

FY2024 3rd Quarter Consolidated Financial Results [IFRS] (April 1, 2024 through December 31, 2024)

(English translation extracted from the original Japanese document)

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 Scheduled Date to commence dividend payments: None
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

(Note: All amounts less than one million yen is rounded off)

1. Consolidated Financial Results for the 3rd Quarter of FY2024 (April 1, 2024 to December 31, 2024)

(1) Consolidated Operating Results (cumulative) (Percentage of change from previous year)

	Revenue		Operating Profit		Profit before Tax		Profit		Profit Attributable to Owners of Parent		Total Comprehensive Income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
FY2024 Q3	233,383	0.6	16,183	40.4	16,525	30.9	11,054	25.1	10,175	24.0	16,629	18.9
FY2023 Q3	231,881	8.7	11,527	32.7	12,627	23.7	8,835	20.5	8,206	19.2	13,983	38.6

	Basic Earnings per Share		Diluted Earnings per Share	
	Yen		Yen	
FY2024 Q3	235.31		-	
FY2023 Q3	174.74		-	

(2) Consolidated Financial Position

	Total Assets	Total Equity	Equity Attributable to Owners of Parent	Ratio for Equity Attributable to Owners of Parent
	Million Yen	Million Yen	Million Yen	%
FY2024 Q3	326,781	212,996	198,899	60.9
FY2023	321,935	233,539	218,548	67.9

2. Dividends

	Annual Dividends per Share				
	1st Quarter	2nd Quarter	3rd Quarter	Fiscal Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2023	-	60.00	-	60.00	120.00
FY2024	-	100.00	-		
FY2024 (Forecast)				150.00	250.00

(Note) Revisions of dividend forecast from recently announced figures: Yes

3. FY2024 Consolidated Financial Forecast (April 1, 2024 to March 31, 2025)

(Percentage of change from previous year)

	Revenue		Operating Profit		Income before Income Taxes		Profit Attributable to Owners of Parent		Basic Earnings Per Share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
FY2024	300,000	(2.7)	19,000	-	19,000	-	11,500	-	274.53

(Note) Revisions of financial forecast from recently announced figures: Yes

※ General Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in Accounting Policies, Accounting Estimations

① Changes in accounting policies required by IFRS : None

② Changes in accounting policies except ① : None

③ Changes in accounting estimates : None

(Note) For the details, refer to attachment p.11 “2. Quarterly Consolidated Financial Statements and Principal Notes (5) Notes on Quarterly Consolidated Financial Statements”

(3) Number of Outstanding Shares (Ordinary shares)

① Number of shares outstanding at the end of period (including treasury shares)	FY2024 Q3	48,593,736 shares	FY2023 Q4	48,593,736 shares
② Number of treasury shares at the end of period	FY2024 Q3	9,699,719 shares	FY2023 Q4	1,627,767 shares
③ Average number of ordinary shares outstanding during the period	FY2024 Q3	43,239,230 shares	FY2023 Q3	46,960,316 shares

(Note) The shares held within the ESOP trust accounts (FY2024 Q3: 71,200 shares, FY2023 Q4: 81,200 shares) are included in the number of Treasury Shares at the end of period. Furthermore, the shares held within the ESOP trust accounts are included in Treasury Shares that are deducted in the calculation of the average number of shares for the period. (FY2024 Q3: 75,700 shares, FY2023 Q3: 85,690 shares)

※ Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm :None

※ Regarding the appropriate use of Financial forecasts and other information

The above forecast is based on the information available, or the assumptions which the company thinks reasonable as of the release of this report. Actual results might be different from the above estimates due to subsequent changes in circumstances.

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1. Qualitative Information on Quarterly Financial Results.

(1) Explanation of Operating Results

In the Third quarter of the current consolidated cumulative period, the revenue increased due to passing on cost increase to the selling price, and the impact of foreign exchange conversion due to the depreciation of the yen. In terms of profits, despite of costs rising factors such as labor costs, operating profit increased due to increase in revenue and decrease of depreciation and amortization following the recognition of impairment losses on fixed assets in the previous fiscal year.

The results for the Third quarter of the current consolidated cumulative period were, Revenue ¥ 233.4 billion (increased by 0.6% from the same period of the previous fiscal year), Operating profit ¥ 16.2 billion (increased by 40.4% from the same period of the previous fiscal year), Profit before tax ¥ 16.5 billion (increased by 30.9% from the same period of the previous fiscal year), Profit attributable to owners of the parent company was ¥10.2 billion (increased by 24.0% from the same period of the previous fiscal year).

