

# Consolidated Financial Results

## For the Second Quarter of the Fiscal Year Ending March 31, 2024

### (For the First Six Months Ended September 30, 2023)



Prepared in Conformity with Generally Accepted Accounting Principles in Japan  
English Translation from the Original Japanese-Language Document

November 7, 2023

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Filing of *Shihanki Hokokusho*,  
 quarterly securities report : Scheduled for November 10, 2023  
 Payment of Dividends : Scheduled for December 1, 2023  
 Supplementary Material : Yes  
 Briefing Session : Yes (Intended for securities analysts, institutional investors and media)

(in Japanese yen rounded to millions, except amounts per share)

### 1. Consolidated Financial Highlights (April 1, 2023 through September 30, 2023)

#### (1) Consolidated Financial Results

(Percentage indicates change from same period of the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of the Parent	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
<b>FY2024 2nd quarter</b>	<b>2,317,259</b>	<b>41.1</b>	<b>129,611</b>	<b>134.6</b>	<b>179,235</b>	<b>62.4</b>	<b>108,132</b>	<b>25.9</b>
FY2023 2nd quarter	1,642,506	9.8	55,241	39.0	110,360	225.6	85,859	259.9

Note: Comprehensive income  
**FY2024 2nd quarter** **167,058 millions of yen** ( **32.7 %** )  
**FY2023 2nd quarter** **125,902 millions of yen** ( **299.1 %** )

	Net Income Per Share	Net Income Per Share (Diluted)
	yen	yen
<b>FY2024 2nd quarter</b>	<b>171.63</b>	<b>171.49</b>
FY2023 2nd quarter	136.30	136.19

#### (2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	millions of yen	millions of yen	%
As of <b>September 30, 2023</b>	<b>3,505,467</b>	<b>1,608,113</b>	<b>45.3</b>
March 31, 2023	3,259,251	1,456,801	44.2

Reference: Net Assets excluding non-controlling interests

**As of September 30, 2023** **1,589,536 millions of yen**  
**As of March 31, 2023** **1,439,598 millions of yen**

### 2. Dividends

	Dividends Per Share				
	1st Qtr.	2nd Qtr.	3rd Qtr.	Year End	Full-Year
	yen	yen	yen	yen	yen
FY2023	-	20.00	-	25.00	45.00
<b>FY2024</b>	-	<b>25.00</b>	-	-	-
<b>FY2024 (Forecast)</b>	-	-	-	<b>25.00</b>	<b>50.00</b>

Note: Revision of the dividend forecast most recently announced: No

### 3. Consolidated Financial Forecast (April 1, 2023 through March 31, 2024)

(Percentage indicates change from the previous fiscal year)

	Net sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of the Parent		Net Income Per Share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
<b>FY2024 Full Year</b>	<b>4,800,000</b>	<b>25.4</b>	<b>250,000</b>	<b>76.1</b>	<b>254,000</b>	<b>36.6</b>	<b>170,000</b>	<b>19.0</b>	<b>269.81</b>

Note: Revision of the consolidated financial forecast most recently announced: Yes

**Notes:**

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

Newly added subsidiaries: None

Excluded subsidiaries: None

**(2) Application of accounting treatment specific to preparation of quarterly consolidated financial statements:** None

**(3) Changes in accounting policies / Changes in accounting estimates / Restatement:**

1) Changes in accounting policies with accompanying revision of accounting standards	None
2) Voluntary changes in accounting policies except 1)	None
3) Changes in accounting estimates	None
4) Restatement	None

**(4) Number of outstanding shares (Common stock)**

1) Number of outstanding shares (including treasury stock)		
	<b>As of September 30, 2023</b>	<b>631,803,979 shares</b>
	As of March 31, 2023	631,803,979 shares
2) Number of treasury stock		
	<b>As of September 30, 2023</b>	<b>1,727,526 shares</b>
	As of March 31, 2023	1,841,110 shares
3) Average number of outstanding shares		
	<b>For 6 months ended September 30, 2023</b>	<b>630,032,824 shares</b>
	For 6 months ended September 30, 2022	629,939,090 shares

**This document is out of the scope of the quarterly review by certified public accountants or accounting auditor.**

**Cautionary Statements with Respect to Forward-Looking Statements**

The financial forecast and other descriptions of the future presented in this document are an outlook based on our judgments and projections. The judgments and projections are based on information presently available. As such, the financial forecast and future descriptions are subject to uncertainties and risks, and are not contemplated to ensure the fulfillment thereof. Accordingly, the actual financial performance may vary significantly due to various factors.

