

Summary of consolidated financial results as of March 31, 2017

12-May-17

Listed Company **ICHIKOH INDUSTRIES, LTD.** Tokyo First section
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 Date for holding shareholders' meeting: June 28, 2017
 Date for submitting financial statement reports: June 29, 2017
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 Preparation of Supplementary Explanations of Financial Results: Yes
 Financial Results Presentation to Be Held: Yes (Institutional Investor,Analyst)

(Figures under million yen rounded down)

1. Summary of financial results as of March 31, 2017 (April 1, 2016 ~ March 31, 2017)

(1) Consolidated operating results (Percentages(%) shows fluctuation to the previous.)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
31-Mar-17	113,195	10.8	4,809	98.0	5,233	74.0	5,916	136.2
31-Mar-16	102,143	8.5	2,429	371.8	3,007	(3.5)	2,505	6.0

(Note) Comprehensive income:
 Mar 31,2017 5,747 million yen (- %) Mar 31,2016 (663) million yen (- %)

	Net income per share	Net income per share including assuming diluted stocks	Net income / Shareholders' equity	Ordinary income / Total assets	Operating income / Net sales
	yen	yen	%	%	%
31-Mar-17	61.63	-	23.8	5.5	4.2
31-Mar-16	26.13	-	11.1	3.4	2.4

(Reference) Investment gains / losses on equity method :
 Mar 31,2017 775 million yen Mar 31,2016 750 million yen

(2) Consolidated financial conditions

	Total assets	Net assets	Ratio of shareholders' equity	Net assets per share
	million yen	million yen	%	yen
31-Mar-17	96,850	28,930	28.6	288.08
31-Mar-16	92,232	23,578	24.0	230.65

(Reference) Shareholders' equity:
 Mar 31,2017 27,673 million yen Mar 31,2016 22,117 million yen

(3) Consolidated cash flow

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end
	million yen	million yen	million yen	million yen
31-Mar-17	13,029	(8,758)	(9,643)	11,522
31-Mar-16	8,814	(2,145)	557	17,164

2. Dividends

	Dividend per share					Total payment (Full year)	Dividends payout	Total payment / Shareholders' equity
	1Q	2Q	3Q	4Q	Full Year			
	yen	yen	yen	yen	yen	million yen	%	%
31-Mar-16	-	1.50	-	1.50	3.00	287	11.5	1.3
31-Mar-17	-	1.50	-	2.50	4.00	384	6.5	1.5
Dec 31, 2017(forecast)	-	2.50	-	1.50	4.00		10.4	

3. Consolidated earnings forecasts for the year ending December 31, 2017 (April 1, 2017 ~ March 31, 2017)

(Percentages(%) shows fluctuation to the previous respectively.)

	Net sales		Operating income		Ordinary income		Net income belonging to the parent company		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
First half	58,300	14.6	2,000	80.0	2,300	117.9	1,900	50.6	19.79
Full year	90,900	-	3,800	-	4,300	-	3,700	-	38.54

※ Note

(1) Principal affiliates' transfer in this fiscal term (in accordance with the change of consolidation scope) No

Added 0 (Corporate name)

Excluded 0 (Corporate name)

(2) Changes in accounting policies, changes in accounting estimates, and restatement

① Changes in accounting policies due to revisions to accounting standard: No

② Changes in accounting policies due to other reasons: No

③ Changes in accounting estimates: No

④ Restatement: No

(3) Number of issued stocks (Common stocks)

① Number of issued stocks at the end (including treasury stocks)

31-Mar-17 96,036,851 31-Mar-16 96,036,851

② Number of treasury stocks at the end

31-Mar-17 157,639 31-Mar-16 145,522

③ Average shares outstanding over period (cumulative; consolidated)