<Segment Information>

The summary by type of reportable segment is as follows.

[MT (Manual Automotive Drivetrain related business)]

Revenue was ¥54.8 billion (increased by 3.3% from the same period of the previous fiscal year). Segment profit was ¥7.9 billion (increased by 28.5% from the same period of the previous fiscal year) due to passing on the cost increase to selling prices.

[AT (Automatic Automotive Drivetrain related business)]

Revenue was ¥152.1 billion (decreased by 0.6% from the same period of the previous fiscal year). This was due to a decrease in orders, despite the impact of passing on cost increase to the selling price and the impact of foreign exchange conversion due to the depreciation of the yen. The segment profit was ¥8.8 billion (increased by 89.2% from the same period of the previous fiscal year) due to decrease of depreciation and amortization.

[TS (Industrial machine Drivetrain operations)]

Revenue was ¥10.5 billion (decreased by 5.8% from the same period of the previous fiscal year). Segment profit was ¥1.3 billion (decreased by 16.5% from the same period of the previous fiscal year), due to a decrease in revenue.

[Others]

Revenue was ¥16.0 billion (increased by 8.6% from the same period of the previous fiscal year). Segment profit was ¥1.0 billion (increased by 21.9% from the same period of the previous fiscal year) due to an increased revenue of motorcycle clutches in India.

<Location Information>

The summary by location is as follows.

[Japan]

Revenue was ¥92.9 billion (decreased by 3.2% from the same period of the previous fiscal year). This was due to a decrease in orders at AT business. Operating profit was ¥9.1 billion (increased by 28.2% from the same period of the previous fiscal year), due to decrease of depreciation and amortization.

[Americas]

Revenue was ¥43.9 billion (increased by 1.6% from the same period of the previous fiscal year). This was due to the impact of foreign exchange conversion due to the depreciation of the yen. In terms of profits, despite efforts to streamline operations, such as improving productivity, the operating loss was ¥2.1 billion (¥2.4 billion operating loss in the same period of the previous year), due to expenses incurred in connection with the liquidation of a U.S. subsidiary.

[Asia and Oceania]

Revenue was ¥87.6 billion (increased by 3.8% from the same period of the previous fiscal year). This was due to an increase in sales of aftermarket products, as well as passing on cost increase to the selling price and the impact of foreign exchange conversion due to the depreciation of the yen. Operating profit was ¥9.1 billion (increased by 45.0% from the same period of the previous fiscal year) due to an increase in revenue and decrease of depreciation

and amortization.

[Others]

Revenue was ¥8.9 billion (increased by 7.5% from the same period of the previous fiscal year). Operating profit was ¥0.4 billion (decreased by 15.8% from the same period of the previous fiscal year) due to cost increase.

(2) Explanation of Financial Position.

In terms of the assets at the end of this Third quarter consolidated accounting period, the total assets were ¥326.8 billion (¥321.9 billion at the end of the previous consolidated fiscal year), it increased by ¥4.8 billion (1.5%) from the end of the previous fiscal year. The main contents are ¥2.3 billion increase in Trade and other receivables, ¥2.0 billion increase in Inventories, ¥1.4 billion increase in Investments accounted for using equity method, ¥1.4 billion increase in Goodwill and intangible assets, ¥1.1 billion increase in Other financial assets, ¥0.8 billion increase in Investments in Equity Instruments, ¥2.6 billion decrease in Tangible fixed assets, and ¥1.9 billion decrease in Cash and cash equivalents due to purchase of treasury shares, while implementing borrowing.

Total liabilities were ¥ 113.8 billion (¥88.4 billion at the end of the previous consolidated fiscal year), it increased by ¥25.4 billion (28.7%) from the end of the previous fiscal year. The main contents are ¥27.8 billion increase in corporate Bonds and borrowings and ¥3.0 billion decrease in Trade and other payables.

Total equity was ¥ 213.0 billion (¥233.5 billion in the previous consolidated fiscal year), it decreased by ¥20.5 billion (8.8%) from the end of the previous fiscal year. The main contents are ¥28.0 billion decrease by purchase of treasury shares, ¥0.8 billion increase in Capital surplus, ¥4.4 billion increase in Other components of equity due to the depreciation of the yen and an increase in exchange differences on the translation of foreign operations, ¥3.2 billion increase in Retained earnings (¥10.2 billion increase due to the Profit attributable to owners of the parent company, and ¥7.0 billion decrease due to the Appropriation of surplus (dividend)), and ¥0.9 billion decrease by Non-controlling interests.

