(English Translation)

Consolidated Financial Results for the Second Quarter ended June 30, 2017

August 8, 2017

Listed Company Name: Showa Shell Sekiyu K. K. Listed Stock Exchange: Tokyo Stock Exchange 1st Section

Code Number: 5002 URL http://www.showa-shell.co.jp/english/index.html

Delegate: Title: CEO, Representative Director Name: Tsuyoshi Kameoka

Contact: Title: Executive Officer Name: Takashi Sakata Phone: (03) 5531-5594

Expected date of quarterly report submission: August 9, 2017
Expected date of dividend payment: September 11, 2017
Supporting material for quarterly results: Applicable
The briefing session of quarterly results: Applicable (For analysts and institutional investors)

(Amount unit: Millions of yen, unless otherwise stated)
(Fractions less than one million yen are rounded off.)

1. Consolidated financial results for the six months ended June 30, 2017 (January 1 through June 30, 2017)

(Note) Percentages represent changes from the same period of the previous year.

(1) Consolidated financial results

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
For the six months ended		%		%		%		%
June 30, 2017	947,473	11.3	23,362	49.0	27,323	106.5	16,046	206.6
June 30, 2016	851,582	(25.9)	15,674	12.8	13,233	(3.7)	5,233	(41.8)

(Reference) Comprehensive income Three months ended June 30, 2017: 17,697 million yen; 296.4 %
Three months ended June 30, 2016: 4,464 million yen; (62.4%)

	Earnings per share	Diluted earnings per share
For the six months ended	Yen	Yen
June 30, 2017	42.61	-
June 30, 2016	13.90	-

(2) Consolidated financial position

	Total assets	Net assets	Net assets (excl. non-controlling interests) to total
			%
As of June 30, 2017	890,389	252,539	26.0
As of December 31, 2016	976,134	242,518	22.7

(Reference) Net assets (excl. non-controlling interests) As of June 30, 2017 : 231,358 million yen
As of December 31, 2016: 221,291 million yen

2. Dividends

	Dividend per share				
(Record date)	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	End of fiscal year	Total
	Yen	Yen	Yen	Yen	Yen
Full year 2016	-	19.00	-	19.00	38.00
Full year 2017	-	19.00			
Full year 2017 (Forecast)			-	19.00	38.00

(Note) Revision of dividend forecast during this quarter: None

3. Forecast of consolidated financial results for full year 2017 (January 1 through December 31, 2017)

(Percentages represent changes from the same period of the previous year)

	Net sales		Operating income		Ordinary income		Net income attribute to owners of the parent		Earnings per share
		%		%		%		%	Yen
Full year 2017	2,080,000	20.5	63,000	35.7	68,000	42.1	43,000	154.1	114.17

(Note) Revision of forecast of consolidated results: None

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries causing changes in scope of consolidation) : None

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

(3) Changes in accounting principles, accounting estimates and restatement

a) Changes in accounting principles due to amendment of accounting standards : None

b) Changes in accounting principles due to the reason except a) : None

c) Changes in accounting estimates : None

d) Restatement : None

(4) Number of shares issued (Common shares)

a) Number of shares issued (including treasury shares)	As of June 30, 2017 :	376,850,400	As of December 31, 2016 :	376,850,400
b) Number of treasury shares	As of June 30, 2017 :	220,279	As of December 31, 2016 :	219,702
c) Average number of shares	As of June 30, 2017 :	376,630,443	As of June 30, 2016 :	376,631,480

* These quarterly results are exempt from the quarterly review procedures.

* Explanation regarding appropriate use of the business forecast, other special instructions

The business forecast above is based on the information available as of the date of the press release of the documents, and includes various risks and uncertainties. Actual results could differ from the business forecast due to changes in economic conditions, market trends, exchange rate and other factors. Please refer to “1. (3) Qualitative information concerning the forecast of consolidated financial results” in [Supporting material] on page 3.

