

Translation

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MEMBERSHIP
August 6, 2019

CONSOLIDATED FINANCIAL RESULTS for the First Three Months of the Fiscal Year Ending March 31, 2020 <under Japanese GAAP>

Company name: **TOMY COMPANY, LTD.**
Listing: First Section of the Tokyo Stock Exchange
Securities identification code: 7867
URL: www.takaratomy.co.jp
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Scheduled date to file quarterly securities report: August 8, 2019
Scheduled date to commence dividend payments: –
Supplementary material on quarterly financial results: No
Quarterly financial results presentation meeting: Yes (for institutional investors and analysts)

(in millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated performance for the first three months of the fiscal year ending March 31, 2020 (From April 1, 2019 to June 30, 2019)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

Three months ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2019	35,288	(7.9)	555	(66.8)	243	(87.8)	265	(78.4)
June 30, 2018	38,315	(0.4)	1,671	(8.9)	1,989	17.1	1,226	0.7

Note: Comprehensive income
Three months ended June 30, 2019: (906) million yen [–%]
Three months ended June 30, 2018: 3,445 million yen [(186.2)%]

Three months ended	Basic earnings per share	Diluted earnings per share
	yen	yen
June 30, 2019	2.78	2.78
June 30, 2018	12.96	12.91

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	yen
June 30, 2019	137,068	64,607	46.7	670.72
March 31, 2019	143,364	67,315	46.5	700.26

Reference: Equity
As of June 30, 2019: 63,958 million yen
As of March 31, 2019: 66,692 million yen

2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	yen	yen	yen	yen	yen
Fiscal year ended March 31, 2019	–	7.00	–	17.00	24.00
Fiscal year ending March 31, 2020	–				
Fiscal year ending March 31, 2020 (Forecast)		15.00	–	15.00	30.00

- Notes: 1. Revisions to the cash dividend forecasts most recently announced: None
2. Breakdown of year-end dividend for the fiscal year ended March 31, 2019: ordinary dividend 7.00 yen, commemorative dividend 10.00 yen

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2020 (From April 1, 2019 to March 31, 2020)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Six months ending September 30, 2019 (cumulative)	87,000	(2.4)	6,000	(15.2)	5,900	(19.7)	3,800	(23.2)	39.97
Fiscal year ending March 31, 2020	180,000	1.8	14,500	0.6	14,400	0.7	9,500	2.1	99.93

Note: Revisions to the consolidated earnings forecasts most recently announced: None

* **Notes**

(1) **Changes in significant subsidiaries during the nine months under review** (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) **Application of specific accounting for preparing quarterly consolidated financial statements:**
Yes

Note: For more details, please refer to the section of “(4) Notes Regarding Consolidated Financial Statements, (Application of specific accounting for preparing quarterly consolidated financial statements)” of “2. Consolidated Financial Statements and Significant Notes Thereto” on page 14 of the attached material.

(3) **Changes in accounting policies, changes in accounting estimates, and restatement**

A. Changes in accounting policies due to revisions to accounting standards: Yes

B. Changes in accounting policies due to other reasons: None

C. Changes in accounting estimates: None

D. Restatement: None

Note: For more details, please refer to the section of “(4) Notes Regarding Consolidated Financial Statements, (Changes in accounting policies)” of “2. Consolidated Financial Statements and Significant Notes Thereto” on page 14 of the attached material.

(4) **Number of issued shares (common shares)**

A. Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2019	96,290,850 shares
As of March 31, 2019	96,290,850 shares

B. Number of treasury shares at the end of the period

As of June 30, 2019	932,710 shares
As of March 31, 2019	1,051,473 shares

C. Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2019	95,286,000 shares
Three months ended June 30, 2018	94,637,476 shares

* Quarterly financial results reports are exempt from quarterly reviews conducted by certified public accountants or audit corporation.

1. Qualitative Information Regarding Consolidated Operating Results

(1) Explanation of Operating Results

(Highlights of First Three Months of the Fiscal Year Ending March 31, 2020)

- Net sales were on par with the level forecasted at the beginning of the fiscal year at ¥35,288 million (down 7.9% year on year). These results reflected a decrease in sales of BEYBLADE BURST in Japan and South Korea, and the end of sales of character-related toys at overseas subsidiaries, although long-standing domestic products such as the TOMICA brand and PLARAIL were well received in the market, along with L.O.L. SURPRISE! and products related to the DISNEY / PIXAR animation movie Toy Story 4.
- In terms of profits, despite year-on-year declines, the Company exceeded the forecasts at the beginning of the fiscal year and as a result, no changes have been made to the consolidated earnings forecasts for the six months ending September 30, 2019 (cumulative) and for the fiscal year ending March 31, 2020.

