

Consolidated Balance Sheets

(Millions of yen)

	Prior Fiscal Year (As of March 31, 2017)	Current Fiscal Year (As of March 31, 2018)
Assets		
Current assets:		
Cash and deposits	180,023	169,890
Notes and accounts receivable – trade	177,870	190,282
Securities	1,220	4,648
Inventories	130,500	133,105
Deferred tax assets	7,380	6,544
Other	20,720	21,356
Allowance for doubtful accounts	(2,316)	(2,225)
Total current assets	515,399	523,603
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures	408,822	417,649
Accumulated depreciation	(265,368)	(271,101)
Buildings and structures, net	143,454	146,548
Machinery, equipment and vehicles	548,967	562,281
Accumulated depreciation	(415,754)	(423,600)
Machinery, equipment and vehicles, net	133,213	138,681
Land	65,280	64,325
Construction in progress	15,062	12,216
Other	87,007	89,300
Accumulated depreciation	(69,800)	(71,321)
Other, net	17,207	17,979
Total property, plant and equipment	374,218	379,751
Intangible assets	20,101	19,395
Investments and other assets:		
Investment securities	23,278	29,080
Deferred tax assets	14,750	12,061
Other	17,129	15,931
Allowance for doubtful accounts	(1,646)	(1,259)
Total investments and other assets	53,512	55,813
Total noncurrent assets	447,832	454,960
Total assets	963,231	978,563

Consolidated Balance Sheets

(Millions of yen)

	Prior Fiscal Year (As of March 31, 2017)	Current Fiscal Year (As of March 31, 2018)
Liabilities		
Current liabilities:		
Notes and accounts payable – trade	67,043	66,299
Short-term loans payable	4,489	3,979
Current portion of long-term loans payable	17	1,007
Current portion of bonds	–	10,000
Income taxes payable	5,892	3,869
Deferred tax liabilities	1,450	688
Provision for bonuses	15,493	13,572
Deposits received from employees	33,969	34,851
Other	57,428	64,167
Total current liabilities	185,786	198,435
Noncurrent liabilities:		
Bonds payable	10,000	–
Long-term loans payable	2,013	1,025
Deferred tax liabilities	1,568	1,303
Net defined benefit liabilities	144,553	133,112
Provision for directors' retirement benefits	803	876
Other	8,658	7,447
Total noncurrent liabilities	167,597	143,766
Total liabilities	353,383	342,201
Net assets		
Shareholders' equity:		
Capital stock	11,992	11,992
Capital surplus	35,218	35,218
Retained earnings	605,815	641,666
Treasury stock	(12)	(13)
Total shareholders' equity	653,014	688,864
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	5,971	7,873
Deferred gains or losses on hedges	201	291
Foreign currency translation adjustments	(14,376)	(20,274)
Remeasurements of defined benefit plans	(49,807)	(55,479)
Total accumulated other comprehensive income	(58,011)	(67,589)
Non-controlling interests	14,845	15,087
Total net assets	609,848	636,361
Total liabilities and net assets	963,231	978,563

Consolidated Statements of Income

(Millions of yen)

	Prior Fiscal Year (From April 1, 2016 to March 31, 2017)	Current Fiscal Year (From April 1, 2017 to March 31, 2018)
Net sales	712,783	747,762
Cost of sales	452,607	479,747
Gross profit	260,175	268,015
Selling, general and administrative expenses	199,893	208,668
Operating income	60,282	59,347
Non-operating income:		
Interest income	1,504	1,575
Dividends income	420	541
Gain on sales of scraps	369	500
Miscellaneous income	2,296	2,167
Total non-operating income	4,591	4,784
Non-operating expenses:		
Interest expenses	358	264
Foreign exchange losses	268	710
Objection Costs	163	564
Miscellaneous loss	2,538	2,668
Total non-operating expenses	3,328	4,207
Ordinary income	61,545	59,924
Extraordinary income:		
Gain on sales of noncurrent assets	1,723	846
Gain on step acquisitions	497	-
Other	313	63
Total extraordinary income	2,535	909
Extraordinary loss:		
Loss on sales of noncurrent assets	97	36
Loss on retirement of noncurrent assets	2,056	2,167
Loss on transfer of business	415	-
Overseas construction repair expenses	-	1,230
Other	1,105	92
Total extraordinary loss	3,674	3,526
Income before income taxes and non-controlling interests	60,406	57,307
Income taxes-current	15,764	15,726
Income taxes-deferred	(1,967)	1,587
Total income taxes	13,797	17,314
Net income	46,608	39,992
Net income attributable to non-controlling interests	1,427	1,264
Net income attributable to owners of parent	45,180	38,728

