Consolidated Financial Results
for the Nine Months Ended December 31, 2015
[Japanese GAAP]

February 9, 2016

Company name: Nissha Printing Co., Ltd.
Stock exchange listing: Tokyo Stock Exchange
Code number: 7915
URL: http://www.nissha.com/english
Representative: Junya Suzuki, President and CEO, Chairman of the Board
Contact: Hayato Nishihara, Senior Executive Vice President, CFO, Member of the Board
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Scheduled date of filing quarterly securities report: February 10, 2016
Scheduled date of commencing dividend payments: -
Availability of supplementary briefing material on quarterly financial results: Available
Schedule of quarterly financial results briefing session: Scheduled (conference call for institutional investors)

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2015 (April 1, 2015 to December 31, 2015)

(1) Consolidated Operating Results (cumulative) (% indicates changes from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2015	86,069	(10.1)	8,345	(19.4)	8,577	(40.6)	7,625	(38.7)
Nine months ended December 31, 2014	95,722	9.9	10,359	254.8	14,439	125.7	12,442	125.9

(Note) Comprehensive income: Nine months ended December 31, 2015: ¥6,885 million ((48.5)%)
Nine months ended December 31, 2014: ¥13,360 million (65.9%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended December 31, 2015	177.70	−
Nine months ended December 31, 2014	289.95	−

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2015	146,809	71,910	49.0
As of March 31, 2015	115,430	66,313	57.4

(Reference) Equity: As of December 31, 2015: ¥71,910 million
As of March 31, 2015: ¥66,313 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2015	–	5.00	–	15.00	20.00
Fiscal year ending March 31, 2016	–	15.00	–		
Fiscal year ending March 31, 2016 (Forecast)				15.00	30.00

(Note) Revision of cash dividend forecast: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2016 (April 1, 2015 to March 31, 2016)

(% indicates changes from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	119,000	0.2	9,000	2.9	8,900	(28.8)	7,500	(33.3)	174.77

(Note) Revision of consolidated financial results forecast: No

Notes:

(1) Changes in significant subsidiaries during the period under review: Yes

(Changes in specified subsidiaries resulting in changes in scope of consolidation):

New: 1 (AR Metallizing N.V.), Exclusion: – ( )

For details, please see “2. Matters regarding the Summary Information (Notes) (1) Changes in significant subsidiaries during the period under review” on page 5 of the appendix.

(2) Adoption of special accounting treatment for preparing quarterly consolidated financial statements: Yes

For details, please see “2. Matters regarding the Summary Information (Notes) (2) Adoption of special accounting treatment for preparing quarterly consolidated financial statements” on page 5 of the appendix.

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

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Any changes other than 1) above: No

3) Changes in accounting estimates: No

4) Restatements: No

(4) Total 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, 2015	45,029,493 shares
As of March 31, 2015	45,029,493 shares

2) Total number of treasury shares at the end of the period:

As of December 31, 2015	2,117,019 shares
As of March 31, 2015	2,116,538 shares

3) Average number of shares during the period (cumulative total):

Nine months ended December 31, 2015	42,912,822 shares
Nine months ended December 31, 2014	42,913,606 shares

* Presentation regarding the implementation status of the quarterly review process

This report on quarterly financial results is exempted from quarterly review process under the Financial Instruments and Exchange Act. Review process for quarterly financial statements under the Financial Instruments and Exchange Act have not been completed at the time of disclosure of this report.

* Explanation of the proper use of financial results forecast and other notes

The performance forecasts and other forward-looking statements contained in this report are based on information available to the Company on the date of this report’s release and certain premises that the Company deems to be reasonable. Therefore, the Company has not prepared these descriptions with intent to commit to realize them. Actual results, etc. may differ from the forecasts, however, as a consequence of various factors in the future. For details on the premises of the performance forecasts of the Company and the points to note when using the performance forecasts, please see “1. Qualitative Information on Consolidated Financial Results for the Period under Review (3) Explanation of consolidated operating results forecast and other forecast information” on page 4 of the appendix.

We are scheduled to hold a conference call for institutional investors on Tuesday, February 9, 2016. Reference materials to be used at the conference call are scheduled to be posted on our website on that day, as well.

