influenced by the absence of the gain on sales of investments in securities posted as extraordinary income during the previous year.

As a result, Contec posted orders of 11,693 million yen, up 6.3% from the previous fiscal year, sales of 11,321 million yen, up 8.0%, and segment income of 352 million yen, down 1.0%.

Daifuku North America Holding Company and its subsidiaries and affiliates

In systems for manufacturers and distributors, Daifuku North America received orders as scheduled for large projects from the distribution and food sectors. The segment is also set to benefit from demand in growth fields, such as e-commerce.

In automobile production line systems, orders for the expansion and upgrading of existing lines remained solid, although the segment lacked the very large orders it posted in the same period of the previous fiscal year. Orders for automatic guided carts from the automobile parts logistics sector were also favorable.

In systems for semiconductor manufacturers, orders were strong as the segment has seen brisk capital spending in line with the evolution of IoT (Internet of Things).

In airport technologies, the segment appears set for further growth, with increased air travel helping turn business around and Mobile Inspection Tables (MITs) using the company's automatic guided cart technology increasingly being introduced to baggage inspection areas.

Sales were comparatively influenced by the concentration of orders in the second half of the fiscal year, but increased steadily on the strength of an extensive order backlog. Income increased in step with the higher sales, with significant profitability due to large projects for automobile production line systems and the improved earnings of airport technologies.

As a result, Daifuku North America achieved orders of 54,638 million yen, down 30.9% from the previous fiscal year, net sales of 59,366 million yen, up 5.0%, and segment income of 3,315 million yen, up 230.6%.

Daifuku Plusmore Co., Ltd.

Daifuku Plusmore mainly sells car wash machines and bowling-related products and provides rental roll box pallets in Japan. In its mainstay car wash machines, sales remained favorable after the second half of the fiscal year under review, underpinned by the introduction of subsidies from the government, although growth in the number of unit sales for car service stations was sluggish during the first quarter.

As a consequence, Daifuku Plusmore reported orders of 9,133 million yen, down 8.5% from the previous fiscal year, sales of 8,919 million yen, down 8.2%, and segment income of 56 million yen, down 67.8%.

Other

The Daifuku Group has a total of 55 consolidated subsidiaries and affiliates worldwide. The Other segment includes all other Group companies, excluding the aforementioned Contec and its subsidiaries, Daifuku North America and its subsidiaries and affiliates, and Daifuku Plusmore.

Outside Japan, major subsidiaries include Daifuku (China) Co., Ltd. in China; Taiwan Daifuku Co., Ltd. in Taiwan; Daifuku Korea Co., Ltd. and Clean Factomation, Inc. in South Korea; and Daifuku (Thailand) Ltd. in Thailand, which primarily manufacture and sell material handling systems and equipment. Each of these companies plays a global role in optimizing the local production and procurement framework of the Group.

In China, since the economic structure has been shifting from exports to domestic demand, with a concurrent move from manufacturing to service-oriented sectors, demand for material handling systems is rising rapidly in the food, pharmaceutical, and distribution sectors. In systems for FPD factories, while demand for OLED is rising, TV panels are growing in size and Daifuku (Suzhou) Cleanroom Automation Co., Ltd. received an order for systems for an FPD factory handling the world’s largest glass substrates.

In automobile production line systems, orders increased as Japanese automakers began making investments again, after a period during capital spending was on hold.

In Taiwan, the FPD factory-related business is slowing, although large projects for semiconductor factories are active.

In South Korea, orders for systems for FPD and semiconductor factories declined significantly compared with the same period of the previous fiscal year. Sales and income reflected this decline.

In automobile production line systems, orders were affected by the sluggish growth of automotive demand in South Korea. Meanwhile, demand from the distribution sector is increasing, where Daifuku Korea has been focusing on marketing and obtaining orders. In car wash machines, orders are expected to rise to a new record high, bolstered by increased demand for high-throughput car wash machines for established paid car-washing services.

Of ASEAN countries, Daifuku Thailand is focusing on reinforcing the production framework for manufacturers and distributors, to compensate for the impact of the sluggish growth in the automobile industry in Thailand. In Indonesia, demand for frozen foods and daily commodities is rising and a rally is being seen along with developments in local sales frameworks. In India, inquiries for systems for manufacturers and distributors are robust, and Daifuku India opened a new office in Mumbai.

BCS Group Limited, which handles systems and technologies for airports in Oceania and Asia, aimed to expand sales of its Baggage Tray System and won its first order for the system in Canada.