[Supporting material]

Contents

1. Qualitative information concerning consolidated financial statements etc.

(1) Qualitative information concerning consolidated financial results

Showa Shell Sekiyu Group ("the Group") reported consolidated net sales of 947.4 billion yen, an increase of 11.3 % compared to the same period a year ago, consolidated operating income of 23.3 billion yen, an increase of 7.6 billion yen compared to the same period a year ago, and consolidated ordinary income of 27.3 billion yen, an increase of 14.0 billion yen compared to the same period a year ago, for the current six-month period of full year 2017. Those increases in profit are mainly attributable to the inventory valuation gains, while inventory valuation loss occurred over the same period of the previous year due to the crude oil price fall in the oil business. The relevant consolidated ordinary income excluding the impact of the inventory valuation was 20.4 billion yen, an increase of 3.8 billion yen compared to the same period a year ago.

(Crude oil prices and foreign exchange rate)

	Dubai crude oil price (USD/Barrel)	Exchange rate (JPY/USD)
2Q/2016	37.1	111.7
2Q/2017	51.4	112.3
Difference	14.3	0.6

(Note) These are the average figures during the period.

The business results by segment are as follows.

[Oil Business]

Total domestic demand for gasoline, diesel oil, kerosene and other main fuels during the first half of the current consolidated fiscal year fell below that of last year because the first quarter of last year contained one day more than the same period of this year. Sales were also affected by regular maintenance on our mainstay Yokkaichi Refinery during the second quarter, causing the domestic sales volume to fall below that of the previous year. The price of crude oil remained relatively stable at around 50 U.S. dollars per barrel during the same period. Phase 2 of the initiative to increase the sophistication of energy supply structures was completed in March. Those normalized the supply capacity for the industry as a whole, and resulted in a generally stable margin on domestic fuels. The prioritization of supply of the main fuels to the domestic market due to the regular maintenance on the Yokkaichi Refinery resulted in a substantial year on year decline in product exports and sales volume for petrochemical products such as mixed xylene. However, the continued focus on differentiation of products and services such as "Shell V-Power", the high-performance premium gasoline, and "Ponta", the joint point program common to various industries, and continued efforts to strengthen the customer base in the oil business resulted in firm domestic sales in the retail segment.

As a result, the Oil Business segment reported net sales of 895.5 billion yen, an increase of 14.2% compared to the same period a year ago and operating income of 27.1 billion yen, an increase of 8.7 billion yen compared to the same period a year ago. The relevant consolidated operating income excluding the effects of inventory valuation was 20.3 billion yen, a decrease of 1.4 billion yen compared to the same period a year ago.

[Energy Solutions Business]

Although revision of the domestic feed-in tariff system for renewable energy has caused a gradual decline in the pace of new domestic demand in the Solar Business, demand is comparatively stable for both the residential and non-residential markets at present. Meanwhile, overseas demand has continued to grow despite the slump in panel prices and severe competitive environment. Under the tough competition, the Group has been focusing more on the domestic market, where better profitability is expected, according to the new business strategies effective from the second half of last year. Production of "SmaCIS", a strategic product for the residential market aimed at increasing domestic sales, began at the Miyazaki Plant and full-scale marketing began in July as initially planned. There has been steady progress on spec-in by residential housing manufacturers, and order volume is growing. Our mainstay Kunitomi Plant is also maintaining stable operations as planned. We made progress on development of high-efficiency panels with much higher performance (180W and 185W) and the "SFK Series", a new type of CIS thin-film solar cell, and focused on preparations for taking orders from September 2017.

The price of panels continues to fall in Japan as well, and the profit picture will continue to be tough during the transitional period until the new business strategy gets fully underway. However, the magnitude of the loss during the second quarter shrunk compared to the same period of last year, and compared to the previous quarter.

Regarding the Electric Power Business, the Group’s power plants as a whole continued to be stably operational. We expanded our client bases in both the high-power and low-power markets in terms of sales, despite increasingly stiff competition in the market.

As a result, the Energy Solutions Business reported net sales of 47.8 billion yen, a decrease of 24.2% compared to the same period a year ago, and operating loss of 4.2 billion yen, a decrease of 0.8 billion yen compared to the same period a year ago.

[Other Business]

Other Business segment reported net sales of 4.0 billion yen and an operating income of 0.4 billion yen for the period.

(2) Qualitative information concerning consolidated financial position

Consolidated total assets reached 890.3 billion yen at the end of the second quarter, a decrease of 85.7 billion yen from the end of the previous year.

