

# Consolidated Financial Results for the Fiscal Year Ended March 2018 [Japan GAAP]

April 26, 2018

Name of Company:	Futaba Industrial Co. Ltd.
Stock Code:	7241
Stock Exchange Listing:	Tokyo Stock Exchange, First Section, Nagoya Stock Exchange, First section
URL:	<a href="http://www.futabasangyo.com/en/index.html">http://www.futabasangyo.com/en/index.html</a>
Representative:	Title Name President Hiroyoshi Yoshiki
Contact Person:	Title Name Executive Officer, Accounting Manager Shinichi Ogiso
Tel:	+81-(564) 31-2211
Scheduled date of ordinary general shareholders meeting:	June 20, 2018
Scheduled date of filing securities report:	June 21, 2018
Scheduled date of commencement of dividend payment:	June 5, 2018
Supplementary materials for financial results:	Yes
Information meeting for financial results:	Yes (Only for securities analysts/institutional investors)

(Yen in millions, rounded down)

## 1. Financial results for the current fiscal year (April 1, 2017 – March 31, 2018)

### (1) Result of Operations (Consolidated)

(Percentage figures represent year on year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2018	440,446	6.8	11,258	25.4	10,955	45.2	10,721	123.1
FY2017	412,383	(5.8)	8,976	187.6	7,542	-	4,806	-

Note: Comprehensive income: FY2018: 11,396 million yen (393.5%) FY2017: 2,309 million yen (-%)

	Earnings per share	Earnings per share fully diluted	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
FY2018	119.82	-	17.9	4.4	2.6
FY2017	65.76	-	10.0	3.2	2.2

Reference: Equity in earnings of affiliates FY2018: 713million yen FY2017: 461 million yen  
Since the year on year change in ordinary profit for the fiscal year ended March 2017 exceeds 1,000%, it is stated as '-'-.

### (2) Financial Position (Consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2018	255,640	75,691	25.6	731.50
As of March 31, 2017	242,311	67,029	22.4	607.17

Reference: Shareholders' equity: As of Mar. 31, 2018: 65,453 million yen As of Mar. 31, 2017: 54,329 million yen

### (3) Cash flows (Consolidated)

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY2018	24,960	(27,081)	(6,304)	11,960
FY2017	26,178	(20,902)	3,262	20,581

## 2. Dividends

	Dividend per share					Annual aggregate amount	Payout ratio (Consolidated)	Dividends/net assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of FY	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2017	-	0.00	-	3.00	3.00	268	4.6	0.5
FY2018	-	0.00	-	10.00	10.00	894	8.3	1.5
FY2019 (estimated)	-	0.00	-	10.00	10.00		10.1	

### 3. Forecast for the fiscal year ending March 2019 (Consolidated, April 1, 2018 - March 31, 2019)

(Percentage figures represent year on year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	217,000	3.1	3,700	(16.5)	3,600	(7.7)	2,300	(46.7)	25.70
Full year	452,000	2.6	11,500	2.1	11,200	2.2	8,900	(17.0)	99.46

#### \* Notes

##### (1) Changes in significant subsidiaries

(Changes in specific subsidiaries accompanied by changes in the scope of consolidation): Yes

Newly consolidated company: -

Excluded: Chongqing Futaba Auto Parts Co., Ltd.

##### (2) Changes in accounting principles and estimates, and retrospective restatement

(a) Changes due to revision of accounting standards: None

(b) Changes other than in (a): None

(c) Changes in accounting estimates: None

(d) Retrospective restatement: None

##### (3) Number of shares outstanding (common stock)

(a) Shares outstanding (including treasury shares)

End of FY2018:	89,580,827	End of FY2017:	89,580,827
End of FY2018:	102,037	End of FY2017:	100,342
FY2018:	89,479,569	FY2017:	73,098,213

(b) Treasury shares

(c) Average number of shares outstanding during the year

#### [Reference] Non-consolidated Financial Results

##### Non-consolidated financial results for the fiscal year ended March 2018 (April 1, 2017 – March 31, 2018)

##### (1) Result of operations (Non-consolidated)

(Percentage figures represent year on year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2018	256,901	9.3	3,989	237.4	8,711	203.4	5,015	675.6
FY2017	235,129	(1.3)	1,182	-	2,871	283.4	646	-

	Earnings per share		Earnings per share fully diluted	
	Yen		Yen	
FY2018	56.06		-	
FY2017	8.85		-	

##### (2) Financial Position (Non-consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2018	169,457	42,705	25.2	477.27
As of March 31, 2017	154,830	38,033	24.6	425.04

Reference: Shareholders' equity

As of March 31, 2018: 42,705 million yen

As of March 31, 2017: 38,033 million yen

\* This report is exempt from the audit procedure by certified public accountants or accounting firms.