Operating profit was ¥555 million (down 66.8% year on year). This was mainly attributable to a decrease in gross profit due to the decline in net sales and the amount invested into advertising being on par with the previous fiscal year, and despite proactively pursuing research and development, selling, general and administrative expenses remained unchanged from the previous fiscal year due to the reduction of logistics and other costs.

Ordinary profit was ¥243 million (down 87.8% year on year). This was mainly attributable to the decline in operating profit and the recording of foreign exchange losses. Profit attributable to owners of parent was ¥265 million (down 78.4% year on year).
- In the Japanese market, sales were strong for single-pack TOMICA vehicles and TOMICA PREMIUM for adults, among others. Sales of PLARAIL grew, partly reflecting the effect of various events for the 60th anniversary of sales in addition to steady sales of products related to SHINKALION, a TV animation series. ZOIDS WILD, which has a dinosaur and animal theme and has been available in multiple media formats for a year since it was launched last June, also enjoyed strong sales, and in April we started broadcasts of a TV animation series based on the new boys hobby product BAKUGAN accompanied by a roll-out of toys. The photogenic surprise doll L.O.L. SURPRISE! continued to garner popularity, and sales of products related to the DISNEY / PIXAR animation movie Toy Story 4 performed briskly.

On the other hand, sales for BEYBLADE BURST, which has been on sale for five years as of this year, declined year on year despite maintaining better sales than expected. In addition, sales declined for the trading card game DUEL MASTERS due to factors such as the impact of competition.
- In the TOMY International Group, we are continuing to prepare for a global launch of a large-scale product in the second quarter. Net sales declined, partly reflecting the end of sales of character-related toys that had been sold until the same period of the previous year.

Overview of Reportable Segments

<Overview of operating results by segment>

(Millions of yen)

	First three months of the fiscal year ended March 31, 2019	First three months of the fiscal year ending March 31, 2020	Change	Rate of change (%)
Net sales	38,315	35,288	(3,026)	(7.9)
Japan	31,548	30,449	(1,099)	(3.5)
Americas	3,897	3,046	(850)	(21.8)
Europe	1,070	704	(366)	(34.3)
Oceania	397	296	(100)	(25.3)
Asia (excl. Japan)	12,772	13,168	395	3.1
Eliminations and corporate	(11,372)	(12,377)	(1,004)	–
Operating profit/(loss)	1,671	555	(1,116)	(66.8)
Japan	2,693	1,416	(1,277)	(47.4)
Americas	(83)	(80)	2	–
Europe	(294)	(235)	59	–
Oceania	(35)	(52)	(16)	–
Asia (excl. Japan)	136	294	158	115.9
Eliminations and corporate	(744)	(787)	(42)	–

Japan

(Millions of yen)

	First three months of the fiscal year ended March 31, 2019	First three months of the fiscal year ending March 31, 2020	Change
Net sales	31,548	30,449	(1,099)
Operating profit	2,693	1,416	(1,277)

Net sales in Japan for the first three months of the fiscal year were ¥30,449 million (down 3.5% year on year), while operating profit was ¥1,416 million (down 47.4% year on year).

In the long-standing TOMICA brand, there were brisk sales for single-pack TOMICA vehicles and the TOMICA PREMIUM line of highly detailed collectible models for adults, which marks its fifth anniversary this year, and others. Sales of related products grew in the PLARAIL series, which was launched in 1959, partly reflecting the effects of various marketing events associated with the anniversary, and products related to SHINKALION, a TV animation series, continued to be well received.

In products for boys, sales trended strongly for the in-house content ZOIDS WILD, which has a dinosaur and animal theme and has been available in multiple media formats for a year since it was launched last June. In addition, in April the hobby product BAKUGAN was launched on the market in conjunction with the start of broadcasts of the associated TV animation series.

In products for girls, the photogenic surprise doll L.O.L. SURPRISE! continued to enjoy popularity and we have developed marketing using social media. Sumikkosagashi, the second version of the LCD toy, Sumikkogurashi, was also well received. Meanwhile, products related to the third series of the Secret×Heroine Phantomirage! TV drama for young girls continued to be well received. In addition, the Group entered a new market after receiving the distribution rights for products related to the global hit Paw Patrol preschool characters in conjunction with the start of broadcasts of the TV animation series.

