

Summary of Consolidated Financial Statements for the First Quarter Ended March 31, 2017 [Japanese Standard]

May 9, 2017

Company name: Lion Corporation
Listed stock exchanges: Tokyo Stock Exchange
Code: 4912
URL: <http://www.lion.co.jp/en/>

Representative: Itsuo Hama, Representative Director, President Executive Officer
Contact: Yoshiaki Kamao, Director of Finance Department
Telephone: +81-3-3621-6211

Scheduled date of filing of quarterly financial report (Shihanki Houkokusho): May 15, 2017

Start date for payment of dividend: —

Supplementary materials prepared for quarterly results: Yes

Quarterly results information meeting held: No

Figures in this and subsequent tables are rounded down to the nearest million.

1. Consolidated Results for the First Quarter Ended March 31, 2017

(January 1, 2017 – March 31, 2017)

(1) Consolidated Results (cumulative total)

(Percentage figures denote year-on-year change)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First Quarter Ended Mar. 2017	92,217	3.1	6,788	17.1	7,171	17.0	4,773	25.7
First Quarter Ended Mar. 2016	89,485	7.9	5,795	171.1	6,130	169.6	3,797	234.1

Note: Comprehensive income: First quarter ended March 31, 2017: ¥6,142 million (114.2%)

First quarter ended March 31, 2016: ¥2,867 million (-3.5%)

	EPS	Diluted EPS
	Yen	Yen
First Quarter Ended Mar. 2017	16.43	16.41
First Quarter Ended Mar. 2016	13.25	13.06

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity to total assets
	Millions of yen	Millions of yen	%
First Quarter Ended March 2017	279,905	161,886	54.6
December 2016	298,510	157,879	50.0

Note: Shareholders' equity: March 31, 2017: ¥152,862 million, December 31, 2016: ¥149,282 million

2. Dividend

Record Date	Cash dividend per share / Yen				
	First Quarter	Second Quarter	Third Quarter	Year-End	Annual
FY2016	—	5.00	—	8.00	13.00
FY2017 actual	—				
FY2017 plan		7.00	—	8.00	15.00

Note: Revision to Cash dividend forecast during period under review: None

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2017 (January 1, 2017 – December 31, 2017)

Notes: Percent figures for net sales, operating income, ordinary income, and net income express percentage change over the year-ago period.

	Net sales		Operating income		Ordinary income		Profit (loss) attributable to owners of parent		EPS
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Interim 2017	192,000	2.0	10,500	0.7	11,500	1.4	7,500	4.7	25.81
Fiscal 2017	405,000	2.4	27,000	10.2	28,000	6.5	17,000	6.6	58.50

Note: Revision to consolidated performance forecast during period under review: No

Notes

- (1) Significant changes in scope of consolidation during the period: No
- (2) Special accounting treatment for preparation of quarterly consolidated financial statements: No
- (3) Changes in Accounting Policies and Changes in and Restatement of Accounting Estimates:
 - a. Changes associated with revisions in accounting principles: No
 - b. Other changes: No
 - c. Changes in accounting estimates: No
 - d. Restatement: No
- (4) Number of outstanding shares (common stock)
 - a. Number of outstanding shares on balance sheet dates (including treasury stocks):
 - As of March 31, 2017: 299,115,346 shares
 - As of December 31, 2016: 299,115,346 shares
 - b. Number of treasury stocks on balance sheet date:
 - As of March 31, 2017: 8,547,313 shares
 - As of December 31, 2016: 8,551,212 shares
 - c. Average shares outstanding over period (cumulative; consolidated)
 - As of March 31, 2017: 290,573,335 shares
 - As of March 31, 2016: 286,637,600 shares

Appropriate use of business forecast; other special items

The forecasts and projected operating results contained in this report are based on information available at the time of preparation, and thus involve inherent risks and uncertainties. Accordingly, readers are cautioned that actual results may differ materially from those projected as a result of a variety of factors. For more details, refer to “(3) Qualitative Information Concerning the Forecast of Consolidated Financial Results” on page 7.