\* Cautionary statement regarding forecasts of operating results and special notes

The forward-looking statements contained in this report are based on information currently available to management. As such, these estimates are subject to uncertainties. In addition, actual results may differ materially from those discussed in the forward-looking statement due to in changes in the economy, markets, stock prices and exchange rates.

## Index for Supplementary Information

1. Results of Operations .....	2
(1) Overview on consolidated business performance for the current fiscal year .....	2
(2) Analysis of financial condition .....	2
(3) Cash flows .....	3
(4) Outlook .....	3
2. Basic Position concerning Selection of Accounting Standards .....	3
3. Consolidated Financial Statements and Important Notes .....	4
(1) Consolidated balance sheet .....	4
(2) Consolidated statements of income and comprehensive income .....	6
(3) Consolidated statement of changes in equity .....	8
(4) Consolidated statement of cash flows .....	10
(5) Note to the consolidated financial statements .....	12
(Notes to ongoing concern assumptions) .....	12
(Segment information) .....	12
(Per-share information) .....	14
(Significant subsequent events) .....	14
4. Changes in Directors .....	15

## 1. Results of Operations

### (1) Overview on consolidated business performance for the current fiscal year

During the fiscal year under review, the economic recovery continued in North America and there was a slow recovery of the European economy. In Asia, there was an upturn in the Chinese economy and the economies of India, Indonesia and other countries recovered gradually due mainly to internal demand.

In Japan, domestic economy continued to recover slowly as the labor market continued to improve.

In the automobile industry, which is the main source of sales for the Futaba Group, sales of automobiles in North America and Europe during the fiscal year were lower than in the previous fiscal year. But automobile sales were strong in China. In Japan, automobile sales increased year on year.

The Futaba Group started a new five-year plan in the past fiscal year that is centered on the fundamentals of “safety, quality and manufacturing”. By focusing on these themes while strengthening structural reforms and the management of expenses, group companies are taking steps aimed at generating profits.

Fiscal year sales were 440.4 billion yen, up 6.8% from one year earlier, operating profit was 11.2 billion yen, up 25.4%, ordinary profit was 10.9 billion yen, up 45.2%, and profit attributable to owners of parent was 10.7 billion yen, up 123.1%.

Geographic segment performance was as follows.

#### 1) Japan

Sales increased 9.3% to 258,958 million yen, up 22,135 million yen and operating profit increased 109.8% to 5,706 million yen.

#### 2) North America

Sales increased 2.9% to 103,274 million yen, up 2,864 million yen and operating profit was down 17.3% to 3,298 million yen.

#### 3) Europe

Sales increased 11.9% to 26,352 million yen, up 2,804 million yen and there was operating loss of 339 million yen compared with operating loss of 43 million yen one year earlier.

#### 4) Asia

Sales increased 8.8 % to 71,841 million yen, up 5,831 million yen and operating profit was up 18.9% to 2,836 million yen.

### (2) Analysis of financial condition

Total assets increased 13,329 million yen to 255,640 million yen at the end of March 2018 due mainly to increases in trade receivables, property, plant and equipment, and deferred tax assets. Liabilities increased 4,667 million yen to 179,948 million yen due mainly to an increase in payables. Net assets increased 8,662 to 75,691 million yen due mainly to the profit attributable to owners of parent.

(3) Cash flows

There was a net decrease of 8,620 million yen in the cash and cash equivalents to 11,960 million yen at the end of the fiscal year. Major components of cash flows were as follows.

(Operating activities)

Net cash provided by operating activities decreased 1,218 million yen (-4.7%) to 24,960 million yen. Major items affecting cash flows were an increase in notes and accounts receivable and an increase in inventories.

(Investing activities)

Net cash used in investing activities increased 6,179 million yen (29.6%) to 27,081 million yen mainly because of an increase in the purchase of property, plant and equipment.