Consolidated total liabilities were 637.8 billion yen, a decrease of 95.7 billion yen compared to the end of the previous year. Short- and long-term interest-bearing liabilities (borrowing, CP, and bonds) were 147.7 billion yen, an increase of 10.0 billion yen from the end of the previous year.

Net assets were 252.5 billion yen, an increase of 10.0 billion yen from the end of the previous year. This was mainly due to positive factors such as an increase in net profit exceeded negative factors such as payment for the final dividend in the current six-month period of full year 2017.

As a result, capital adequacy stands at 26.0 % at the end of the second quarter.

(3) Qualitative information concerning the forecast of consolidated financial results

There is no change in the earnings forecast for the full year 2017, which was published on February 14, 2017. The relevant consolidated ordinary income for the fiscal year 2017, excluding the effect of the inventory valuation, is revised upward to 56.0 billion yen for the full year (from the previous forecast of 48.0 billion yen).

The revised forecast is based on the crude oil price of 50 U.S. dollars per barrel and the exchange rate of 113 yen per U.S. dollar.

The earnings forecast was prepared based on information available on the announcement date of this document. Actual results may differ from those included in the forecast due to various factors.

2. Quarterly Consolidated Financial Statements and notes

(1) Quarterly Consolidated Balance Sheet

(Unit: Millions of yen)

	Previous year end As of December 31, 2016	Current 2nd quarter end As of June 30, 2017
Assets		
Current assets		
Cash and deposits	50,317	32,964
Notes and accounts receivable-trade	233,123	182,503
Merchandise and finished goods	78,810	92,597
Work in process	16,106	16,267
Raw materials and supplies	92,067	74,412
Other	40,067	33,956
Allowance for doubtful accounts	(97)	(79)
Total current assets	510,396	432,622
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	86,472	84,039
Machinery, equipment and vehicles, net	91,785	84,197
Land	140,850	140,615
Other, net	18,309	21,754
Total property, plant and equipment	337,418	330,607
Intangible assets	9,964	10,225
Investments and other assets		
Other	118,614	117,138
Allowance for doubtful accounts	(258)	(204)
Total investments and other assets	118,355	116,933
Total noncurrent assets	465,738	457,767
Total assets	976,134	890,389
Liabilities		
Current liabilities		
Notes and accounts payable-trade	254,242	192,049
Short-term loans payable	42,952	53,570
Current portion of bonds	10,000	10,000
Commercial paper	-	20,000
Accounts payable-other	140,442	112,171
Income taxes payable	4,219	3,195
Provision for damages to the submarine pipeline	94	61
Provision	2,461	2,129
Other	59,440	45,562
Total current liabilities	513,853	438,740
Noncurrent liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	74,741	54,136
Provision for special repairs	15,494	17,305
Provision for damages to the submarine pipeline	2,409	2,401
Liability for retirement benefits	91,874	90,193
Other	25,242	25,073
Total noncurrent liabilities	219,761	199,109
Total liabilities	733,615	637,850

(Unit: Millions of yen)

	Previous year end As of December 31, 2016	Current 2nd quarter end As of June 30, 2017
Net assets		
Shareholders' equity		
Capital stock	34,197	34,197
Capital surplus	22,123	22,123
Retained earnings	173,645	182,535
Treasury stock	(186)	(187)
Total shareholders' equity	229,780	238,669
Accumulated other comprehensive income:		
Unrealized holding gain (loss) on securities	2,352	2,811
Unrealized gain (loss) from hedging instruments	(855)	(77)
Foreign currency translation adjustment	418	(160)
Retirement benefits liability adjustment	(10,404)	(9,884)
Total accumulated other comprehensive income	(8,488)	(7,311)
Non controlling interests	21,226	21,180
Total net assets	242,518	252,539
Total liabilities and net assets	976,134	890,389

(2) Quarterly consolidated statement of income and Consolidated statement of comprehensive income

Quarterly consolidated statement of income

The Six-Month Period Ended June 30

(Unit: Millions of yen)

