azbil

Translation

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Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2019 (Based on Japanese GAAP)

August 3, 2018

Company name:	Azbil Corporation
Stock exchange listing:	Tokyo Stock Exchange 1st Section (CODE 6845)
URL:	https://www.azbil.com/
Representative:	Hirozumi Sone, President and Chief Executive Officer
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Scheduled date to file Quarterly Securities Report:	August 9, 2018
Scheduled date to commence dividend payments:	—
Preparation of supplementary materials 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 three months ended June 30, 2018 (from April 1, 2018 to June 30, 2018)

(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	%
Three months ended June 30, 2018	54,803	0.0	1,777	2.6	2,415	20.7	1,525	28.2
Three months ended June 30, 2017	54,799	(2.4)	1,732	124.2	2,002	—	1,189	—

Note: Comprehensive income Three months ended June 30, 2018 1,625 million yen (29.4)%

Three months ended June 30, 2017 2,303 million yen —%

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2018	21.12	—
Three months ended June 30, 2017	16.28	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2018	256,599	171,567	66.1
As of March 31, 2018	273,805	177,962	64.3

Reference : Shareholders' equity As of June 30, 2018 169,569 million yen

As of March 31, 2018 175,995 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, 2018	—	41.00	—	41.00	82.00
Year ending March 31, 2019	—				
Year ending March 31, 2019 (Forecast)		46.00	—	46.00	92.00

Note: Revision of dividends forecast during this period: No

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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
First half	121,000	2.6	8,300	7.3	8,000	(1.4)	5,000	(6.0)	69.83
Full year	267,000	2.5	26,000	8.2	25,500	4.9	17,500	(2.2)	244.41

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

Azbil Corporation ("the Company") implemented a repurchase of its own shares in the first quarter of the current consolidated accounting period. For "Net income per share" in the forecast of consolidated financial results, the impact of this matter is considered.

* 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 June 30, 2018	74,250,442 shares	As of March 31, 2018	74,250,442 shares

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

As of June 30, 2018	2,648,786 shares	As of March 31, 2018	1,713,287 shares

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

Three months ended June 30, 2018	72,263,877 shares	Three months ended June 30, 2017	73,102,540 shares

Note: 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 (997,297 shares as of June 30, 2018; 998,283 shares as of March 31, 2018). 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 (997,670 shares for the three months ended June 30, 2018; 362,637 shares for the three months ended June 30, 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 by certified public accountants or auditing firms.

* 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 7 of the accompanying materials.

(How to obtain supplementary material on quarterly financial results)

Supplementary materials on quarterly financial results are available on the company's website.

Accompanying Materials

Contents

1. Qualitative information on consolidated quarterly financial results

(1) Qualitative information on consolidated quarterly business performance

The business environment for the azbil Group has benefitted from active investment in domestic urban redevelopment underpinning continued robust demand for equipment and systems for large-scale buildings. Also, despite there being evidence of a lull in the market for semiconductor manufacturing equipment, capital investment in the manufacturing industry has maintained a high level, both in Japan and abroad.

Looking at financial results for the first quarter of the current consolidated cumulative period, overall orders received were 80,265 million yen, down 3.9% from the 83,560 million yen recorded for the same period last year. However, net sales remained virtually unchanged at 54,803 million yen (compared with 54,799 million yen for the same period last year).

There are no major changes in the outlook for the Group’s business environment, but orders received have decreased, mainly due to the fact that there were large-scale projects in the same period last year for the Advanced Automation (AA) business and the Life Automation (LA) business. Overall net sales for the Group were on a par with the same period last year. By segment, sales fell this quarter for the Building Automation (BA) business, for which sales are expected to be more concentrated in the second half than they were last year. However, this was offset by increases for the AA business and the LA business. As regards profits, operating income was 1,777 million yen, up 2.6% on the 1,732 million yen recorded for the same period last year. Ordinary income was 2,415 million yen, up 20.7 % on the 2,002 million yen for the same period last year owing mainly to the recording of foreign exchange gains. Net income attributable to owners of parent was 1,525 million yen, up 28.2% on the 1,189 million yen recorded for the same period last year.