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Prior Fiscal Year (From April 1, 2016 to March 31, 2017)	Current Fiscal Year (From April 1, 2017 to March 31, 2018)
Net income	46,608	39,992
Other comprehensive income:		
Valuation difference on available-for-sale securities	937	1,902
Deferred gains or losses on hedges	465	89
Foreign currency translation adjustments	(9,694)	(6,253)
Remeasurements of defined benefit plans	13,678	(5,608)
Share of other comprehensive income of associates accounted for using equity method	2	–
Total other comprehensive income	5,389	(9,869)
Comprehensive income	51,998	30,123
Comprehensive income attributable to:		
Owners of the parent	49,957	29,151
Non-controlling interests	2,040	972

Consolidated Statements of Changes in Net Assets

Prior Fiscal Year (From April 1, 2016 to March 31, 2017)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	11,992	35,215	563,512	(11)	610,708
Changes in items during the period					
Dividends from surplus			(2,877)		(2,877)
Net income attributable to owners of parent			45,180		45,180
Purchase of treasury stock				(1)	(1)
Changes in equity attributable to transactions with non-controlling interests		2			2
Net changes in items other than shareholders' equity					
Total changes in items during the period	-	2	42,303	(1)	42,305
Balance at the end of current period	11,992	35,218	605,815	(12)	653,014

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	5,033	(264)	(4,150)	(63,407)	(62,788)	13,626	561,547
Changes in items during the period							
Dividends from surplus							(2,877)
Net income attributable to owners of parent							45,180
Purchase of treasury stock							(1)
Changes in equity attributable to transactions with non-controlling interests							2
Net changes in items other than shareholders' equity	937	465	(10,226)	13,600	4,776	1,218	5,995
Total changes in items during the period	937	465	(10,226)	13,600	4,776	1,218	48,300
Balance at the end of current period	5,971	201	(14,376)	(49,807)	(58,011)	14,845	609,848

Consolidated Statements of Changes in Net Assets

Current Fiscal (From April 1, 2017 to March 31, 2018)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	11,992	35,218	605,815	(12)	653,014
Changes in items during the period					
Dividends from surplus			(2,877)		(2,877)
Net income attributable to owners of parent			38,728		38,728
Purchase of treasury stock				(1)	(1)
Changes in equity attributable to transactions with non-controlling interests					
Net changes in items other than shareholders' equity					
Total changes in items during the period	–	–	35,851	(1)	35,849
Balance at the end of current period	11,992	35,218	641,666	(13)	688,864

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	5,971	201	(14,376)	(49,807)	(58,011)	14,845	609,848
Changes in items during the period							
Dividends from surplus							(2,877)
Net income attributable to owners of parent							38,728
Purchase of treasury stock							(1)
Changes in equity attributable to transactions with non-controlling interests							
Net changes in items other than shareholders' equity	1,902	89	(5,897)	(5,672)	(9,577)	241	(9,336)
Total changes in items during the period	1,902	89	(5,897)	(5,672)	(9,577)	241	26,513
Balance at the end of current period	7,873	291	(20,274)	(55,479)	(67,589)	15,087	636,361

Consolidated Statements of Cash Flows

(Millions of yen)