(3) Explanation of Forecast of Consolidated Financial Results and Other Forward-Looking Information

As of today, The Company has revised the consolidated financial forecast for the fiscal year ending March 31, 2025, which was announced on April 25, 2024. For the details, please refer to the " Announcement regarding Revision of Forecasts of Consolidated Financial Results and Upward revision of Year-end Dividend" announced today. This forecast is based on the premise that there will be no large-scale suspension of business activities or sharp exchange rate fluctuations. If these premises are expected, this forecast may be revised.

The exchange rate is assumed to be ¥152 per US dollar.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Statement of Financial Position

	As of March 31, 2024	As of December 31, 2024
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	74,043	72,095
Trade and other receivables	53,513	55,770
Other financial assets	2,105	2,877
Inventories	44,278	46,310
Other current assets	2,949	3,724
Total current assets	<u>176,889</u>	<u>180,776</u>
Non-current assets		
Property, plant and equipment	117,824	115,174
Goodwill and intangible assets	2,412	3,786
Investments accounted for using equity method	1,043	2,448
Investments in Equity Instruments	4,767	5,541
Other financial assets	80	389
Deferred tax assets	16,592	16,494
Retirement benefit asset	1,418	1,434
Other non-current assets	909	738
Total non-current assets	<u>145,047</u>	<u>146,005</u>
Total assets	<u><u>321,935</u></u>	<u><u>326,781</u></u>

	As of March 31, 2024	As of December 31, 2024
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and borrowings	6,348	5,581
Trade and other payables	37,149	34,178
Other financial liabilities	664	674
Income taxes payable	2,739	2,236
Employee benefits accruals	2,591	2,605
Provisions	2,061	2,000
Other current liabilities	3,121	3,474
Total current liabilities	54,674	50,748
Non-current liabilities		
Bonds and borrowings	23,630	52,209
Other financial liabilities	943	1,010
Retirement benefit liability	6,566	6,861
Deferred tax liabilities	30	20
Other non-current liabilities	2,552	2,939
Total non-current liabilities	33,723	63,038
Total liabilities	88,396	113,785
Equity		
Share capital	8,284	8,284
Capital surplus	7,543	8,353
Treasury shares	(3,682)	(31,681)
Other components of equity	18,274	22,636
Retained earnings	188,129	191,306
Total equity attributable to owners of parent	218,548	198,899
Non-controlling interests	14,991	14,097
Total equity	233,539	212,996
Total liabilities and equity	321,935	326,781

(2) Quarterly Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
(Quarterly Consolidated Statement of Income)

	FY2023 3rd Quarter (April 1, 2023 through December 31, 2023)	FY2024 3rd Quarter (April 1, 2024 through December 31, 2024)
	Millions of yen	Millions of yen
Revenue	231,881	233,383
Cost of sales	193,320	190,132
Gross profit	38,561	43,251
Selling, general and administrative expenses	27,103	26,841
Other income	746	1,097
Other expenses	677	1,324
Operating profit	11,527	16,183
Finance income	1,874	1,129
Finance costs	819	797
Share of profit of investments accounted for using equity method	46	11
Profit before tax	12,627	16,525
Income tax expense	3,792	5,471
Profit	8,835	11,054
Profit attributable to		
Owners of parent	8,206	10,175
Non-controlling interests	629	879
Profit	8,835	11,054
Earnings per share		
Basic and diluted earnings per share	174.74	235.31

(Quarterly Consolidated Statement of Comprehensive Income)

	FY2023 3rd Quarter (April 1, 2023 through December 31, 2023)	FY2024 3rd Quarter (April 1, 2024 through December 31, 2024)
	Millions of yen	Millions of yen
Profit	8,835	11,054
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	176	(85)
Total of items that will not be reclassified to profit or loss	176	(85)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	4,967	5,656
Share of other comprehensive income of investments accounted for using equity method	5	5
Total of items that may be reclassified to profit or loss	4,972	5,661
Total other comprehensive income	5,148	5,575
Comprehensive income	13,983	16,629
Comprehensive income attributable to		
Owners of parent	12,629	14,537
Non-controlling interests	1,355	2,092
Comprehensive income	13,983	16,629