31-Mar-17 96,001,185 31-Mar-16 95,893,632

(Reference) Summary of Non-consolidated financial results as of March 31, 2017

1. Summary of financial results as of March 31, 2017 (April 1, 2016 ~ March 31, 2017)

(1) Operating results

(Percentages(%) shows fluctuation to the previous.)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
31-Mar-17	87,482	16.2	3,777	50.5	4,013	45.8	4,985	87.1
31-Mar-16	75,268	5.3	2,509	44.1	2,751	(51.1)	2,664	8.8

	Net income per share	Net income per share including assuming diluted stocks
	yen	yen
31-Mar-17	51.93	—
31-Mar-16	27.78	—

(2) Financial conditions

	Total assets	Net assets	Ratio of shareholders' equity	Net assets per share
	million yen	million yen	%	yen
31-Mar-17	78,133	23,610	30.2	245.78
31-Mar-16	72,878	18,553	25.5	193.48

(Reference) Shareholders' equity:

Mar 31, 2017 23,610 million yen

Mar 31, 2016 18,553 million yen

* Indication for status of an audit

This is not subject of an audit based on Financial Instruments and Exchange Act, and the audit is not finished when this is released.

* Appropriate use of business forecast; other special items:

Those prospects have been made on the basis of the information available as of today. Accordingly, actual financial results may materially differ from those prospects due to various factors and events that may occur hereafter.

1. Qualitative Information on Quarterly Results

(1) Analysis of operating results

The Japanese economy for the consolidated fiscal year gradually recovered by the improvement of domestic consumption due to the rising stock market, the robust housing investment due to the continuing low interest rate and the recovery of the overseas demand. As for global economy, North America maintained a steady employment index and China as well as the developing countries like ASEAN generally showed steady movement.

The domestic car production volume increased after 3 years' interval due to the new product launches which counteracted the influence of the falsification of fuel economy tests and earthquakes in Kumamoto prefecture. The production volume decreased in Malaysia due to economic recession and stricter requirements for car loans, but increased in Thailand by higher exports, also increased in Indonesia due to strong sales of low cost eco-cars in which Indonesia provides tax breaks. As a total of those three countries in ASEAN region, the volume of car production increased. As for China, car production increased by the implementation of tax reduction measures for small cars. Under those circumstances, Ichikoh Group has taken all the measures to achieve sales increase and cost reduction while securing satisfactory margin as the first priority and eventually to make the Group financially robust. As a result, both the revenue and the profit for the consolidated fiscal year of 2016 has increased in year-on-year, mainly owing to the growth in orders received in Japan and performance recovery of overseas affiliate companies in ASEAN. The revenue was 113,195 million yen (10.8% increase compared to last year), operating profit was 4,809 million yen (98.0% increase compared to last year), ordinary profit was 5,233 million yen (74.0% increase compared to last year), and net income attributable to shareholders of the parent company was 5,916 million yen (136.2% increase compared to last year). This result represents the highest consolidated profit ever for the operating profit, ordinary profit and net income attributable to shareholders of the parent

Results by each segment are as follows:

1. Auto-Components business

The revenue and profit of auto-components business compared to last year has increased mainly due to the steady increase of orders received in Japan and the performance recovery of overseas affiliate companies in ASEAN. The revenue was 104,670 million yen (12.6% increase compared to last year), operating income was 4,794 million yen (110.7% increase compared to last year).

2. After-Market business

After-Market business revenue decreased to 8,076 million yen (8.2% decrease compared to last year) because of the shrinking market of service parts. Operating loss was 33 million yen (operating income 126 million yen last year).

3. Other business

Other business revenue was 1,925 million yen (0.3% decrease compared to last year), operating income was 22million yen (68.7% increase compared to last year).

As the result of TOB, our top shareholder of Valeo Bayen was changed from " other affiliated company" to "parent company" on January 20, 2017.