Contents of Appendix

1. Qualitative Information on Consolidated Financial Results for the Period under Review

(1) Explanation of operating results

Reflecting on the global economy in the nine months ended December 31, 2015, the United States saw ongoing recovery thanks to increased consumer spending and improvement in capital expenditure, while Europe showed gradual recovery. In Asia, the economies of emerging countries such as China gradually slowed down. As for Japan, although exports and production were weak in some areas, corporate profits are on an improving trend and the economy overall continued on a modest path to recovery.

Under these circumstances, we worked to increase profit mainly through our efforts in the mainstay Devices segment, where we strove to build a lean production structure that can adapt to demand fluctuation and improve productivity, and in the Industrial Materials segment, where we strove to expand the sales of products for automotive components and home appliances, both of which are expected to grow steadily in global market.

As a result, the net sales for the nine months ended December 31, 2015 were ¥86,069 million (a decrease of 10.1% as compared to the same period of the previous year). For income, operating income was ¥8,345 million (a decrease of 19.4% as compared to the same period of the previous year), ordinary income was ¥8,577 million (a decrease of 40.6% as compared to the same period of the previous year), and net income attributable to owners of parent was ¥7,625 million (a decrease of 38.7% as compared to the same period of the previous year).

Following is an overview by business segment.

Industrial Materials

In the Industrial Materials segment, the Nissha Group mainly offers proprietary technologies that enable customers to incorporate appealing and decorative designs on the surfaces of various materials. IMD, which facilitates simultaneous molding and printing of plastic products, is extensively adopted in automotive interior components, home appliances, and smartphones in global markets. In addition, we acquired AR Metallizing group, a manufacturer of metallized paper for high-end labels and packaging, and made it our subsidiary on August 6, 2015. This acquisition has enabled the Nissha Group to incorporate metallized paper into its product portfolio in domains related to printing and capture new global markets for beverages, food, and consumer products.

During the nine months ended December 31, 2015, the scale of business for this segment expanded primarily due to steadily growing demand for our mainstay automotive interior components and the contributions of our metallized paper field.

As a result, segment sales for the nine months ended December 31, 2015 were ¥26,552 million, an increase of 28.5% as compared to the same period of the previous year. Segment income (operating income) was ¥154 million (segment loss (operating loss) of ¥514 million in the same period of the previous year).

Devices

In the Devices segment, the Nissha Group produces devices that pursue precision and functionality, including its core products, the FineTouch touch input device. These devices are adopted mainly in tablet devices, smartphones, mobile game consoles, and automotive components in global markets.

During the nine months ended December 31, 2015, demand for the capacitive-type touch panels adopted for tablet devices remained lower than expected, but income exceeded the original estimate mainly due to the establishment of a production structure that can adapt to demand fluctuation and the productivity improvement.

As a result, segment sales for the nine months ended December 31, 2015 were ¥46,131 million, a decrease of 24.8% as compared to the same period of the previous year. Segment income (operating income) was ¥10,948 million, a decrease of 23.2% as compared to the same period of the previous year.

Information and Communication

In the Information and Communication segment, the Nissha Group offers its customers a wide range of professional products and services such as publication printing, commercial printing, sales promotion, web solutions, and digital archiving, thereby assisting a host of marketing strategies and communication strategies relating to advertising and sales promotion.

During the nine months ended December 31, 2015, the commercial printing field, the key product field in this segment, was affected by a decrease in demand due to the diversification of information media. These movements led the market into a highly competitive climate.

As a result, segment sales for the nine months ended December 31, 2015 were ¥12,354 million, a decrease of 4.8% as compared to the same period of the previous year. Segment loss (operating loss) was ¥95 million (segment loss (operating loss) of ¥559 million in the same period of the previous year).

(2) Explanation of financial position

Total assets at the end of the third quarter ended December 31, 2015 increased by ¥31,378 million from the end of the previous year (the fiscal year ended March 31, 2015) to ¥146,809 million.

Current assets increased by ¥14,938 million from the end of the previous year to ¥74,921 million. This was mainly because a ¥8,680 million increase of notes and accounts receivable-trade, a ¥2,985 million increase of merchandise and finished goods and a ¥2,105 million increase of work in process outweighed a ¥2,007 million decrease of cash and deposits.

Non-current assets increased by ¥16,440 million from the end of the previous year to ¥71,887 million. This was mainly because goodwill increased by ¥13,385 million primarily due to new consolidation and property, plant and equipment increased by ¥2,901 million.

Total liabilities at the end of the third quarter ended December 31, 2015 increased by ¥25,781 million from the end of the previous year to ¥74,898 million.