Contents

1. Qualitative Information Concerning the Results of Operations for the First Quarter of the Current Fiscal Year -----	2
(1) Qualitative Information Concerning Consolidated Performance -----	2
(2) Financial Status -----	6
(3) Qualitative Information Concerning the Forecast of Consolidated Financial Results -----	7
2. Summary (Other) Information and Note-----	7
(1) Changes in Important Subsidiaries during the Period-----	7
(2) Special Accounting Treatment for Preparation of Quarterly Consolidated Financial Statements -----	7
(3) Changes in Accounting Policies and Changes in and Restatement of Accounting Estimates -----	7
(4) Additional Information-----	7
3. Consolidated Quarterly Financial Reporting Statements-----	8
(1) Consolidated Quarterly Balance Sheets-----	8
(2) Consolidated Quarterly Statements of Income and Consolidated Statements of Comprehensive Income -----	10
(3) Notes Concerning Consolidated Quarterly Financial Statements-----	12
(Notes Regarding Going Concern Assumptions)-----	12
(Notes in the Event of Significant Changes in Amount of Shareholders' Equity -----	12
(Segment Information)-----	12

1. Qualitative Information Concerning the Results of Operations for the First Quarter of the Current Fiscal Year

(1) Qualitative Information Concerning Consolidated Performance

During the first quarter of fiscal 2017 (January 1, 2017–March 31, 2017), net sales amounted to ¥92,217 million, a year-on-year increase of 3.1% (or an increase of 3.6% in terms of real net sales, which exclude the influence of exchange rate conversions). The Company recorded operating income of ¥6,788 million, up 17.1% from the corresponding period of the previous fiscal year, and ordinary income of ¥7,171 million, up 17.0%. Profit attributable to owners of parent for the first quarter of the current fiscal year amounted to ¥4,773 million, a year-on-year increase of 25.7%.

During the fiscal period under review, the Lion Group implemented its medium-term management plan, called the V-2 Plan (Vision2020 Part-2). The Lion Group is advancing initiatives based on the four strategies of this plan: (1) Qualitative Growth of Domestic Businesses; (2) Quantitative Expansion of Overseas Businesses; (3) Development of New Business Value; and (4) Enhancement of Organizational Learning Capabilities.

Domestically, Lion introduced such new products as toothbrushes, antiperspirants and deodorants, and fabric softeners and worked to cultivate markets for its products through aggressive marketing, focusing mainly on high-value-added products.

In its overseas operations, the Group sought to cultivate markets for its key brands as part of efforts to expand its business, focusing mainly on personal care products, including oral care and beauty care products.

<Consolidated Results>

(Millions of yen)

	First Quarter Ended Mar. 2017	Ratio to net sales	First Quarter Ended Mar. 2016	Ratio to net sales	Increase/decrease	Change
Net sales	92,217		89,485		2,731	3.1%
Operating income	6,788	7.4%	5,795	6.5%	993	17.1%
Ordinary income	7,171	7.8%	6,130	6.9%	1,040	17.0%
Profit attributable to owners of parent	4,773	5.2%	3,797	4.2%	975	25.7%

< Results by Business Segment >

(Millions of yen)

	Net sales				Segment income (Operating income)			
	First Quarter Ended Mar. 2017	First Quarter Ended Mar. 2016	Increase/decrease	Change	First Quarter Ended Mar. 2017	First Quarter Ended Mar. 2016	Increase/decrease	Change
Consumer Products	65,487	63,277	2,209	3.5%	4,603	3,591	1,011	28.1%
Industrial Products	12,761	13,183	(422)	(3.2%)	616	644	(27)	(4.3%)
Overseas	28,629	28,016	613	2.2%	1,454	1,410	43	3.1%
Other	6,401	5,432	968	17.8%	203	93	110	118.5%
Subtotal	113,279	109,910	3,369	3.1%	6,877	5,740	1,137	19.8%
Adjustment	(21,062)	(20,424)	(638)	—	(89)	54	(144)	—
Total	92,217	89,485	2,731	3.1%	6,788	5,795	993	17.1%

Results by business segment are as follows.

<Consumer Products Business>

The Consumer Products Business segment is divided into the Oral Care Products, Beauty Care Products, Fabric Care Products, Living Care Products, Pharmaceutical Products and Other Products businesses. Segment net sales increased 3.5% compared with the same period of the previous fiscal year. Segment income increased 28.1% year on year due in part to growth in sales of high-value-added products.