(3) Quarterly Consolidated Statement of Changes in Equity

Previous Third quarter consolidated cumulative period

(April 1, 2023 through December 31, 2023)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Exchange differences on translation of foreign operations	Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	Total
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Balance as of April 1, 2023	8,284	7,541	(3,709)	11,454	(815)	10,639
Profit for the period	-	-	-	-	-	-
Other comprehensive income	-	-	-	4,247	176	4,423
Comprehensive income	-	-	-	4,247	176	4,423
Purchase of treasury shares	-	-	(0)	-	-	-
Disposal of treasury shares	-	2	27	-	-	-
Dividends of surplus	-	-	-	-	-	-
Share-based remuneration transactions	-	(2)	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-
Total transactions with owners	-	(0)	27	-	-	-
Total changes in equity	-	(0)	27	4,247	176	4,423
Balance as of December 31, 2023	8,284	7,540	(3,682)	15,701	(639)	15,062

	Equity attributable to owners of parent		Non-controlling interests	Total
	Retained earnings	Total		
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 2023	202,808	225,563	14,338	239,901
Profit for the period	8,206	8,206	629	8,835
Other comprehensive income	-	4,423	725	5,148
Comprehensive income	8,206	12,629	1,355	13,983
Purchase of treasury shares	-	(0)	-	(0)
Disposal of treasury shares	-	29	-	29
Dividends of surplus	(4,931)	(4,931)	(1,301)	(6,232)
Share-based remuneration transactions	-	(2)	-	(2)
Transfer to retained earnings	-	-	-	-
Total transactions with owners	(4,931)	(4,904)	(1,301)	(6,205)
Total changes in equity	3,275	7,725	54	7,778
Balance as of December 31, 2023	206,083	233,287	14,392	247,679

Current Third quarter consolidated cumulative period
(April 1, 2024 through December 31, 2024)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Exchange differences on translation of foreign operations	Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	Total
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Balance as of April 1, 2024	8,284	7,543	(3,682)	19,365	(1,091)	18,274
Profit for the period	-	-	-	-	-	-
Other comprehensive income	-	-	-	4,448	(85)	4,362
Comprehensive income	-	-	-	4,448	(85)	4,362
Purchase of treasury shares	-	(154)	(28,024)	-	-	-
Disposal of treasury shares	-	7	25	-	-	-
Dividends of surplus	-	-	-	-	-	-
Changes in ownership interest in subsidiaries	-	958	-	-	-	-
Obtaining of control of subsidiaries	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-
Total transactions with owners	-	811	(27,999)	-	-	-
Total changes in equity	-	811	(27,999)	4,448	(85)	4,362
Balance as of December 31, 2024	8,284	8,353	(31,681)	23,813	(1,176)	22,636

	Equity attributable to owners of parent		Non-controlling interests	Total
	Retained earnings	Total		
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 2024	188,129	218,548	14,991	233,539
Profit for the period	10,175	10,175	879	11,054
Other comprehensive income	-	4,362	1,213	5,575
Comprehensive income	10,175	14,537	2,092	16,629
Purchase of treasury shares	-	(28,178)	-	(28,178)
Disposal of treasury shares	-	32	-	32
Dividends of surplus	(6,997)	(6,997)	(1,975)	(8,972)
Changes in ownership interest in subsidiaries	-	958	(958)	-
Obtaining of control of subsidiaries	-	-	(53)	(53)
Transfer to retained earnings	-	-	-	-
Total transactions with owners	(6,997)	(34,186)	(2,987)	(37,172)
Total changes in equity	3,177	(19,649)	(894)	(20,543)
Balance as of December 31, 2024	191,306	198,899	14,097	212,996