Current liabilities increased by ¥19,358 million from the end of the previous year to ¥59,665 million. This was mainly because short-term loans payable increased by ¥12,916 million and notes and accounts payable-trade increased by ¥6,345 million.

Non-current liabilities increased by ¥6,422 million from the end of the previous year to ¥15,232 million. This was mainly because long-term loans payable increased by ¥3,843 million and lease obligations included in the “other” item increased by ¥1,469 million.

Net assets at the end of the third quarter ended December 31, 2015 increased by ¥5,597 million from the end of the previous year to ¥71,910 million.

Analysis of Cash Flows

The balance of cash and cash equivalents (the “funds”) on a consolidated basis at the end of the nine months ended December 31, 2015 was ¥27,408 million, a decrease of ¥2,076 million compared to the end of the previous year.

The following describes the conditions of each cash flow and the underlying causes for the nine months ended December 31, 2015.

(Net Cash Provided by (Used in) Operating Activities)

Funds provided by operating activities amounted to ¥6,523 million. This was mainly because ¥8,349 million of income before income taxes, ¥5,659 million of depreciation, and a ¥4,287 million increase in notes and accounts payable-trade outweighed a ¥5,876 million increase in notes and accounts receivable-trade and a ¥3,491 million increase in inventories.

(Net Cash Provided by (Used in) Investing Activities)

Funds used in investing activities amounted to ¥18,927 million. This was mainly attributable to the purchase of investments in subsidiaries and others resulting in change in scope of consolidation of ¥14,357 million and the purchase of property, plant and equipment and intangible assets of ¥3,242 million.

(Net Cash Provided by (Used in) Financing Activities)

Funds provided by financing activities amounted to ¥10,522 million. This was mainly attributable to net increase in short-term loans payable of ¥11,987 million.

(3) Explanation of consolidated operating results forecast and other forecast information

The consolidated financial forecasts for the fiscal year ending March 31, 2016 remain the same as those announced on November 6, 2015.

2. Matters regarding the Summary Information (Notes)

(1) Changes in significant subsidiaries during the period under review

In the second quarter ended September 30, 2015 we acquired all shares of H.I.G. Luxembourg Holdings 28 S.à r.l. effective on August 6, 2015, whereupon H.I.G. Luxembourg Holdings 28 S.à r.l., AR Metallizing N.V. (a business company under the control of H.I.G. Luxembourg Holdings 28 S.à r.l.), and the group companies of AR Metallizing N.V. became consolidated subsidiaries of the Company. Because AR Metallizing N.V.'s capital stock is equivalent to ten percent or more of the Company's capital stock, AR Metallizing N.V. became a specified subsidiary of the Company.

H.I.G. Luxembourg Holdings 28 S.à r.l. changed its corporate name to Nissha Luxembourg Holdings S.à r.l. effective on September 15, 2015.

(2) Adoption of special accounting treatment for preparing quarterly consolidated financial statements

Calculation of tax expense

When calculating tax expense, we reasonably estimate the effective tax rate after applying tax-effect accounting for income (loss) before income taxes in the fiscal year, including the third quarter ended December 31, 2015. We then calculate the tax expense by multiplying income (loss) before income taxes by the estimated effective tax rate. We use the statutory effective tax rate, however, if the estimated effective tax rate is unavailable.

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

(Changes in accounting policies)

Effective from the three months ended June 30, 2015, the Company has adopted the "Revised Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013; hereinafter the "Accounting Standard for Business Combinations"), "Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013; hereinafter the "Accounting Standard for Consolidated Financial Statements"), and "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013; hereinafter, the "Accounting Standard for Business Divestitures"). Following the methods changed according to these standards, the Company records differences arising from changes in its equity interest in subsidiaries that remain under its control as capital surplus and charges acquisition-related costs for business combinations to expenses in the fiscal years when such costs are incurred. With regard to any business combination made on or after April 1, 2015, any adjustment of an allocated amount of acquisition costs arising from a determination of provisional treatment is reflected in the quarterly consolidated financial statements for the quarter of the fiscal year when the business combination occurs. Furthermore, the Company has changed the presentation of net income, etc., as well as the presentation of minority interests to non-controlling interests. To reflect these changes in presentation, the quarterly consolidated financial statements for the third quarter ended December 31, 2014 and consolidated financial statements for the fiscal year ended March 31, 2015 have been reclassified.