(Financing activities)

Net cash used in financing activities was 6,304 million yen compared with a positive cash flow of 3,262 million yen one year earlier. A net decrease in short-term loans payable was a major use of cash.

(4) Outlook

Although the operating environment for the Futaba Group in the next fiscal year is still uncertain, group companies plan to reexamine manufacturing operations, improve the efficiency of manufacturing, lower the cost of sales, reexamine the supply chain, reduce logistics expenses and take other actions during the fiscal year ending in March 2019. As a result, for the fiscal year ending in March 2019, the Futaba Group forecasts a 2.6% increase in sales to 452,000 million yen, a 2.1% increase in operating profit to 11,500 million yen, a 2.2% increase in ordinary profit to 11,200 million yen and a 17.0% decrease in profit attributable to owners of parent to 8,900 million yen.

## 2. Basic Position concerning Selection of Accounting Standards

Company manuals, guidelines and other materials are being revised to prepare for transition to IFRS. The timing of adoption of the IFRS standard is currently under consideration.

### 3. Consolidated Financial Statements and Important Notes

#### (1) Consolidated balance sheet

(Million yen)

	As of March 31, 2017	As of March 31, 2018
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	24,768	13,922
Notes and accounts receivable - trade	59,056	69,859
Finished goods	2,838	3,195
Work in process	10,912	11,819
Raw materials and supplies	3,719	4,356
Deferred tax assets	1	2,209
Other	7,071	8,908
Allowance for doubtful accounts	(10)	(20)
<b>Total current assets</b>	<b>108,358</b>	<b>114,250</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	67,250	69,423
Accumulated depreciation	(37,672)	(39,100)
Buildings and structures, net	29,578	30,323
Machinery, equipment and vehicles	203,142	198,466
Accumulated depreciation	(163,950)	(163,722)
Machinery, equipment and vehicles, net	39,192	34,743
Tools, furniture and fixtures	44,736	50,012
Accumulated depreciation	(35,427)	(41,173)
Tools, furniture and fixtures, net	9,309	8,838
Land	14,382	14,381
Leased assets	31,441	25,583
Accumulated depreciation	(29,408)	(24,838)
Leased assets, net	2,032	745
Construction in progress	14,975	25,297
<b>Total property, plant and equipment</b>	<b>109,469</b>	<b>114,330</b>
<b>Intangible assets</b>		
Software	666	621
Other	40	41
<b>Total intangible assets</b>	<b>707</b>	<b>663</b>
<b>Investments and other assets</b>		
Investment securities	15,671	15,664
Long-term loans receivable	1,936	831
Net defined benefit asset	6,346	7,176
Deferred tax assets	768	2,607
Other	1,491	1,278
Allowance for doubtful accounts	(2,438)	(1,161)
<b>Total investments and other assets</b>	<b>23,775</b>	<b>26,396</b>
<b>Total non-current assets</b>	<b>133,952</b>	<b>141,389</b>
<b>Total assets</b>	<b>242,311</b>	<b>255,640</b>

(Million yen)

	As of March 31, 2017	As of March 31, 2018
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	45,664	51,082
Electronically recorded obligations - operating	6,702	7,905
Short-term loans payable	20,623	17,174
Current portion of long-term loans payable	17,634	12,342
Lease obligations	1,667	51
Income taxes payable	650	435
Accrued consumption taxes	757	716
Provision for directors' bonuses	60	60
Accrued expenses	10,254	11,992
Other	9,788	10,256
<b>Total current liabilities</b>	<b>113,803</b>	<b>112,018</b>
<b>Non-current liabilities</b>		
Long-term loans payable	44,658	51,740
Lease obligations	88	70
Deferred tax liabilities	6,987	6,638
Provision for directors' retirement benefits	49	66
Provision for product warranties	213	184
Net defined benefit liability	9,126	8,843
Asset retirement obligations	189	189
Other	165	197
<b>Total non-current liabilities</b>	<b>61,478</b>	<b>67,930</b>
<b>Total liabilities</b>	<b>175,281</b>	<b>179,948</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	16,820	16,820
Capital surplus	13,543	13,370
Retained earnings	15,093	25,546
Treasury shares	(149)	(151)
<b>Total shareholders' equity</b>	<b>45,306</b>	<b>55,585</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	5,895	5,818
Foreign currency translation adjustment	3,278	3,301
Remeasurements of defined benefit plans	(150)	748
<b>Total accumulated other comprehensive income</b>	<b>9,022</b>	<b>9,868</b>
<b>Non-controlling interests</b>	<b>12,699</b>	<b>10,237</b>
<b>Total net assets</b>	<b>67,029</b>	<b>75,691</b>
<b>Total liabilities and net assets</b>	<b>242,311</b>	<b>255,640</b>