(Millions of yen)

	Three months ended June 30, 2017 (April 1, 2017 to June 30, 2017)	Three months ended June 30, 2018 (April 1, 2018 to June 30, 2018)	Difference	Difference (%)
Orders received	83,560	80,265	(3,294)	(3.9)
Orders received (Before revision)	83,443	79,400	(4,042)	(4.8)
Net sales	54,799	54,803	4	0.0
Operating income	1,732	1,777	45	2.6
Ordinary income	2,002	2,415	413	20.7
Net income attributable to owners of parent	1,189	1,525	336	28.2

Note: Orders received

Previously, figures for orders received included the translation gains and losses associated with contracts denominated in foreign currencies incorporated within the order backlog at the beginning of the fiscal year. However, the figures for orders received for the first quarter of the current consolidated cumulative period excluding aforesaid translation gains and losses have been posted.

This revision is aimed at providing investors with useful information for their investment judgement, by reporting our business performance in a manner to conform with the azbil Group's business activities in each local currency, as our overseas business strategies are increasingly implemented.

To facilitate comparison, orders received for the same period last year have been recalculated using this method.

Guided by the philosophy of "human-centered automation", the azbil Group drew up its medium-term plan (FY2017–FY2019) based on the three fundamental policies [Note 1] and we are currently implementing measures to realize sustainable growth. Although the current business environment is relatively robust, as a provision against any future downturn and to ensure growth into the future, we are advancing business structure reforms and improvements to the profit structure in each segment. Also, we have been actively engaged in those areas where continuing/increasing demand is anticipated for the medium/long-term – providing solutions throughout the life cycle, developing new automation opportunities, and focusing on environmental and energy issues – while investing in upgrading and expanding R&D and production systems to strengthen the business foundation with a view to developing these areas and realizing sustainable growth. What follows are management's assessment of the results for each segment, together with our analysis and conclusions.

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

Building Automation (BA) Business

In the domestic market, in addition to urban redevelopment plans for the Tokyo metropolitan area, demand for solutions for energy saving and operational cost reduction has been high, so the market environment for the BA business has continued to be robust. Overseas, there has been active investment of domestic and foreign capital in large-scale buildings in the Asian market, including China, where economic growth is marked.

Given this business environment, we have not only engaged in securing orders with a view to profitability, but also striven to conduct efficient operations, particularly on site, that meet the requirements of Japan's work-style reform. Moreover, we have made progress with the development and strengthening of our products to better meet the needs of clients, in Japan and abroad, who are interested in harnessing such technologies as IoT.

Consequently, in the first quarter of the current consolidated cumulative period BA business orders received were 45,044 million yen, up 0.7% on the 44,738 million yen recorded for the same period last year. However, because of the aforementioned dip in revenue, sales were down temporarily by 6.6% at 21,828 million yen, compared with the 23,374 million yen recorded for the same period last year. Owing to this fall in sales and also increased R&D expenses etc., a segment loss of 920 million yen was recorded (compared with a segment loss of 161 million yen for the same period last year).

Seasonal factors affecting the BA business typically lead to lower sales and segment profits in the first quarter, and this quarter was no exception. A segment loss was recorded, but this has not engendered any significant change in our assessment of the business environment. As for the medium/long-term outlook, in addition to the demand generated by the Tokyo Olympics, large-scale redevelopment projects are planned for 2020 and beyond. Demand for new buildings is thus expected to continue. Furthermore, large-scale buildings constructed in the 1990s and early 2000s will be coming up for retrofit; specifically, there will be growth in demand for retrofit of these existing buildings from 2020 onwards and it is expected that the healthy margins associated with such work will contribute to improved profitability.

(Millions of yen)

	Three months ended June 30, 2017 (April 1, 2017 to June 30, 2017)	Three months ended June 30, 2018 (April 1, 2018 to June 30, 2018)	Difference	Difference (%)
Orders received	44,738	45,044	305	0.7
Orders received (Before revision)	44,824	44,737	(87)	(0.2)
Sales	23,374	21,828	(1,545)	(6.6)
Segment profit (loss)	(161)	(920)	(759)	—

Advanced Automation (AA) Business

In Japan and overseas, while there has been some evidence of a lull in capital investment in the markets related to semiconductor manufacturing equipment, in other markets the business environment for the AA business has continued to be generally favorable. Based on these conditions, we have engaged in streamlining operations for the three AA business sub-segments (CP, IAP & SS) [Note 2] aiming to achieve global competitiveness with an integrated system that stretches from marketing and development through to production, sales and service. At the same time, we have implemented measures for achieving business growth, including business expansion overseas, and strengthening profitability.