In the consolidated statement of cash flows for the nine months ended December 31, 2015, cash flows relating to the purchase or sales of investments in subsidiaries not resulting in change in scope of consolidation are shown in the "net cash provided by (used in) financing activities" section, while cash flows relating to expenses associated with the purchase of investments in subsidiaries resulting in change in scope of consolidation and expenses associated with the purchase or sales of investments in subsidiaries not resulting in change in the scope of consolidation are shown in the “net cash provided by (used in) operating activities” section.

When applying the accounting standards, the Company follows the transitional treatment set forth in Paragraph 58-2 (4) of the Accounting Standard for Business Combinations, Paragraph 44-5 (4) of the Accounting Standard for Consolidated Financial Statements, and Paragraph 57-4 (4) of the Accounting Standard for Business Divestitures. The accounting standards are applied to the period from April 1, 2015 onward.

As a result, operating income, ordinary income and income before income taxes for the nine months ended December 31, 2015 decreased by ¥367 million, respectively.

3. Consolidated Financial Statements

(1) Consolidated balance sheets

(Million yen)

	As of March 31, 2015	As of December 31, 2015
Assets		
Current assets		
Cash and deposits	29,794	27,786
Notes and accounts receivable-trade	18,633	27,313
Merchandise and finished goods	3,592	6,578
Work in process	2,645	4,750
Raw materials and supplies	1,990	2,894
Other	3,745	5,808
Allowance for doubtful accounts	(418)	(211)
Total current assets	59,982	74,921
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	21,090	20,030
Machinery, equipment and vehicles, net	10,467	12,234
Tools, furniture and fixtures, net	1,346	1,363
Land	5,923	5,925
Leased assets, net	262	1,735
Construction in progress	263	965
Total property, plant and equipment	39,353	42,255
Intangible assets		
Software	1,740	1,274
Goodwill	2,263	15,649
Other	814	857
Total intangible assets	4,819	17,781
Investments and other assets		
Investment securities	10,425	10,993
Other	1,281	1,555
Allowance for doubtful accounts	(432)	(698)
Total investments and other assets	11,274	11,851
Total non-current assets	55,447	71,887
Total assets	115,430	146,809

(Million yen)

	As of March 31, 2015	As of December 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable-trade	19,764	26,110
Short-term loans payable	10,114	23,030
Income taxes payable	899	909
Provision for bonuses	1,426	917
Provision for directors’ bonuses	43	45
Other	8,059	8,652
Total current liabilities	40,306	59,665
Non-current liabilities		
Long-term loans payable	—	3,843
Net defined benefit liability	5,861	6,099
Other	2,948	5,290
Total non-current liabilities	8,810	15,232
Total liabilities	49,117	74,898
Net assets		
Shareholders’ equity		
Capital stock	5,684	5,684
Capital surplus	7,355	7,355
Retained earnings	48,198	54,536
Treasury shares	(2,930)	(2,931)
Total shareholders’ equity	58,308	64,645
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,382	5,451
Foreign currency translation adjustment	2,865	2,062
Remeasurements of defined benefit plans	(242)	(248)
Total accumulated other comprehensive income	8,004	7,264
Total net assets	66,313	71,910
Total liabilities and net assets	115,430	146,809

(2) Consolidated statements of operations and comprehensive income

Consolidated statements of operations

(Million yen)

	Nine Months Ended December 31, 2014	Nine Months Ended December 31, 2015
Net sales	95,722	86,069
Cost of sales	73,487	64,439
Gross profit	22,235	21,629
Selling, general and administrative expenses	11,875	13,284
Operating income	10,359	8,345
Non-operating income		
Interest income	77	51
Dividend income	89	127
Foreign exchange gains	4,539	387
Other	174	105
Total non-operating income	4,880	672
Non-operating expenses		
Interest expenses	82	115
Share of loss of entities accounted for using equity method	489	147
Commission fee	—	91
Compensation expenses	200	30
Other	28	55
Total non-operating expenses	800	440
Ordinary income	14,439	8,577
Extraordinary income		
Gain on sales of non-current assets	50	87
State subsidy	275	177
Total extraordinary income	326	265
Extraordinary losses		
Loss on sales and retirement of non-current assets	164	87
Loss on reduction of non-current assets	86	—
Loss on valuation of investment securities	—	256
Impairment loss	701	150
Total extraordinary losses	952	494
Income before income taxes	13,813	8,349
Income taxes	1,371	723
Net income	12,441	7,625
Net loss attributable to non-controlling interests	(1)	—
Net income attributable to owners of parent	12,442	7,625

