

## Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2020

May 21, 2020

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 Listing: Tokyo Stock Exchange, First Section  
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Date for starting dividends payment: -

Quarterly earnings supplementary explanatory documents: No

Quarterly earnings presentation: No

\*Amounts under one million yen have been rounded down.

### 1. Performance in the First Quarter ended on March 31, 2020 (January 1, 2020 to March 31, 2020)

(1) Consolidated Financial Results (Millions of yen; percentage figures indicate year-on-year change)

	Net Sales	Operating Income	Ordinary Income	quarterly net income (loss) attributable to the shareholder parent company
	%	%	%	%
1st Quarter (ended on Mar. 31, 2020)	31,933 $\Delta$ 8.1	1,401 $\Delta$ 49.1	1,219 $\Delta$ 54.2	871 $\Delta$ 48.8
1st Quarter (ended on Mar. 31, 2019)	34,764 $\Delta$ 8.0	2,750 $\Delta$ 27.8	2,664 $\Delta$ 37.6	1,703 $\Delta$ 48.4

(Note) Comprehensive income:

Mar. 31, 2020  $\Delta$ 408 million yen ( -%) Mar. 31, 2019 2,291 million yen ( $\Delta$ 18.9%)

	Net income per share (Yen)	Net income per share-diluted (Yen)
1st Quarter (ended on Mar. 31, 2020)	9.07	-
1st Quarter (ended on Mar. 31, 2019)	17.73	-

(2) Consolidated Financial Position (Millions of yen; except for per share figures)

	Total Assets	Net Assets	Equity Ratio (%)
1st Quarter (as of March 31, 2020)	107,448	44,661	40.5%
FY2019 (as of December 31, 2019)	109,813	45,405	40.3%

[Reference] Equity: First Quarter as of March 31, 2020 43,515 million yen  
 Fiscal Year as of December 31, 2019 44,240 million yen

### 2. Cash Dividends

(Cut-off Date)	Cash Dividends per share (Yen)				
	1st Quarter	2nd Quarter	3rd Quarter	Year-End	Full Year
FY2019 (ended on December 31, 2019)	-	3.50	-	3.50	7.00
FY2020 (ended on December 31, 2020)	-	-	-	-	-
FY2020 (ended on Dec. 31, 2020) [plan]	-	-	-	-	-

Note: Revision to quarterly dividend forecast : Yes

### 3. Consolidated Performance Forecasts for the Fiscal Year 2020 (January 1, 2020 to December 31, 2020)

(Millions of yen; percentages indicate changes over the same period in the previous fiscal year)

	Net Sales	Operating Income	Ordinary Income	quarterly net income (loss) attributable to the shareholder parent company	Net Income per Share (Yen)
	%	%	%	%	yen
First Half	-	-	-	-	-
Full Year	-	-	-	-	-

Note: Revision to consolidated performance forecast : Yes

#### 4. Other

- (1) Principal affiliates' transfer in this fiscal term (in accordance with the change of consolidation scope) No  
    Added           -   (Corporate name)  
    Excluded       -   (Corporate name)
- (2) Application of simple accounting as well as specific accounting for preparing the quarterly consolidated financial statements: Applied
- (3) 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
- (4) Number of issued shares (common stock)
- ① Number of shares outstanding at the end of the period (including treasury stock)

As of March 31, 2020	96,292,401
As of December 31, 2019	96,292,401
  - ② Number of shares of treasury stock at the end of period

As of March 31, 2020	165,046
As of December 31, 2019	164,996
  - ③ Average number of shares during the period (cumulative; consolidated)

FY2020 1st quarter:	96,127,367
FY2019 1st quarter:	96,086,247

\*Quarterly review procedures:

This quarterly financial flash report is out of scope of the review procedures by certified public accountants or auditing firms

\*Appropriate use of business forecast; other special items:

Performance Forecasts are based on judgments and estimated that have been made on the basis of currently available information. Change in the company's business environment and in market trends may cause actual result to differ materially from these forecast figures.

## 1. Qualitative Information on Quarterly Results

### (1) Analysis of operating results

#### (Financial Results)

The Japanese economy for the cumulative first quarter was depressed in both domestic demand and production due to the effect of spread of Coronavirus Disease (COVID-19) infection in addition to a slowdown in consumption after consumption tax increase in October last year. Global economy also plunged into critical conditions due to the effect of restriction of movement and lockdown.

As for automotive market to which the company group belongs, the domestic car production volume decreased compared to the same period of last year. The total car production volume of ASEAN regions decreased compared to the same period of last year, because the production in Thailand and Malaysia decreased. The car production volume of China decreased substantially compared to the same period of last year due to substantial decrease of production especially in February.