	For the six months ended June 30, 2016 (January 1 through June 30, 2016)	For the six months ended June 30, 2017 (January 1 through June 30, 2017)
Net sales	851,582	947,473
Cost of sales	785,476	874,339
Gross profit	66,106	73,133
Selling, general and administrative expenses		
Freightage related expenses	17,812	18,284
Personal expenses	12,268	11,637
Other	20,350	19,849
Total selling, general and administrative expenses	50,431	49,771
Operating income	15,674	23,362
Non-operating income		
Interest income	69	112
Dividends income	687	795
Equity in earnings of affiliates	-	4,002
Gain on investments in silent partnership	576	370
Other	554	535
Total non-operating income	1,888	5,817
Non-operating expenses		
Interest expenses	1,065	1,132
Foreign exchange losses	2,438	347
Equity in loss of affiliates	361	-
Other	463	376
Total non-operating expenses	4,329	1,855
Ordinary income	13,233	27,323
Extraordinary income		
Gain on sales of noncurrent assets	559	12
Subsidy	2,763	2,505
Other	109	580
Total extraordinary income	3,432	3,098
Extraordinary losses		
Loss on disposal of noncurrent assets	585	1,037
Impairment loss	212	342
Loss on sales of investment securities	108	-
Loss on valuation of investments in securities	-	1,021
Loss on damages to the submarine pipeline	149	2
Loss on cancellation of the lease contract	-	1,146
Other	299	1,206
Total extraordinary losses	1,355	4,757
Income before income taxes and non-controlling interests	15,311	25,663
Income taxes-current	3,260	3,874
Income taxes-deferred	6,079	5,299
Total income taxes	9,340	9,174
Net income	5,970	16,489
Net income attributable to non controlling interests	737	442
Net income attributable to owners of the parent	5,233	16,046

Quarterly consolidated statement of comprehensive income

The Six-Month Period Ended June 30

(Unit: Millions of yen)

	For the six months ended June 30, 2016 (January 1 through June 30, 2016)	For the six months ended June 30, 2017 (January 1 through June 30, 2017)
Income before non-controlling interests	5,970	16,489
Other comprehensive income		
Unrealized holding gain (loss) on securities	(696)	258
Unrealized gain (loss) from hedgind instruments	(344)	701
Foreign currency translation adjustment	(644)	(579)
Remeasurements of defined benefit plans	295	521
Share of other comprehensive income (loss) of affiliates accounted	(115)	306
Total other comprehensive income (loss)	(1,506)	1,208
Comprehensive income	4,464	17,697
Comprehensive income attributable to		
Sharholders of Showa Shell Sekiyu K.K.	3,788	17,224
Non-controlling interests	676	473

(3) Consolidated Statement of cash flows

(Unit: Millions of yen)

	For the six months ended June 30, 2016 (January 1 through June 30, 2016)	For the six months ended June 30, 2017 (January 1 through June 30, 2017)
Operating activities		
Income before income taxes and non-controlling interests	15,311	25,663
Depreciation and amortization	18,325	14,094
Impairment loss	212	342
Loss (gain) on sales and retirement of non-current assets	25	1,024
Share of loss (profit) of entities accounted for using equity method	361	(4,002)
Increase (decrease) in net defined benefit liability	(1,135)	(926)
Interest and dividends income	(757)	(908)
Interest expense and sales discount	1,065	1,132
Decrease (increase) in notes and accounts receivable-trade	11,293	49,969
Decrease (increase) in inventories	14,360	3,218
Increase (decrease) in notes and accounts payable-trade	(27,950)	(94,228)
Other, net	(5,542)	829
Subtotal	25,570	(3,790)
Interest and dividends received	742	908
Interest paid	(1,119)	(1,144)
Income taxes (paid) refund	(5,039)	(5,786)
Net cash used in operating activities	20,154	(9,813)
Investing activities		
Purchase of property, plant and equipment	(10,202)	(8,015)
Purchase of intangible assets	(723)	(565)
Proceeds from sales of property, plant and equipment	1,089	273
Purchase of investment securities	(3)	(3)
Proceeds from sales of investment securities	40	56
Net decrease (increase) in short-term loans receivable	9,099	1,259
Payments of long-term loans receivable	(11,143)	(24)
Collection of long-term loans receivable	1	72
Payments for investments in capital	-	(1,649)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	770
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	-	565
Other, net	(1,704)	(186)
Net cash used in investing activities	(13,546)	(7,447)
Financing activities		
Net increase (decrease) in short-term loans payable	(17,283)	(12,227)
Increase (decrease) in commercial papers	20,000	20,000
Proceeds from long-term loans payable	-	1,000
Repayment of long-term loans payable	(590)	(610)
Purchase of treasury stock	(0)	(0)
Proceeds from sales of treasury stock	0	-
Cash dividends paid	(7,156)	(7,156)
Cash dividends paid to non controlling interests	(496)	(519)
Others, net	(609)	(545)
Net cash provided by financing activities	(6,137)	(59)
Effect of exchange rate changes on cash and cash equivalents	(644)	(154)
Net increase (decrease) in cash and cash equivalents	(174)	(17,473)
Cash and cash equivalents at beginning of the year	15,355	49,126
Increase in cash and cash equivalents from newly consolidated subsidiary	3,369	-
Cash and cash equivalents at end of the period	18,550	31,652