	Prior Fiscal Year (From April 1, 2016 to March 31, 2017)	Current Fiscal Year (From April 1, 2017 to March 31, 2018)
Net cash provided by (used in) operating activities		
Income before income taxes and non-controlling interests	60,406	57,307
Depreciation and amortization	47,844	46,849
Increase (decrease) in allowance for doubtful accounts	(252)	(314)
Increase (decrease) in net defined benefit liabilities	(13,896)	(16,584)
Interest and dividends income	(1,925)	(2,117)
Interest expenses	358	264
Loss on retirement of property, plant and equipment	1,053	1,464
Loss (gain) on sales of property, plant and equipment	(1,625)	(810)
Decrease (increase) in notes and accounts receivable - trade	(1,725)	(12,760)
Decrease (increase) in inventories	477	(2,748)
Increase (decrease) in notes and accounts payable - trade	1,434	2,687
Other, net	4,741	495
Subtotal	96,889	73,733
Interest and dividends income received	1,931	2,134
Interest expenses paid	(349)	(263)
Income taxes paid	(16,852)	(18,078)
Net cash provided by (used in) operating activities	81,619	57,525
Net cash provided by (used in) investing activities		
Net decrease (increase) in short-term loans receivable	52	36
Payments into time deposits	(8,651)	(17,353)
Proceeds from withdrawal of time deposits	18,188	7,439
Purchase of property, plant and equipment	(68,476)	(52,207)
Proceeds from sales of property, plant and equipment	3,055	1,217
Purchase of intangible assets	(2,937)	(3,003)
Proceeds from sales of intangible assets	7	7
Purchase of investment securities	(582)	(4,193)
Proceeds from sales and redemption of investment securities	287	498
Payments from changes in ownership interests in subsidiaries that result in change in scope of consolidation	(200)	-
Payments of long-term loans receivable	(45)	(7)
Other, net	(43)	(95)
Net cash provided by (used in) investing activities	(59,345)	(67,661)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(578)	(466)
Repayments of finance lease obligations	(303)	(394)
Proceeds from long-term loans payable	1,021	19
Repayments of long-term loans payable	(1,014)	(26)
Redemption of bonds	(10,000)	-
Purchases of treasury stock	(1)	(1)
Cash dividends paid	(2,874)	(2,869)
Dividends paid to non-controlling interests	(816)	(731)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(1)	-
Net cash provided by (used in) financing activities	(14,569)	(4,470)
Effect of exchange rate change on cash and cash equivalents	(3,673)	(1,577)
Net increase (decrease) in cash and cash equivalents	4,029	(16,182)
Cash and cash equivalents at the beginning of period	167,229	171,259
Cash and cash equivalents at the end of period	171,259	155,076

Notes to the Consolidated Financial Statements

Significant Accounting Policies

1. Scope of consolidation
 - (1) Number of consolidated subsidiaries 110
 - (2) Number of unconsolidated subsidiaries 4
 Name of major unconsolidated subsidiary:
 Y2K HOLDINGS CORPORATION
 The reason for exclusion from consolidation is as follows:
 These companies have been excluded from consolidation because they are small, and their total assets, net sales, net income (amount equivalent to the equity portion held by the Company) and retained earnings (amount equivalent to the equity portion held by the Company) do not have a significant effect on the consolidated financial statements.

2. Application of equity method
 - (1) Number of companies accounted for using the equity method
 Not applicable.
 - (2) Number of companies not accounted for using the equity method 6
 Unconsolidated subsidiaries: 4
 Y2K HOLDINGS CORPORATION and others
 Affiliated companies: 2
 L-Y PHILIPPINES INC. and others
 The reason for not applying the equity method is as follows:
 These companies are not accounted for using the equity method because their impact is not significant on the consolidated financial statements in terms of their total net income (amount equivalent to the equity portion held by the Company) and retained earnings (amount equivalent to the equity portion held by the Company), and they are not significant as a whole.

3. Accounting period of consolidated subsidiaries
 The fiscal year end of certain foreign consolidated subsidiaries, including SHANGHAI YKK ZIPPER CO., LTD., is December 31. These subsidiaries are consolidated using their financial statements as of the parent fiscal year end, which are prepared solely for consolidation purposes.

4. Matters regarding accounting policy
 - (1) Valuation method for assets
 - a) Securities:
 - 1) Held-to-maturity debt securities
 Held-to-maturity debt securities are carried at amortized cost (Straight-line).
 - 2) Other securities
 - a. Marketable securities
 Marketable securities are carried at fair value as of the parent fiscal year end, with changes in unrealized gains or losses included directly in net assets. Cost of securities sold is determined using the moving average method.
 - b. Non-marketable securities
 Non-marketable securities are carried at cost, which is determined using the moving average method.
 - b) Derivatives:
 Derivative financial instruments are stated at fair value.
 - c) Inventories:
 Inventories are mainly stated at cost based on the average method (the balance sheet amounts are determined including any required write-downs based on any decrease in profitability).
 - (2) Depreciation of assets
 - a) Property, plant and equipment (excluding leased assets):
 Depreciation is calculated using the straight-line method.
 The estimated useful lives are as follows:
 Buildings and structures 2 - 50 years
 Machinery, equipment and vehicles 2 - 15 years
 - b) Intangible assets (excluding leased assets):
 Amortization is calculated using the straight-line method.
 Software for internal use is amortized over a period of mainly 5 years.
 - c) Leased assets:
 Leased assets held under finance lease transactions, where ownership is not transferred
 Depreciation of leased assets is calculated using the straight-line method over the lease terms with no residual value.
 - (3) Basis for significant reserves
 - a) Allowances for doubtful accounts:
 Allowances for doubtful accounts are provided at an amount sufficient to cover probable losses on collection. The allowances consist of the estimated uncollectible amount with respect to certain identified doubtful receivables and an amount calculated using the historical actual percentage of collection losses on normal receivables.

