



# **Consolidated Financial Summary FY2018**

(April 1, 2017 – March 31, 2018)

**TS TECH Co.,Ltd.**

This document is an English translation of the Japanese language version of the consolidated financial summary that TS TECH Co., Ltd. has produced for reference purposes.

In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

# Consolidated Financial Summary for FY2018 (under IFRS)

April 27, 2018

Company name: TS TECH CO., LTD. Stock exchange listing: Tokyo Stock Exchange  
 Stock code: 7313 URL: <http://www.tstech.co.jp>  
 Representative: Michio Inoue, President  
 Contact: Mahoro Kurata, Manager, Public Relations Section, Administration Department Tel. 048-462-1121  
 Scheduled date of general meeting of shareholders: June 22, 2018  
 Scheduled date of commencement of dividend payment: June 25, 2018  
 Scheduled date for filing of securities report: June 25, 2018  
 Preparation of supplementary explanatory material: Yes Results briefing: Yes (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down to the nearest million yen)

## 1. Consolidated Financial Results for FY2018 (April 1, 2017 - March 31, 2018)

### (1) Consolidated Financial Results

(% of change from previous year)

	Revenue		Operating income		Income before tax		Net income		Income attributable to owners of parent		Total comprehensive income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2018	479,490	12.6	47,346	37.0	49,681	38.8	38,392	53.0	30,115	53.5	37,077	52.3
FY2017	425,794	-7.2	34,557	-12.0	35,792	-12.2	25,086	-14.7	19,622	-16.6	24,339	97.2

	Basic earnings per share	Diluted earnings per share	Return on equity attributable to owners of parent	Ratio of income before tax to total assets	Ratio of operating income to revenue
	Yen	Yen	%	%	%
FY2018	442.89	—	13.4	14.7	9.9
FY2017	288.58	—	9.6	11.4	8.1

(Reference) Share of profit (loss) of investments accounted for using the equity method FY2018 388 million yen FY2017 324 million yen

### (2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
	Million yen	Million yen	Million yen	%	Yen
FY2018	351,944	259,924	235,589	66.9	3,464.66
FY2017	322,202	230,989	212,417	65.9	3,123.88

### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of term
	Million yen	Million yen	Million yen	Million yen
FY2018	48,406	-12,742	-11,858	118,758
FY2017	34,045	-12,409	-14,214	96,008

## 2. Cash Dividends

	Annual cash dividends per share					Total cash dividends (annual)	Dividends payout ratio (consolidated)	Equity attributable to owners of parent to dividend ratio (consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of year	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2017	—	35.00	—	35.00	70.00	4,759	24.3	2.3
FY2018	—	38.00	—	42.00	80.00	5,439	18.1	2.4
FY2019 (Forecasts)	—	42.00	—	42.00	84.00		22.2	

## 3. Consolidated Forecasts for FY2019 (April 1, 2018 - March 31, 2019)<sup>1</sup> (see top of following page for “1”)

(% of change from the same period of previous year)

	Revenue		Operating income		Income before tax		Net income		Income attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half of FY2019	202,000	-9.7	18,200	-21.4	19,000	-22.3	14,200	-20.8	10,900	-16.5	160.30
FY2019	420,000	-12.4	41,000	-13.4	42,600	-14.3	32,400	-15.6	25,700	-14.7	377.95

1: In accordance with IFRS 15 “Revenue from Contracts with Customers,” a portion amounts of originally recorded as sales and costs will no longer be recognized as revenue. When calculated using the same standards used for the fiscal year ended March 2018, revenue in the consolidated earnings forecasts is anticipated to rise 4,667 million yen (2.1%) for the first half of FY2019 and 142 million (0.0%) year-on-year.

#### Notes

- (1) Changes in important subsidiaries during the term : None  
 (Changes in significant subsidiaries affecting the scope of consolidation during this period)  
 New subsidiaries — companies Excluded subsidiaries — companies

- (2) Changes in accounting principles and estimates  
 1) Changes in accounting policies required by IFRS : None  
 2) Changes other than 1) : None  
 3) Changes in accounting estimates : None

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

1) Number of shares issued at the end of the term including treasury stock	FY2018	68,000,000 shares	FY2017	68,000,000 shares
2) Number of treasury stock at the end of the term	FY2018	2,100 shares	FY2017	2,050 shares
3) Average number of shares during the term (cumulative)	FY2018	67,997,915 shares	FY2017	67,997,961 shares

(Note) For the number of shares that is the basis for the calculation of basic earnings per share, please see page 20, “Per Share Information.”