Under those circumstances, for the cumulative first quarter of overseas affiliates (ASEAN and China), sales of three affiliates excluding Thailand, which set up business of new type of car, decreased and profit of all of four affiliates decreased mainly due to the effect of COVID-19, and in Japan, sales decreased and cost such as cost for transfer to new Atsugi Plant increased. As a result, sales was 31,933 million yen(8.1% decrease compared to the same period of last year) and operating income was 1,401 million yen(49.1% decrease compared to the same period of last year). Ordinary income was 1,219 million yen(54.2% decrease compared to the same period of last year) and net income attributable to shareholders of the parent company was 871 million yen(48.8% decrease compared to the same period of last year).

Results by each segment are as follows:

#### 1. Auto-Components business

As for auto-components business, regarding overseas affiliates (ASEAN and China), sales of three affiliates excluding Thailand, which set up business of new type of car, decreased and profit of all of four affiliates decreased mainly due to the effect of COVID-19, and in Japan, sales decreased and cost such as cost for transfer to new Atsugi Plant increased. As a result, sales was 30,129 million yen(8.0% decrease compared to the same period of last year) and operating income was 1,352 million yen(50.6% decrease compared to the same period of last year).

#### 2. After-Market business

As for after-market business, the sales was 1,921 million yen (2.9% decrease compared to the same period of last year) because of decrease in sales of aftermarket due to the effect of COVID-19, but operating income was 41 million yen (0 yen in the same period of last year) due to register of temporary profit.

### (3) Analysis of forward-looking information such as performance forecast

As for performance forecast for the fiscal year ending December 31, 2020, under the circumstances that the effect of COVID-19 is becoming more serious, it is difficult at this time to forecast the earnings which are significantly affected by both the sales linked to the car production volume of Japan and overseas (ASEAN and China) and the production linked to the supply chain capability including parts procurement from overseas, especially when it is uncertain how far COVID-19 will spread, when it will cease and what damages it will remain.

Therefore, the Company would like to change the consolidated forecast disclosed on February 13 to undecided and will disclose it again when the forecast becomes possible.

As for dividend forecast, the Company would like to change it to undecided because it is difficult to forecast the consolidated results. However, please note that it will remain unchanged that the Company considers both of the below as the important issues for the management to achieve.

(1) Improve the corporate value by Research and Development and capital investment utilizing internal reserves

(2) Improve the profit return to shareholders

(Status of response to COVID-19)

1. Measures to secure the safety of employees and to prevent the spread of infection

The Company considers the safety and health of employees as first priority, and thoroughly implements infection prevention measures such as hand washing and recommendation of coughing manners, strives for early detection of employees who are infected or suspected to be infected through daily health checks. In addition, after a COVID-19 case of employee reported, the company implements measures such as working from home, online meeting, and encouraging car commuting, as possible.

2. Operation status of the plants

(1) Japan

Our major plants in three prefectures, Kanagawa-ken, Gunma-ken and Oita-ken, continue operation. In response to the decrease in orders, we implement measures in accordance with operation status of customers, such as setting extraordinary holidays from April.

(2) Overseas

a. Malaysia

Though there was a suspension period under the instruction of government, the plant gradually restarted from mid-May.

b. Thailand

Operation is continued taking extraordinary holidays in accordance with operation status of customers.

c. Indonesia

Operation is continued taking extraordinary holidays in accordance with restriction of movement of nation and operation status of customers.

d. China

Though production was suspended in February under the instruction of government, operation rate was improved from March reflecting recovery in demand, and currently operation is at normal level.

3. Measures for profitability improvement

In order to make the expenses variable corresponding to the decrease in sales, we strongly implement measures for profitability improvement such as reduction of personnel expenses by taking extraordinary holidays and avoiding overtime working, securing subsidies, reduction of expenses such as business trip expenses, and postponement of non-urgent expenses and capital investment, etc.

4. Financial status

Though operating cash flow decreased in connection with decrease in sales, the Company is not concerned about fund balance because it secures commitment line from financial institutions and it can obtain a loan from its parent company, Valeo.

## 2. Consolidated Financial Statement

(1) Consolidated Balance Sheets

(Millions of yen)

	Previous Fiscal Year End (As of December 31, 2019)	First Quarter End (As of March 31, 2020)
<b>Assets</b>		
Current assets		
Cash and deposits	8,196	5,884
Notes and accounts receivable-trade	20,118	19,444
Electronically recorded monetary claims-operating	1,541	1,586
Merchandise and finished goods	4,878	4,739
Work in process	647	705
Raw materials and supplies	3,795	3,812
Other	7,166	6,899
Allowance for doubtful accounts	(89)	(56)
<b>Total current assets</b>	<b>46,255</b>	<b>43,015</b>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	12,351	12,904
Machinery, equipment and vehicles, net	13,823	14,695
Tools, furniture and fixtures, net	5,049	5,006
Land	3,398	3,362
Lease assets, net	1,551	1,038
Construction in progress	6,587	7,320
<b>Total property, plant and equipment</b>	<b>42,760</b>	<b>44,329</b>
Intangible assets		
goodwill	135	88
Other	1,151	1,151
<b>Total intangible assets</b>	<b>1,287</b>	<b>1,239</b>
Investments and other assets		
Investment securities	5,042	4,097
Long-term loans receivable	909	749
Deferred tax assets	3,956	4,287
Other	9,609	9,736
Allowance for doubtful accounts	(8)	(8)
<b>Total investments and other assets</b>	<b>19,510</b>	<b>18,863</b>
<b>Total noncurrent assets</b>	<b>63,558</b>	<b>64,432</b>
<b>Total assets</b>	<b>109,813</b>	<b>107,448</b>

