



Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results  
for the Third Quarter of the Fiscal Year Ending March 31, 2018  
(Based on Japanese GAAP)

February 6, 2018

Company name: Azbil Corporation  
 Stock exchange listing: Tokyo Stock Exchange 1st Section (CODE 6845)  
 URL: <http://www.azbil.com/>  
 Representative: Hirozumi Sone, President and Chief Executive Officer  
 Contact: Masatoshi Yamada, General Manager, Accounting  
 Department, Group Management Headquarters  
 TEL: +81-3-6810-1009  
 Scheduled date to file Quarterly Securities Report: February 13, 2018  
 Scheduled date to commence dividend payments: —  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2017 (from April 1, 2017 to December 31, 2017)

(1) Consolidated financial results (Cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2017	183,103	2.3	13,825	39.5	14,465	36.7	9,413	41.2
Nine months ended December 31, 2016	178,958	1.4	9,911	41.6	10,582	49.3	6,665	93.1

Note: Comprehensive income  
 Nine months ended December 31, 2017 13,893 million yen 116.7%  
 Nine months ended December 31, 2016 6,410 million yen 133.5%

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended December 31, 2017	129.44	—
Nine months ended December 31, 2016	90.99	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2017	260,951	169,859	64.4
As of March 31, 2017	263,317	165,751	62.2

Reference : Shareholders' equity  
 As of December 31, 2017 167,923 million yen  
 As of March 31, 2017 163,822 million yen

2. Dividends

	Dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2017	—	37.00	—	40.00	77.00
Year ending March 31, 2018	—	41.00	—	—	—
Year ending March 31, 2018 (Forecast)	—	—	—	41.00	82.00

Note: Revision of dividends forecast during this period: No

Details of dividends at the 2nd quarter-end of the fiscal year ended March 31, 2017:  
 ordinary dividends of 34.50 yen, commemorative dividends of 2.50 yen  
 Details of dividends at the end of the fiscal year ended March 31, 2017:  
 ordinary dividends of 37.50 yen, commemorative dividends of 2.50 yen

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year 2017	260,000	2.0	23,500	16.7	23,500	14.8	16,500	25.4	227.47

Note: Revision of consolidated financial results forecast during this period: No

\* Notes

(1) Changes in significant subsidiaries during the period

(Changes in specified subsidiaries due to changes in the scope of consolidation): No

New consolidation : — (Company name: —)

Exclusion : — (Company name: —)

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: No

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

1. Changes associated with revision in accounting standards: No

2. Other changes: No

3. Changes in accounting estimates: No

4. Retrospective restatements: No

(4) Number of issued shares (Common stock)

1. Total number of issued shares at the end of the period (Including treasury shares)

As of December 31, 2017	74,250,442 shares	As of March 31, 2017	75,116,101 shares
-------------------------	-------------------	----------------------	-------------------

2. Number of treasury shares at the end of the period

As of December 31, 2017	1,713,750 shares	As of March 31, 2017	1,865,659 shares
-------------------------	------------------	----------------------	------------------

3. Average number of shares during the period (Cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2017	72,723,638 shares	Nine months ended December 31, 2016	73,250,768 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

Note: Azbil Corporation (“the Company”) has introduced employee stock ownership plan, and the number of treasury shares at the end of the period includes the Company’s stock held by a trust account (998,876 shares as of December 31, 2017). Also, the Company’s stock held by the trust account is included in treasury shares that are deducted in the calculation of the average number of shares during the period (788,752 shares for the nine months ended December 31, 2017).

For details, please see “2. Consolidated quarterly financial statements and related notes (3) Notes to the consolidated quarterly financial statements (Additional information)” on page 12 of the accompanying materials.

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

\* Regarding the appropriate use of forecast and other special matters

(Attention to the description of the future)

Net sales for the azbil Group tend to be low in the first quarter consolidated accounting period and highest in the fourth quarter. However, fixed costs are generated constantly. This means that profits are typically lower in the first quarter and higher in the fourth quarter.

The projections of the azbil Group are based on currently available information and some reasonable assumptions. Due to various factors, actual results may differ from those discussed in this document. For information on the forecast of financial results, please see “1. Qualitative information on consolidated quarterly financial results (3) Qualitative information on forecast of consolidated financial results” on page 5 of the accompanying materials.

