

Consolidated Financial Results for the Fiscal 2017 [Japanese GAAP]

Name: **Tokyo Rope Manufacturing Co., Ltd.**

Listing: **Tokyo Stock Exchange**

Stock code number: **5981**

URL: **http://www.tokyorope.co.jp**

Representative: **Hiroaki Nakamura, President**

Contact: **Kazunori Sato, Executive Officer & General Manager, General Affairs Dept.**

Phone: **+81-3-6366-7777**

Annual Meeting of Shareholders: **June 27, 2018**

Date of issue of Financial Report: **June 27, 2018**

Start of cash dividend payments: **June 7, 2018**

Supplementary financial materials prepared: **None**

Financial results information meeting held: **Yes (for institutional investors)**

1. Fiscal 2017 (April 1, 2017 – March 31, 2018)

(1) Results of Operations

	(Millions of yen, except per share data, rounded down; percentage figures denote year-on-year change)							
	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
		(% change from previous year)		(% change)		(% change)		(% change)
Fiscal 2017	¥63,537	-2.2%	¥3,094	-11.4%	¥3,114	4.2%	¥2,523	34.0%
Fiscal 2016	64,993	-0.4	3,492	-18.8	2,989	-1.1	1,882	-29.6

Note: Comprehensive income

Fiscal 2017: ¥3,063 million (16.9%)

Fiscal 2016: ¥2,620 million (84.2%)

	Earnings per share	Earnings per share (fully diluted)	ROE	Ordinary income/total assets	Operating income/net sales
	(Yen)	(Yen)	(%)	(%)	(%)
Fiscal 2017	¥156.54	¥ —	10.2%	3.7%	4.9%
Fiscal 2016	116.12	—	8.3	3.5	5.4

Note: Gain (Loss) on investments based on equity method

Fiscal 2017: ¥ 27 million

Fiscal 2016: ¥ (95) million

(2) Financial Position

	(Millions of yen, rounded down)			
	Total assets	Net assets	Equity ratio	Net assets per share (Yen)
Fiscal 2017	¥86,306	¥25,781	29.9%	¥1,599.21
Fiscal 2016	81,702	25,615	28.8	1,458.55

Note: Equity capital at the year-end

Fiscal 2017: ¥ 25,781 million

Fiscal 2016: ¥ 23,515 million

(3) Cash Flows

	(Millions of yen, rounded down)			
	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
Fiscal 2017	¥4,202	¥ (3,475)	¥123	¥4,352
Fiscal 2016	3,491	(100)	(5,319)	3,144

2. Cash Dividends

	Cash dividend per share (yen)					Total dividends paid (full year) (Millions of yen)	Payout ratio (consolidated)	Dividends paid/ net assets (consolidated) (%)
	1st quarter	2nd quarter	3rd quarter	Year-end	Full year			
Fiscal 2016	—	¥0.00	—	¥40.00	¥40.00	¥650	34.4%	5.0%
Fiscal 2017	—	0.00	—	40.00	40.00	650	25.6	2.6
Fiscal 2018 (est.)	—	0.00	—	40.00	40.00		22.2	

3. Forecast for Fiscal 2018 (April 1, 2018–March 31, 2019)

(Millions of yen, rounded down; percentage figures denote year-on-year change)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share (Yen)
First 2 quarters	¥32,000	8.7%	¥800	-19.2%	¥800	-24.5%	¥ 600	-19.4%	¥ 37.22
Full year	71,000	11.7	4,200	35.7	4,100	31.6	2,900	14.9	179.88

Notes

(1) Changes in important subsidiaries during the year (changes in specific subsidiaries due to change in scope of consolidation):

Yes

Newly consolidated 2 (Company name: Tokyo Rope USA, Inc. Tokyo Rope Almaty LLP)

Excluded 1 (Company name: Toko Machinery Co., Ltd.)

(2) Changes in accounting policies; changes in accounting estimates; restatements:

1. Changes in accounting policies resulting from the revision of the accounting standards and other regulations: None

2. Other changes in accounting policies: None

3. Changes in accounting estimates: None

4. Restatements: None

(3) Shares outstanding (capital stock) at the year-end

1. Number of shares outstanding (including treasury shares)

Fiscal 2017: 16,268,242

Fiscal 2016: 16,268,242

2. Number of treasury shares outstanding

Fiscal 2017: 146,806

Fiscal 2016: 145,452

3. Average number of shares over the year

Fiscal 2017: 16,122,311

Fiscal 2016: 16,214,500

Note: Treasury stocks that are deducted when calculating the number of treasury stocks outstanding at the end of Fiscal 2017 and the average number of shares over the year include shares of the Company owned by Board Benefit Trust (136,600 shares).