#### (Reference) Non-Consolidated Financial Results

##### 1. Non-Consolidated Financial Results for FY2018 (April 1, 2017 - March 31, 2018)

##### (1) Non-Consolidated Financial Results (% of change from previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2018	86,178	0.8	4,006	106.6	13,615	20.4	17,334	96.5
FY2017	85,456	-2.5	1,939	-48.0	11,309	-17.8	8,822	-22.7

	Net income per share	Diluted net income per share
	Yen	Yen
FY2018	254.93	—
FY2017	129.74	—

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

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2018	132,103	109,562	82.9	1,611.26
FY2017	115,182	96,227	83.5	1,415.16

(Reference) Shareholders' equity: FY2018 109,562 million yen FY2017 96,227 million yen

(Note) Financial figures in the non-consolidated financial results are based on Japanese accounting standards.

\*This consolidated financial summary is exempt from audits by certified public accountants and auditing firms.

\* Explanation regarding the appropriate use of forecasts of financial results and other notes

The consolidated forecasts presented above are projections made by managers of TS TECH CO., LTD. (hereinafter the “Company”) based on information available at the time of preparation. For that reason, they involve risks and uncertainties. Accordingly, we request that readers of this document avoid making investment decisions based exclusively on these forecasts. Please bear in mind the possibility that actual results may differ materially from these forecasts due to various important factors. Readers are asked to proceed to “1. Operating Performance Overview (4) Consolidated Earnings Forecasts for FY2019” on page 6 for assumptions and other information that form the premise for the operating results forecasts above.

Presentation materials used at the briefing scheduled for on May 8, 2018 can be obtained via the following URL after the briefing: (IR Library): <http://www.tstech.co.jp/english/ir/>

## Table of Contents

1. Operating Performance Overview	2
(1) Overview of Financial Results	2
(2) Overview of Financial Position	5
(3) Overview of Cash Flows	6
(4) Consolidated Earnings Forecasts for FY2019	6
2. Basic Policy on the Selection of Accounting Standards	8
3. Consolidated Financial Statements	9
(1) Consolidated Statement of Financial Position	9
(2) Consolidated Statement of Income and Comprehensive Income	11
(3) Consolidated Statement of Changes in Equity	13
(4) Consolidated Statement of Cash Flows	15
(5) Notes Concerning Consolidated Financial Statements	17
(Notes Concerning Going Concern Assumption)	17
(Segment Information)	17
(Per Share Information)	20
(Subsequent Events)	20

## 1. Operating Performance Overview

### (1) Overview of Financial Results

During the period under review, the global economy showed signs of improvement worldwide in the form of continued moderate economic recovery in developing countries and China, offsetting uncertainty stemming from policy trends around the world. Although demand for automobiles was down slightly year-on-year in America and Europe, it increased in Japan, China and Asia. However, TS TECH's production was up in all segments on increased order volume from the Group's major customers, which was fueled by production increases accompanying new model launches in each segment, and increased demand for SUVs in China.

Against this backdrop, in the first year of its 13th Medium-Term Management Plan, the Group pursued "sustainable business growth," "diversity management" and "harmony with the social environment," the three priority measures that support the plan's management policy: the "creation of a foundation for ESG management." We addressed "sustainable business growth" by working to strengthen our earnings structure and achieve sustainable growth through new product development, greater expansion of sales to beyond existing customers<sup>1</sup>, and an enhanced quality control system. In terms of "diversity management," we are working to improve labor productivity by implementing work style reforms at all companies that incorporate local characteristics and can be tailored to meet employees' individual needs. With regard to "harmony with the social environment," we participated in environmental conservation activities and social contribution activities rooted in local communities. We also promoted measures to allow us to grow together with the surrounding social environment and fulfil our social responsibility through business operations through means such as reducing CO<sub>2</sub> emissions through lighter products and more efficient production.

Revenue for the fiscal year under review amounted to 479,490 million yen on a consolidated basis, up 53,696 million yen (12.6%) from the preceding fiscal year. This was due to an increase in order volume from major customers, an improved makeup of models and the impact of exchange rates<sup>2</sup> driven by the weaker yen. Looking at profits, operating income stood at 47,346 million yen, an increase of 12,788 million yen (37.0%) year-on-year. This reflected the impact of higher revenue, the elimination of temporary expenses related to new model launches in the Asia and Europe segment in the previous fiscal year and the receipt of compensation accompanying the end of the Guangzhou plant relocation in China. Income attributable to owners of parent totaled 30,115 million yen, an increase of 10,492 million yen (53.5%) year-on-year.

1: Sales beyond existing customers: sales to manufacturers of entire cars other than major customers

2: USD/JPY average exchange rate...FY2017: ¥108.4 FY2018: ¥110.8

Operating performance by geographic segment is as follows:

(Japan)

In the fiscal year under review, the Group launched production of seats for Honda's new N-BOX as well as seats and interior products for Honda's new Civic.