## (2) Consolidated statements of income and comprehensive income

## Consolidated statement of income

(Million yen)

	Fiscal year ended March 31, 2017 (Apr. 1, 2016 – Mar. 31, 2017)	Fiscal year ended March 31, 2018 (Apr. 1, 2017 – Mar. 31, 2018)
Net sales	412,383	440,446
Cost of sales	383,938	408,230
Gross profit	28,445	32,216
Selling, general and administrative expenses		
Freightage and packing expenses	5,280	5,777
Salaries, allowances and bonuses	6,694	7,488
Retirement benefit expenses	166	131
Provision for directors' bonuses	60	42
Provision for directors' retirement benefits	51	18
Legal and employee benefits expenses	967	1,141
Taxes and dues	1,009	927
Depreciation	708	702
Provision for product warranties	(25)	(29)
Other	4,554	4,756
Total selling, general and administrative expenses	19,468	20,957
Operating profit	8,976	11,258
Non-operating income		
Interest income	202	194
Dividend income	228	242
Gain on sales of scraps	201	231
Share of profit of entities accounted for using equity method	461	713
Miscellaneous income	797	887
Total non-operating income	1,892	2,269
Non-operating expenses		
Interest expenses	1,218	958
Loss on abandonment of non-current assets	777	728
Foreign exchange losses	356	125
Miscellaneous loss	973	760
Total non-operating expenses	3,326	2,572
Ordinary profit	7,542	10,955
Extraordinary income		
Gain on redemption of investment securities	-	1,149
Total extraordinary income	-	1,149
Extraordinary losses		
Impairment loss	1,693	5,407
Loss on sales of investments in capital of subsidiaries and associates	-	316
Loss on valuation of investment securities	230	-
Total extraordinary losses	1,923	5,724
Profit before income taxes	5,619	6,380
Income taxes - current	914	1,116
Income taxes - deferred	(553)	(5,089)
Total income taxes	361	(3,972)
Profit	5,257	10,352
Profit (loss) attributable to non-controlling interests	450	(368)
Profit attributable to owners of parent	4,806	10,721



## Consolidated statement of comprehensive income

(Million yen)

	Fiscal year ended March 31, 2017 (Apr. 1, 2016 – Mar. 31, 2017)	Fiscal year ended March 31, 2018 (Apr. 1, 2017 – Mar. 31, 2018)
Profit	5,257	10,352
Other comprehensive income		
Valuation difference on available-for-sale securities	729	(73)
Foreign currency translation adjustment	(3,869)	(14)
Remeasurements of defined benefit plans, net of tax	412	899
Share of other comprehensive income of entities accounted for using equity method	(219)	232
Total other comprehensive income	(2,948)	1,043
Comprehensive income	2,309	11,396
Comprehensive income attributable to owners of parent	3,105	11,566
Comprehensive income attributable to non-controlling interests	(796)	(169)

## (3) Consolidated statement of changes in equity

Previous fiscal year (Apr. 1, 2016 – Mar. 31, 2017)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	11,820	8,616	10,496	(149)	30,783
Changes of items during period					
Issuance of new shares	4,999	4,999			9,999
Dividends of surplus			(209)		(209)
Profit attributable to owners of parent			4,806		4,806
Purchase of treasury shares				(0)	(0)
Capital increase of consolidated subsidiaries		(73)			(73)
Net changes of items other than shareholders' equity					
Total changes of items during period	4,999	4,926	4,596	(0)	14,523
Balance at end of current period	16,820	13,543	15,093	(149)	45,306

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	5,168	6,117	(562)	10,723	14,672	56,179
Changes of items during period						
Issuance of new shares						9,999
Dividends of surplus						(209)
Profit attributable to owners of parent						4,806
Purchase of treasury shares						(0)
Capital increase of consolidated subsidiaries						(73)
Net changes of items other than shareholders' equity	726	(2,839)	412	(1,700)	(1,972)	(3,673)
Total changes of items during period	726	(2,839)	412	(1,700)	(1,972)	10,849
Balance at end of current period	5,895	3,278	(150)	9,022	12,699	67,029