This financial report is exempt from audit procedures by a certified public accountant or an auditing firm.

Appropriate use of business forecasts; other special items

In this document, performance forecasts and other forward-looking statements are based on information currently available and certain assumptions judged by the Company to be rational. Actual results may differ significantly from forecasts due to various factors. Please refer to “(4) Future Outlook” on page 3 for information on preconditions underlying the above forecasts and other related information.

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1. Overview of Performance and Financial Position

(1) Overview of Consolidated Business Results

During the consolidated fiscal year ended March 31, 2018, the Japanese economy remained on course for a modest recovery with ongoing improvement in the corporate earnings and employment environment as export and capital investment picked up backed by the recovery in the global economy centering on the U.S.

Given these circumstances, the Tokyo Rope Group has worked to promote various measures under its mid-term management plan, “TCT-Focus 2020,” which is scheduled to end in Fiscal 2019, by setting three key phrases: “Strengthening of Domestic Business Base,” “Challenge to New Materials and New Technologies,” and “Overseas Business Expansion.”

For the consolidated fiscal year under review, the Tokyo Rope Group posted net sales of ¥63,537 million, down 2.2% year-on-year. The decrease partially represented a repercussion of recording sales of wire saw (solar cell production equipment) in stock in the previous fiscal year.

In terms of profits, the Tokyo Rope Group posted operating income of ¥3,094 million, down 11.4% year-on-year, also due to the impact of recording sales of wire saw in stock in the previous fiscal year. However, the Group posted ordinary income of ¥3,114 million, up 4.2% year-on-year, and profit attributable to owners of parent of ¥2,523 million, up 34.0% year-on-year, due to the provision of allowance for doubtful accounts in the year earlier period and improvement in gain on investments based on equity method.

Results by business segment of the Group were as follows:

Wire Rope

Despite an increase in the sales volume of wire rope for domestic markets, a decrease in the sales volume of fiber rope brought the total sales in the Wire Rope segment to ¥27,531 million, down 4.2% year-on-year, and operating income to ¥1,912 million, down 12.4% year-on-year.

Steel Cord

Total sales in the Steel Cord segment amounted to ¥11,436 million, down 21.2%, and operating income totaled ¥534 million, down 53.9%, both on a year-on-year basis. The decreases were due to a repercussion of recording sales of wire saw in stock in the previous fiscal year and a decrease in the sales volume of steel cord products.

Product Development

Total sales of the Product Development segment stood at ¥14,799 million, up 14.5% year-on-year, and operating loss was ¥401 million (operating loss of ¥622 million for the year-earlier period), showing improvement from the previous fiscal year due to an increase in sales of products developed in Japan, disaster-prevention products for overseas and CFCC.

Real Estate

Total sales of the Real Estate segment was ¥1,215 million, down 7.6% year-on-year, impacted by the transfer of real estate for leasing in Kanagawa Prefecture in March 2017. However, the segment posted operating income of ¥329 million, up 1.9% year-on-year, due to a decrease in depreciation.

Other

An increase in sales of oil-related products brought total sales of the Other segment to ¥8,553 million, up 13.9% year-on-year, and operating income to ¥719 million, up 59.8% year-on-year due to factors such as improvements in industrial machinery.

(2) Overview of Financial Position during Fiscal 2017

As of March 31, 2018, the Tokyo Rope Group had total assets of ¥86,306 million. The figure represents an increase of ¥4,604 million from the end of the previous consolidated fiscal year (March 31, 2017), due to factors including an increase in inventories and fixed assets, etc. in accordance with newly consolidating subsidiaries.

Total liabilities increased ¥4,438 million from the end of the previous consolidated fiscal year to ¥60,525 million as a result of an increase in short-term borrowings, among other factors.

Net assets increased ¥165 million from the end of the previous consolidated fiscal year to ¥25,781 million as a result of a decrease due to acquisition of minority interests although there was an increase in retained earnings.

(3) Overview of Cash Flows during Fiscal 2017

As of March 31, 2018, cash and cash equivalents totaled ¥4,352 million, up ¥ 1,207 million from a year earlier.