The Group's newest integrated welding facilities were installed in conjunction with new model launches. We also worked to implement a highly efficient production system through production line reforms that make it possible to accommodate anticipated minicar seat production increases and future new model launches.

The operating performance of the Japanese segment is as follows:

(Unit: Million yen)

	FY2017	FY2018	Difference	Change
Revenue	91,830	93,552	1,721	1.9%
Operating income	7,343	9,653	2,310	31.5%

Main factors for year-on-year change

Revenue	Revenue remained largely unchanged year-on-year on factors such as higher order volume from major customers driven by new model launches and transfer price adjustments pertaining to receipt of royalties based on an advanced pricing agreement (APA) agreed upon by the Japan and the U.S. These factors offset changes in the makeup of models and a decrease in sales related to development costs.
Operating income	Operating income increased mainly due to higher order volume from major customers, price adjustments related to royalty revenue and the impact of exchange rates.

(The Americas)

In the fiscal year under review, the Group launched production of seats for Honda's new Odyssey as well as seats and interior products for Honda's new Accord in North America.

We worked to make in-plant logistics more efficient through AGVs<sup>1</sup> and improve production efficiency through comprehensive production line reforms. We are also actively working to expand sales beyond existing customers<sup>2</sup> and have received orders from a major European automaker and a major American motorcycle maker. We established a sales office in Detroit, Michigan, U.S.A. to further expand sales to new customers.

The operating performance of the Americas segment is as follows:

(Unit: Million yen)

	FY2017	FY2018	Difference	Change
Revenue	213,008	224,867	11,859	5.6%
Operating income	12,365	10,189	-2,175	-17.6%

Main factors for year-on-year change

Revenue	Revenue increased primarily due to an improved model makeup, increased sales to a major European automaker and the impact of foreign currency translation.
Operating income	Operating income decreased primarily due to transfer price adjustments pertaining to payment of royalties based on an APA agreed upon by the Japan and the U.S. and higher labor costs, offsetting higher revenue.

1: AGV: Automated guided vehicle

2: Sales beyond existing customers: sales to manufacturers of entire cars other than major customers

(China)

In the fiscal year under review, the Group launched production of seats for Honda's new CR-V.

We implemented automation in each stage of production and more efficient in-plant logistics in order to create a high-efficiency production structure that can handle substantial production increases by major customers. Additionally, we established a sales office in the city of Chongqing in order to actively expand sales beyond existing new customers<sup>1</sup> to local Chinese automakers.

The operating performance of the Chinese segment is as follows:

(Unit: Million yen)

	FY2017	FY2018	Difference	Change
Revenue	94,990	121,266	26,275	27.7%
Operating income	16,425	24,664	8,239	50.2%

Main factors for year-on-year change

Revenue Revenue increased primarily due to higher order volume from major customers, an improved makeup of models and the impact of foreign currency translation.

Operating income Operating income increased primarily due to the effects of higher revenue as well as compensation accompanying the end of the Guangzhou plant relocation.

1: Sales beyond existing customers: sales to manufacturers of entire cars other than major customers

(Asia and Europe)

In the fiscal year under review, the Group launched production of seats for Honda's new Civic Type R in the U.K. and seats and interior products for Honda's new CR-V in Indonesia.

Comprehensive reforms helped to eliminate temporary expenses incurred during the start of production on new models in the previous fiscal year. In-house production of seat components and thorough cost-cutting measures at all locations helped to further improve profitability. Additionally, the supply of trim cover from cutting and sewing subsidiary TS TECH BANGLADESH LIMITED, which began operations in the previous fiscal year, to other locations contributed to the Group's automobile seat cost competitiveness.

The operating performance of the Asia and Europe segment is as follows:

(Unit: Million yen)

	FY2017	FY2018	Difference	Change
Revenue	59,825	76,041	16,215	27.1%
Operating income	3,313	8,083	4,770	144.0%

Main factors for year-on-year change

Revenue Revenue increased primarily due to higher order volume from major customers and an improved makeup of models, as well as a rise in component sales and the impact of foreign currency translation.

Operating income Operating income increased primarily due to the effects of higher revenue and the elimination of temporary expenses related to new model launches incurred in the previous fiscal year.