(How to obtain supplementary material on quarterly financial results)

Supplementary material on quarterly financial results is available on the company’s website.

# Accompanying Materials

## Contents

1. Qualitative information on consolidated quarterly financial results .....	2
(1) Qualitative information on consolidated quarterly business performance.....	2
(2) Qualitative information on consolidated quarterly financial position .....	5
(3) Qualitative information on forecast of consolidated financial results .....	5
2. Consolidated quarterly financial statements and related notes .....	7
(1) Consolidated quarterly balance sheets .....	7
(2) Consolidated quarterly statements of income and consolidated quarterly statements of comprehensive income .....	9
Consolidated quarterly statements of income The third quarter of the current consolidated cumulative period .....	9
Consolidated quarterly statements of comprehensive income The third quarter of the current consolidated cumulative period .....	10
(3) Notes to the consolidated quarterly financial statements .....	11
(Notes regarding going concern assumption) .....	11
(Notes regarding significant change in shareholders' equity) .....	11
(Additional information) .....	12
(Segment information).....	13
3. Supplementary information .....	15
Orders received condition.....	15

## 1. Qualitative information on consolidated quarterly financial results

### (1) Qualitative information on consolidated quarterly business performance

In the third quarter of the current consolidated cumulative period, Japan's economy continued its moderate recovery. Thanks to a global expansion in IT-related demand, domestic production and exports continued to improve. Capital investment too was encouraging: in addition to evidence of an upturn and growth in investment thanks to an improvement in corporate earnings in several markets, there have been signs of investment for rationalization and labor-saving in response to the current labor shortage.

Looking at overseas economies, there have been continued signs of a pickup in China's economy following measures implemented by the government. In Europe, capital investment has been gradually increasing, thanks to the economic impetus derived from personal consumption and exports, and in the US, there continued to be a steady improvement in consumption and capital investment.

Guided by the philosophy of "human-centered automation", the azbil Group drew up a new medium-term plan (FY2017–FY2019) based on the three fundamental policies<sup>Note 1</sup> and we are currently implementing measures to realize sustainable growth. Building on the results of the previous medium-term plan, in the third quarter of the current consolidated cumulative period we have thus been actively engaged in those areas where sustainable growth is anticipated – providing solutions throughout the life cycle, developing new automation opportunities, and focusing on environmental and energy issues – while advancing further business structure reforms and improvements to the profit structure. Additionally, as a means of strengthening the business foundation to develop these fields and realize sustainable growth, we have been upgrading and expanding our R&D and production systems.

The financial results for the third quarter of the current consolidated cumulative period are as follows.

In Japan, the business environment for the construction of large-scale buildings has remained robust, while capital investment in production facilities has also continued to be positive, both domestically and overseas. Given this business environment, we have implemented measures to expand orders received. As a result, we achieved growth in orders received for all businesses, which are the Building Automation (BA) business, the Advanced Automation (AA) business, and the Life Automation (LA) business. Overall orders received were 209,902 million yen, up 8.0% from the 194,379 million yen recorded for the same period last year. The BA and AA businesses did achieve sales growth, but there was a fall in LA business sales owing to the structural and business reforms undertaken in the previous fiscal year. As a result, overall net sales were 183,103 million yen, up 2.3% from the 178,958 million yen recorded for the same period last year.

As regards profits, owing to further progress made with initiatives aimed at improving the profit structure that started in the previous fiscal year, operating income increased significantly to 13,825 million yen, up 39.5% from the 9,911 million yen recorded for the same period last year. Owing mainly to this increase in operating income, ordinary income increased substantially to 14,465 million yen, up 36.7% from the 10,582 million yen recorded for the same period last year. Similarly, net income attributable to owners of parent rose significantly to 9,413 million yen, up 41.2% from the 6,665 million yen recorded for the same period last year.

Note 1: Three fundamental policies

- Being a long-term partner for the customer and the community by offering solutions based on our technologies and products
- Taking global operations to the next level, by expansion into new regions and a qualitative change of focus
- Being a corporate organization that never stops learning, so that it can continuously grow stronger

The results for the individual reportable segments are as follows.