Consolidated statements of comprehensive income

(Million yen)

	Nine Months Ended December 31, 2014	Nine Months Ended December 31, 2015
Net income	12,441	7,625
Other comprehensive income		
Valuation difference on available-for-sale securities	488	68
Foreign currency translation adjustment	415	(774)
Remeasurements of defined benefit plans, net of tax	(23)	(6)
Share of other comprehensive income of entities accounted for using equity method	38	(28)
Total other comprehensive income	918	(739)
Comprehensive income	13,360	6,885
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,361	6,885
Comprehensive income attributable to non-controlling interests	(1)	—

(3) Consolidated statements of cash flows

(Million yen)

	Nine Months Ended December 31, 2014	Nine Months Ended December 31, 2015
Cash flows from operating activities		
Income before income taxes	13,813	8,349
Depreciation	7,272	5,659
Impairment loss	701	150
Amortization of goodwill	115	322
Increase (decrease) in provision for bonuses	(370)	(611)
Increase (decrease) in provision for directors’ bonuses	32	1
Increase (decrease) in net defined benefit liability	130	130
Increase (decrease) in allowance for doubtful accounts	(93)	9
Interest and dividend income	(166)	(179)
Interest expenses	82	115
Foreign exchange losses (gains)	(1,701)	(313)
Share of (profit) loss of entities accounted for using equity method	489	147
Loss (gain) on valuation of investment securities	—	256
Loss (gain) on sales and retirement of non-current assets	114	(0)
Decrease (increase) in notes and accounts receivable-trade	(14,515)	(5,876)
Decrease (increase) in inventories	(638)	(3,491)
Increase (decrease) in notes and accounts payable-trade	6,736	4,287
Other, net	3,171	(1,139)
Subtotal	15,173	7,817
Interest and dividend income received	165	178
Interest expenses paid	(82)	(139)
Income taxes paid	(450)	(1,336)
Income taxes refund	29	3
Net cash provided by (used in) operating activities	14,835	6,523

(Million yen)

	Nine Months Ended December 31, 2014	Nine Months Ended December 31, 2015
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	42	242
Payments into time deposits	(174)	(378)
Purchase of property, plant and equipment and intangible assets	(2,050)	(3,242)
Proceeds from sales of property, plant and equipment and intangible assets	1,381	—
Payments from sales of property, plant and equipment and intangible assets	—	(253)
Purchase of investment securities	(73)	(926)
Proceeds from sales of investment securities	39	—
Purchase of shares of subsidiaries and associates	(25)	—
Purchase of investments in other securities of subsidiaries and affiliates	(20)	(32)
Payments for transfer of business	(344)	—
Payments of loans receivable	(257)	(3)
Collection of loans receivable	158	8
Purchase of investments in subsidiaries and others resulting in change in scope of consolidation	(856)	(14,357)
Other, net	59	16
Net cash provided by (used in) investing activities	(2,122)	(18,927)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(5,099)	11,987
Repayments of long-term loans payable	(1,031)	(2)
Redemption of bonds	(165)	—
Commission fee paid	—	(91)
Repayments of lease obligations	(488)	(87)
Purchases of treasury shares-net	(1)	(1)
Cash dividends paid	(426)	(1,281)
Net cash provided by (used in) financing activities	(7,212)	10,522
Effect of exchange rate change on cash and cash equivalents	1,987	(194)
Net increase (decrease) in cash and cash equivalents	7,488	(2,076)
Cash and cash equivalents at beginning of period	20,272	29,484
Cash and cash equivalents at end of period	27,760	27,408

(4) Notes to consolidated financial statements

(Notes to going concern assumptions)

Not applicable

(Notes to material changes in shareholders' equity)

Not applicable

(Segment information, etc.)

I. The nine months ended December 31, 2014 (April 1, 2014 to December 31, 2014)

1. Information about sales and profit (loss) by reportable segment

(Million yen)

	Reportable segment					Reconciliations (Note 2)	Consolidated (Note 3)
	Industrial Materials	Devices	Information and Communication	Other (Note 1)	Total		
Sales							
Sales to external customers	20,660	61,315	12,981	765	95,722	—	95,722
Inter-segment sales or transfers	1	542	—	506	1,050	(1,050)	—
Total	20,661	61,857	12,981	1,271	96,772	(1,050)	95,722
Segment income (loss)	(514)	14,254	(559)	(175)	13,005	(2,645)	10,359

(Notes) 1. The "Other" category consists of the gas sensor production and sales business.