Revenue by business segment is as follows:

(Unit: Million yen)

	FY2017		FY2018		Difference	Change
		Ratio		Ratio		
Motorcycles	5,713	1.3%	6,718	1.4%	1,004	17.6%
Automobiles	414,447	97.4%	466,996	97.4%	52,548	12.7%
(Seats)	361,843	85.0%	409,397	85.4%	47,554	13.1%
(Interior products)	52,604	12.4%	57,599	12.0%	4,994	9.5%
Other businesses	5,632	1.3%	5,775	1.2%	142	2.5%
Total	425,794	100.0%	479,490	100.0%	53,696	12.6%

## (2) Overview of Financial Position

### Assets, liabilities, and equity

#### (Assets)

Assets at the end of FY2018 stood at 351,944 million yen, increasing 29,742 million yen from the end of FY2017. This change is primarily the result of an increase in cash and cash equivalents stemming from the allocation of net income as well as an increase in trade and other receivables on higher order volume from major customers.

#### (Liabilities)

Total liabilities at the end of FY2018 amounted to 92,019 million yen, up 807 million yen from the end of FY2017. This is primarily due to an increase in other non-current liabilities resulting from tax revisions in the U.S.; an increase in income tax receivables stemming from higher net income; and an increase in provisions related to a recall by a major customer. These factors offset a decrease in trade and other payables resulting from a decline in dividend payables.

#### (Equity)

Equity at the end of FY2018 totaled 259,924 million yen, rising 28,935 million yen from the end of FY2017. This was mainly the result of an increase in retained earnings from the allocation of net income.



### (3) Overview of Cash Flows

Cash and cash equivalents (hereinafter “cash”) at the end of FY2018 amounted to 118,758 million yen, up 22,749 million yen from the end of the previous fiscal year.

(Cash flows from operating activities)

Cash flows from operating activities amounted to 48,406 million yen, showing a year-on-year increase of 14,360 million yen. This is the result of a change in operating and other receivables from an increase of 12,510 million yen in the previous fiscal year to an increase of 6,301 million yen in FY2018 as well as an increase in income before tax of 13,889 million yen. These factors offset a change in operating and other debts from an increase of 4,962 million yen in the previous fiscal year to a decrease of 1,903 million yen in FY2018.

(Cash flows from investing activities)

Cash flows from investing activities came to 12,742 million yen, an increase of 332 million yen year-on-year. This primarily reflects a net change in both payments into and proceeds from the withdrawal of time deposits from an intake of 1,525 million yen to an outlay of 2,910 million yen in FY2018. This offset a decrease of 2,037 million yen in payments from the purchase of property, plant and equipment as well as a decrease of 920 million yen in payments from the purchase of intangible assets.

(Cash flows from financial activities)

Cash flows from financial activities totaled 11,858 million yen, a decrease of 2,355 million yen year-on-year. This reflects a decrease of 2,654 million yen in payments for the purchase of shares of consolidated affiliates from non-controlling interests, offsetting an increase of 638 million yen in dividend payments (including payments to non-controlling interests).

### (4) Consolidated Earnings Forecasts for FY2019

The Group’s consolidated forecasts for FY2019 are as follows:

		FY2019 forecasts	Year-on-year change
Revenue	After application of IFRS 15	420.0 billion yen	-12.4%
	FY2018 standards	479.6 billion yen	0.0%
Operating income		41.0 billion yen	-13.4%
Income before tax		42.6 billion yen	-14.3%
Net income		32.4 billion yen	-15.6%
Income attributable to owners of parent		25.7 billion yen	-14.7%

Note: In accordance with IFRS 15 “Revenue from Contracts with Customers,” a portion amounts of originally recorded as sales and costs will no longer be recognized as revenue.

The Group's forecasts by segment are as follows:

(Japan)

(Unit: Million yen)

		FY2018	FY2019 Forecasts	Year-on-year	Changes
Revenue	After application of IFRS 15	93,552	89,180	-4,372	-4.7%
	FY2018 standards		101,100	7,547	8.1%
Operating income		9,653	9,070	-583	-6.0%

Main factors for year-on-year changes (using calculation standards from FY2018)

**Revenue** Revenue is anticipated to increase primarily due to higher order volume from major customers and an improved makeup of models, offsetting the effects of the end of transfer price adjustments pertaining to receipt of royalties based on an APA agreed upon by the Japan and the U.S.

**Operating income** Operating income is anticipated to decrease primarily due to the end of transfer price adjustments pertaining to receipt of royalties based on an APA agreed upon by the Japan and the U.S. in the previous fiscal year and higher materials costs, offsetting increased order volume and lower development expenses.

(The Americas)

(Unit: Million yen)

		FY2018	FY2019 Forecasts	Year-on-year	Changes
Revenue	After application of IFRS 15	224,867	192,840	-32,027	-14.2%
	FY2018 standards		219,393	-5,474	-2.4%
Operating income		10,189	13,600	3,410	33.5%

Main factors for year-on-year changes (using calculation standards from FY2018)

**Revenue** Revenue is anticipated to decrease primarily due to the impact of lower press tool sales and the impact of foreign currency translation, offsetting an increase in order volume from major customers.