(Millions of yen)

	First Quarter Ended Mar. 2017	Ratio to net sales	First Quarter Ended Mar. 2016	Ratio to net sales	Increase/decrease	Change
Net sales	65,487		63,277		2,209	3.5%
Segment income	4,603	7.0%	3,591	5.7%	1,011	28.1%

Note: Net sales include internal net sales within and among segments, which amounted to ¥7,012 million in the first quarter of fiscal 2017 and ¥6,480 million in the first quarter of fiscal 2016.

[Net Sales by Products Segment]

(Millions of yen)

	First Quarter Ended Mar. 2017	First Quarter Ended Mar. 2016	Increase/decrease	Change
Oral Care Products	14,119	13,356	763	5.7%
Beauty Care Products	6,322	5,549	773	13.9%
Fabric Care Products	18,201	17,439	762	4.4%
Living Care Products	4,289	4,741	(451)	(9.5%)
Pharmaceutical Products	8,390	8,551	(161)	(1.9%)
Other Products	14,162	13,639	523	3.8%

Oral Care Products

In toothpastes, Lion introduced new a flavor of *CLINICA Kid's Gel Toothpaste*, which is marketed as a way to implement preventive dentistry from age zero. Sales of this toothpaste were firm. Sales of the *SYSTEMA Haguki (the Gums) Plus* series were also strong, and overall sales were up year on year.

In toothbrushes, a new compact version was added to the lineup of *Between Zeitaku Care* toothbrushes, and sales of this line were favorable. *CLINICA Kid's Toothbrushes*, designed to meet children's needs at each growth stage in order to help with everything from establishing good brushing habits to properly caring for adult teeth, saw sales grow to three times the level recorded in the same period of the previous fiscal year. Overall sales increased year on year.

In mouthwashes, sales of *SYSTEMA Haguki (the Gums) Plus Dental Rinse* were favorable, and overall sales grew year on year.

Beauty Care Products

In the *hadakara Body Soap* line, first released in 2016, a new product that moisturizes while leaving the skin feeling smooth and clean was introduced to favorable consumer reviews.

In hand soaps, sales of *KireiKirei Medicated Foaming Hand Soap for the Kitchen*, featuring a new antimicrobial pump head, were favorable, but sales of *KireiKirei Medicated Liquid Hand Soap* were lower than in the same period of the previous fiscal year, and overall sales decreased year on year.

In antiperspirants and deodorants, new *Ban Sweat-Blocking Stick Premium Label*, which goes on smooth and dry and effectively controls underarm sweat, received favorable consumer reviews. Overall sales grew year on year.

Fabric Care Products

In laundry detergents, sales of *TOP HYGIA*, a super-concentrated liquid laundry detergent featuring a newly developed and even more effective "premium antibacterial formula," were strong. However, sales of powder detergents fell year on year, reflecting continued market contraction, and overall sales were down year on year.

In fabric softeners, *Kaori to Deodorant no SOFLAN (SOFLAN with Fragrance and Deodorant) Premium Deodorizer Plus*, which effectively eliminates sweat and body odor from clothing, received favorable consumer reviews. Sales of *SOFLAN Aroma Rich* were strong, and overall sales were up substantially from the same period of the previous fiscal year.

Living Care Products

In dishwashing detergents, sales of *CHARMY Crysta* detergents for dishwashers were favorable, but sales of *CHARMY Magica* fell year on year, and overall sales were down year on year.

In household cleaners, sales of bathroom fungicide *LOOK Bath Antimold Fogger* were favorable. However, sales of bath cleaners were down year on year, and overall sales fell year on year.

Pharmaceutical Products

In antipyretic analgesics, sales *BUFFERIN PREMIUM* were strong, and overall sales rose year on year.

In eyedrops, the overall market shrank, and sales of *Smile 40* products decreased year on year. As a

result, overall sales fell year on year.

In addition, Lion newly released *Method W.O. Cream*, a medicated cream that offers effective relief from itchiness and eczema due to irritation from undergarments and other clothing, stress or other factors, as well as *Method Sheet* medicated wipes. These products received favorable consumer reviews.