Consequently, in the first quarter of the current consolidated cumulative period AA business orders received were 24,900 million yen, down 6.3% from the 26,568 million yen for the same period last year, when large-scale projects were recorded. However, sales grew steadily, increasing to 22,381 million yen, up 4.1% from the 21,504 million yen for the same period last year. Thanks to the sales growth plus the success of initiatives designed to strengthen business profitability, segment profit was 2,290 million yen, up 32.0% on the 1,734 million yen recorded for the same period last year.

In the AA business we will continue initiatives designed to improve the profit structure. We will also focus on developing and launching products and services that reflect such new trends in technology as IoT, big data and AI. At the same time by targeting fields such as semiconductor manufacturing equipment, combustion-related equipment and the production of high-performance materials, where the azbil Group can leverage its strengths both in Japan and abroad, we aim to achieve business expansion and high added value.

(Millions of yen)

	Three months ended June 30, 2017 (April 1, 2017 to June 30, 2017)	Three months ended June 30, 2018 (April 1, 2018 to June 30, 2018)	Difference	Difference (%)
Orders received	26,568	24,900	(1,668)	(6.3)
Orders received (Before revision)	26,567	24,651	(1,915)	(7.2)
Sales	21,504	22,381	877	4.1
Segment profit (loss)	1,734	2,290	555	32.0

Note 2: Three AA business sub-segments (management accounting sub-segments)

CP business: Control Product business (supplying factory automation products such as controllers and sensors, etc.)

IAP business: Industrial Automation Product business (supplying process automation products such as differential pressure & pressure transmitters, and control valves, etc.)

SS business: Solution & Service business (offering control systems, engineering service, maintenance service, energy-saving solution service, etc.)

Life Automation (LA) Business

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

The business environment differs in each field. The Lifeline field (gas/water meters, etc.), which accounts for the bulk of LA sales, depends on cyclical demand for meter replacement as required by law. While some impact from the liberalization of gas sales is observed, we expect stable demand to continue in this field. On the other hand, in the two other fields – LSE and residential central air-conditioning systems – we are proactively seeking to stabilize profit structure by implementing business structure reforms.

Reflecting these business conditions and initiatives, in the first quarter of the current consolidated cumulative period LA business orders received were 10,647 million yen, down 15.3% from the 12,576 million yen for the same period last year, when large-scale projects in the LSE field were recorded. However, sales grew, increasing to 10,844 million yen, up 6.4% on the 10,190 million yen recorded for the same period last year. Thanks to this sales growth plus the success of business structure reforms designed to improve profitability, segment profit was 403 million yen, up 180.0% on the same period last year when a profit of 144 million yen was recorded.

In the LA business we will continue initiatives designed to improve and stabilize profit in each of the three fields. In parallel with this, we will advance initiatives aimed at future business expansion. In the Lifeline field, we will engage in initiatives to create new business opportunities in the gas and other energy markets by developing and launching new products that mesh with trending technological advances such as IoT, and participating in validation testing. In the LSE field we will accelerate the development of new products and services that correspond to the manufacturing innovations taking place in the global pharmaceutical market. Thirdly, for the Lifestyle-related field, in the market for residential central air-conditioning systems, we will launch new products/technologies to enhance user comfort and convenience.

(Millions of yen)

	Three months ended June 30, 2017 (April 1, 2017 to June 30, 2017)	Three months ended June 30, 2018 (April 1, 2018 to June 30, 2018)	Difference	Difference (%)
Orders received	12,576	10,647	(1,928)	(15.3)
Orders received (Before revision)	12,395	10,329	(2,066)	(16.7)
Sales	10,190	10,844	653	6.4
Segment profit (loss)	144	403	259	180.0

Other

In Other business, principally our insurance agent business, orders received in the first quarter of the current consolidated cumulative period were 22 million yen (compared with 24 million yen for the same period last year), sales were 23 million yen (compared with 24 million yen for the same period last year), and segment profit was 8 million yen (compared with 9 million yen for the same period last year).