### **Building Automation (BA) Business**

In the domestic market, in addition to several urban redevelopment plans for the Tokyo metropolitan area, demand for solutions for energy saving and operational cost reduction has been high and the market environment for the BA business has continued to be robust. Overseas, steady progress has been achieved in developing local markets in Asia and China.

Thanks to this business environment, orders received increased even though large-scale multi-year contracts<sup>Note 2</sup> had been recorded in the same period last year. Steady progress was made with on-site construction using the job fulfilment system that was upgraded in the previous fiscal year. This, together with the growing number of detailed proposals for solutions based on an intimate knowledge of on-site issues, has led to increased sales for new buildings, existing buildings and service in the domestic market. Sales also grew overseas, despite the impact of transferring all shares in a subsidiary in the previous fiscal year.

Consequently, BA business sales in the third quarter of the current consolidated cumulative period were 81,734 million yen, up 3.8% from the 78,713 million yen recorded for the same period last year. Despite an increased cost burden, an initiative to improve profits was successful and segment profit was 5,998 million yen, up 26.2% from the 4,752 million yen recorded for the same period last year when results were affected by temporary expenses for provision.

Note 2: Large-scale multi-year contracts (“market testing”)

The total value of an order for a multi-year service project is recorded as a lump sum in the first year of the contract. In the same period last year, orders received were recorded for large-scale service projects with multi-year contracts received through the system of public-private competitive tendering called “market testing”. The principal contractor decided by such market testing is then responsible for providing a variety of services related to the building in question using vendors selected for the purpose. Also, the contracts won through market testing cover periods ranging from 3 to 5 years, and thus they can significantly increase the orders received by the principal contractor, although these contracts have limited impact on profits for any individual fiscal year.

### **Advanced Automation (AA) Business**

In Japan and overseas, expansion continued in markets related to semiconductor manufacturing

equipment, and in other markets too the business environment for the AA business has continued to be generally favorable. Based on these conditions, from the previous fiscal year we have engaged in strengthening operating systems for the three AA business sub-segments (CP, IAP & SS)<sup>Note 3</sup> and we have also implemented measures for realizing our growth strategy and strengthening profitability.

Consequently, progress has been made with developing the customer base in Japan and abroad, and developing new automation fields with new products. AA business orders received thus increased. As regards sales, in Japan the wide range of markets continued to be relatively robust, while increasing demand overseas for controllers and sensors primarily for semiconductor manufacturing equipment also led to increased sales. AA business sales in the third quarter of the current consolidated cumulative period were 70,217 million yen, up 2.4% from the 68,545 million yen recorded for the same period last year. Thanks to the abovementioned initiatives designed to strengthen business profitability, the profit structure for each of the three sub-segments has significantly improved: segment profit was 6,846 million yen, up 53.5% from the 4,460 million yen recorded for the same period last year.

Note 3: Three AA business sub-segments (CP, IAP & SS)

CP business: Control Products business (component business handling digital instrumentation equipment, micro-switches, sensors, combustion control devices, etc.)

IAP business: Industrial Automation Products business (component business handling industrial instruments, transmitters, control valves, etc.)

SS business: Solution & Service business (control systems and service/maintenance business)

### **Life Automation (LA) Business**

The LA business covers three fields: Lifeline (gas/water meters, etc.), Life Science Engineering (pharmaceutical/laboratory fields) (LSE), and residential central air-conditioning systems.

In the third quarter of the current consolidated cumulative period, there was a significant increase in LA business orders received. This was principally owing to a recovery in the LSE field in which selection and concentration of business areas were promoted to improve profitability.

LA business sales were 32,056 million yen, down 1.6% on the same period last year, when sales of 32,571 million yen were recorded. This result reflects a decrease in LSE sales resulting from the selection and concentration of business areas that led to a fall in orders received in the previous year, while there was sales growth in other fields of the LA business. Profits increased, however, mainly due to the improvement in the LSE field. Segment profit was 969 million yen, up 37.6% from the 704 million yen recorded for the same period last year.

### **Other**

In Other business, sales in the third quarter of the current consolidated cumulative period were 52 million yen (compared with 56 million yen for the same period last year). Segment profit was 9 million yen; for comparison, in the same period last year segment profit was 18 million yen.