Other Products

In direct-to-consumer sales products, sales of *Nice rim essence Lactoferrin* and *Gussumin Yeast NO CHIKARA* were favorable. Overall sales were higher than in the same period of the previous fiscal year.

In pet supplies, sales of *Nioi wo Toru Suna (Deodorizing Cat Litter)* and oral care products were strong. Overall sales were substantially higher than in the previous fiscal year.

<Industrial Products Business>

The Industrial Products Business segment includes the Automotive, Electrical and Electronics, and Detergents for Institutional Use Products fields. These businesses handle products that include anti-sticking agents for tires, electro-conductive carbon for secondary batteries, and detergents for institutional and kitchen use, respectively. Segment net sales decreased 3.2% compared with the corresponding period of the previous fiscal year, in part due to decreased inter-segment sales within the Group. Segment income decreased 4.3% year on year.

(Millions of yen)

	First Quarter Ended Mar. 2017	Ratio to net sales	First Quarter Ended Mar. 2016	Ratio to net sales	Increase/ decrease	Change
Net sales	12,761		13,183		(422)	(3.2%)
Segment income	616	4.8%	644	4.9%	(27)	(4.3%)

Note: Net sales include internal net sales within and among segments, which amounted to ¥5,386 million in the first quarter of fiscal 2017 and ¥5,944 million in the first quarter of fiscal 2016.

In Automotive, sales of anti-sticking agents for tires were strong, and overall sales grew significantly year on year.

In Electrical and Electronics, sales of electro-conductive compounds for semiconductor carrier materials were firm, and overall sales increased year on year.

In Detergents for Institutional Use Products, sales of alcohol sanitizers for kitchens were favorable, while those of hand soaps were steady, and overall sales increased year on year.

<Overseas Business>

The Overseas Business segment comprises business operations located in Southeast Asia, including Thailand and Malaysia, and Northeast Asia, including South Korea and China. Segment net sales increased 2.2% year on year (or in terms of real net sales, which exclude the influence of exchange rate conversions, increased 4.2%). Segment income increased 3.1% year on year.

(Millions of yen)

	First Quarter Ended Mar. 2017	Ratio to net sales	First Quarter Ended Mar. 2016	Ratio to net sales	Increase/decrease	Change
Net sales	28,629		28,016		613	2.2%
Segment income	1,454	5.1%	1,410	5.0%	43	3.1%

Note: Net sales include internal net sales within and among segments, which amounted to ¥2,905 million in the first quarter of fiscal 2017 and ¥3,121 million in the first quarter of fiscal 2016.

[Sales by Region]

	First Quarter Ended Mar. 2017	First Quarter Ended Mar. 2016	Increase/decrease	Change
Southeast Asia	19,453	19,238	214	1.1%
Northeast Asia	9,176	8,777	398	4.5%

(Sales by Region)

In Southeast Asia, overall sales were up 1.1% year on year.

In Thailand, sales of *SYSTEMA* toothpaste and *Shokubutsu-Monogatari* body wash were favorable. Overall sales after yen conversions were up year on year.

In Northeast Asia, overall sales were up 4.5% year on year.

In South Korea, sales of *KireiKirei* hand soap and liquid *Beat* laundry detergent were strong. Sales after yen conversions grew year on year.

In China, sales of *SYSTEMA* toothbrushes were favorable, and overall sales after yen conversions were up significantly year on year.

<Other> (The Construction Contracting Business, Etc.)

(Millions of yen)

	First Quarter Ended Mar. 2017	Ratio to net sales	First Quarter Ended Mar. 2016	Ratio to net sales	Increase/decrease	Change
Net sales	6,401		5,432		968	17.8%
Segment income	203	3.2%	93	1.7%	110	118.5%

Note: Net sales include internal net sales within and among segments, which amounted to ¥5,757 million in the first quarter of fiscal 2017 and ¥4,877 million in the first quarter of fiscal 2016.