4. Consolidated Financial Statement

(1) Consolidated Balance Sheets

(Unit: 1,000,000)

	Previous Year End (As of March 31, 2016)	Current Year End (As of March 31, 2017)
Assets		
Current assets		
Cash and deposits	17,182	11,552
Notes and accounts receivable-trade	18,326	20,466
Electronically recorded monetary claims-operating	1,797	903
Merchandise and finished goods	3,698	4,004
Work in progress	483	534
Raw materials and supplies	2,988	2,857
Deferred tax assets	72	1,627
Other	2,368	2,481
Allowance for doubtful accounts	(151)	(312)
Total current assets	46,767	44,115
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	23,742	25,404
Accumulated depreciation	(14,673)	(15,042)
Buildings and structures, net	9,068	10,362
Machinery, equipment and vehicles	32,815	35,348
Accumulated depreciation	(25,261)	(25,267)
Machinery, equipment and vehicles, net	7,553	10,080
Tools, furniture and fixtures	12,094	12,383
Accumulated depreciation	(9,684)	(9,467)
Tools, furniture and fixtures, net	2,409	2,916
Land	3,424	3,459
Lease assets	11,694	11,530
Accumulated depreciation	(6,136)	(5,217)
Lease assets, net	5,557	6,313
Construction in progress	3,439	4,942
Total property, plant and equipment	31,454	38,074
Intangible assets		
goodwill	906	658
Other	1,383	1,460
Total intangible assets	2,290	2,119
Investments and other assets		
Investment securities	5,125	5,580
Long-term loans receivable	1,303	978
Investment in affiliates	4,638	5,227
Deferred tax assets	238	270
Other	421	490
Allowance for doubtful accounts	(7)	(5)
Total investments and other assets	11,719	12,541
Total noncurrent assets	45,464	52,734
Total assets	92,232	96,850

(Unit: 1,000,000)

	Previous Year End (As of March 31, 2016)	Current Year End (As of March 31, 2017)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	20,345	22,698
Short-term loans payable	1,158	1,155
Current portion of long-term loans payable	5,058	4,724
Lease obligations	3,228	4,234
Income taxes payable	321	633
Accrued expenses	2,128	2,881
Accounts payable	2,061	1,788
Provision for bonuses	1,774	1,825
Provision for directors' bonuses	52	64
Provision for product warranties	1,262	1,329
Notes payable-facilities	202	330
Other	280	816
Total current liabilities	37,874	42,480
Noncurrent liabilities		
Long-term loans payable	16,317	11,992
Lease obligations	3,663	3,551
Deferred tax liabilities	827	678
Retirement benefits	9,775	9,021
Asset retirement obligations	182	183
Provision for environmental measures	9	9
Other	2	2
Total noncurrent liabilities	30,779	25,439
Total liabilities	68,653	67,919
Net assets		
Shareholders' equity		
Capital stock	8,929	8,955
Capital surplus	2,708	2,735
Retained earnings	11,509	17,138
Treasury stock	(34)	(39)
Total shareholders' equity	23,112	28,788
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,423	1,738
Deferred gain for hedges	(12)	(5)
Foreign currency translation adjustment	(1,560)	(2,482)
Adjustment retirement benefits	(846)	(365)
Total accumulated other comprehensive income	(995)	(1,114)
Minority interests	1,460	1,256
Total net assets	23,578	28,930
Total liabilities and net assets	92,232	96,850

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Unit: 1,000,000)

	Previous FY (April 1, 2015 ~ March 31, 2016)	Current FY (April 1, 2016 ~ March 31, 2017)
Net sales	102,143	113,195
Cost of sales	82,086	89,587
Gross profit	20,056	23,607
Selling, general and administrative expenses	17,627	18,798
Operating income (loss)	2,429	4,809
Non-operating income		
Interest income	91	88
Dividends income	233	228
Gain on securities sold	201	-
Equity in earnings of affiliates	750	775
Other	190	108
Total non-operating income	1,468	1,200
Non-operating expenses		
Interest expenses	328	443
Commission fee	41	5
Foreign exchange losses	424	217
Other	95	110
Total non-operating expenses	889	776
Ordinary income	3,007	5,233