For detail such as precondition of the financial forecast, please refer to "1. Qualitative Information on Consolidated Results for the Quarterly Period - (3) Future Estimates such as Consolidated Financial Forecast" on page 3 of the attachment.

## **ATTACHMENT**

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### **(Reference)**

#### **Financial Summary (Consolidated)**

**For the Second Quarter of the Fiscal Year Ending March 31, 2024**

# 1. Qualitative Information on Consolidated Results for the Quarterly period

## (1) Consolidated Financial Results

(Global Sales)

Global sales volume for the first six months of the fiscal year ending March 31, 2024 was 616 thousand units, up 19.9% year on year.

(In thousands of units)

	FY 2023 First 6 Months (Apr.'22-Sep.'22)	FY 2024 First 6 Months (Apr.'23-Sep.'23)	vs. Prior Year	
			Volume	Rate (%)
Japan	68	82	14	20.5 %
North America	181	251	70	39.0 %
Europe	67	90	23	34.1 %
China	49	45	(4)	(7.6) %
Other	150	148	(1)	(0.9) %
Total	514	616	102	19.9 %
<Breakdown>				
USA	133	184	51	38.4 %

(Consolidated Financial Results)

Financial performance on a consolidated basis for the first six months of the fiscal year ending March 31, 2024 was as follows. Net sales amounted to ¥2,317.3 billion, an increase of ¥674.8 billion or 41.1% compared to the corresponding period in the previous fiscal year. Operating income amounted to ¥129.6 billion, an increase of ¥74.4 billion or 134.6% compared to the corresponding period in the previous fiscal year. Ordinary income amounted to ¥179.2 billion, an increase of ¥68.8 billion or 62.4% compared to the corresponding period in the previous fiscal year. Net income attributable to owners of the parent amounted to ¥108.1 billion, an increase of ¥22.2 billion or 25.9% compared to the corresponding period in the previous fiscal year, reflecting the factors such as income taxes of ¥68.4 billion.

Operating income changes were as follows.

Volume & mix	106.2	billion yen
Exchange rate	14.3	billion yen
Raw material, logistics costs, etc.	(10.0)	billion yen
Cost improvement	12.0	billion yen
Fixed costs and others	(48.1)	billion yen
Total	74.4	billion yen

## **(2) Consolidated Financial Position and Cash Flows**

### **(Assets, Liabilities and Net Assets)**

As of September 30, 2023, total assets increased ¥246.2 billion from the end of the previous fiscal year, to ¥3,505.5 billion. Total liabilities increased ¥94.9 billion from the end of the previous fiscal year to ¥1,897.4 billion.

Net Assets as of September 30, 2023 increased ¥151.3 billion from the end of the previous fiscal year to ¥1,608.1 billion, mainly reflecting net income attributable to owners of the parent of ¥108.1 billion. Equity ratio increased 1.1 percentage points from the end of the previous fiscal year to 45.3% (Percentage after consideration of the equity credit attributes of the subordinated loan was 46.3%).

### **(Cash Flows)**

Cash and cash equivalent as of September 30, 2023 increased ¥64.1 billion from the end of the previous fiscal year to ¥781.2 billion. Interest-bearing debt as of September 30, 2023 decreased ¥59.7 billion from the end of previous fiscal year to ¥555.8 billion. As a result, we are in a net cash position of ¥225.4 billion.

Cash flows for the first six months of the fiscal year ending March 31, 2024 by activities were as follows.

#### **Cash flows from operating activities**

Net cash provided by operating activities was ¥165.1 billion, mainly reflecting income before income taxes of ¥177.2 billion. (For the first six months of the previous fiscal year, net cash used in operating activities was ¥0.6 billion.)