(2) Financial Status

Status of Assets, Liabilities, Net Assets for the First Quarter of the Current Fiscal Year <Consolidated Financial Status >

	First Quarter Ended March 31, 2017	Fiscal 2016 Ended Dec. 31, 2016	Increase/ decrease
Total assets (millions of yen)	279,905	298,510	(18,604)
Net assets (millions of yen)	161,886	157,879	4,007
Shareholders' equity to total assets * (%)	54.6	50.0	4.6

* Shareholders' equity to total assets

= (Net assets – Subscription rights to shares and non-controlling interests) / Total assets

Total assets decreased ¥18,604 million compared with the previous consolidated fiscal year-end to ¥279,905 million due in part to a decrease in notes and accounts receivable—trade. Net assets increased ¥4,007 million to ¥161,886 million. Shareholder's equity to total assets stood at 54.6%.

(3) Qualitative Information Concerning the Forecast of Consolidated Financial Results

Lion has made no revisions to the consolidated financial results forecasts released on February 10, 2017 for the first half of the fiscal year under review and for the full fiscal year.

(Assumptions for the Fiscal 2017 Forecasts)

Lion adopted the following foreign exchange rates in the calculation of the aforementioned forecasts:

¥112 = US\$1.00

¥3.2 = 1.00 baht

2. Summary (Other) Information and Note

(1) Changes in Important Subsidiaries during the Period

None

(2) Special Accounting Treatment for Preparation of Quarterly Consolidated Financial Statements

None

(3) Changes in Accounting Policies and Changes in and Restatement of Accounting Estimates

None

(4) Additional Information

Lion has adopted the Implementation Guidance on Recoverability of Deferred Tax Assets (Accounting Standards Board of Japan Guidance No. 6, issued on March 28, 2016) from the consolidated quarterly fiscal accounting period under review.

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

(Millions of yen)

	Fiscal Year 2016 (As of Dec. 31, 2016)	Fiscal Year 2017 First Quarter (As of Mar. 31, 2017)
Assets		
Current assets		
Cash and deposits	17,879	26,017
Notes and accounts receivable-trade	60,293	54,110
Short-term investments securities	61,007	35,165
Merchandise and finished goods	26,120	31,158
Work in process	2,863	3,051
Raw materials and supplies	10,742	10,529
Other	6,626	6,360
Allowance for doubtful accounts	(64)	(61)
Total current assets	185,469	166,332
Noncurrent assets		
Property, plant and equipment	74,402	74,245
Intangible assets		
Right of trademark	1,658	965
Other	1,164	1,256
Total intangible assets	2,822	2,222
Investments and other assets		
Investment securities	24,025	25,638
Other	11,874	11,554
Allowance for doubtful accounts	(84)	(86)
Total Investments and other assets	35,815	37,105
Total noncurrent assets	113,040	113,573
Total assets	298,510	279,905

(Millions of yen)

	Fiscal Year 2016 (As of Dec. 31, 2016)	Fiscal Year 2017 First Quarter (As of Mar. 31, 2017)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	34,644	29,901
Electronically recorded obligations - operating	16,302	14,250
Short-term loans payable	4,244	4,251
Current portion of long-term loans payable	260	269
Accounts payable-other and accrued expenses	51,979	38,886
Income taxes payable	4,677	1,864
Provision for bonuses	3,792	2,370
Provision for sales returns	382	381
Provision for sales promotion expenses	2,974	3,696
Provision for directors' bonuses	387	91
Other	3,793	4,385
Total current liabilities	123,440	100,348
Noncurrent liabilities		
Long-term loans payable	1,690	1,753
Provision for directors' retirement benefits	287	291
Provision for stocks payment	-	19
Net defined benefit liability	10,446	10,725
Asset retirement obligation	337	336
Other	4,428	4,543
Total noncurrent liabilities	17,190	17,670
Total liabilities	140,630	118,019
Net assets		
Shareholders' equity		
Capital stock	34,433	34,433
Capital surplus	34,508	34,507
Retained earnings	82,479	84,928
Treasury stock	(4,778)	(4,798)
Total shareholders' equity	146,642	149,070
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,429	8,457
Deferred gains or losses on hedges	12	(9)
Foreign currency translation adjustment	445	481
Remeasurements of defined benefit plans	(5,246)	(5,138)
Total accumulated other comprehensive income	2,640	3,791
Subscription rights to shares	218	218
Non-controlling interests	8,377	8,805
Total net assets	157,879	161,886
Total liabilities and net assets	298,510	279,905

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

(Millions of yen)