**Operating income** Operating income is anticipated to increase primarily due to higher order volume and the end of transfer price adjustments pertaining to payment of royalties based on an APA agreed upon by the Japan and the U.S. This looks to offset higher labor costs stemming from both increased production and wage increases, as well as higher materials costs.

(China)

(Unit: Million yen)

		FY2018	FY2019 Forecasts	Year-on-year	Changes
Revenue	After application of IFRS 15	121,266	101,420	-19,846	-16.4%
	FY2018 standards		123,969	2,703	2.2%
Operating income		24,664	18,580	-6,084	-24.7%

Main factors for year-on-year changes (using calculation standards from FY2018)

Revenue	Revenue is anticipated to increase primarily due to higher order volume from major customers and an improved makeup of models.
Operating income	Operating income is anticipated to decrease primarily due to factors such as the elimination of compensation accompanying the end of the Guangzhou plant relocation and higher labor costs stemming from wage increases, offsetting aggressive cost-cutting measures.

(Asia and Europe)

(Unit: Million yen)

	FY2018	FY2019 Forecasts	Year-on-year	Changes
Revenue	76,041	67,800	-8,241	-10.8%
Operating income	8,083	5,670	-2,413	-29.9%

Note: IFRS 15 “Revenue from Contracts with Customers” will not have an impact on revenue in this segment.

Main factors for year-on-year changes (using the previous fiscal year’s calculation standards)

Revenue	Revenue is anticipated to decrease primarily due to a change in the makeup of models as well as the impact of foreign currency translation.
Operating income	Operating income is anticipated to decrease primarily due to lower revenue and higher labor costs stemming from wage increases, offsetting aggressive cost-cutting measures.

The Group also plans a capital investment of 8.1 billion yen, down 6.3% year-on-year.

## 2. Basic Policy on the Selection of Accounting Standards

The Group has adopted IFRS (International Financial Reporting Standards) to increase the international comparability of its financial statements in the capital market.

### 3. Consolidated Financial Statements

#### (1) Consolidated Statement of Financial Position

(Unit: Million yen)

	FY2017 (As of March 31, 2017)	FY2018 (As of March 31, 2018)
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	96,008	118,758
Trade and other receivables	68,024	74,294
Other financial assets	7,307	11,541
Inventories	29,059	25,175
Income tax receivables	449	1,227
Other current assets	5,280	4,959
<b>Total assets</b>	<b>206,131</b>	<b>235,957</b>
<b>Non-current assets</b>		
Property, plant and equipment	76,576	73,532
Intangible assets	11,695	10,753
Investments accounted for using the equity method	1,028	1,463
Other financial assets	22,019	24,290
Net defined benefit assets	1,896	2,804
Deferred tax assets	1,906	2,367
Other non-current assets	948	775
<b>Total non-current assets</b>	<b>116,070</b>	<b>115,986</b>
<b>Total assets</b>	<b>322,202</b>	<b>351,944</b>

(Unit: Million yen)

	FY2017 (As of March 31, 2017)	FY2018 (As of March 31, 2018)
<b>Liabilities and equity</b>		
<b>Current liabilities</b>		
Trade and other payables	69,476	67,262
Current borrowings	973	1,059
Other financial liabilities	709	1,269
Income tax receivables	2,871	3,773
Provisions	3,940	4,641
Other current liabilities	2,173	2,720
<b>Total current liabilities</b>	<b>80,143</b>	<b>80,727</b>
<b>Non-current liabilities</b>		
Non-current borrowings	315	424
Other financial liabilities	1,530	1,430
Net defined benefit liabilities	1,098	1,267
Provisions	101	99
Deferred tax liabilities	6,173	5,159
Other non-current liabilities	1,850	2,911
<b>Total non-current liabilities</b>	<b>11,068</b>	<b>11,292</b>
<b>Total liabilities</b>	<b>91,212</b>	<b>92,019</b>
<b>Equity</b>		
Capital stock	4,700	4,700
Capital surplus	5,257	5,171
Treasury stock	-4	-4
Retained earnings	194,847	219,999
Other components of equity	7,617	5,723
<b>Total equity attributable to owners of parent</b>	<b>212,417</b>	<b>235,589</b>
Non-controlling interests	18,572	24,335
<b>Total equity</b>	<b>230,989</b>	<b>259,924</b>
<b>Total liabilities and equity</b>	<b>322,202</b>	<b>351,944</b>

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

## Consolidated Statement of Income

(Unit: Million yen)