(2) Qualitative information on consolidated quarterly financial position

(Assets)

Total assets at the end of the first quarter of fiscal year 2018 stood at 256,599 million yen, a decrease of 17,205 million yen from the previous fiscal year-end. This was mainly due to a decrease of 14,735 million yen in notes and accounts receivable-trade.

(Liabilities)

Total liabilities at the end of the first quarter of fiscal year 2018 stood at 85,031 million yen, a decrease of 10,810 million yen from the previous fiscal year-end. This was mainly due to a decrease of 6,620 million yen in provision for bonuses as well as a decrease of 5,787 million yen in income taxes payable.

(Net assets)

Net assets at the end of the first quarter of fiscal year 2018 stood at 171,567 million yen, a decrease of 6,395 million yen from the previous fiscal year-end. This was mainly due to the reduction in shareholders' equity, which was attributed to a decrease of 3,014 million yen as the payment of dividends and a decrease of 4,999 million yen by repurchasing own shares based on a decision in the Board of Directors meeting, despite an increase of 1,525 million yen by the recording of net income attributable to owners of parent.

As a result, the shareholders' equity ratio was 66.1% compared with 64.3% at the previous fiscal year-end.

(3) Qualitative information on forecast of consolidated financial results

As regards the outlook for consolidated financial results for the fiscal year ending March 31, 2019, no revisions are to be made to the figures published on May 11, 2018 either for the second quarter of the cumulative period or for the whole fiscal year. When the need arises hereafter, the forecast for consolidated financial results would be revised and published in a timely manner.

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, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	46,128	52,091
Notes and accounts receivable - trade	91,420	76,684
Securities	36,406	23,705
Merchandise and finished goods	4,968	5,433
Work in process	7,787	9,456
Raw materials	11,079	11,450
Other	9,520	9,292
Allowance for doubtful accounts	(596)	(527)
Total current assets	206,714	187,587
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,439	11,310
Other, net	14,039	15,417
Total property, plant and equipment	25,479	26,727
Intangible assets	5,279	5,246
Investments and other assets		
Investment securities	26,746	27,818
Net defined benefit asset	3	—
Other	10,148	9,689
Allowance for doubtful accounts	(566)	(471)
Total investments and other assets	36,331	37,037
Total non-current assets	67,090	69,011
Total assets	273,805	256,599

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	41,498	38,063
Short-term loans payable	10,171	10,070
Income taxes payable	6,313	526
Provision for bonuses	10,211	3,590
Provision for directors' bonuses	157	33
Provision for product warranties	552	535
Provision for loss on order received	792	961
Other	17,828	22,688
Total current liabilities	87,525	76,469
Non-current liabilities		
Long-term loans payable	514	504
Net defined benefit liability	5,563	5,372
Provision for directors' retirement benefits	122	97
Provision for stock payment	654	742
Other	1,460	1,846
Total non-current liabilities	8,316	8,562
Total liabilities	95,842	85,031
Net assets		
Shareholders' equity		
Capital stock	10,522	10,522
Capital surplus	11,670	11,670
Retained earnings	147,728	146,239
Treasury shares	(6,966)	(11,963)
Total shareholders' equity	162,955	156,469
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,906	13,650
Deferred gains or losses on hedges	45	30
Foreign currency translation adjustment	1,837	1,121
Remeasurements of defined benefit plans	(1,749)	(1,703)
Total accumulated other comprehensive income	13,040	13,100
Non-controlling interests	1,967	1,997
Total net assets	177,962	171,567
Total liabilities and net assets	273,805	256,599

(2) Consolidated quarterly statements of income and consolidated quarterly statements of comprehensive income

(Consolidated quarterly statements of income)

(The first quarter of the current consolidated cumulative period)

(Millions of yen)

	Three months ended June 30, 2017 (April 1, 2017 to June 30, 2017)	Three months ended June 30, 2018 (April 1, 2018 to June 30, 2018)
Net sales	54,799	54,803
Cost of sales	35,732	34,790
Gross profit	19,067	20,013
Selling, general and administrative expenses	17,334	18,236
Operating income	1,732	1,777
Non-operating income		
Interest income	22	21
Dividend income	260	282
Foreign exchange gains	27	318
Real estate rent	10	10
Reversal of allowance for doubtful accounts	10	46
Other	31	31
Total non-operating income	362	711
Non-operating expenses		
Interest expenses	46	27
Commitment fee	5	5
Rent expenses on real estates	17	17
Other	23	22
Total non-operating expenses	93	73
Ordinary income	2,002	2,415
Extraordinary income		
Gain on sales of non-current assets	2	1
Gain on sales of investment securities	0	3
Total extraordinary income	2	4
Extraordinary losses		
Loss on sales and retirement of non-current assets	1	29
Impairment loss	―	20
Loss on sales of investment securities	0	―
Total extraordinary losses	1	50
Income before income taxes	2,003	2,369
Income taxes - current	361	358
Income taxes - deferred	389	418
Total income taxes	750	777
Net income	1,252	1,592
Net income attributable to non-controlling interests	62	66
Net income attributable to owners of parent	1,189	1,525