(4) Notes to consolidated financial statements

(Notes for premises of going concern)

Not applicable

(Notes in case of significant changes in shareholders' equity)

Not applicable

(Changes in scope of significant consolidated subsidiaries during the period)

None

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

None

(Changes in accounting principles, accounting estimates and restatement)

None

(Additional information)

(Business Integration with Idemitsu Kosan Co., Ltd)

The Company and Idemitsu Kosan Co., Ltd. (collectively, the "Companies") entered into a Memorandum of Understanding (hereinafter the "MoU") for the Business Integration based on a spirit of equal partnership (hereinafter the "Business Integration"), which shall not be legally binding, as of November 12, 2015. The Companies will discuss and formally enter into a legally binding definitive agreement (hereinafter the "Definitive Agreement") through necessary procedures including a resolution by the Board of Directors.

(1) Objectives of the Business Integration

The Companies agreed, in the MoU, to create an industry-leading player unparalleled competitive position by combining the strengths and the management resources of both companies. The new company (the "NewCo") will lead the effort of solving the industry's various structural issues with the aim at improving the lives of Japanese citizens through efficient and stable energy supply.

(2) Method of the Business Integration

The Companies have set a merger as the base structure of the Business Integration, subject to further discussions and an official agreement.

(3) Schedules of the Business Integration

The schedule of the Business Integration has been discussed further with the following target timeline: commencement of due diligence of the Companies and their subsidiaries upon signing of the MoU, followed by the signing of the Definitive Agreement incorporating the definitive details and terms, approval at the shareholders' meetings of both parties, and the launch of the NewCo on April 1, 2017.

However, to secure enough time for both companies to discuss with their respective stakeholders, we have decided that it is not appropriate to set the effective date of the Merger as April 1, 2017 pursuant to an extraordinary shareholders meeting or to specify an alternative effective date of the Merger at this moment.. Therefore, the date of the launch of the NewCo is undecided.

(4) Name of the NewCo

The name of the NewCo is currently undetermined and is scheduled to be decided upon further discussion between the Companies.

(5) Location of the head office of the NewCo

The Companies have yet to decide the location of the head office of the new company but are planning to find a location different from the current offices of the Companies by the effective date of or as soon as possible after the Business Integration.

(6) Structure of Board of Directors

While the structure of the Board of Directors will be decided upon further discussions between the Companies, representative directors and executive directors will consist of an equal number of representatives from each company.

(Execution of Agreement Regarding the Enhancement and Promotion of the Business Collaboration of Showa Shell Sekiyu K.K. and Idemitsu Kosan Co.,)

Showa Shell Sekiyu K.K. and Idemitsu Kosan Co., Ltd. (collectively, the “Companies” or “we”) have signed an agreement on May 9, 2017 regarding formation of an alliance between both Company groups to enhance and promote business collaboration (the “Alliance”) prior to the business integration of the Companies (the “Integration”).

We continue to pursue the Integration, but also want to make the most use of our time prior to achievement of the Integration and realize synergies during that period in order to further enhance the corporate value of the Companies. We will form the Alliance as equal business partners, and extensively deepen our business collaboration (hereafter the “Collaboration”) while restarting or accelerating the processes for the Integration.

(1) Name of the Alliance

As an alliance with leading competitiveness in Asia, we set the alliance values of the Collaboration as anticipating changes in the business environment, making continuous efforts for self-evolution and boldly striving for upcoming innovations. With that in mind, we will call the Alliance as follows:

“Brighter Energy Alliance.”