#### **Cash flows from investing activities**

Net cash used in investing activities was ¥55.8 billion, mainly reflecting capital expenditure for the purchase of property, plant and equipment of ¥45.8 billion. (For the first six months of the previous fiscal year, net cash used in investing activities was ¥50.0 billion.)

As a result, consolidated free cash flow (net of operating and investing activities) was positive ¥109.3 billion. (For the first six months of the previous fiscal year, consolidated free cash flow was negative ¥50.6 billion.)

#### **Cash flows from financing activities**

Net cash used in financing activities was ¥79.1 billion, mainly reflecting the repayments of long-term loans payable. (For the first six months of the previous fiscal year, net cash provided by financing activities was ¥30.3 billion.)

## **(3) Future Estimates such as Consolidated Financial Forecast**

We have revised the full-year consolidated financial forecast for the fiscal year ending March 31, 2024 as shown below. The prior forecast was announced on May 12, 2023.

For more information, please refer to “Notice of Revision of Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2024” that has been released today.

# Consolidated Financial Forecast (April 1, 2023 through March 31, 2024)

(In billions of yen)

		Full Year	vs. Prior Year	vs. Prior Forecast	
				Amount	Rate (%)
Net Sales		4,800.0	25.4 %	300.0	6.7 %
Operating Income		250.0	76.1 %	70.0	38.9 %
Ordinary Income		254.0	36.6 %	82.0	47.7 %
Net Income Attributable to Owners of the parent		170.0	19.0 %	40.0	30.8 %
Exchange rate (Yen)	USD	140	5	12	
	EUR	151	10	12	

# Global Retail Volume Forecast (April 1, 2023 through March 31, 2024)

(In thousands of units)

		Full Year	vs. Prior Year	vs. Prior Forecast	
				Volume	Rate (%)
Japan		176	7.0 %	(7)	(3.9)%
North America		537	32.1 %	41	8.2 %
Europe		193	20.4 %	4	1.9 %
China		91	8.4 %	(34)	(26.9)%
Other		289	(1.9)%	(17)	(5.6)%
Total		1,286	15.9 %	(14)	(1.0)%

Note: The forecast stated above is based on management's judgment and views in light of information presently available. By nature, such forecasts are subject to risks and uncertainties, and are not contemplated to ensure the fulfillment thereof. Therefore, we advise against making an investment decision by solely relying on this forecast. Variables that could affect the actual financial results include, but are not limited to, the economic environments surrounding our business areas and fluctuations in exchange rates.

## 2. Quarterly Consolidated Financial Statements and Major Footnotes

### (1) Quarterly Consolidated Balance Sheets

		(Millions of Yen)	
		FY2023	FY2024
As of		March 31, 2023	September 30, 2023
<b>ASSETS</b>			
Current Assets:			
Cash and deposits		628,098	742,207
Trade notes and accounts receivable		166,921	162,539
Securities		89,000	39,000
Inventories		670,904	721,027
Other		170,814	197,755
Allowance for doubtful receivables		(1,573)	(1,940)
Total current assets		1,724,164	1,860,588
Non-current Assets:			
Property, plant and equipment:			
Buildings and structures (net)		200,542	202,386
Machinery, equipment and vehicles (net)		378,913	389,529
Land		419,419	420,387
Leased assets (net)		25,289	25,182
Other (net)		140,443	144,797
Total property, plant and equipment		1,164,606	1,182,281
Intangible assets:		54,614	57,842
Investments and other assets:			
Investment securities		214,895	250,567
Asset for retirement benefits		12,289	68,907
Other		88,966	85,564
Allowance for doubtful receivables		(283)	(282)
Total investments and other assets		315,867	404,756
Total non-current assets		1,535,087	1,644,879
Total Assets		3,259,251	3,505,467

(Millions of Yen)