## (2) Qualitative information on consolidated quarterly financial position

### (Assets)

Total assets at the end of the third quarter of fiscal year 2017 stood at 260,951 million yen, a decrease of 2,365 million yen from the previous fiscal year-end. This was mainly due to a decrease of 6,115 million yen in cash and deposits and a decrease of 4,379 million yen in notes and accounts receivable-trade, despite an increase of 5,899 million yen in investment securities following a rise in the value of shares, and also an increase of 3,972 million yen in inventories due to an increase in orders received.

### (Liabilities)

Total liabilities at the end of the third quarter of fiscal year 2017 stood at 91,091 million yen, a decrease of 6,473 million yen from the previous fiscal year-end. This was mainly due to a decrease of 2,950 million yen in income taxes payable as well as a decrease of 4,249 million yen in provision for bonuses.

### (Net assets)

Net assets at the end of the third quarter of fiscal year 2017 stood at 169,859 million yen, an increase of 4,107 million yen from the previous fiscal year-end. This was mainly due to an increase of 9,413 million yen by the recording of net income attributable to owners of parent and an increase of 4,183 million yen in valuation difference on available-for-sale securities, despite a decrease of 5,944 million yen as the payment of dividends as well as a decrease of 2,999 million yen by repurchasing of own shares based on a decision in the Board of Directors meeting.

As a result, the shareholders' equity ratio was 64.4% compared with 62.2% at the previous fiscal year-end.

## (3) Qualitative information on forecast of consolidated financial results

As regards the outlook for consolidated financial results, no revision is made to the forecast published on November 2, 2017, for the whole fiscal year ending March 31, 2018.

As regards the business environment for the azbil Group, in Japan construction demand continues to be robust, while capital investment in production facilities has also continued to be favorable, both domestically and overseas. Additionally, the various measures implemented to improve the profit structure in each segment have proved successful. Consequently, the azbil Group businesses are making steady progress toward achieving the goals set out in the forecast published on November 2, 2017. The entire Group will continue to work in unison to achieve the performance targets for this fiscal year, thoroughly implementing the various measures aimed at further improving our financial results. At the same time, we are pushing ahead with reforming the business structure, strengthening the corporation, and developing new products, etc. that will enable us to achieve the goals set out in the medium-term plan (FY2017–FY2019).

These projections are based on management's assumptions, intent, and expectations in light of the information currently available to it, and therefore these statements are not guarantees of future performance. Due to various factors, actual results may differ from those discussed in this document.



## 2. Consolidated quarterly financial statements and related notes

### (1) Consolidated quarterly balance sheets

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	53,940	47,825
Notes and accounts receivable - trade	88,500	84,121
Securities	25,607	22,906
Merchandise and finished goods	4,905	4,926
Work in process	7,723	10,617
Raw materials	9,555	10,614
Other	14,787	13,944
Allowance for doubtful accounts	(907)	(839)
Total current assets	204,113	194,114
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,406	11,313
Other, net	11,817	13,609
Total property, plant and equipment	23,223	24,923
Intangible assets		
Goodwill	73	13
Other	5,318	5,291
Total intangible assets	5,392	5,304
Investments and other assets		
Investment securities	22,163	28,062
Net defined benefit asset	2	0
Other	8,733	8,858
Allowance for doubtful accounts	(311)	(312)
Total investments and other assets	30,587	36,608
Total non-current assets	59,203	66,836
Total assets	263,317	260,951

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	40,456	38,146
Short-term loans payable	10,669	10,285
Income taxes payable	4,730	1,780
Provision for bonuses	9,414	5,165
Provision for directors' bonuses	115	75
Provision for product warranties	647	535
Provision for loss on order received	1,222	941
Other	16,810	19,614
Total current liabilities	84,066	76,544
Non-current liabilities		
Long-term loans payable	505	536
Net defined benefit liability	5,704	5,389
Provision for directors' retirement benefits	112	115
Provision for stock payment	311	569
Other	6,865	7,936
Total non-current liabilities	13,499	14,547
Total liabilities	97,565	91,091
<b>Net assets</b>		
Shareholders' equity		
Capital stock	10,522	10,522
Capital surplus	12,333	11,670
Retained earnings	136,465	139,251
Treasury shares	(4,652)	(6,967)
Total shareholders' equity	154,669	154,476
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,553	13,737
Deferred gains or losses on hedges	32	59
Foreign currency translation adjustment	1,303	1,264
Remeasurements of defined benefit plans	(1,737)	(1,613)
Total accumulated other comprehensive income	9,152	13,447
Non-controlling interests	1,929	1,935
Total net assets	165,751	169,859
<b>Total liabilities and net assets</b>	<b>263,317</b>	<b>260,951</b>