	FY2017 (April 1, 2016- March 31, 2017)	FY2018 (April 1, 2017- March 31, 2018)
Revenue	425,794	479,490
Cost of sales	-355,176	-399,329
Gross profit	70,617	80,160
Selling, general and administrative expenses	-35,755	-37,418
Other income	726	5,192
Other expenses	-1,032	-588
Operating income	34,557	47,346
Finance income	1,699	2,161
Finance costs	-788	-214
Share of profit (loss) of investments accounted for using the equity method	324	388
Income before tax	35,792	49,681
Income tax expense	-10,705	-11,288
Net income	25,086	38,392
<b>Income attributable to</b>		
Income attributable to owners of parent	19,622	30,115
Income attributable to non-controlling interests	5,463	8,277
Net income	25,086	38,392
<b>Earnings per share</b>		
Basic earnings per share (yen)	288.58	442.89
Diluted earnings per share (yen)	—	—

# Consolidated Comprehensive Income

(Unit: Million yen)

	FY2017 (April 1, 2016- March 31, 2017)	FY2018 (April 1, 2017- March 31, 2018)
Net income	25,086	38,392
<b>Other comprehensive income</b>		
<b>Components that will not be reclassified subsequently to net profit or loss</b>		
Remeasurements of defined benefit plans	674	289
Total components that will not be reclassified subsequently to net profit or loss	674	289
<b>Components that may be reclassified subsequently to net profit or loss</b>		
Change in fair value of available-for-sale financial assets	912	963
Differences on translation from foreign operations	-2,248	-2,616
Share of other comprehensive income of associates accounted for using the equity method	-86	47
Total components that may be reclassified subsequently to net profit or loss	-1,422	-1,605
Other comprehensive income, net of tax	-747	-1,315
<b>Comprehensive income for the period</b>	<b>24,339</b>	<b>37,077</b>
<b>Comprehensive income for the period attributable to:</b>		
Comprehensive income for the period attributable to owners of parent	19,676	28,222
Comprehensive income for the period attributable to non-controlling interests	4,662	8,855
<b>Comprehensive income for the period</b>	<b>24,339</b>	<b>37,077</b>

## (3) Consolidated Statement of Changes in Equity

FY2017 (April 1, 2016 - March 31, 2017)

(Unit: million yen)

	Equity attributable to owners of parent				
	Capital stock	Capital surplus	Treasury stock	Retained earnings	Other components of equity
Balance at the end of the previous fiscal year	4,700	4,949	-4	179,851	7,563
Comprehensive income					
Net income				19,622	
Other comprehensive income					53
Total comprehensive income	—	—	—	19,622	53
Transactions with owners, etc.					
Dividends				-4,623	
Acquisition of treasury stock			-0		
Changes in ownership interests in subsidiaries		307			
Other				-3	
Total transactions with owners, etc.	—	307	-0	-4,627	—
Balance at the end of the fiscal year	4,700	5,257	-4	194,847	7,617

	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at the end of the previous fiscal year	197,060	22,031	219,092
Comprehensive income			
Net income	19,622	5,463	25,086
Other comprehensive income	53	-801	-747
Total comprehensive income	19,676	4,662	24,339
Transactions with owners, etc.			
Dividends	-4,623	-4,342	-8,966
Acquisition of treasury stock	-0		-0
Changes in ownership interests in subsidiaries	307	-3,778	-3,470
Other	-3	-1	-4
Total transactions with owners, etc.	-4,320	-8,122	-12,442
Balance at the end of the fiscal year	212,417	18,572	230,989



FY2018 (April 1, 2017 - March 31, 2018)

(Unit: million yen)

	Equity attributable to owners of parent				
	Capital stock	Capital surplus	Treasury stock	Retained earnings	Other components of equity
Balance at the end of the previous fiscal year	4,700	5,257	-4	194,847	7,617
Comprehensive income					
Net income				30,115	
Other comprehensive income					-1,893
Total comprehensive income	—	—	—	30,115	-1,893
Transactions with owners, etc.					
Dividends				-4,963	
Acquisition of treasury stock			-0		
Changes in ownership interests in subsidiaries		-85			
Other				—	
Total transactions with owners, etc.	—	-85	-0	-4,963	—
Balance at the end of the fiscal year	4,700	5,171	-4	219,999	5,723

	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at the end of the previous fiscal year	212,417	18,572	230,989
Comprehensive income			
Net income	30,115	8,277	38,392
Other comprehensive income	-1,893	577	-1,315
Total comprehensive income	28,222	8,855	37,077
Transactions with owners, etc.			
Dividends	-4,963	-2,362	-7,326
Acquisition of treasury stock	-0		-0
Changes in ownership interests in subsidiaries	-85	-730	-815
Other	—	—	—
Total transactions with owners, etc.	-5,049	-3,092	-8,142
Balance at the end of the fiscal year	235,589	24,335	259,924