(4) Quarterly Consolidated Statement of Cash Flows

	FY2023 3rd Quarter (April 1, 2023 through December 31, 2023)	FY2024 3rd Quarter (April 1, 2024 through December 31, 2024)
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit before tax	12,627	16,525
Depreciation and amortization	14,446	10,811
Interest and dividend income	(293)	(391)
Interest expenses	516	534
Share of loss (profit) of investments accounted for using equity method	(46)	(11)
Foreign exchange loss (gain)	1	9
Decrease (increase) in inventories	1,499	(303)
Decrease (increase) in trade and other receivables	(231)	(797)
Increase (decrease) in trade and other payables	(2,259)	(3,366)
Other	1,106	(151)
Subtotal	27,366	22,859
Interest and dividends received	369	463
Interest paid	(530)	(542)
Income taxes paid	(3,949)	(5,842)
Net cash provided by (used in) operating activities	23,255	16,938
Cash flows from investing activities		
Payments into time deposits	(5,643)	(3,451)
Proceeds from withdrawal of time deposits	1,854	2,837
Purchase of property, plant and equipment	(7,080)	(5,510)
Proceeds from sale of property, plant and equipment	42	73
Purchase of intangible assets	(267)	(370)
Purchase of investment securities	(2,096)	(801)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(1,173)
Purchase of investments accounted for using equity method	(737)	(1,378)
Other	(8)	(176)
Net cash provided by (used in) investing activities	(13,934)	(9,949)
Cash flows from financing activities		
Proceeds from short-term borrowings	6,859	7,082
Repayments of short-term borrowings	(8,665)	(8,200)
Proceeds from long-term borrowings	487	30,118
Repayments of long-term borrowings	(3,117)	(2,073)
Purchase of treasury shares	(0)	(28,247)
Dividends paid	(4,923)	(6,993)
Other	(1,811)	(2,443)
Net cash provided by (used in) financing activities	(11,170)	(10,754)
Effect of exchange rate changes on cash and cash equivalents	1,018	1,817
Net increase (decrease) in cash and cash equivalents	(831)	(1,948)
Cash and cash equivalents at beginning of period	59,538	74,043
Cash and cash equivalents	58,707	72,095

(5) Notes on Quarterly Consolidated Financial Statements

(Notes for Going Concern)

Not applicable

(Change in Accounting Policy)

Not applicable

(Change in Accounting Estimate)

Not applicable

(Segment Information)

(1) Overview of Reportable Segments

The reportable segments are components of business activities for which discrete, and such information is regularly reviewed by the Company's Board of Directors to make decisions about the allocation of resources and assess its performance.

The Company and its consolidated subsidiaries are mainly engaged in the manufacture and sale of automotive parts. From the aspects of function, technological specification and productive structure, the product lines of the Company are classified roughly into 3 group, "Manual Transmission Parts", "Automatic Transmission Parts" and "Industrial machine Drivetrain Parts". The Company, in corporation with its consolidated subsidiaries, design business strategy and conduct business for these 3 product lines inside Japan and overseas. Accordingly, the reportable segments of the Company are composed of 3 segments, "MT (Manual Automotive Drivetrain related business)" which manufactures and sells Manual Transmission Parts, "AT (Automatic Automotive Drivetrain related business)" which manufactures and sells Automatic Transmission Parts and "TS (Industrial machine Drivetrain operations)" which manufactures and sells parts for construction machinery and industrial vehicles.

(2) Information of Revenue, Profit and Loss by Segment and The Amount of Other Important Items.

Previous Third quarter consolidated cumulative period (April 1, 2023 to December 31, 2023)

(Million Yen)

	Reportable Segment				Other (Note 1)	Adjustments (Note 4)	Consolidated
	MT	AT	TS	Total			
Revenue							
External Customers	53,048	152,933	11,143	217,124	14,757	-	231,881
Intersegments (Note 2)	217	446	47	710	3,983	(4,694)	-
Total	53,265	153,379	11,190	217,835	18,740	(4,694)	231,881
Segment Profit (Note 3)	6,159	4,625	1,602	12,386	779	(1,638)	11,527
Finance Income							1,874
Finance Costs							819
Share of profit of investments accounted for using equity method							46
Profit before Tax							12,627

(Note) 1. Other includes businesses which is not part of any of the reportable segments, and contain clutches for motorcycle operation, transport operation, etc.

2. Amount of intersegments transactions is based on market price.

3. Segment profit is based on operating profit on quarterly consolidated income statement.

4. Elimination of intersegment transactions and corporate expenses are included in adjustments.

Current Third quarter consolidated cumulative period (April 1, 2024 to December 31, 2024)

(Million Yen)

	Reportable Segment				Other (Note 1)	Adjustments (Note 4)	Consolidated
	MT	AT	TS	Total			
Revenue							
External Customers	54,814	152,051	10,493	217,358	16,026	-	233,383
Intersegments (Note 2)	201	394	39	633	4,128	(4,762)	-
Total	55,015	152,445	10,531	217,991	20,154	(4,762)	233,383
Segment Profit (Note 3)	7,914	8,753	1,338	18,005	950	(2,772)	16,183
Finance Income							1,129
Finance Costs							797
Share of profit of investments accounted for using equity method							11
Profit before Tax							16,525

(Note) 1. Other includes businesses which is not part of any of the reportable segments, and contain clutches for motorcycle operation, transport operation, etc.

2. Amount of intersegments transactions is based on market price.

3. Segment profit is based on operating profit on quarterly consolidated income statement.

4. Elimination of intersegment transactions and corporate expenses are included in adjustments.