Net cash provided by operating activities amounted to ¥4,202 million, which mainly reflected a recording of net income before income taxes for the year under review.

Net cash used in investing activities totaled ¥3,475 million, mainly due to purchases of property, plant and equipment and investment in subsidiaries.

Net cash provided by financing activities amounted to ¥123 million, reflecting additional acquisition of shares in consolidated subsidiaries and execution of debt financing to pay out cash dividends.

Furthermore, cash and cash equivalents increased by ¥332 million from the newly consolidated subsidiaries.

(4) Future Outlook

The Group's consolidated forecasts for fiscal 2018 are net sales of ¥71.0 billion, operating income of ¥4.2 billion, ordinary income of ¥4.1 billion and profit attributable to owners of parent of ¥2.9 billion. Forecasts for the first two quarters of fiscal 2018 (the cumulative total of the first two quarters) are net sales of ¥32.0 billion, operating income of ¥800 million, ordinary income of ¥800 million and profit attributable to owners of parent of ¥600 million.

In the Wire Rope segment, the sales of fiber rope and the sales of elevator rope for overseas, which decreased during fiscal 2017, are expected to make a certain level of recovery.

In the Steel Cord segment, profits are projected to improve as the sales of steel cord products which stagnated in fiscal 2017 will turn to increase.

In the Product Development segment, the Group anticipates an increase in orders and profit contribution from progress in carbon fiber composite cable (CFCC®) business as well as expansion in orders for disaster prevention products for overseas.

The Tokyo Rope Group will continue its group-wide and integrated endeavors to further enhance its business base to enable continuous growth and social contribution in the future by steadily implementing measures stated in the TCT-Focus 2020, the mid-term management plan.

2. Basic Perspective on Selection of Accounting Standards

It is the Tokyo Rope Group's policy to prepare the consolidated financial statements based on the Japanese Accounting Standards for the time being, taking into account the comparability of consolidated financial statements with other fiscal years and with other companies.

For the future, the Group intends to explore application of the International Financial Reporting Standards (IFRS) while considering factors such as the changes in its foreign shareholder ratio and the trends of domestic peer companies in terms of adoption of the IFRS.

3. Consolidated Financial Statements

(1) Balance Sheets

(Millions of yen, rounded down)

	Fiscal 2016 (March 31, 2017)	Fiscal 2017 (March 31, 2018)
ASSETS		
Current assets		
Cash and bank deposits	¥ 3,167	¥ 4,374
Notes and accounts receivable	14,314	14,311
Commodities and products	6,430	6,939
Goods in process	3,644	4,167
Materials and supplies	3,873	4,216
Deferred tax assets	631	530
Other	1,872	1,346
Allowance for doubtful accounts	(22)	(19)
Total current assets	33,911	35,866
Fixed assets		
Property, plant and equipment		
Buildings and structures (net)	6,749	7,195
Machinery and vehicles (net)	6,411	6,985
Land	18,338	18,307
Lease assets (net)	1,108	990
Construction in progress	462	1,070
Other (net)	483	517
Total property, plant and equipment	33,553	35,066
Intangibles	433	626
Investments and other assets		
Investment securities	8,984	9,355
Net defined benefit asset	133	154
Deferred tax assets	2,646	2,421
Other	2,910	3,218
Allowance for doubtful accounts	(883)	(407)
Total investments and other assets	13,791	14,741
Total fixed assets	47,779	50,435
Deferred assets	11	4
Total assets	81,702	86,306

(Millions of yen, rounded down)

	Fiscal 2016 (March 31, 2017)	Fiscal 2017 (March 31, 2018)
LIABILITIES		
Current liabilities		
Notes and accounts payable	¥11,793	¥12,143
Short-term borrowings	9,242	14,239
Accrued expenses	2,362	2,672
Reserve for employees' bonuses	921	911
Other	4,515	5,379
Total current liabilities	28,837	35,346
Long-term liabilities		
Long-term loans	15,730	13,918
Lease obligations	399	288
Deferred tax liabilities related to revaluation	4,206	4,183
Reserve for directors' retirement benefits	189	218
Reserve for directors' shares	29	62
Net defined benefit liability	5,354	5,153
Asset retirement obligations	547	555
Provision for environmental measures	135	83
Other	655	714
Total long-term liabilities	27,249	25,178
Total liabilities	56,086	60,525
NET ASSETS		
Shareholders' equity		
Capital stock	1,000	1,000
Capital surplus	796	684
Retained earnings	12,543	14,507
Treasury shares	(310)	(312)
Total shareholders' equity	14,029	15,878
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	961	1,221
Revaluation reserve for land	9,821	9,718
Foreign currency translation adjustment	79	149
Remeasurements of defined benefit plans	(1,377)	(1,187)
Total accumulated other comprehensive income	9,485	9,902
Minority interests	2,100	—
Total net assets	25,615	25,781
Total liabilities and net assets	81,702	86,306