(2) Consolidated quarterly statements of income and consolidated quarterly statements of comprehensive income  
(Consolidated quarterly statements of income)  
(The third quarter of the current consolidated cumulative period)

(Millions of yen)

	Nine months ended December 31, 2016 (April 1, 2016 to December 31, 2016)	Nine months ended December 31, 2017 (April 1, 2017 to December 31, 2017)
Net sales	178,958	183,103
Cost of sales	116,419	115,804
Gross profit	62,538	67,298
Selling, general and administrative expenses	52,626	53,472
Operating income	9,911	13,825
Non-operating income		
Interest income	85	77
Dividend income	414	504
Foreign exchange gains	280	172
Real estate rent	32	31
Reversal of allowance for doubtful accounts	19	18
Other	129	99
Total non-operating income	961	904
Non-operating expenses		
Interest expenses	167	125
Commitment fee	15	15
Rent expenses on real estates	61	56
Other	46	67
Total non-operating expenses	290	264
Ordinary income	10,582	14,465
Extraordinary income		
Gain on sales of non-current assets	10	4
Gain on sales of investment securities	11	131
Total extraordinary income	21	135
Extraordinary losses		
Loss on sales and retirement of non-current assets	44	127
Impairment loss	-	32
Loss on liquidation of subsidiaries and associates	1,070	346
Loss on valuation of investment securities	-	15
Loss on sales of investment securities	-	0
Total extraordinary losses	1,115	520
Income before income taxes	9,489	14,079
Income taxes - current	1,515	2,771
Income taxes - deferred	1,156	1,689
Total income taxes	2,671	4,460
Net income	6,818	9,618
Net income attributable to non-controlling interests	152	205
Net income attributable to owners of parent	6,665	9,413

(Consolidated quarterly statements of comprehensive income)  
(The third quarter of the current consolidated cumulative period)

(Millions of yen)

	Nine months ended December 31, 2016 (April 1, 2016 to December 31, 2016)	Nine months ended December 31, 2017 (April 1, 2017 to December 31, 2017)
Net income	6,818	9,618
Other comprehensive income		
Valuation difference on available-for-sale securities	2,356	4,183
Deferred gains or losses on hedges	0	26
Foreign currency translation adjustment	(2,813)	(59)
Remeasurements of defined benefit plans, net of tax	47	124
Total other comprehensive income	(408)	4,275
Comprehensive income	6,410	13,893
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,437	13,708
Comprehensive income attributable to non-controlling interests	(27)	185

### (3) Notes to the consolidated quarterly financial statements

(Notes regarding going concern assumption)

Not applicable

(Notes regarding significant change in shareholders' equity)

The Company conducted the following matters, based on the resolutions at the Board of Directors meeting held on May 12, 2017.

#### 1. Disposal of treasury shares through third party allocation

In accordance with the introduction of "Employee Stock Ownership Plan (J-ESOP)", 1,000,000 treasury shares were disposed of through third party allocation to Trust & Custody Services Bank, Ltd. (Trust E) on May 29, 2017. The Company's stock remaining in the trust are recorded as treasury shares in net assets, as stated in "Additional information", therefore, capital surplus and treasury shares increased by 1,476 million yen respectively.

#### 2. Cancellation of treasury shares

The Company cancelled treasury shares pursuant to Article 178 of the Companies Act of Japan as follows. As a result, capital surplus decreased by 1,476 million yen, retained earnings decreased by 682 million yen, and treasury shares decreased by 2,158 million yen.