	First Quarter Ended Mar. 31, 2016 (Jan. 1 to Mar. 31)	First Quarter Ended Mar. 31, 2017 (Jan. 1 to Mar. 31)
Net sales	89,485	92,217
Cost of sales	36,914	37,687
Gross profit	52,571	54,529
Selling, general and administrative expenses	46,776	47,741
Operating income	5,795	6,788
Non-operating income		
Interest income	42	38
Dividend income	4	4
Share of profit of entities accounted for using equity method	251	251
Royalty income	52	64
Foreign exchange gains	37	-
Other	109	197
Total non-operating income	497	557
Non-operating expenses		
Interest expenses	105	48
Interest on bonds	5	-
Loss on disposal of inventories	22	50
Foreign exchange losses	-	29
Other	27	44
Total non-operating expenses	161	173
Ordinary income	6,130	7,171
Extraordinary income		
Gain on sales of investment securities	-	30
Total extraordinary income	-	30
Extraordinary loss		
Loss on disposal of noncurrent assets	31	21
Impairment loss	3	-
Total extraordinary losses	34	21
Profit (loss) before income taxes	6,095	7,179
Income taxes-current	1,330	1,405
Income taxes-deferred	539	621
Total income taxes	1,869	2,026
Profit (loss)	4,225	5,153
Profit attributable to non-controlling interests	428	380
Profit attributable to owners of parent	3,797	4,773

Consolidated Statement of Comprehensive Income

(Millions of yen)

	First Quarter Ended Mar. 31, 2016 (Jan. 1 to Mar. 31)	First Quarter Ended Mar. 31, 2017 (Jan. 1 to Mar. 31)
Profit	4,225	5,153
Other comprehensive income		
Valuation difference on available-for-sale securities	(292)	1,072
Deferred gains or losses on hedges	(20)	(22)
Foreign currency translation adjustment	(1,131)	(91)
Remeasurements of defined benefit plans, net of tax	128	107
Share of other comprehensive income of associates accounted for using equity method	(42)	(77)
Total other comprehensive income	(1,358)	988
Comprehensive income	2,867	6,142
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	2,653	5,923
Comprehensive income attributable to non-controlling interests	213	218

**(3) Consolidated Quarterly Financial Reporting Statements
(Notes Regarding Going Concern Assumptions)**

None

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

None

(Segment Information)

1. First Quarter Ended March 31, 2016 (January 1 to March 31, 2016)

1) Information Regarding Net Sales, Profits and Losses for Each Reportable Segment

(Millions of yen)

	Reportable segments			Other	Total	Adjustment ²	Amount recorded in Consolidated Quarterly Statements of Income ³
	Consumer Products Business	Industrial Products Business	Overseas Business				
1. Net sales							
(1) Sales to external customers	56,796	7,239	24,894	554	89,485	—	89,485
(2) Intersegment sales and transfers ^{*1}	6,480	5,944	3,121	4,877	20,424	(20,424)	—
Total	63,277	13,183	28,016	5,432	109,910	(20,424)	89,485
Segment income	3,591	644	1,410	93	5,740	54	5,795

Notes: 1. Internal transactions are included within reportable segments.

2. Segment income adjustments totaling ¥54 million are composed mainly of internal transaction eliminations.

3. Segment income is adjusted based on operating income in consolidated quarterly income statements.

2. First Quarter Ended March 31, 2017 (January 1 to March 31, 2017)

1) Information Regarding Net Sales, Profits and Losses for Each Reportable Segment

(Millions of yen)

	Reportable segments			Other	Total	Adjustment ²	Amount recorded in Consolidated Quarterly Statements of Income ³
	Consumer Products Business	Industrial Products Business	Overseas Business				
1. Net sales							
(1) Sales to external customers	58,474	7,374	25,724	643	92,217	—	92,217
(2) Intersegment sales and transfers ^{*1}	7,012	5,386	2,905	5,757	21,062	(21,062)	—
Total	65,487	12,761	28,629	6,401	113,279	(21,062)	92,217
Segment income	4,603	616	1,454	203	6,877	(89)	6,788

Notes: 1. Internal transactions are included within reportable segments.

2. Segment income adjustments totaling (¥89) million are composed mainly of internal transaction eliminations.

3. Segment income is adjusted based on operating income in consolidated quarterly income statements.