During the first half of the fiscal year under review, the segment was strongly affected by shifts in capital investment in the semiconductor and FPD sectors in East Asia; however, orders recovered during the third quarter. As a result, the segment recorded orders of 47,436 million yen, down 31.4% from the previous fiscal year, sales of 45,500 million yen, down 17.4%, and segment income of 1,258 million yen, down 51.8%.

(2) Financial position

Assets

Total assets at the end of the first three quarters of the fiscal year under review stood at 273,961 million yen, a decrease of 22,093 million yen from the end of the previous fiscal year. The result principally reflected decreases of 8,298 million yen in notes and accounts receivable from completed contracts and 7,349 million yen in other current assets such as insufficient charges on uncompleted contracts, and 5,766 million yen in cash on hand and in banks.

Liabilities

Total liabilities at the end of the first three quarters of the fiscal year under review amounted to 141,604 million yen, a decrease of 24,334 million yen from the end of the previous fiscal year. Primary factors included decreases of 7,435 million yen in notes and accounts payable for contracts, 5,238 million yen in income taxes payable, and 5,075 million yen in other current liabilities such as excess charges for uncompleted construction and advances received.

Net assets

Net assets at the end of the first three quarters of the fiscal year under review were 132,357 million yen, an increase of 2,240 million yen from the end of the previous fiscal year. This was mainly attributable to a decrease of 8,986 million yen in foreign currency translation adjustments, as well as increases of 8,302 million yen in retained earnings, 1,566 million yen in accumulated adjustments on retirement benefits and 1,481 million yen in net unrealized gains on securities.

(3) Outlook for the fiscal year ending March 31, 2017

The Group has revised its full-year earnings forecast for the fiscal year ending March 31, 2017, which was announced on May 12, 2016, as follows.

Net sales are expected to decrease from the plan, mainly due to the concentration of orders to the second half of the fiscal year and the decrease in orders received and sales recorded during the term.

Income is expected to surpass the figure previously announced, reflecting the stable profitability of the parent company, Daifuku Co., Ltd., the significantly increased profitability of U.S. subsidiaries, and the return to profitability of Contec and its subsidiaries. Accordingly, Daifuku has decided to pay a year-end dividend of 28 yen per share, up 5 yen, for a record annual dividend of 40 yen per share, including an interim dividend per share of 12 yen. The year-end dividend of 28 yen includes a commemorative dividend of 5 yen for its 80th anniversary. For details, please see the news release “Notice of Revision to Dividend Forecast” separately announced on February 10, 2017.

Revisions to the earnings forecast for the fiscal year ending March 31, 2017

(April 1, 2016 - March 31, 2017)

(Million yen)

	Net sales	Operating income	Ordinary income	Net income attributable to shareholders of the parent company	Net income per share (yen)
Previous forecast (A)	330,000	21,000	21,500	14,500	119.19
Current forecast (B)	320,000	22,500	23,000	16,500	135.57
Change (B – A)	-10,000	1,500	1,500	2,000	–
Rate of change (%)	-3.0	7.1	7.0	13.8	–
Reference: Results for fiscal year ended March 31, 2016	336,184	20,878	21,995	13, 652	118.72

*Disclaimer

The above forecast represents the judgment of the Company based on information available at the time of this release and contains various uncertainties. Actual results may differ materially from forecast values due to factors such as changes in the business performance of the Company.

The full-year orders forecast is estimated to be 355,000 million yen, an increase of 7.6% from the previous forecast of 330,000 million yen announced on May 12, 2016.

2. Matters Relating to Summary Information (Notes)

(1) Changes in accounting policies, accounting estimates, and restatement

Changes in significant accounting policies

Following the revision of the Corporation Tax Act, the Group applies the Practical Solution on Accounting for Changes in Depreciation Method related to the 2016 Tax Law Changes (ASBJ PITF No. 32; June 17, 2016) in the first quarter of the fiscal year under review and has changed the depreciation method for facilities attached to buildings and structures acquired on or after April 1, 2016 from the declining-balance method to the straight-line method. The impact of this change is immaterial.

(2) Additional information

Starting the first quarter of the fiscal year under review, the Group is applying the Revised Implementation Guidance on Recoverability of Deferred Tax Assets (ASBJ Guidance No. 26; March 28, 2016).