2. The negative ¥2,645 million of reconciliations in segment income (loss) includes unallocated corporate expenses, etc. Corporate expenses mainly consist of general and administrative expenses not attributable to any reportable segment.

3. Segment income (loss) is reconciled with operating income recorded in the consolidated statements of operations.

2. Information about assets by reportable segment

Mainly as a result of acquisition of all shares of FIS Inc. in the first quarter ended June 30, 2014 and inclusion of it in the scope of consolidation, segment assets included in the "Other" segment increased by ¥2,433 million from the end of the previous year.

3. Information about impairment loss and goodwill, etc. by reportable segment

(Material impairment loss of non-current assets)

We recorded impairment loss of ¥581 million for non-current assets in the "Industrial Materials" segment.

(Material changes in the amount of goodwill)

We made FIS Inc. a wholly owned subsidiary through a simple share exchange effective on June 30, 2014 and reported it in the "Other" segment. The increase in the amount of goodwill attributable to the event was ¥1,610 million for the nine months ended December 31, 2014.

II. The nine months ended December 31, 2015 (April 1, 2015 to December 31, 2015)

1. Information about sales and profit (loss) by reportable segment

(Million yen)

	Reportable segment					Reconciliations (Note 2)	Consolidated (Note 3)
	Industrial Materials	Devices	Information and Communication	Other (Note 1)	Total		
Sales							
Sales to external customers	26,552	46,131	12,354	1,030	86,069	―	86,069
Inter-segment sales or transfers	7	1,668	―	890	2,566	(2,566)	―
Total	26,559	47,800	12,354	1,921	88,636	(2,566)	86,069
Segment income (loss)	154	10,948	(95)	(626)	10,380	(2,034)	8,345

(Notes) 1. The "Other" category consists of the gas sensor production and sales business.

2. The negative ¥2,034 million of reconciliations in segment income (loss) includes unallocated corporate expenses, etc. Corporate expenses mainly consist of general and administrative expenses not attributable to any reportable segment.

3. Segment income (loss) is reconciled with operating income recorded in the consolidated statements of operations.

2. Information about assets by reportable segment

Mainly as a result of the acquisition of all shares of H.I.G. Luxembourg Holdings 28 S.à r.l. (corporate name changed to Nissha Luxembourg Holdings S.à r.l. effective on September 15, 2015) in the second quarter ended September 30, 2015 and inclusion of the company, AR Metallizing N.V. (a business company under the control of H.I.G. Luxembourg Holdings 28 S.à r.l.), the group companies of AR Metallizing N.V. in the scope of consolidation, segment assets included in the "Industrial Materials" segment increased by ¥25,295 million from the end of the previous year.

The amount of the segment assets was provisionally calculated because the allocation of acquisition costs was not yet completed.

3. Changes in reportable segments, etc.

As stated in "Changes in accounting policies," the Company records differences arising from changes in its equity interest in subsidiaries that remain under its control as capital surplus and charges acquisition-related costs for business combinations to expenses in the fiscal years when such costs are incurred, effective from the three months ended June 30, 2015. With regard to any business combination made on or after April 1, 2015, any adjustment of allocated acquisition costs arising from a determination of provisional treatment is reflected in the quarterly consolidated financial statements for the quarter of the fiscal year when the business combination occurs.

As a result of the change from the previous to the new method, segment income included in the "Industrial Materials" segment for the nine months ended December 31, 2015 decreased by ¥367 million.

4. Information about impairment loss and goodwill, etc. by reportable segment

(Material impairment loss of non-current assets)

We recorded impairment loss of ¥150 million for non-current assets in the “Industrial Materials” segment.

(Material changes in the amount of goodwill)

In the “Industrial Materials” segment, we acquired all shares of H.I.G. Luxembourg Holdings 28 S.à r.l. (corporate name changed to Nissha Luxembourg Holdings S.à r.l. effective on September 15, 2015) effective on August 6, 2015. The increase in the amount of goodwill attributable to the event was ¥13,568 million for the nine months ended December 31, 2015.

The amount of goodwill was provisionally calculated because the allocation of acquisition costs was not yet completed.