- b) Provision for bonuses:
Accrued bonuses of the Company and its consolidated subsidiaries have been provided based on the estimated amount of bonuses to be paid to employees that relates to the current fiscal year.
- c) Provision for directors' retirement benefits
Provision for directors' retirement benefits of the Company and certain domestic consolidated subsidiaries has been made at an amount to be required at the fiscal year end based on the Company's bylaws.
- (4) Accounting for retirement benefits
- a) Attribution to periods of expected benefits
Company and its domestic consolidated subsidiaries calculate retirement benefits obligations by using the straight-line method to attribute expected benefits to the periods up to the current fiscal year.
- b) Amortization of actuarial gains and losses and past service costs
The Company and its domestic consolidated subsidiaries amortize past service costs using the straight-line method over the average remaining years (10-22 years) of service of eligible employees.
Amortization of actuarial gains or losses begins in the fiscal year after the fiscal year in which the gain or loss is recognized, and is recorded using the straight-line method over a period within the average remaining years (10-22 years) of service of eligible employees.
- (5) Reporting of significant revenues and expenses
Recognition of sales and costs of construction contracts
Revenue and costs from construction contracts have been accounted for based on the percentage of completion method for the portion of construction completed by the end of the current fiscal year, when the outcome of the construction contracts can be estimated reliably (the percentage of completion is estimated based on costs incurred).
The completed contract method has been applied for all other construction contracts.
- (6) Translation of significant assets and liabilities denominated in foreign currencies into yen
Current and noncurrent receivables and payables denominated in foreign currencies are translated into yen at the rates of exchange in effect at the consolidated balance sheet date, and differences arising from the translation are included in the consolidated statements of income. All asset and liability accounts of foreign consolidated subsidiaries and affiliates are translated into yen at the rates of exchange in effect at the consolidated balance sheet date, and all income and expense accounts are translated into yen at the average exchange rate during the year. Differences arising from the translation are presented as foreign currency translation adjustments and non-controlling interests in net assets.
- (7) Hedge accounting
- a) Hedge accounting
Deferral hedge accounting is adopted, in principle. Forward foreign exchange contracts are subject to appropriation if they satisfy the requirements for appropriation treatment.
- b) Hedging instruments and hedged items
Hedging instruments and hedged items for which hedge accounting is adopted in the current fiscal year are as follows:
Hedging instruments: Forward foreign exchange contracts
Hedged items: Payables denominated in foreign currencies, forecast transactions denominated in foreign currencies.
- c) Hedging policy
Foreign exchange fluctuation risk is hedged in accordance with the Company's internal policies.
- d) Assessment of hedge effectiveness
Hedge effectiveness is assessed quarterly, based on the change in market value of hedged items and the change in market value of hedging instruments. Forward foreign exchange contracts, which are subject to appropriation treatment, are excluded from the assessment of hedge effectiveness.
- (8) Goodwill amortization method and period
In principle, goodwill is amortized using the straight-line method over an estimated effective period. When the amount of goodwill is insignificant or when it is impracticable to estimate its effective period, goodwill is fully expensed in the period in which it arises.
- (9) Cash and cash equivalents in the Consolidated Statements of Cash Flows
Cash and cash equivalents consist of cash on hand, cash at banks that can be withdrawn at any time, and short-term investments with a maturity of 3 months or less when purchased that can easily be converted to cash and are subject to little risk of change in value.
- (10) Other significant accounting policies of the Consolidated Financial Statements
- a) Accounting for consumption tax
Transactions subject to consumption tax are recorded at amounts exclusive of consumption tax.
- b) Application of the consolidated tax return system
The Company applies the Consolidated Tax Return System.

(Changes in Accounting Policy)
Not applicable.