	FY2023	FY2024
As of	March 31, 2023	September 30, 2023
<b>LIABILITIES</b>		
Current Liabilities:		
Trade notes and accounts payable	480,975	484,380
Short-term loans payable	1,460	51,354
Long-term loans payable due within one year	199,579	99,885
Lease obligations	6,847	7,066
Income taxes payable	18,212	56,326
Accrued expenses	274,964	304,428
Reserve for warranty expenses	108,895	125,693
Other	170,288	167,055
Total current liabilities	1,261,220	1,296,187
Non-current Liabilities:		
Bonds	50,000	50,000
Long-term loans payable	345,340	335,448
Lease obligations	20,869	20,703
Deferred tax liability related to land revaluation	64,434	64,376
Provision related to environmental regulations	14,533	20,953
Liability for retirement benefits	18,238	73,802
Other	27,816	35,885
Total non-current liabilities	541,230	601,167
Total Liabilities	1,802,450	1,897,354
<b>NET ASSETS</b>		
Capital and Retained Earnings:		
Common stock	283,957	283,957
Capital surplus	263,035	263,007
Retained earnings	699,231	791,803
Treasury stock	(1,995)	(1,872)
Total capital and retained earnings	1,244,228	1,336,895
Accumulated Other Comprehensive Income/(Loss):		
Net unrealized gain/(loss) on available-for-sale securities	20,243	44,885
Deferred gains/(losses) on hedges	(68)	121
Land revaluation	145,302	145,113
Foreign currency translation adjustment	14,184	46,195
Accumulated adjustments for retirement benefits	15,709	16,327
Total accumulated other comprehensive income/(loss)	195,370	252,641
Stock Acquisition Rights	475	471
Non-controlling Interests	16,728	18,106
Total Net Assets	1,456,801	1,608,113
Total Liabilities and Net Assets	3,259,251	3,505,467



**(2) Quarterly Consolidated Statements of Operations and Comprehensive Income**  
**(For the first six months ended September 30, 2023 and 2022)**

**Quarterly Consolidated Statements of Operations**

(Millions of Yen)

	FY2023	FY2024
For the first six months ended	September 30, 2022	September 30, 2023
Net sales	1,642,506	2,317,259
Cost of sales	1,287,652	1,832,632
Gross profit	354,854	484,627
Selling, general and administrative expenses	299,613	355,016
Operating income	55,241	129,611
Non-operating income		
Interest income	4,215	8,294
Equity in net income of affiliated companies	6,718	4,584
Foreign exchange gain	48,592	42,014
Other	3,536	4,592
Total	63,061	59,484
Non-operating expenses		
Interest expense	3,845	3,788
Loss on transfer of receivables	697	4,465
Other	3,400	1,607
Total	7,942	9,860
Ordinary income	110,360	179,235
Extraordinary income		
Gain on sales of property, plant and equipment	62	170
Compensation for the exercise of eminent domain	271	1
Other	-	30
Total	333	201
Extraordinary losses		
Loss on sales and retirement of property, plant and equipment	1,211	1,775
Impairment loss	49	421
Other	109	12
Total	1,369	2,208
Income before income taxes	109,324	177,228
Income taxes		
Current	18,419	55,031
Deferred	4,480	13,351
Total	22,899	68,382
Net income	86,425	108,846
Net income attributable to Non-controlling interests	566	714
Net income attributable to owners of the parent	85,859	108,132

## Quarterly Consolidated Statements of Comprehensive Income

(Millions of Yen)

	FY2023	FY2024
For the first six months ended	September 30, 2022	September 30, 2023
Net income	86,425	108,846
Other comprehensive income/(loss)		
Net unrealized gain/(loss) on available-for-sale securities	(10,091)	24,633
Deferred gains/(losses) on hedges	789	147
Foreign currency translation adjustment	40,876	27,479
Adjustments for retirement benefits	(2,477)	631
Share of other comprehensive income/(loss) of affiliates accounted for using equity method	10,380	5,322
Total	39,477	58,212
Comprehensive income	125,902	167,058
Comprehensive income/(loss) attributable to:		
Owners of the parent	124,502	165,592
Non-controlling interests	1,400	1,466

(For the three months ended September 30, 2023 and 2022)

## Quarterly Consolidated Statements of Operations

(Millions of Yen)