For Toy Story 4, a DISNEY / PIXAR animation movie released in July, related products such as movie character figures, plush toys and Gacha capsule toys were launched across the Group and have sold favorably.

At T-ARTS Company, Ltd., the amusement machine Pokémon Ga-Olé continued to gain popularity.

On the other hand, sales for BEYBLADE BURST, which has been on sale for five years as of this year, declined year on year despite maintaining better sales than expected. In addition, sales declined for the trading card game DUEL MASTERS due to factors such as the impact of competition.

For the reason described above, net sales decreased. Meanwhile, operating profit also decreased.

Americas

(Millions of yen)

	First three months of the fiscal year ended March 31, 2019	First three months of the fiscal year ending March 31, 2020	Change
Net sales	3,897	3,046	(850)
Operating loss	(83)	(80)	2

Net sales in the Americas were ¥3,046 million (down 21.8% year on year), while operating loss was ¥80 million, compared with an operating loss of ¥83 million in the same period a year earlier. The decline in net sales partly reflects the end of sales of character-related toys that had been sold until the same period of the previous year, while the operating loss reflected an improvement in the product mix. We have been actively moving ahead with preparations for the global launch of a large-scale product in the second quarter. During the first quarter, we continued to market the plush toy MOCCHI- MOCCHI- (overseas product name: Club Mocchi- Mocchi-) developed in Japan.

Europe

(Millions of yen)

	First three months of the fiscal year ended March 31, 2019	First three months of the fiscal year ending March 31, 2020	Change
Net sales	1,070	704	(366)
Operating loss	(294)	(235)	59

Net sales in Europe were ¥704 million (down 34.3% year on year), while operating loss was ¥235 million, compared with an operating loss of ¥294 million in the same period a year earlier.

The decline in net sales partly reflects the end of sales of character-related toys that had been sold until the same period of the previous fiscal year. The operating loss reflects the absence of discount sales for certain products carried out in the same period of the previous fiscal year. In Europe, we are preparing for the global launch of a large-scale product in the second quarter. In the first quarter, we focused on marketing DRUMOND PARK, for which we have newly acquired game sales rights, and the plush toy MOCCHI- MOCCHI- (overseas product name: Club Mocchi- Mocchi-) developed in Japan.

Oceania

(Millions of yen)

	First three months of the fiscal year ended March 31, 2019	First three months of the fiscal year ending March 31, 2020	Change
Net sales	397	296	(100)
Operating loss	(35)	(52)	(16)

Net sales in Oceania were ¥296 million (down 25.3% year on year), while operating profit was ¥52 million, compared with an operating loss of ¥35 million in the same period a year earlier. The decline in net sales reflects the end of sales of character-related toys that had been sold until the same period of the previous fiscal year, although sales of agricultural machinery toys trended strongly. We are preparing for the global launch of a large-scale product in the second quarter.

Asia (excl. Japan)

(Millions of yen)

	First three months of the fiscal year ended March 31, 2019	First three months of the fiscal year ending March 31, 2020	Change
Net sales	12,772	13,168	395
Operating profit	136	294	158

Net sales in Asia (excl. Japan) were ¥13,168 million (up 3.1% year on year), while operating profit was ¥294 million (up 115.9% year on year). The increase in sales partly reflects a positive reception to sales of toys related to the DISNEY / PIXAR animation movie Toy Story 4, which was released in June to July, as well as the roll-out and sales of toys related to the boys hobby product BAKUGAN in seven countries and regions, including Hong Kong, Taiwan, and South Korea, accompanied by the start of its TV animation series. On the other hand, sales of the next-generation spinning-top battle toy BEYBLADE BURST declined in South Korea, where they had enjoyed strong popularity in the previous fiscal year. Moreover, manufacturing subsidiary TOMY (Hong Kong) Ltd. saw an increase in shipments, which was one of the main factors leading to the increases in net sales and operating profit.

(2) Overview of Financial Position

Assets, Liabilities and Net Assets

<Assets>

At the end of the first quarter of the fiscal year ending March 31, 2020, current assets stood at ¥89,270 million, down ¥4,844 million from the end of the previous fiscal year ended March 31, 2019. This is mainly attributable to a decrease in cash and deposits, despite an increase in merchandise and finished goods.