(Consolidated quarterly statements of comprehensive income)

(The first quarter of the current consolidated cumulative period)

(Millions of yen)

	Three months ended June 30, 2017 (April 1, 2017 to June 30, 2017)	Three months ended June 30, 2018 (April 1, 2018 to June 30, 2018)
Net income	1,252	1,592
Other comprehensive income		
Valuation difference on available-for-sale securities	1,341	744
Deferred gains or losses on hedges	(11)	(14)
Foreign currency translation adjustment	(320)	(743)
Remeasurements of defined benefit plans, net of tax	41	46
Total other comprehensive income	1,051	33
Comprehensive income	2,303	1,625
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,290	1,585
Comprehensive income attributable to non-controlling interests	12	40

(3) Notes to the consolidated quarterly financial statements

(Notes regarding going concern assumptions)

Not applicable

(Notes regarding significant change in shareholders' equity)

Based on the resolutions at the Board of Directors meeting held on May 11, 2018, the Company repurchased 936,200 shares of its own shares pursuant to Article 156 and Article 165, paragraph 3 of the Companies Act. Consequently, treasury shares increased by 4,999 million yen in the first quarter of the current consolidated accounting period and amounted to 11,963 million yen at the end of the first quarter of the current consolidated accounting period.

(Additional information)

(Application of "Partial Amendments to Accounting Standard for Tax Effect Accounting", etc.)

"Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No.28, February 16, 2018), etc. have been applied from the beginning of the first quarter of the current consolidated accounting period. Accordingly, deferred tax assets are classified under investments and other assets, and deferred tax liabilities are classified under non-current liabilities.

Furthermore, these partial amendments have been retrospectively applied to the consolidated quarterly financial position and consolidated quarterly balance sheets as of March 31, 2018.

(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 plan"), 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 plan, the Company offers the Company's stock to its employees who satisfy certain requirements specified in the Company's predetermined stock granting regulations. The Company awards points to employees according to the contribution level of them and grants 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 is acquired with money previously placed in the trust, including stock to be granted in the future, and is 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 is 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 3,963 million yen for 998,283 shares as of March 31, 2018; 3,959 million yen for 997,297 shares as of June 30, 2018.

(Segment information)

I. Three months ended June 30, 2017 (from April 1, 2017 to June 30, 2017)

1. Sales and profit (loss) information about each segment

(Millions of yen)

	Reportable Segment				Other*	Total
	Building Automation	Advanced Automation	Life Automation	Total		
Sales						
Customers	23,294	21,394	10,087	54,776	23	54,799
Inter-segment	80	109	103	293	1	294
Total	23,374	21,504	10,190	55,069	24	55,094
Segment profit (loss)	(161)	1,734	144	1,717	9	1,727

* "Other" includes insurance agent business.

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

(Millions of yen)

Income	Amount
Total of reportable segments	1,717
Profit in Other	9
Elimination	5
Operating income	1,732

II. Three months ended June 30, 2018 (from April 1, 2018 to June 30, 2018)

1. Sales and profit (loss) information about each segment

(Millions of yen)

	Reportable Segment				Other*	Total
	Building Automation	Advanced Automation	Life Automation	Total		
Sales						
Customers	21,755	22,259	10,767	54,782	21	54,803
Inter-segment	73	122	76	272	1	274
Total	21,828	22,381	10,844	55,055	23	55,078
Segment profit (loss)	(920)	2,290	403	1,773	8	1,782

* “Other” includes insurance agent business.

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

(Millions of yen)

Income	Amount
Total of reportable segments	1,773
Profit in Other	8
Elimination	(4)
Operating income	1,777