(2) Statements of Income and Statements of Comprehensive Income

Statements of Income

(Millions of yen, rounded down)

	Fiscal 2016 (April 1, 2016 – March 31, 2017)	Fiscal 2017 (April 1, 2017 – March 31, 2018)
Net sales	¥64,993	¥63,537
Cost of sales	50,691	49,646
Gross profit	14,301	13,890
Selling, general and administrative expenses	10,808	10,796
Operating income	3,492	3,094
Other income		
Interest income	41	23
Dividend income	225	212
Share of profit of entities accounted for using equity method	-	27
Other	235	338
Total other income	502	602
Other expenses		
Interest expense	327	268
Share of loss of entities accounted for using equity method	95	-
Foreign exchange losses	129	65
Provision of allowance for doubtful accounts	199	-
Loss on disposal of fixed assets	25	69
Other	227	178
Total other expenses	1,005	582
Ordinary income	2,989	3,114
Extraordinary income		
Gain on sales of fixed assets	1,908	-
Gain on sales of investment securities	107	-
Penalty income	685	-
Total extraordinary income	2,703	-
Extraordinary expenses		
Loss on disposal of fixed assets	0	-
Loss on devaluation of investment securities	0	-
Impairment loss	3,310	52
Total extraordinary expenses	3,311	52
Income before income taxes	2,381	3,061
Income taxes	456	354
Income tax adjustment	22	163
Total income taxes	478	517
Profit	1,903	2,543
Profit attributable to non-controlling interests	20	20
Profit attributable to owners of parent	1,882	2,523

Statement of Comprehensive Income

(Millions of yen, rounded down)

	Fiscal 2016 (April 1, 2016 – March 31, 2017)	Fiscal 2017 (April 1, 2017 – March 31, 2018)
Profit	¥ 1,903	¥2,543
Other comprehensive income		
Valuation difference on available-for-sale securities	320	260
Foreign currency translation adjustment	335	(10)
Remeasurements of defined benefit plans, net of tax	272	189
Share of other comprehensive income (loss) of associates accounted for using equity method	(211)	80
Total other comprehensive income (loss)	717	520
Comprehensive income	2,620	3,063
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,599	3,043
Comprehensive income attributable to non-controlling interests	20	20

(3) Statements of Changes in Shareholders' Equity

Fiscal 2016 (April 1, 2016 – March 31, 2017)

(Millions of yen, rounded down)

	Shareholders' equity				Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	
Balance at beginning of the year	¥1,000	¥796	¥10,422	¥(11)	¥12,207
Changes of items during the period					
Dividends from surplus			(650)		(650)
Profit attributable to owners of parent			1,882		1,882
Reversal of revaluation reserve for land			889		889
Purchase of treasury shares				(299)	(299)
Disposal of treasury shares		(0)		0	0
Change in scope of consolidation					-
Change in equity interests due to the acquisition of shares in consolidated subsidiaries					-
Changes of items other than shareholder s' equity (net)					-
Total changes of items during the period	-	(0)	2,121	(299)	1,822
Balance at end of the year	1,000	796	12,543	(310)	14,029

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans		
Balance at beginning of the year	¥641	¥10,711	¥(44)	¥(1,649)	¥9,658	¥2,079
Changes of items during the period						
Dividends from surplus						(650)
Profit attributable to owners of parent						1,882
Reversal of revaluation reserve for land						889
Purchase of treasury shares						(299)
Disposal of treasury shares						0
Change in scope of consolidation						-
Change in equity interests due to the acquisition of shares in consolidated subsidiaries						-
Changes of items other than shareholder s' equity (net)	320	(889)	124	272	(172)	20
Total changes of items during the period	320	(889)	124	272	(172)	20
Balance at end of the year	961	9,821	79	(1,377)	9,485	2,100