3. Consolidated Financial Statements

(1) Consolidated balance sheets

(Million yen)

	FY2015 (Year ended March 31, 2016)	First three quarters of FY2016 (Period ended December 31, 2016)
ASSETS		
Current assets:		
Cash on hand and in banks	49,187	43,421
Notes and accounts receivable and unbilled receivables	103,264	94,965
Merchandise and finished goods	3,629	4,780
Costs incurred on uncompleted construction contracts and other	7,092	11,017
Raw materials and supplies	11,370	9,449
Other current assets	39,926	32,576
Allowance for doubtful accounts	(146)	(126)
Total current assets	214,324	196,084
Non-current assets:		
Property, plant and equipment	32,881	31,747
Intangible assets		
Goodwill	11,181	9,026
Other	5,891	4,905
Total intangible assets	17,072	13,932
Investments and other assets		
Other	31,901	32,335
Allowance for doubtful accounts	(125)	(138)
Total investments and other assets	31,776	32,197
Total non-current assets	81,731	77,877
Total assets	296,055	273,961
LIABILITIES		
Current liabilities:		
Notes and accounts payable and construction contracts payable	40,696	33,260
Electronically recorded obligations - operating	17,270	16,003
Short-term borrowings	8,702	15,681
Income taxes payable	5,919	680
Provision for losses on construction contracts	971	764
Other current liabilities	41,471	36,395
Total current liabilities	115,031	102,786
Non-current liabilities:		
Bonds	2,700	2,700
Long-term borrowings	29,501	19,945
Liabilities for retirement benefits	14,500	12,361
Other non-current liabilities	4,205	3,810
Total non-current liabilities	50,907	38,817
Total liabilities	165,938	141,604

(Million yen)

	FY2015 (Year ended March 31, 2016)	First three quarters of FY2016 (Period ended December 31, 2016)
NET ASSETS		
Shareholders' equity:		
Common stock	15,016	15,016
Capital surplus	15,794	15,902
Retained earnings	94,501	102,803
Treasury stock	(1,642)	(1,583)
Total shareholders' equity	123,669	132,137
Accumulated other comprehensive income:		
Net unrealized gain on securities	3,206	4,688
Deferred gain (loss) on hedges	22	(86)
Foreign currency translation adjustments	7,730	(1,255)
Accumulated adjustments on retirement benefits	(7,576)	(6,010)
Total accumulated other comprehensive income	3,383	(2,664)
Non-controlling interests:	3,063	2,884
Total net assets	130,116	132,357
Total liabilities and net assets	296,055	273,961

(2) Consolidated statements of income and comprehensive income

(Million yen)

	FY2015 First 3Qs (April 1, 2015 - December 31, 2015)	FY2016 First 3Qs (April 1, 2016 - December 31, 2016)
Net sales	236,345	224,323
Cost of sales	190,181	177,980
Gross profit	46,164	46,342
Selling, general and administrative expenses:		
Selling expenses	13,653	12,074
General and administrative expenses	16,947	17,962
Total selling, general and administrative expenses	30,601	30,036
Operating income	15,563	16,305
Other income:		
Interest income	140	120
Dividend income	355	367
Equity in earnings of affiliates	337	385
Rental revenue	170	176
Miscellaneous income	462	205
Total other income	1,466	1,255
Other expenses:		
Interest expenses	371	321
Foreign exchange loss	—	528
Miscellaneous expenses	92	108
Total other expenses	463	959
Ordinary income	16,565	16,601
Extraordinary income:		
Gain on liquidation of affiliates	—	27
Gain on sales of property, plant and equipment	168	36
Gain on sales of investments in securities	374	—
Other	1	—
Total extraordinary income	544	64
Extraordinary loss:		
Loss on disposal or sales of property, plant and equipment	569	85
Impairment loss	452	—
Other	124	14
Total extraordinary loss	1,146	99
Income before income taxes	15,963	16,566
Income taxes - current	5,730	4,121
Income taxes - deferred	(887)	105
Total income taxes	4,843	4,226
Net income	11,120	12,340
Net income attributable to:		
Shareholders of the parent company	10,940	12,200
Non-controlling interests	179	139

(Million yen)

	FY2015 First 3Qs (April 1, 2015 - December 31, 2015)	FY2016 First 3Qs (April 1, 2016 - December 31, 2016)
Other comprehensive income:		
Net unrealized gain on securities	418	1,495
Deferred gain (loss) on hedges	44	(120)
Foreign currency translation adjustments	(3,152)	(8,977)
Adjustments on retirement benefits	319	1,587
Share of other comprehensive income (loss) of affiliates accounted for using the equity method	70	(263)
Total other comprehensive loss	(2,299)	(6,279)
Comprehensive income	8,820	6,060
Comprehensive income attributable to:		
Shareholders of the parent company	8,773	6,152
Non-controlling interests	46	(91)