## (4) Consolidated Statement of Cash Flows

(Unit: million yen)

	FY2017 (April 1, 2016- March 31, 2017)	FY2018 (April 1, 2017- March 31, 2018)
<b>Cash flows from operating activities</b>		
Income before tax	35,792	49,681
Depreciation and amortization	10,602	11,568
Impairment loss	284	189
Loss (gain) on disposal of non-current assets	500	-206
Finance income and finance costs	-1,890	-1,735
Equity in (earnings) losses of affiliates	-324	-388
Decrease (increase) in operating and other receivables	-12,510	-6,301
Net decrease (increase) in leased receivables and investment assets	2,809	20
Decrease (increase) in inventories	-1,491	3,307
Increase (decrease) in operating and other debts	4,962	-1,903
Increase (decrease) in net defined benefit asset or liability	-1,155	-688
Increase (decrease) in provisions	3,904	912
Other	-1,269	3,168
Subtotal	40,213	57,625
Interest income received	1,060	1,024
Dividend income received	473	856
Interest expenses paid	-146	-152
Income taxes paid	-7,555	-10,946
<b>Cash flows from operating activities</b>	<b>34,045</b>	<b>48,406</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	-3,336	-5,790
Proceeds from withdrawal of time deposits	4,862	2,880
Purchase of property, plant and equipment	-10,990	-8,952
Proceeds from sales of property, plant and equipment	301	406
Purchase of intangible assets	-2,272	-1,351
Purchase of equity instruments	-57	-60
Proceeds from sales of equity instruments	129	0
Payments of loans receivable	-188	-188
Collection of loans receivable	171	181
Other	-1,028	134
<b>Cash flows from investing activities</b>	<b>-12,409</b>	<b>-12,742</b>

	(Unit: million yen)	
	FY2017 (April 1, 2016- March 31, 2017)	FY2018 (April 1, 2017- March 31, 2018)
<b>Cash flows from financial activities</b>		
Net increase (decrease) in short-term loans payable	-133	-99
Proceeds from long-term loans payable	300	300
Repayment of long-term loans payable	-5	-5
Repayments of finance lease obligations	-1,657	-1,351
Purchase of treasury stock	-0	-0
Cash dividends paid	-4,623	-4,963
Dividends paid to non-controlling interests	-4,623	-4,921
Payment to acquire interests in subsidiaries from non-controlling interests	-3,470	-815
<b>Net cash provided by (used in) financing activities</b>	<b>-14,214</b>	<b>-11,858</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>-1,850</b>	<b>-1,055</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>5,571</b>	<b>22,749</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>90,437</b>	<b>96,008</b>
<b>Cash and cash equivalents at end of period</b>	<b>96,008</b>	<b>118,758</b>

(5) Notes Concerning Consolidated Financial Statements

(Notes Concerning Going Concern Assumption)

Not applicable

(Segment Information)

1. Overview of reporting segments

Reporting segments are component units of the Company able to provide financial information. These segments file monthly reports that the Board of Directors uses to decide management resource allocation and evaluate results.

Positioning Japan as its global base, the Company has a control and management system for the three operating regions of “The Americas,” which includes the U.S., Canada, Mexico and Brazil; “China” comprising China and Hong Kong; and “Asia and Europe” which covers Thailand, the Philippines, India, Indonesia, the U.K. and Hungary. The Company appoints an officer responsible for control and management in each region. Policies, plans, controls and other matters concerning general operations are discussed at regional management meetings attended by directors and the like in these regions for executing business activities.

Accordingly, the Company positions “Japan,” “The Americas,” “China” and “Asia and Europe” as its four reporting segments.

In the reporting segments of “Japan,” “The Americas,” and “Asia and Europe,” the Company manufactures and sells products under their coverage that mainly consist of automobile seats, interior products, motorcycle seats and resin-based products for motorcycles. In the reporting segment of “China,” the Company engages primarily in the manufacture and sale of automobile seats and interior products.

2. Accounting methods of revenue, profits or losses, assets, liabilities and other items for reporting segments

The Company decides the price of transactions carried out among its segments by considering market prices and gross costs, and through price negotiations.

Profits for reporting segments are operating income figures based on the consolidated statements of income.