Fiscal 2017 (April 1, 2017 – March 31, 2018)

(Millions of yen, rounded down)

	Shareholders' equity				Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	
Balance at beginning of the year	¥1,000	¥796	¥ 12,543	¥(310)	¥14,029
Changes of items during the period					
Dividends from surplus			(650)		(650)
Profit attributable to owners of parent			2,523		2,523
Reversal of revaluation reserve for land			103		103
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		(0)			(0)
Change in scope of consolidation			(13)		(13)
Change in equity interests due to the acquisition of shares in consolidated subsidiaries		(112)			(112)
Changes of items other than shareholder s' equity (net)					-
Total changes of items during the period	-	(112)	1,963	(1)	1,848
Balance at end of the year	1,000	684	14,507	(312)	15,878

	Accumulated other comprehensive income				Total accumulated other comprehensive income	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans			
Balance at beginning of the year	¥961	¥9,821	¥79	¥(1,377)	¥9,485	¥2,100	¥25,615
Changes of items during the period							
Dividends from surplus							(650)
Profit attributable to owners of parent							2,523
Reversal of revaluation reserve for land							103
Purchase of treasury shares							(1)
Disposal of treasury shares							(0)
Change in scope of consolidation							(13)
Change in equity interests due to the acquisition of shares in consolidated subsidiaries						(2,120)	(2,232)
Changes of items other than shareholder s' equity (net)	260	(103)	69	189	416	20	437
Total changes of items during the period	260	(103)	69	189	416	(2,100)	165
Balance at end of the year	1,221	9,718	149	(1,187)	9,902	-	25,781

(4) Statements of Cash Flows

(Millions of yen, rounded down)

	Fiscal 2016 (April 1, 2016 – March 31, 2017)	Fiscal 2017 (April 1, 2017 – March 31, 2018)
Operating activities		
Income before income taxes	¥2,381	¥3,061
Depreciation	2,031	2,078
Impairment loss	3,310	52
Increase (decrease) in allowance for doubtful accounts	227	(23)
Increase (decrease) in reserve for employees' bonuses	60	(10)
Increase (decrease) in reserve for directors' retirement benefits	34	33
Increase (decrease) in reserve for directors' shares	29	32
Increase (decrease) in net defined benefit liability	(253)	59
Interest and dividend income	(267)	(235)
Interest expense	327	268
Equity in (earning) losses of affiliates	95	(27)
Loss (gain) on sales of property, plant and equipment	(1,908)	-
(Gain) loss on sales investments securities	(107)	-
Other extraordinary loss (income)	4	-
(Increase) decrease in notes and accounts receivable	88	(519)
(Increase) decrease in inventories	611	(1,114)
Net (increase) decrease in other assets	715	(182)
Increase (decrease) in notes and accounts payable	(444)	1,230
Increase (decrease) in advances received	(2,073)	5
Net increase (decrease) in accrued consumption tax	96	(109)
Net increase (decrease) in other liabilities	(1,069)	147
Subtotal	3,891	4,746
Interest and dividends received	227	256
Interest paid	(331)	(255)
Payments for directors' retirement benefits	(9)	(5)
Income tax paid	(288)	(540)
Net cash provided by operating activities	3,491	4,202
Investing activities		
Purchases of investment securities	(1,387)	(17)
Proceeds from sales of investment securities	678	-
Purchase of shares of subsidiaries and associates	-	(21)
Loans extended	(712)	(179)
Proceeds from loans recovered	113	203
Purchases of property, plant and equipment	(1,566)	(2,978)
Proceeds from sales of property, plant and equipment	2,981	142
Payment for investments in affiliates	-	(388)
Other	(208)	(237)
Net cash used in investing activities	(100)	(3,475)

(Millions of yen, rounded down)

	Fiscal 2016 (April 1, 2016 – March 31, 2017)	Fiscal 2017 (April 1, 2017 – March 31, 2018)
Financing activities		
Net increase (decrease) in short-term borrowings	¥(4,885)	¥5,329
Proceeds from long-term borrowings	3,000	300
Repayment of long-term borrowings	(2,132)	(2,411)
Cash dividends paid	(646)	(647)
Proceeds from sales of treasury shares	0	1
Purchase of treasury shares	(299)	(3)
Repayments of lease obligations	(266)	(212)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	(2,232)
Other	(89)	-
Net cash used in financing activities	(5,319)	123
Effect of exchange rate change on cash and cash equivalents	504	24
Net increase (decrease) in cash and cash equivalents	(1,424)	874
Cash and cash equivalents at beginning of the year	4,569	3,144
Increase in cash and cash equivalents due to inclusions in consolidation	-	332
Cash and cash equivalents at end of the year	3,144	4,352