Non-current assets stood at ¥47,797 million, down ¥1,451 million from the end of the previous fiscal year. This is mainly attributable to decreases in property, plant and equipment and intangible assets.

<Liabilities>

At the end of the first quarter, current liabilities stood at ¥56,329 million, down ¥2,989 million from the end of the previous fiscal year. This is mainly attributable to decreases in accrued expenses and income taxes payable, despite an increase in notes and accounts payable - trade.

Non-current liabilities stood at ¥16,130 million, down ¥599 million from the end of the previous fiscal year. This is mainly attributable to a decrease in long-term borrowings, despite an increase in lease obligations.

<Net assets>

At the end of the first quarter, total net assets were ¥64,607 million, down ¥2,707 million from the end of the previous fiscal year. This is mainly attributable to decreases in retained earnings and foreign currency translation adjustment.

Cash Flows

Cash and cash equivalents (hereafter “cash”) at the end of the first quarter of the fiscal year ending March 31, 2020 was ¥45,341 million, a decrease of ¥8,475 million compared with the end of the previous fiscal year ended March 31, 2019.

Net cash used in operating activities was ¥4,875 million, compared with ¥1,586 million provided by the same period a year earlier. The main factors are an increase in inventories of ¥3,369 million and income taxes paid of ¥2,791 million, and a decrease of accrued expenses of ¥1,898 million, despite an increase of trade payables of ¥2,111 million and depreciation of ¥1,791 million.

Net cash used in investing activities was ¥853 million, compared with ¥1,243 million used in the same period a year earlier. The main factors are purchase of intangible assets of ¥470 million and purchase of property, plant and equipment of ¥398 million.

Net cash used in financing activities was ¥2,500 million, compared with ¥766 million used in the same period a year earlier. The main factors are dividends paid of ¥1,503 million and repayments of finance lease obligations of ¥866 million.

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements

No changes have been made to the earnings forecasts that were announced on May 10, 2019.

2. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Assets		
Current assets		
Cash and deposits	53,919	45,443
Notes and accounts receivable - trade	20,342	20,387
Merchandise and finished goods	12,487	15,400
Work in process	476	619
Raw materials and supplies	1,175	1,232
Other	5,901	6,366
Allowance for doubtful accounts	(187)	(179)
Total current assets	94,115	89,270
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,602	12,595
Accumulated depreciation	(8,087)	(8,159)
Accumulated impairment loss	(371)	(367)
Buildings and structures, net	4,144	4,067
Machinery, equipment and vehicles	2,546	2,534
Accumulated depreciation	(1,863)	(1,890)
Accumulated impairment loss	(17)	(17)
Machinery, equipment and vehicles, net	666	626
Tools, furniture and fixtures	22,825	22,977
Accumulated depreciation	(20,707)	(20,965)
Accumulated impairment loss	(677)	(645)
Tools, furniture and fixtures, net	1,439	1,366
Land	3,905	3,901
Leased assets	8,523	7,379
Accumulated depreciation	(4,604)	(3,292)
Accumulated impairment loss	(0)	(281)
Leased assets, net	3,919	3,805
Construction in progress	275	258
Total property, plant and equipment	14,349	14,026
Intangible assets		
Goodwill	17,373	16,523
Other	10,324	9,886
Total intangible assets	27,698	26,410
Investments and other assets		
Investment securities	3,245	3,263
Deferred tax assets	1,710	1,885
Other	2,611	2,565
Allowance for doubtful accounts	(364)	(354)
Total investments and other assets	7,202	7,360
Total non-current assets	49,249	47,797
Total assets	143,364	137,068

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,490	11,487
Short-term borrowings	7,250	7,358
Current portion of long-term borrowings	19,285	19,285
Lease obligations	2,851	2,986
Accounts payable - other	8,221	6,991
Accrued expenses	7,930	5,886
Income taxes payable	3,030	364
Provisions	433	279
Other	824	1,689
Total current liabilities	59,319	56,329
Non-current liabilities		
Long-term borrowings	8,929	8,357
Lease obligations	1,386	1,471
Deferred tax liabilities	1,056	1,016
Deferred tax liabilities for land revaluation	472	472
Provisions	522	534
Retirement benefit liability	2,754	2,735
Other	1,610	1,543
Total non-current liabilities	16,730	16,130
Total liabilities	76,049	72,460
Net assets		
Shareholders' equity		
Share capital	3,459	3,459
Capital surplus	9,152	9,164
Retained earnings	43,818	42,168
Treasury shares	(687)	(609)
Total shareholders' equity	55,743	54,183
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,179	1,185
Deferred gains or losses on hedges	434	86
Revaluation reserve for land	624	624
Foreign currency translation adjustment	9,505	8,640
Remeasurements of defined benefit plans	(793)	(761)
Total accumulated other comprehensive income	10,949	9,775
Share acquisition rights	211	236
Non-controlling interests	410	412
Total net assets	67,315	64,607
Total liabilities and net assets	143,364	137,068