Note on Going Concern Assumption

Not applicable

Notes When There Is a Material Change in the Amount of Shareholders Equity

Not applicable

Segment Information

I. The first three quarters of the previous fiscal year ended March 31, 2016 (from April 1, 2015 to December 31, 2015)

1. Information relating to the amounts of net sales and income by reportable segment

(Million yen)

	Reportable segment					Other*	Total
	Daifuku	Contec	Daifuku North America	Daifuku Plusmore	Total		
Net sales							
Sales to outside customers	99,912	10,484	56,548	9,711	176,657	55,081	231,738
Intersegment sales or transfers	20,573	6,648	350	20	27,592	12,196	39,788
Total	120,485	17,132	56,898	9,731	204,249	67,277	271,527
Segment income	7,981	355	1,003	175	9,515	2,610	12,125

* "Other" represents an operating segment comprising subsidiaries that are not included in reportable segments.

2. Differences between total amounts of net sales and income (loss) of reportable segments and those in quarterly consolidated statements of income and comprehensive income and details thereof (matters relating to difference reconciliation)

Net sales	(Million yen)
Reportable segments total	204,249
Net sales classified in "Other"	67,277
Elimination of intersegment transactions	(39,788)
Consolidation adjustments to net sales under the percentage-of-completion method	4,446
Other adjustments for consolidation	160
Net sales in quarterly consolidated financial statements	236,345

Segment income	(Million yen)
Reportable segments total	9,515
Segment income classified in "Other"	2,610
Elimination of cash dividends from affiliates	(386)
Consolidation adjustments to net sales under the percentage-of-completion method	128
Other adjustments for consolidation	(926)
Net income attributable to shareholders of the parent company in quarterly consolidated financial statements	10,940

II. The first three quarters of the fiscal year ending March 31, 2017 (from April 1, 2016 to December 31, 2016)

1. Information relating to the amounts of net sales and income by reportable segment

(Million yen)

	Reportable segment					Other*	Total
	Daifuku	Contec	Daifuku North America	Daifuku Plusmore	Total		
Net sales							
Sales to outside customers	101,751	11,321	59,366	8,919	181,358	45,500	226,859
Intersegment sales or transfers	20,341	5,328	256	13	25,940	10,752	36,693
Total	122,092	16,649	59,623	8,933	207,299	56,253	263,553
Segment income	7,236	352	3,315	56	10,960	1,258	12,218

* "Other" represents an operating segment comprising subsidiaries that are not included in reportable segments.

2. Differences between total amounts of net sales and income (loss) of reportable segments and those in quarterly consolidated statements of income and comprehensive income and details thereof (matters relating to difference reconciliation)

Net sales	(Million yen)
Reportable segments total	207,299
Net sales classified in "Other"	56,253
Elimination of intersegment transactions	(36,693)
Consolidation adjustments to net sales under the percentage-of-completion method	(2,659)
Other adjustments for consolidation	123
Net sales in quarterly consolidated financial statements	224,323

Segment income	(Million yen)
Reportable segments total	10,960
Segment income classified in "Other"	1,258
Elimination of cash dividends from affiliates	(210)
Consolidation adjustments to net sales under the percentage-of-completion method	(115)
Other adjustments for consolidation	307
Net income attributable to shareholders of the parent company in quarterly consolidated financial statements	12,200

Management Changes

Effective April 1, 2017

(1) Changes in representative directors

Not applicable

(2) Changes in corporate officers

Akihiko Kishida

New: Managing Officer
Deputy General Manager of AFA Operations
General Manager of Production Division, AFA Operations

Current: Corporate Officer
Deputy General Manager of AFA Operations
General Manager of Global Sales Division, AFA Operations
General Manager of Production Division, AFA Operations

Yoshiyuki Horiba

New: Managing Officer
Deputy General Manager of eFA Operations

Current: Corporate Officer
General Manager of Flat-Panel Display Division, eFA Operations

(3) Promoted to a corporate officer

Norihito Toriya

New: Corporate Officer
General Manager of Sales Division, FA&DA Operations

Current: General Manager of Sales Division, FA&DA Operations