(5) Notes on Consolidated Financial Statements

Notes on Going-concern Assumptions

None

Segment Information

Segment Information

1) Overview of Reporting Segments

The Company's reporting segments are subject to regular examination, so that the Board of Directors can appropriately allocate business resources and evaluate business performances. Financial information separated according to specific segment is available.

In its head office, the Tokyo Rope Group has established business departments for each product/service line. Those departments are responsible for formulating comprehensive domestic and overseas strategies and advancing the activities of their respective businesses.

Accordingly, the Group has classified its operations into four product- and service-specific segments, each based on a business department. Those segments are: "Wire Rope," "Steel Cord," "Product Development," and "Real Estate."

Segment	Main products
Wire Rope	Wire rope, other wire products, fiber rope, nets
Steel Cord	Steel cord for tire use, saw wire
Product Development	Road safety equipment, long-bridge cables, bridge design and construction, metallic fiber, carbon fiber composite cable (CFCC®)
Real Estate	Real estate rental services

2) Calculation Method of Sales, Income (Loss), Assets, Liabilities and Other Items by Reporting Segment

The accounting methods for the business segments reported are basically the same as the one stated under "Major basic items for preparing consolidated financial statements."

Income under reporting segments are calculated based on operating income. Internal return and amounts of transfer between segments are calculated based on the prevailing market price.

3) Sales, Income (Loss), Assets, Liabilities and Other Items by Reporting Segment

Fiscal 2016 (April 1, 2016 – March 31, 2017)

(Millions of yen)

	Reporting Segment					Other (Note)	Total	Adjustment	Consolidated statements of Income
	Wire Rope	Steel Cord	Product Development	Real Estate	Total				
Net sales									
Sales to outside customers	¥28,736	¥14,506	¥12,927	¥1,315	¥57,484	¥7,508	¥64,993	¥ -	¥64,993
Intersegment sales or transfers	153	67	251	-	472	699	1,172	(1,172)	-
Total	28,889	14,573	13,178	1,315	57,957	8,208	66,165	(1,172)	64,993
Segment income (loss)	2,182	1,159	(622)	323	3,042	450	3,492	-	3,492
Segment assets	42,412	14,127	12,927	5,650	75,117	5,035	80,152	1,549	81,702
Other items									
Depreciation	1,215	120	245	249	1,831	200	2,031	-	2,031
Investment in affiliates accounted for by equity method	520	-	1,580	-	2,101	-	2,101	-	2,101
Increase in Property, plant and equipment and Intangibles	631	397	434	38	1,503	428	1,931	-	1,931

Note: "Other" refers to a business segment that is not included in the reporting segments. It includes the Company's industrial machinery, powder metallurgy products, and oil businesses.

Fiscal 2017 (April 1, 2017 – March 31, 2018)

(Millions of yen)

	Reporting Segment					Other (Note)	Total	Adjustment	Consolidated statements of Income
	Wire Rope	Steel Cord	Product Development	Real Estate	Total				
Net sales									
Sales to outside customers	¥27,531	¥11,436	¥14,799	¥1,215	¥54,983	¥8,553	¥63,537	¥ -	¥63,537
Intersegment sales or transfers	151	123	8	-	284	774	1,058	(1,058)	-
Total	27,682	11,560	14,808	1,215	55,267	9,327	64,595	(1,058)	63,537
Segment income (loss)	1,912	534	(401)	329	2,375	719	3,094	-	3,094
Segment assets	41,414	12,919	17,638	5,683	77,655	5,966	83,621	2,684	86,306
Other items									
Depreciation	1,186	123	454	94	1,859	219	2,078	-	2,078
Investment in affiliates accounted for by equity method	473	-	1,735	-	2,209	-	2,209	-	2,209
Increase in Property, plant and equipment and Intangibles	1,095	244	1,488	134	2,962	272	3,235	-	3,235

Note: "Other" refers to a business segment that is not included in the reporting segments. It includes the Company's industrial machinery, powder metallurgy products, and oil businesses.