Extraordinary income		
Gain on disposal of noncurrent assets	185	1
Gain on transfer of business	997	—
Total extraordinary income	<u>1,182</u>	<u>1</u>
Extraordinary loss		
Loss on disposal of noncurrent assets	139	134
Settlement	1,010	187
Special extra retirement payments	49	—
Total extraordinary losses	<u>1,198</u>	<u>321</u>
Income before income taxes and minority interests	<u>2,991</u>	<u>4,913</u>
Income taxes-current	608	765
Income taxes-deferred	(32)	(1,820)
Total income taxes	<u>575</u>	<u>(1,055)</u>
Income before minority interests	<u>2,416</u>	<u>5,969</u>
Minority interests in income	(88)	52
Net income	<u>2,505</u>	<u>5,916</u>

Consolidated Statements of Comprehensive Income

(Unit; 1,000,000)

	Previous FY (April 1, 2015 ~ March 31, 2016)	Current FY (April 1, 2016 ~ March 31, 2017)
Income before minority interests	2,416	5,969
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,232)	315
Deferred gain for hedges	70	6
Foreign currency translation adjustment	(1,223)	(590)
Remeasurements of defined benefit plans	(482)	480
Share of other comprehensive income of associates accounted for using equity method	(211)	(434)
Total other comprehensive income	(3,080)	(221)
Comprehensive income	(663)	5,747
Comprehensive income attributable to		
Comprehensive income attributable to owners of the	(414)	5,797
Comprehensive income attributable to minority interests	(248)	(49)

(3) Consolidated Statements of Change in Net Assets

(Unit: 1,000,000)

	Previous FY (April 1, 2015 ~ March 31, 2016)	Current FY (April 1, 2016 ~ March 31, 2017)
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	8,929	8,929
Issue new shares		26
Total changes of items during the period		26
Balance at the end of current period	8,929	8,955
Capital surplus		
Balance at the beginning of current period	2,708	2,708
Issue new shares		26
Total changes of items during the period		26
Balance at the end of current period	2,708	2,735
Retained earnings		
Balance at the beginning of current period	9,291	11,509
Cumulative effects of changer in accounting policy.	—	—
Changes of items during the period	—	—
Net income	2,505	5,916
Dividend of Surplus	(287)	(287)
Total changes of items during the period	2,217	5,628
Balance at the end of current period	11,509	17,138
Treasury stock		
Balance at the beginning of current period	(33)	(34)
Changes of items during the period	—	—
Purchase of treasury stock	(1)	(4)
Disposal of treasury stock		
Total changes of items during the period	(1)	(4)
Balance at the end of current period	(34)	(39)
Total shareholders' equity		
Balance at the beginning of current period	20,896	23,112
Cumulative effects of changer in accounting policy.	—	—
Changes of items during the period	—	—
Deficit disposition		
Net income	2,505	5,916
Issue new shares		52
Dividend of Surplus	(287)	(287)
Purchase of treasury stock	(1)	(4)
Change of scope of consolidation		
Total changes of items during the period	2,216	5,675
Balance at the end of current period	23,112	28,788
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	2,630	1,423
Changes of items during the period	—	—
Net changes of items other than shareholders' equity	(1,206)	315
Total changes of items during the period	(1,206)	315
Balance at the end of current period	1,423	1,738
Deferred gain for hedges		
Balance at the beginning of current period	(82)	(12)
Changes of items during the period	—	—
Net changes of items other than shareholders' equity	70	6
Total changes of items during the period	70	6
Balance at the end of current period	(12)	(5)
Foreign currency translation adjustment		
Balance at the beginning of current period	(261)	(1,560)