Current fiscal year (Apr. 1, 2017 – Mar. 31, 2018)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	16,820	13,543	15,093	(149)	45,306
Changes of items during period					
Dividends of surplus			(268)		(268)
Profit attributable to owners of parent			10,721		10,721
Purchase of treasury shares				(1)	(1)
Purchase of shares of consolidated subsidiaries		(172)			(172)
Sales of shares of consolidated subsidiaries		(0)			(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(172)	10,453	(1)	10,278
Balance at end of current period	16,820	13,370	25,546	(151)	55,585

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	5,895	3,278	(150)	9,022	12,699	67,029
Changes of items during period						
Dividends of surplus						(268)
Profit attributable to owners of parent						10,721
Purchase of treasury shares						(1)
Purchase of shares of consolidated subsidiaries						(172)
Sales of shares of consolidated subsidiaries						(0)
Net changes of items other than shareholders' equity	(76)	22	899	845	(2,462)	(1,616)
Total changes of items during period	(76)	22	899	845	(2,462)	8,661
Balance at end of current period	5,818	3,301	748	9,868	10,237	75,691

## (4) Consolidated statement of cash flows

(Million yen)

	Fiscal year ended March 31, 2017 (Apr. 1, 2016 – Mar. 31, 2017)	Fiscal year ended March 31, 2018 (Apr. 1, 2017 – Mar. 31, 2018)
Cash flows from operating activities		
Profit before income taxes	5,619	6,380
Depreciation	21,073	20,515
Impairment loss	1,693	5,407
Increase (decrease) in allowance for doubtful accounts	(46)	12
Increase (decrease) in provision for directors' bonuses	60	-
Increase (decrease) in provision for directors' retirement benefits	(37)	17
Increase (decrease) in provision for product warranties	(25)	(29)
Interest and dividend income	(431)	(436)
Interest expenses	1,218	958
Share of (profit) loss of entities accounted for using equity method	(461)	(713)
Loss (gain) on sales of property, plant and equipment	56	(7)
Loss on abandonment of property, plant and equipment	777	723
Loss (gain) on valuation of investment securities	230	-
Decrease (increase) in notes and accounts receivable - trade	(6,002)	(10,808)
Decrease (increase) in inventories	(1,168)	(2,021)
Increase (decrease) in notes and accounts payable - trade	1,248	6,906
Increase (decrease) in accrued consumption taxes	110	(41)
Other	3,408	(628)
Subtotal	27,323	26,236
Interest and dividend income received	630	1,203
Interest expenses paid	(1,227)	(1,004)
Income taxes (paid) refund	(548)	(1,475)
Net cash provided by (used in) operating activities	26,178	24,960
Cash flows from investing activities		
Payments into time deposits	(7,713)	(5,298)
Proceeds from withdrawal of time deposits	6,976	7,556
Purchase of property, plant and equipment	(21,128)	(30,438)
Proceeds from sales of property, plant and equipment	731	196
Proceeds from sales and redemption of investment securities	12	2,000
Payments of loans receivable	(50)	(43)
Collection of loans receivable	76	67
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	-	(934)
Other	193	(188)
Net cash provided by (used in) investing activities	(20,902)	(27,081)

(Million yen)

	Fiscal year ended March 31, 2017 (Apr. 1, 2016 – Mar. 31, 2017)	Fiscal year ended March 31, 2018 (Apr. 1, 2017 – Mar. 31, 2018)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	3,103	(3,631)
Proceeds from long-term loans payable	13,270	20,200
Repayments of long-term loans payable	(14,416)	(17,999)
Repayments of lease obligations	(6,864)	(1,668)
Proceeds from issuance of common shares	9,999	-
Cash dividends paid	(209)	(268)
Dividends paid to non-controlling interests	(1,760)	(2,057)
Proceeds from share issuance to non-controlling shareholders	139	-
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	(963)
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	87
Other	(0)	(1)
Net cash provided by (used in) financing activities	3,262	(6,304)
Effect of exchange rate change on cash and cash equivalents	(1,078)	(194)
Net increase (decrease) in cash and cash equivalents	7,460	(8,620)
Cash and cash equivalents at beginning of period	13,121	20,581
Cash and cash equivalents at end of period	20,581	11,960

## (5) Note to the consolidated financial statements

(Notes to ongoing concern assumptions)

None

(Segment information)

## 1. Overview of reportable segment information

The reportable segments are the constituent units of Futaba for which separate financial information can be obtained and for which the Board of Directors performs periodic examinations to determine the allocation of resources and to assess results of operations.