	FY2023	FY2024
For the three months ended	September 30, 2022	September 30, 2023
Net sales	1,025,283	1,226,288
Cost of sales	801,262	958,040
Gross profit	224,021	268,248
Selling, general and administrative expenses	149,252	168,662
Operating income	74,769	99,586
Non-operating income		
Interest income	2,543	4,756
Equity in net income of affiliated companies	-	2,837
Foreign exchange gain	15,370	10,999
Other	2,137	2,360
Total	20,050	20,952
Non-operating expenses		
Interest expense	2,117	1,860
Loss on transfer of receivables	485	2,513
Equity in net loss of affiliated companies	1,330	-
Other	1,258	852
Total	5,190	5,225
Ordinary income	89,629	115,313
Extraordinary income		
Gain on sales of property, plant and equipment	21	3
Compensation for the exercise of eminent domain	271	-
Gain on reversal of reserve for loss on business of subsidiaries and affiliates	-	65
Total	292	68
Extraordinary losses		
Loss on sales and retirement of property, plant and equipment	797	889
Impairment loss	49	421
Other	40	2
Total	886	1,312
Income before income taxes	89,035	114,069
Income taxes		
Current	11,586	30,442
Deferred	6,229	12,425
Total	17,815	42,867
Net income	71,220	71,202
Net income attributable to Non-controlling interests	358	312
Net income attributable to owners of the parent	70,862	70,890

## Quarterly Consolidated Statements of Comprehensive Income

(Millions of Yen)

	FY2023	FY2024
For the three months ended	September 30, 2022	September 30, 2023
Net income	71,220	<b>71,202</b>
Other comprehensive income/(loss)		
Net unrealized gain/(loss) on available-for-sale securities	(6,516)	<b>11,168</b>
Deferred gains/(losses) on hedges	1,135	<b>103</b>
Foreign currency translation adjustment	3,926	<b>5,946</b>
Adjustments for retirement benefits	(411)	<b>1,612</b>
Share of other comprehensive income/(loss) of affiliates accounted for using equity method	5,465	<b>3,190</b>
Total	3,599	<b>22,019</b>
Comprehensive income	74,819	<b>93,221</b>
Comprehensive income/(loss) attributable to:		
Owners of the parent	74,277	<b>92,509</b>
Non-controlling interests	542	<b>712</b>

### (3) Quarterly Consolidated Statements of Cash Flows

(Millions of Yen)

	FY2023	FY2024
For the first six months ended	September 30, 2022	September 30, 2023
Cash flows from operating activities:		
Income before income taxes	109,324	177,228
Adjustments to reconcile income before income taxes to net cash provided by/(used in) operating activities:		
Depreciation and amortization	51,407	55,767
Impairment loss	49	421
Increase/(decrease) in allowance for doubtful receivables	3,445	208
Increase/(decrease) in reserve for warranty expenses	(2,426)	14,803
Increase/(decrease) in provision for loss on compensation for damage	(1,900)	(100)
Increase/(decrease) in provision related to environmental regulations	9,135	6,372
Net changes in asset and liability for retirement benefits	(1,842)	(3,083)
Interest and dividend income	(5,400)	(9,811)
Interest expense	3,845	3,788
Equity in net loss/(income) of affiliated companies	(6,718)	(4,584)
Loss/(gain) on sales and retirement of property, plant and equipment	878	1,604
Decrease/(increase) in trade notes and accounts receivable	(2,677)	12,381
Decrease/(increase) in inventories	(132,201)	(213)
Decrease/(increase) in other current assets	(9,749)	(16,430)
Increase/(decrease) in trade notes and accounts payable	59,571	(10,306)
Increase/(decrease) in other current liabilities	1,124	(2,385)
Other	(77,645)	(53,625)
Subtotal	(1,780)	172,035
Interest and dividends received	12,876	15,747
Interest paid	(3,656)	(3,519)
Income taxes refunded/(paid)	(8,061)	(19,182)
Net cash provided by/(used in) operating activities	(621)	165,081
Cash flows from investing activities:		
Purchase of investment securities	(209)	(510)
Purchase of property, plant and equipment	(43,924)	(45,825)
Proceeds from sales of property, plant and equipment	411	540
Purchase of intangible assets	(7,747)	(10,143)
Other	1,492	117
Net cash provided by/(used in) investing activities	(49,977)	(55,821)

(Millions of Yen)