- |   |   |
|---|---|
| (1) Type of shares cancelled:                             | Common stock of the Company   |
| (2) Number of shares cancelled:                           | 865,659 shares<br>(1.2% of total number of issued shares before the cancellation) |
| (3) Total number of issued shares after the cancellation: | 74,250,442 shares   |
| (4) Date of the cancellation:                             | May 31, 2017  |

#### 3. Repurchase of the Company's own shares

The Company repurchased its own shares from June 2, 2017 to June 23, 2017 (based on delivery date), aiming not only to improve capital efficiency but also to enhance the return of profits to shareholders and develop flexible capital policies responding to changes in the corporate environment, while taking into consideration the outlook for future business performance.

The number of its own shares repurchased was 714,300 shares, and treasury shares increased by 2,999 million yen.

Consequently, capital surplus amounted to 11,670 million yen, retained earnings amounted to 139,251 million yen, and treasury shares amounted to 6,967 million yen (including 3,965 million yen of the Company's stock remaining in the trust, as described in "Additional information") at the end of the third quarter of the current consolidated accounting period.

(Additional information)

(Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts)

The Company has introduced employee stock ownership plan (hereinafter referred to as "the system"), an incentive plan for offering the Company's stock to its employees, to boost the linkage between stock price and business performance of the Company on the one hand, and the benefit received by employees on the other hand, and to enhance the motivation and morale of employees for increasing stock price and business performance of the Company by sharing economic effects with shareholders.

1. Outline of the transaction

Under the system, the Company will offer the Company's stock to its employees who satisfy certain requirements specified in the Company's predetermined stock granting regulations. The Company will award points to employees according to the contribution level of them and will grant the Company's stock proportionate to the awarded points when employees obtain the right to receive stock by meeting certain conditions. The stock to be granted to employees will be acquired with money previously placed in the trust, including stock to be granted in the future, and will be separately managed as assets in the trust.

2. The Company's stock remaining in the trust

Regarding the accounting procedures for the trust contract, the Company has applied "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (PITF No. 30, March 26, 2015), and the Company's stock in the trust are recorded as treasury shares under net assets at book value in the trust. The book value of the Company's stock in the trust is 3,965 million yen for 998,876 shares as of December 31, 2017.

(Segment information)

I. Nine months ended December 31, 2016 (from April 1, 2016 to December 31, 2016)

1. Sales and profit information about each segment

(Millions of yen)

	Reportable Segment				Other*	Total
	Building Automation	Advanced Automation	Life Automation	Total		
Sales						
Customers	78,504	68,095	32,306	178,907	50	178,958
Inter-segment	208	449	264	923	5	929
Total	78,713	68,545	32,571	179,830	56	179,887
Segment Profit	4,752	4,460	704	9,918	18	9,936

\* "Other" includes insurance agent business.

2. The main contents of the difference between reportable segment profit and operating income

(Millions of yen)

Income	Amount
Total of reportable segments	9,918
Profit in Other	18
Elimination	(24)
Operating income	9,911

II. Nine months ended December 31, 2017 (from April 1, 2017 to December 31, 2017)

1. Sales and profit information about each segment

(Millions of yen)

	Reportable Segment				Other*	Total
	Building Automation	Advanced Automation	Life Automation	Total		
Sales						
Customers	81,518	69,776	31,760	183,055	47	183,103
Inter-segment	215	441	295	952	4	957
Total	81,734	70,217	32,056	184,008	52	184,060
Segment Profit	5,998	6,846	969	13,814	9	13,824

\* "Other" includes insurance agent business.

2. The main contents of the difference between reportable segment profit and operating income

(Millions of yen)

Income	Amount
Total of reportable segments	13,814
Profit in Other	9
Elimination	1
Operating income	13,825



### 3. Supplementary information

#### Orders received condition

(Millions of yen)

Reportable segment	Nine months ended December 31, 2016 (April 1, 2016 to December 31, 2016)	Nine months ended December 31, 2017 (April 1, 2017 to December 31, 2017)	Change			
			Orders received	Orders received	Orders received	
					Amount	Ratio (%)
Building Automation	94,671	97,846	3,174	3.4		
Advanced Automation	70,064	77,186	7,122	10.2		
Life Automation	30,487	35,848	5,360	17.6		
Total of reportable segments	195,224	210,881	15,657	8.0		
Other	57	52	(4)	(7.8)		
Elimination	(901)	(1,031)	(130)	—		
Consolidated	194,379	209,902	15,522	8.0		