Futaba is engaged primarily in the manufacture and sale of parts for automobiles and other motor vehicles. Futaba and subsidiaries perform operations in Japan and subsidiaries in North America, Europe and Asia perform operations outside Japan. Each overseas subsidiary is managed separately and conducts operations for products based on a comprehensive strategy for its respective region.

Consequently, Futaba consists of geographic segments that include manufacturing and sales operations. There are four reportable segments: Japan, North America, Europe and Asia. Each reportable segment is engaged in the manufacture and sale of parts for automobiles and other motor vehicles.

## 2. Method for determining sales, earnings or losses, assets and other items for reportable segments

The accounting method for reportable segments is generally the same as the method listed in "Significant accounting policies for preparation of the consolidated financial statements." Intersegment revenue and transfers are based on prevailing market prices.

## 3. Reportable segment sales, earnings or loss, assets and other information

Previous fiscal year (Apr. 1, 2016 – Mar. 31, 2017)

(Million yen)

	Reportable segments					Adjustments (Notes)	Total
	Japan	North America	Europe	Asia	Total		
Net sales							
of which to outside customers	222,819	100,401	23,475	65,687	412,383	-	412,383
of which inter- segment and transfers	14,002	8	72	322	14,405	(14,405)	-
Total	236,822	100,409	23,547	66,009	426,788	(14,405)	412,383
Segment profit (loss)	2,720	3,986	(43)	2,385	9,048	(71)	8,976
Segment asset	141,954	53,354	18,864	49,013	263,187	(20,875)	242,311
Other							
Depreciation	12,735	2,998	1,219	4,203	21,156	(83)	21,073

Notes

## 1. Adjustments are as follows.

(1) The segment earnings adjustment of negative 71 million yen is for the elimination of intersegment transactions.

(2) The segment assets adjustment of negative 20,875 million yen includes a 16,854 million yen addition for corporate assets and a 37,730 million yen deduction for netting out amounts receivable and payable. Corporate assets are primarily funds (cash, deposits and investment securities) at the parent company.

## 2. Segment profit (loss) is adjusted to match the operating profit (loss) in the statements of income

Current fiscal year (Apr. 1, 2017 – Mar. 31, 2018)

(Million yen)

	Reportable segments					Adjustments (Notes)	Total
	Japan	North America	Europe	Asia	Total		
Net sales							
of which to outside customers	239,697	103,196	26,283	71,268	440,446	-	440,446
of which inter- segment and transfers	19,260	78	68	572	19,979	(19,979)	-
Total	258,958	103,274	26,352	71,841	460,426	(19,979)	440,446
Segment profit (loss)	5,706	3,298	(339)	2,836	11,501	(243)	11,258
Segment asset	157,551	55,194	19,861	41,529	274,136	(17,911)	256,225
Other							
Depreciation	12,911	3,063	1,118	3,495	20,589	(73)	20,515

Notes

1. Adjustments are as follows.

(1) The segment earnings adjustment of negative 243 million yen is for the elimination of intersegment transactions.

(2) The segment assets adjustment of negative 17,911 million yen includes a 11,841 million yen addition for corporate assets and a 29,753 million yen deduction for netting out amounts receivable and payable. Corporate assets are primarily funds (cash, deposits and investment securities) at the parent company.

2. Segment profit (loss) is adjusted to match the operating profit (loss) in the statements of income

(Per-share information)

(Yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Net assets per share	607.17	731.50
Profit per share	65.76	119.82

Notes:

1. Diluted profit per share is not shown because there were no common stock equivalents.
2. The basis for computing the profit per share is as follows.

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Profit attributable to owners of parent (million yen)	4,806	10,721
Net income not available to common shareholders (million yen)	-	-
Profit attributable to owners of parent available to common shareholders (million yen)	4,806	10,721
Average number of shares outstanding during the year (1,000 shares)	73,098	89,479

3. The basis for calculating net assets per share is as follows.

	As of March 31, 2017	As of March 31, 2018
Net assets (million yen)	67,029	75,691
Deduction from net assets (million yen)	12,699	10,237
Of which amount for minority interests (million yen)	(12,699)	(10,237)
Net assets for common stock at end of period (million yen)	54,329	65,453
Common stock at end of period for calculating net assets per share (1,000 shares)	89,480	89,478

(Significant subsequent events)

None



#### 4. Changes in Directors

##### 1. Changes in directors

###### (1) Candidate for election as new director

Masayoshi Ichikawa      Current:    Advisor of Toyoda Gosei Co., Ltd.