(Accounting standards to be adopted)

- ASBJ Statement No. 29, "Accounting Standard for Revenue Recognition" (released on March 30, 2018, issued by the Accounting Standards Board of Japan (ASBJ))
- ASBJ Guidance No. 30, "Implementation Guidance on Accounting Standard for Revenue Recognition" (released on March 30, 2018, issued by the Accounting Standards Board of Japan (ASBJ))

(a) Outline of guidance

"Revenue from Contracts with Customers," comprehensive accounting standard of revenue recognitions, was jointly issued by The International Accounting Standards Board (ISAB) and Financial Accounting Standards Board (FASB) on May, 2014. In particular, IFRS 15 issued by ISAB has been applied from the beginning of the consolidated fiscal year that starts on or after January 1st 2018 and topic606 issued by FASB has been applied from the beginning of the consolidated fiscal year that starts on or after December 15th 2017. Based on these circumstances, ASBJ also developed and issued Accounting Standard and Implementation Guidance.

With the aim of comparability among the financial statements, which is one of benefits by ensuring consistency with IFRS 15, ASBJ's Accounting Standard is incorporated basic principles of IFRS 15.

On the other hand, additional alternative treatments are applicable within a range that they would not impair the comparability when these treatments match more to the practices of reporting which have been carried out in Japan so far.

(b) Scheduled date of adoption

The Company is planning to adopt the Accounting Standard and Implementation Guidance from the beginning of the consolidated fiscal year that starts on or after April 1, 2021.

(c) Impact of adopting the guidance

The Company is currently evaluating the effect of adopting the Accounting Standard and Implementation Guidance on its consolidated financial statements.

(Changes in presentation)

(Consolidated statement of income)

"Gain on sales of scraps" was included in "Miscellaneous income" under "Non-operating income" in the prior fiscal year, but it will be recorded independently from the current fiscal year forward as it has exceeded 10% of the total amount of "Non-operating income". To reflect these changes in presentation, reclassifications have been made to the consolidated financial statements for the prior fiscal year presented herein.

As a result, 2,665 million yen included in "Miscellaneous income" in the consolidated statement of income for the prior fiscal year has been reclassified as 369 million yen of "Gain on sales of scraps" and 2,296 million yen of "Miscellaneous income."

"Objection Costs" was included in "Miscellaneous loss" under "Non-operating expenses" in the prior fiscal year, but it will be recorded independently from the current fiscal year forward as it has exceeded 10% of the total amount of "Non-operating expenses." To reflect these changes in presentation, reclassifications have been made to the consolidated financial statements for the prior fiscal year presented herein.

As a result, 2,701 million yen included in "Miscellaneous loss" in the consolidated statement of income for the prior fiscal year has been reclassified as 163 million yen of "Objection Costs" and 2,538 million yen of "Miscellaneous loss."

"Gain on sales of investment securities" was recorded independently under "Extraordinary income" in the prior fiscal year, but it will be included in "Other" from the current fiscal year forward as it has fallen below 10% of the total amount of "Extraordinary income." To reflect these changes in presentation, reclassifications have been made to the consolidated financial statements for the prior fiscal year presented herein.

As a result, 266 million yen included in "Gain on sales of investment securities" and 47 million yen in "Other" in the consolidated statement of income for the prior fiscal year has been reclassified as 313 million yen of "Other."

"Loss on disaster" was recorded independently under "Extraordinary loss" in the prior fiscal year, but it will be included in "Other" from the current fiscal year forward as it has fallen below 10% of the total amount of "Extraordinary loss." To reflect these changes in presentation, reclassifications have been made to the consolidated financial statements for the prior fiscal year presented herein.

As a result, 713 million yen included in "Loss on disaster" and 391 million yen in "Other" in the consolidated statement of income for the prior fiscal year has been reclassified as 1,105 million yen of "Other."

(Consolidated Statements of Cash Flows)

"Equity in (earnings) losses of affiliates" was recorded independently under "Cash flows from operating activities" in the prior fiscal year, but as its significance has diminished, it will be included in "Other" under "Cash flows from operating activities" from the current fiscal year forward. To reflect these changes in presentation, reclassifications have been made to the consolidated financial statements for the prior fiscal year presented herein.

As a result, 67 million yen included in "Equity in (earnings) losses of affiliates" and 4,673 million yen in "Other" in the Consolidated Statements of Cash Flows for the prior fiscal year has been reclassified as 4,741 million yen of "Other."

"Purchases of stocks of subsidiaries and affiliates" recorded independently under "Cash flows from investing activities" in the prior fiscal year, but as its significance has diminished, it will be included in "Other" under "Cash flows from investing activities" from the current fiscal year forward. To reflect these changes in presentation, reclassifications have been made to the consolidated financial statements for the prior fiscal year presented herein.