3. Information about revenue, profits or losses, assets, liabilities and other items for reporting segments  
FY2017 (April 1, 2016 - March 31, 2017)

(Unit: Million yen)

	Reporting segments					Adjustments (Note)	Amounts stated in consolidated F/S
	Japan	The Americas	China	Asia and Europe	Total		
Revenue							
External revenue	66,430	211,849	88,350	59,162	425,794	—	425,794
Intersegment transfer	25,399	1,158	6,639	662	33,860	-33,860	—
Total	91,830	213,008	94,990	59,825	459,654	-33,860	425,794
Segment profits	7,343	12,365	16,425	3,313	39,447	-4,890	34,557
Finance income and finance costs	—	—	—	—	—	—	910
Return on investment using the equity method	—	—	—	—	—	—	324
Income before tax	—	—	—	—	—	—	35,792

(Note) Adjustments of -4,890 million yen for segment profits include a deduction of 97 million yen for transactions among segments, and operating expenses of -4,987 million yen associated with the administration division of the parent company headquarters, which could not be allocated.

Other important items

(Unit: Million yen)

	Reporting segments					Adjustments (Note)	Amounts stated in consolidated F/S
	Japan	The Americas	China	Asia and Europe	Total		
Depreciation and amortization	2,701	4,385	1,687	1,900	10,675	-72	10,602
Impairment loss	—	—	64	220	284	—	284
Capital payments	2,804	3,733	3,495	1,165	11,199	—	11,199

(Note) The adjustment for depreciation is a deduction for transactions between segments.

FY2018 (April 1, 2017 - March 31, 2018)

(Unit: Million yen)

	Reporting segments					Adjustments (Note)	Amounts stated in consolidated F/S
	Japan	The Americas	China	Asia and Europe	Total		
Revenue							
External revenue	68,050	223,018	113,954	74,467	479,490	—	479,490
Intersegment transfer	25,502	1,849	7,312	1,573	36,237	-36,237	—
Total	93,552	224,867	121,266	76,041	515,727	-36,237	479,490
Segment profits	9,653	10,189	24,664	8,083	52,591	-5,245	47,346
Finance income and finance costs	—	—	—	—	—	—	1,947
Return on investment using the equity method	—	—	—	—	—	—	388
Income before tax	—	—	—	—	—	—	49,681

(Note) Adjustments of -5,245 million yen for segment profits include a deduction of -151 million yen for transactions among segments, and operating expenses of -5,093 million yen associated with the administration division of the parent company headquarters, which could not be allocated.

#### Other important items

(Unit: Million yen)

	Reporting segments					Adjustments (Note)	Amounts stated in consolidated F/S
	Japan	The Americas	China	Asia and Europe	Total		
Depreciation and amortization	2,799	5,008	1,956	1,854	11,619	-50	11,568
Impairment loss	—	3	176	9	189	—	189
Capital payments	3,515	2,671	1,322	1,131	8,640	—	8,640

(Note) The adjustment for depreciation is a deduction for transactions between segments.

#### 4. Information related to products and services

FY2017 (April 1, 2016 - March 31, 2017)

As revenues from external customers in a single product/service category account for the majority of revenue in consolidated statements of income, segment information by products and services is omitted.

FY2018 (April 1, 2017 - March 31, 2018)

As revenues from external customers in a single product/service category account for the majority of revenue in consolidated statements of income, segment information by products and services is omitted.

## 5. Information according to region

### Revenue

(Unit: Million yen)

	FY2017 (April 1, 2016- March 31, 2017)	FY2018 (April 1, 2017- March 31, 2018)
Japan	63,813	67,238
U.S.	150,879	161,531
Canada	51,890	51,723
China	88,800	114,473
Other	70,410	84,522
Total	425,794	479,490

(Note) Revenue is based on customers' locations and is categorized into countries or regions.

Non-current assets (excluding financial instruments, deferred tax assets, assets concerning retirement benefits, and rights arising from insurance contracts)

(Unit: Million yen)

	FY2017 (As of March 31, 2017)	FY2018 (As of March 31, 2018)
Japan	30,463	30,814
U.S.	20,334	16,819
China	13,184	12,919
Other	24,288	23,732
Total	88,271	84,285

### Information according to major customers

(Unit: Million yen)

	FY2017 (April 1, 2016- March 31, 2017)	FY2018 (April 1, 2017- March 31, 2018)
Honda Motor Co., Ltd. Group	385,753	439,417

(Note) Revenue for the Japan, Americas, China, and Asia and Europe segments is recorded.

### (Per Share Information)

Basic earnings per share and the basis for estimation are outlined below.

Latent common stock that has a dilution effect is not included.

	FY2017 (April 1, 2016- March 31, 2017)	FY2018 (April 1, 2017- March 31, 2018)
Income attributable to owners of parent (million yen)	19,622	30,115
Average number of common stock for the period (1,000 shares)	67,997	67,997
Basic earnings per share (yen)	288.58	442.89

### (Subsequent Events)

Not applicable