**(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
(Consolidated statement of income)**

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Net sales	38,315	35,288
Cost of sales	22,765	20,811
Gross profit	15,550	14,477
Selling, general and administrative expenses	13,878	13,922
Operating profit	1,671	555
Non-operating income		
Interest and dividend income	55	60
Foreign exchange gains	285	–
Rental income	37	35
Other	52	23
Total non-operating income	430	119
Non-operating expenses		
Interest expenses	73	67
Foreign exchange losses	–	311
Other	39	52
Total non-operating expenses	113	431
Ordinary profit	1,989	243
Extraordinary income		
Gain on sales of non-current assets	1	–
Gain on reversal of share acquisition rights	7	0
Gain on sales of investments in capital	166	–
Received settlement fee	–	191
Total extraordinary income	175	191
Extraordinary losses		
Loss on retirement of non-current assets	7	0
Impairment loss	39	–
Total extraordinary losses	46	0
Profit before income taxes	2,118	434
Income taxes	887	166
Profit	1,231	267
Profit attributable to non-controlling interests	4	2
Profit attributable to owners of parent	1,226	265

(Consolidated statement of comprehensive income)

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit	1,231	267
Other comprehensive income		
Valuation difference on available-for-sale securities	83	5
Deferred gains or losses on hedges	582	(347)
Foreign currency translation adjustment	1,552	(864)
Remeasurements of defined benefit plans, net of tax	(4)	32
Total other comprehensive income	2,214	(1,173)
Comprehensive income	3,445	(906)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,440	(908)
Comprehensive income attributable to non-controlling interests	5	2

(3) Consolidated Statement of Cash Flows

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Cash flows from operating activities		
Profit before income taxes	2,118	434
Depreciation	1,686	1,791
Impairment loss	39	-
Amortization of goodwill	353	355
Gain on reversal of share acquisition rights	(7)	(0)
Loss on sales of investments in capital	(166)	-
Received settlement fee	-	(191)
Increase (decrease) in allowance for doubtful accounts	(36)	(1)
Increase (decrease) in provision	(220)	(133)
Increase (decrease) in retirement benefit liability	(33)	11
Interest and dividend income	(55)	(60)
Interest expenses	73	67
Foreign exchange losses (gains)	(4)	199
Decrease (increase) in trade receivables	1,494	(220)
Decrease (increase) in inventories	(2,250)	(3,369)
Decrease (increase) in prepaid expenses	(1,263)	(701)
Increase (decrease) in trade payables	2,766	2,111
Increase (decrease) in accounts payable - other	330	(1,223)
Increase (decrease) in accrued expenses	(2,476)	(1,898)
Other, net	1,032	580
Subtotal	3,381	(2,248)
Interest and dividends received	55	60
Interest paid	(84)	(87)
The receipt of settlement fee	-	191
Income taxes paid	(1,765)	(2,791)
Net cash provided by (used in) operating activities	1,586	(4,875)
Cash flows from investing activities		
Purchase of property, plant and equipment	(995)	(398)
Purchase of intangible assets	(383)	(470)
Proceeds from sales of investments in capital	166	-
Other, net	(31)	16
Net cash provided by (used in) investing activities	(1,243)	(853)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	358	292
Repayments of long-term borrowings	(765)	(571)
Dividends paid	(602)	(1,503)
Repayments of finance lease obligations	(782)	(866)
Proceeds from disposal of treasury shares	526	76
Proceeds from sale and leaseback transactions	500	97
Other, net	(1)	(25)
Net cash provided by (used in) financing activities	(766)	(2,500)
Effect of exchange rate change on cash and cash equivalents	227	(246)
Net increase (decrease) in cash and cash equivalents	(196)	(8,475)
Cash and cash equivalents at beginning of period	46,206	53,817
Cash and cash equivalents at end of period	46,009	45,341

(4) Notes Regarding Consolidated Financial Statements

(Notes regarding assumption of going concern)

Nothing to note.