(2) Details of the Alliance

(i) Realizing Synergies from the Integration in the Domestic Petroleum Business

We will realize synergies through the Alliance prior to the Integration by intensively discussing and executing pursuance of synergies as part of the preparation for the Integration.

(ii) Alignment of Business Strategies in Overlapping Business Areas between the Companies

To deal with overlapping business areas after the Integration (crude oil purchase, refining, supply, logistics, sales, corporate sector), the Companies will align their strategies prior to the Integration, and discuss plans to enhance customer value and to become more efficient and competitive.

With respect to sales of products, we will not immediately change any systems of each Company and will continue to operate on each Company basis in principle for the time being.

(iii) Considering Strategies for the Alliance Group and the Integrated New Company

As an alliance, the Companies will proceed with wide-ranging and vigorous planning of initiatives that can contribute to enhancing business efficiency and competitiveness, mid-to long-term management strategies, business plans, investment plans and other initiatives through “Strategic Top-Level Meetings” comprised of the top managements of the Companies and other meetings.

(iv) Promotion of Harmonization between Personnel of the Companies

We mutually respect the differences in culture, codes of conduct, and working style between the Companies and then we aim to harmonize the personnel of the Companies by exploring culture, codes of conduct, and working style after the Integration.

(v) Development of New Services from the Perspective of Customers

We have many customers through the dealers and distributors of the Companies. We will establish a task team from a new perspective gained through the Collaboration for retail business development of new products and services in order to improve convenience and quality of services for customers.

(vi) Further Promotion of Social Contribution Activities

We will collaborate in areas of social contribution activities. We will work together on activities to contribute to the community and to develop the next generation, and will further enhance the scale of these activities.

(vii) Promotion of Initiatives to Realize a Low-Carbon Society

We will develop new measures to reduce carbon dioxide by drawing upon the various renewable energy businesses of the Companies.

(Adoption of “Implementation Guidance on Recoverability of Deferred Tax Assets”)

Effective from the beginning of the first quarter of FY2017, Showa Shell Sekiyu Group (“the Group”) adopted “Implementation Guidance on Recoverability of Deferred Tax Assets” (ASBJ Guidance No.26 of March 28, 2016).

(Segment Information)

I. For the six months ended June 30, 2016 (January 1 through June 30, 2016)

(Unit: Millions of yen)

	Oil Business	Energy Solutions Business	Subtotal	Others	Total	Adjustment	Consoli-dated
Net sales							
(1) Sales to customers	784,476	63,099	847,576	4,005	851,582	-	851,582
(2) Inter-segment sales and transfers	3,153	1,847	5,001	3,941	8,942	(8,942)	-
Total	787,630	64,947	852,577	7,947	860,525	(8,942)	851,582
Operating Income/(losses)	18,349	(3,415)	14,933	739	15,672	2	15,674

Notes:
1. "Others" is a business segment that is not considered a reportable segment. It includes leases of properties, construction works, sales and leases of automobile accessories and others.
2. Adjustment of operating income of 2 million yen is treated as intersegment elimination.
3. Operating income (loss) in the table above is reconciled to operating loss in the accompanying consolidated statements of income.

II. For the six months ended June 30, 2017 (January 1 through June 30, 2017)

(Unit: Millions of yen)

	Oil Business	Energy Solutions Business	Subtotal	Others	Total	Adjustment	Consoli-dated
Net sales							
(1) Sales to customers	895,542	47,858	943,401	4,071	947,473	-	947,473
(2) Inter-segment sales and transfers	2,325	1,370	3,696	3,626	7,322	(7,322)	-
Total	897,868	49,229	947,097	7,697	954,795	(7,322)	947,473
Operating Income/(losses)	27,132	(4,237)	22,894	444	23,338	23	23,362

Notes:
1. "Others" is a business segment that is not considered a reportable segment. It includes leases of properties, construction works, sales and leases of automobile accessories and others.
2. Adjustment of operating loss of 23 million yen is treated as intersegment elimination.
3. Operating income (loss) in the table above is reconciled to operating income in the accompanying consolidated statements of income.