As a result, (32) million yen included in "Purchases of stocks of subsidiaries and affiliates" and (10) million yen in "Other" in the Consolidated Statements of Cash Flows for the prior fiscal year has been reclassified as (43) million yen of "Other."

Segment Information

1. Overview of reportable segments

The reportable segments of the Group are components for which discrete financial information is available and whose operating results are regularly reviewed by the Board of Directors to make decisions about resource allocation and to assess performance. The Group operates based on comprehensive strategies for products in Japan and overseas, which are planned for each business. Accordingly, the Company consists of two reportable segments, identified by products and based on division, which are the "Fastening Products" business and the "AP" business. The "Fastening Products" business manufactures and sells fasteners, fastener parts, fastener materials, snap fasteners, buttons, etc. The "AP" business manufactures and sells residential products and sashes, commercial products and sashes, interior doors and partitions, exterior materials, industrial products and architectural products.

2. Calculation method for net sales, income or loss, assets, liabilities and other items by reportable segments

Reportable segment income is calculated from operating income.

Intersegment sales and transfers are recorded generally at market prices and the cost of goods manufactured.

3. Information on net sales, income or loss, assets, liabilities and other items by reportable segments

Prior Fiscal Year (From April 1, 2016 to March 31, 2017)

(Millions of yen)

	Reportable segments			Other *1	Adjustments *2	Consolidated *3
	Fastening Products	AP	Total			
Net sales						
Sales to third parties	292,700	413,251	705,951	6,831	–	712,783
Intersegment sales and transfers	301	326	628	58,052	(58,681)	–
Total	293,002	413,578	706,580	64,884	(58,681)	712,783
Segment income	47,398	27,771	75,169	962	(15,849)	60,282
Segment assets	471,363	391,705	863,068	279,156	(178,994)	963,231
Other items						
Depreciation and amortization	27,660	14,072	41,732	3,321	2,789	47,844
Increase in tangible and intangible assets	43,271	18,982	62,253	4,579	1,794	68,627

- Notes: 1. "Other" includes businesses which manufacture and sell the following: equipment for manufacturing fastening products; equipment for manufacturing architectural products; molds; and machine parts. It also includes real estate, aluminum smelting and other businesses.
2. (1) Adjustments for segment income of (15,849) million yen include a 1,889 million yen elimination of inter-segment transactions and (18,027) million yen of operating expenses not allocable to reportable segments. Operating expenses not allocable to reportable segments include those related to administrative departments.
- (2) Adjustments for segment assets of (178,994) million yen include a (74,902) million yen elimination of receivables due from head office administrative departments, 483,441 million yen of corporate assets not allocable to reportable segments, and a (898) million yen adjustment for inventories.
3. Segment income has been reconciled to operating income represented in the Consolidated Statements of Income.

Current Fiscal Year (From April 1, 2017 to March 31, 2018)

(Millions of yen)

	Reportable segments			Other *1	Adjustments *2	Consolidated *3
	Fastening Products	AP	Total			
Net sales						
Sales to third parties	323,703	417,314	741,018	6,744	–	747,762
Intersegment sales and transfers	376	284	660	52,804	(53,464)	–
Total	324,079	417,598	741,678	59,549	(53,464)	747,762
Segment income	52,616	22,112	74,728	976	(16,357)	59,347
Segment assets	482,522	387,562	870,085	278,628	(170,150)	978,563
Other items						
Depreciation	27,227	14,188	41,415	3,219	2,214	46,849
Increase in tangible and intangible assets	37,390	16,619	54,009	2,006	1,961	57,977

- Notes: 1. "Other" includes businesses which manufacture and sell the following: equipment for manufacturing fastening products; equipment for manufacturing architectural products; molds; and machine parts. It also includes real estate, aluminum smelting and other businesses.
2. (1) Adjustments for segment income of (16,357) million yen include a 2,223 million yen elimination of inter-segment transactions and (18,814) million yen of operating expenses not allocable to reportable segments. Operating expenses not allocable to reportable segments include those related to administrative departments.
- (2) Adjustments for segment assets of (170,150) million yen include a (62,104) million yen elimination of receivables due from head office administrative departments, 474,745 million yen of corporate assets not allocable to reportable segments, and a (1,154) million yen adjustment for inventories.
3. Segment income has been reconciled to operating income represented in the Consolidated Statements of Income.