(Notes on significant changes in the amount of shareholders' equity)

Nothing to note.

(Application of specific accounting for preparing quarterly consolidated financial statements)

Tax expense calculation

Tax expenses on profit before income taxes for the nine months under review are calculated by multiplying profit before income taxes for the nine months under review by the reasonably estimated effective tax rate for the fiscal year including the nine quarter under review after applying tax effect accounting.

(Changes in accounting policies)

Application of ASU 2014-09 Revenue from Contracts with Customers

At consolidated subsidiaries outside Japan adopting US GAAP, ASU 2014-09 Revenue from Contracts with Customers has been applied effective the first three months of the fiscal year ending March 31, 2020. Due to this application, these subsidiaries now recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The effect of applying this accounting standard on the consolidated financial statements for the first three months ended June 30, 2019 is immaterial.

Application of IFRS 16 "Leases"

At consolidated subsidiaries outside Japan adopting IFRS, IFRS 16 "Leases" (hereinafter "IFRS 16") has been applied from the first three months of the fiscal year ending March 31, 2020. Due to this application, lessees, in principle, record all leases as assets and liabilities on the balance sheets. In applying IFRS 16, the relevant items are subject to transitional measures, and the cumulative effect of accounting change is recorded in the opening balance of retained earnings for the first three months of the fiscal year ending March 31, 2020.

As a result, as of June 30, 2019, the end of the first three months of the fiscal year ending March 31, 2020, "leased assets, net" in property, plant and equipment increased by ¥35 million, "lease obligations" in current liabilities increased by ¥83 million and "lease obligations" in non-current liabilities increased by ¥228 million. The impact on profit/loss during the first three months was immaterial. In addition, the opening balance of retained earnings decreased by ¥296 million. In the consolidated statement of cash flows, there was a decrease in cash outflow from operating activities of ¥23 million and an increase in cash outflow from financing activities of ¥23 million.

Segment information

I. First three months of the fiscal year ended March 31, 2019 (April 1, 2018 to June 30, 2018)

1. Information regarding net sales and profit or loss by reportable segment

(Millions of yen)

	Japan	Americas	Europe	Oceania	Asia (excl. Japan)	Total
Net sales						
External customers	29,427	3,866	1,062	397	3,561	38,315
Inter-segment sales and transfers	2,120	31	8	–	9,211	11,372
Total	31,548	3,897	1,070	397	12,772	49,687
Segment profit (loss)	2,693	(83)	(294)	(35)	136	2,416

2. Differences between the total amount of profit or loss in reportable segments and the amount recorded on the quarterly consolidated statement of income and details thereof (Reconciliation)

(Millions of yen)

Profit	Amount
Reportable segments total	2,416
Inter-segment eliminations	(11)
Corporate expenses (Note)	(733)
Operating profit on the quarterly consolidated statement of income	1,671

(Note) Corporate expenses primarily comprise selling, general and administrative expenses not allocable to reportable segments.

3. Regional information

(Millions of yen)

	Japan	North America		Other	Total
			U.S.		
Net sales	24,400	6,394	5,961	7,521	38,315

(Note) Net sales are categorized into a country or region based on the customer's location.

II. First three months of the fiscal year ending March 31, 2020 (April 1, 2019 to June 30, 2019)

1. Information regarding net sales and profit or loss by reportable segment

(Millions of yen)

	Japan	Americas	Europe	Oceania	Asia (excl. Japan)	Total
Net sales						
External customers	28,251	3,031	704	296	3,004	35,288
Inter-segment sales and transfers	2,198	15	–	–	10,163	12,377
Total	30,449	3,046	704	296	13,168	47,666
Segment profit (loss)	1,416	(80)	(235)	(52)	294	1,342

2. Differences between the total amount of profit or loss in reportable segments and the amount recorded on the quarterly consolidated statement of income and details thereof (Reconciliation)

(Millions of yen)

Profit	Amount
Reportable segments total	1,342
Inter-segment eliminations	13
Corporate expenses (Note)	(801)
Operating profit on the quarterly consolidated statement of income	555

(Note) Corporate expenses primarily comprise selling, general and administrative expenses not allocable to reportable segments.

3. Regional information

(Millions of yen)

	Japan	North America		Other	Total
			U.S.		
Net sales	23,406	5,576	5,154	6,305	35,288

(Note) Net sales are categorized into a country or region based on the customer's location.