Changes of items during the period	—	—
Net changes of items other than shareholders' equity	(1,298)	(922)
Change of scope of consolidation-foreign currency translation adjustment		
Total changes of items during the period	(1,298)	(922)
Balance at the end of current period	(1,560)	(2,482)
Adjustment retirement benefits		
Balance at the beginning of current period	(361)	(846)
Changes of items during the period	—	—
Net changes of items other than shareholders' equity	(484)	480
Total changes of items during the period	(484)	480
Balance at the end of current period	(846)	(365)
Total accumulated other comprehensive income		
Balance at the beginning of current period	1,924	(995)
Changes of items during the period	—	—
Net changes of items other than shareholders' equity	(2,920)	(119)
Change of scope of consolidation-foreign currency translation adjustment		
Total changes of items during the period	(2,920)	(119)
Balance at the end of current period	(995)	(1,114)
Minority interests		
Balance at the beginning of current period	1,739	1,460
Changes of items during the period	—	—
Net changes of items other than shareholders' equity	(278)	(204)
Total changes of items during the period	(278)	(204)
Balance at the end of current period	1,460	1,256
Total net assets		
Balance at the beginning of current period	24,561	23,578
Cumulative effects of changer in accounting policy.	—	—
Changes of items during the period	—	—
Net income	2,505	5,916
Issue new shares		52
Dividend of Surplus	(287)	(287)
Purchase of treasury stock	(1)	(4)
Increase by merger		
Change of scope of consolidation		
Disposal of treasury stock		
Net changes of items other than shareholders' equity	(3,199)	(323)
Change of scope of consolidation-foreign currency translation adjustment		
Total changes of items during the period	(982)	(5,352)
Balance at the end of current period	23,578	28,930

(4) Consolidated Cash Flows

(Unit; 1,000,000)

	Previous FY (April 1, 2015 ~ March 31, 2016)	Current FY (April 1, 2016 ~ March 31, 2017)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	2,991	4,913
Depreciation and amortization	6,651	7,565
Amortization of goodwill	201	188
Increase (decrease) in allowance for doubtful accounts	26	159
Increase (decrease) in provision for bonuses	157	48
Increase (decrease) in provision for product warranties	(245)	66
Increase (decrease) in retirement benefits	(253)	(235)
Interest and dividends income	(325)	(316)
Interest expenses	328	443
Loss (gain) on transfer of business	(997)	—
Equity in (earnings) losses of affiliates	(750)	(775)
Loss (gain) on sales of investment securities	(201)	—
Loss (gain) on disposal of noncurrent assets	(45)	132
Decrease (increase) in notes and accounts receivable-trade	(1,704)	(1,373)
Decrease (increase) in inventories	333	(246)
Decrease (increase) in other current assets	392	(132)
Increase (decrease) in notes and accounts payable-trade	1,906	2,429
Increase (decrease) in other current liabilities	631	739
Other, net	56	111
Subtotal	9,152	13,718
Interest and dividends income received	415	273
Interest expenses paid	(328)	(430)
Income taxes paid	(425)	(532)
Net cash provided by (used in) operating activities	8,814	13,029
Net cash provided by (used in) investing activities		
Payments into time deposits	(12)	(12)
Purchase of property, plant and equipment	(10,339)	(13,316)
Proceeds from sales of property, plant and equipment	6,581	4,852
Payments acquisition of intangible fixed assets	(69)	(162)
Purchase of investment securities	(19)	(18)
Proceeds from sales of investment securities	546	—
Proceeds from transfer of business	997	—
Other, net	171	(102)
Net cash provided by (used in) investing activities	(2,145)	(8,758)

(Unit; 1,000,000)

	Previous FY (April 1, 2015 ~ March 31, 2016)	Current FY (April 1, 2016 ~ March 31, 2017)
Net cash provided by (used in) investing activities		
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(820)	(3)
Proceeds from long-term loans payable	8,399	400
Repayment of long-term loans payable	(3,320)	(5,058)
Proceeds from sales and lease-back	421	52
Dividend receipt	(287)	(287)
Cash dividends paid to minority shareholders	(30)	(154)
Repayments of lease obligations	(3,802)	(4,586)
Other, net	(1)	(4)
Net cash provided by (used in) financing activities	557	(9,643)
Effect of exchange rate change on cash and cash equivalents	(149)	(269)
Net increase (decrease) in cash and cash equivalents	7,077	(5,642)
Cash and cash equivalents at beginning of period	10,086	17,164
Cash and cash equivalents at end of period	17,164	11,522