\* Mr. Ichikawa is a candidate for the Company's outside director (part time).

###### (2) Director to resign

Kiyoshi Kinoshita      Current:    Outside director of the Company

##### 2. Effective date

June 20, 2018

## Supplementary data for the fiscal year ended March 2018

Consolidated

### 1. Performance in the current fiscal year

(Million yen, rounded down)

	FY3/18		FY3/17		Change*	Change (%)
	% to sales		% to sales			
Net sales	100.0%	440,446	100.0%	412,383	28,063	6.8%
Operating profit	2.6%	11,258	2.2%	8,976	2,281	25.4%
Ordinary profit	2.5%	10,955	1.8%	7,542	3,412	45.2%
Profit (loss) attributable to owners of parent	2.4%	10,721	1.2%	4,806	5,914	123.1%
Earnings per share (yen)		119.82		65.76		
Capital expenditures		20,252		16,330	3,921	24.0%
Depreciation		20,515		21,073	(557)	(2.6)%
Foreign exchange rate (USD/Yen)		110.9		108.4		
Number of consolidated companies		23		24		

\* Net sales were up 22.1 billion yen if exclude the effect of exchange rate.

### 2. Factors for increase/decrease in operating profit (year-on-year comparison)

(Billion yen)

Positive factors	Amount	Negative factors	Amount
Measures to further rationalize	2.7	Increase in labor cost	2.1
Increase in profit by sales growth	2.1	Decrease in profit by change in product mix, etc.	2.0
Increase in gain on sales of scraps	1.0		
Decrease in depreciation	0.5		
Total	6.3	Total	4.1
Net increase in operating profit: 2.2			

### 3. Performance by geographical segment

(Million yen, rounded down)

		FY3/18		FY3/17		Change	Change (%)
		Amount	% to sales	Amount	% to sales		
Japan	Net sales	258,958		236,822		22,135	9.3%
	Operating profit	5,706	2.2%	2,720	1.1%	2,986	109.8%
North America	Net sales	103,274		100,409		2,864	2.9%
	Operating profit	3,298	3.2%	3,986	4.0%	(688)	(17.3)%
Europe	Net sales	26,352		23,547		2,804	11.9%
	Operating profit	(339)	(1.3)%	(43)	(0.2)%	(295)	-
Asia	Net sales	71,841		66,009		5,831	8.8%
	Operating profit	2,836	3.9%	2,385	3.6%	451	18.9%
Eliminations	Net sales	(19,979)		(14,405)		(5,573)	
	Operating profit	(243)		(71)		(171)	
Total	Net sales	440,446		412,383		(28,063)	6.8%
	Operating profit	11,258	2.6%	8,976	2.2%	2,281	25.4%

## 4. Forecast

(Million yen, rounded down)

	FY3/19		Vs. FY3/18	
	% to sales	Amount	Amount	%
Net sales	100.0%	452,000	11,553	2.6%
Operating profit	2.5%	11,500	241	2.1%
Ordinary profit	2.5%	11,200	244	2.2%
Profit (loss) attributable to owners of parent	2.0%	8,900	(1,821)	(17.0)%
Earnings per share (yen)		99.46		
Capital expenditures		38,000	17,747	87.6%
Depreciation		26,000	5,484	26.7%
Foreign exchange rate (USD/Yen)		105.0		

## Non-consolidated

## 1. Performance in the current fiscal year

(Million yen, rounded down)

	FY3/18		FY3/17		Change	Change (%)
	% to sales	Amount	% to sales	Amount		
Net sales	100.0%	256,901	100.0%	235,129	21,771	9.3%
Operating profit	1.6%	3,989	0.5%	1,182	2,807	237.4%
Ordinary profit	3.4%	8,711	1.2%	2,871	5,840	203.4%
Profit	2.0%	5,015	0.3%	646	4,369	675.6%
Capital expenditures		13,732		11,527	2,204	19.1%
Depreciation		12,154		11,904	250	2.1%