	FY2023	FY2024
For the first six months ended	September 30, 2022	September 30, 2023
Cash flows from financing activities:		
Net increase/(decrease) in short-term loans payable	74,796	<b>49,003</b>
Proceeds from long-term loans payable	4,500	<b>49,000</b>
Repayments of long-term loans payable	(33,437)	<b>(158,615)</b>
Proceeds from sale and leaseback transactions	83	<b>45</b>
Repayments of lease obligations	(3,020)	<b>(2,744)</b>
Cash dividends paid	(12,597)	<b>(15,749)</b>
Cash dividends paid to non-controlling interests	(109)	<b>(88)</b>
Net decrease/(increase) in treasury stock	77	<b>95</b>
Net cash provided by/(used in) financing activities	30,293	<b>(79,053)</b>
Effect of exchange rate fluctuations on cash and cash equivalents	57,104	<b>33,901</b>
Net increase/(decrease) in cash and cash equivalents	36,799	<b>64,108</b>
Cash and cash equivalents at beginning of the period	740,385	<b>717,093</b>
Cash and cash equivalents at end of the period	777,184	<b>781,201</b>

#### **(4) Footnotes to the Quarterly Consolidated Financial Statements**

##### **(Note on the Assumptions as Going Concern)**

Not applicable

##### **(Significant Changes in the Amount of Equity)**

Not applicable

##### **(Additional Information)**

The future estimated costs of the quality-related expense of certain consolidated subsidiaries, which were included in “Accrued expenses” under “Current Liabilities” in the previous consolidated fiscal year, are included in “Reserve for warranty expenses” from the first quarter of the fiscal year ending March 31, 2024, from the perspective of a more realistic presentation. The consolidated financial statements for the previous fiscal year ended March 31, 2023 have been reclassified to reflect this revision.

As a result, “Accrued expenses” under “Current Liabilities” of ¥23,248 million presented in the consolidated balance sheet for the previous fiscal year has been reclassified as “Reserve for warranty expenses.”

**(Segment Information)****I. FY2023 First Six Months (April 1, 2022 through September 30, 2022)****1) Net sales and Income or Loss by Reportable Segments**

(Millions of Yen)

FY2023 First Six Months Ended September 30, 2022	Reportable Segments					Adjustment (Note 1)	Consolidated (Note 2)
	Japan	North America	Europe	Other areas	Total		
Net sales:							
Outside customers	405,996	701,199	251,552	283,759	1,642,506	—	1,642,506
Inter-segment	987,617	169,310	14,738	22,161	1,193,826	(1,193,826)	—
Total	1,393,613	870,509	266,290	305,920	2,836,332	(1,193,826)	1,642,506
Segment income	53,157	1,483	6,952	11,307	72,899	(17,658)	55,241

Notes: 1. The adjustment on segment income is eliminations of inter-segment transactions.

2. The segment income is reconciled with the operating income in the consolidated statement of operations for FY2023 first six months ended September 30, 2022.

**2) Impairment Loss on Property, Plant and Equipment and Goodwill by Reportable Segment**

Impairment losses on property, plant and equipment, gains from negative goodwill and changes in the amount of goodwill, that were material, were not recognized.

**II. FY2024 First Six Months (April 1, 2023 through September 30, 2023)****1) Net sales and Income or Loss by Reportable Segments**

(Millions of Yen)

FY2024 First Six Months Ended September 30, 2023	Reportable Segments					Adjustment (Note 1)	Consolidated (Note 2)
	Japan	North America	Europe	Other areas	Total		
Net sales:							
Outside customers	486,265	1,066,496	424,909	339,589	2,317,259	—	2,317,259
Inter-segment	1,430,835	268,101	16,898	36,324	1,752,158	(1,752,158)	—
Total	1,917,100	1,334,597	441,807	375,913	4,069,417	(1,752,158)	2,317,259
Segment income	116,671	45,136	10,766	16,178	188,751	(59,140)	129,611

Notes: 1. The adjustment on segment income is eliminations of inter-segment transactions.

2. The segment income is reconciled with the operating income in the consolidated statement of operations for FY2024 first six months ended September 30, 2023.

**2) Impairment Loss on Property, Plant and Equipment and Goodwill by Reportable Segment**

Impairment losses on property, plant and equipment, gains from negative goodwill and changes in the amount of goodwill, that were material, were not recognized.

**(Significant Subsequent Events)**

Not applicable