(Millions of yen)

	Previous Fiscal Year End (As of December 31, 2019)	First Quarter End (As of March 31, 2020)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	29,549	28,832
Short-term loans payable	1,012	1,109
Current portion of long-term loans payable	1,129	1,129
Lease obligations	730	307
Income taxes payable	1,080	667
Accrued expenses	3,525	3,787
Provision for bonuses	1,004	1,961
Provision for directors' bonuses	25	51
Provision for product warranties	1,739	1,720
Other	6,023	4,740
<b>Total current liabilities</b>	<b>45,821</b>	<b>44,308</b>
Noncurrent liabilities		
Long-term loans payable	8,974	8,784
Lease obligations	490	727
Deferred tax liabilities	182	121
Retirement benefits	8,718	8,645
Asset retirement obligations	170	151
Provision for environmental program	8	8
Other	40	37
<b>Total noncurrent liabilities</b>	<b>18,586</b>	<b>18,477</b>
<b>Total liabilities</b>	<b>64,407</b>	<b>62,786</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	8,986	8,986
Capital surplus	2,505	2,505
Retained earnings	34,267	34,803
Treasury stock	(45)	(45)
<b>Total shareholders' equity</b>	<b>45,713</b>	<b>46,249</b>
Accumulated other comprehensive income		
Valuation difference on other securities.	1,899	1,239
Foreign currency translation adjustment	(2,905)	(3,536)
Adjustment retirement benefits	(467)	(437)
<b>Total accumulated other comprehensive income</b>	<b>(1,473)</b>	<b>(2,734)</b>
Minority interests	1,165	1,146
<b>Total net assets</b>	<b>45,405</b>	<b>44,661</b>
<b>Total liabilities and net assets</b>	<b>109,813</b>	<b>107,448</b>

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

Consolidated Statements of Income	(Millions of yen)	
	Previous 1st Quarter (January 1, 2019 ~ March 31, 2019)	Current 1st Quarter (January 1, 2020 ~ March 31, 2020)
Net sales	34,764	31,933
Cost of sales	26,638	25,171
Gross profit	8,125	6,762
Selling, general and administrative expenses	5,375	5,361
Operating income	2,750	1,401
Non-operating income		
Interest income	18	19
Dividends income	48	52
Foreign exchange gain	22	—
Other	10	46
Non-operating income	99	118
Non-operating expenses		
Interest expenses	58	29
Commission paid	22	0
Equity in losses of affiliates	79	134
Foreign exchange losses	—	131
Other	24	3
Non-operating expenses	186	300
Ordinary income	2,664	1,219
Extraordinary loss		
Loss on disposal of noncurrent assets	189	4
Total Extraordinary loss	189	4
Income (loss) before income taxes	2,474	1,215
Income taxes	746	335
Income (loss) before minority interests	1,728	879
Minority interests in income	25	7
quarterly net income (loss) attributable to the shareholder parent company	1,703	871

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	Previous 1st Quarter (January 1, 2019 ~ March 31, 2019)	Current 1st Quarter (January 1, 2020 ~ March 31, 2020)
Income (loss) before minority interests	1,728	879
Other comprehensive income		
Valuation difference on other securities	61	(660)
Foreign currency translation adjustment	226	(507)
Adjustment retirement benefits	33	30
Share of other comprehensive income of associates accounted for using equity method	241	(150)
Total other comprehensive income	563	(1,287)
Comprehensive income	2,291	(408)
(Details)		
Comprehensive income attributable to		
Owners of the parent	2,255	(389)
Minority interests	36	(18)



(3) Note on assumptions for going concern

There is no item to be reported.

(4) Segment Information

I. Previous First Quarter (January 1, 2019 to March 31, 2019)

1. Sales and profits or losses for each reportable segment

(Millions of yen)

	Segments			Other	Total
	Automotive Parts	Automotive Aftermarket	Sub Total		
Net sales					
(1) Sales to Outside Customers	32,765	1,678	34,443	320	34,764
(2) Intersegment Sales or Transfers	1	300	301	142	444
TOTAL	32,766	1,978	34,745	462	35,208
Segment income	2,740	0	2,740	0	2,741

\* "Other" shows business segments which is not included in reportable segment. It shows "Realestate business in our group".

2. Total amount for profit and loss in reportable segment and

Details of adjustment in the quarterly consolidated statement (Adjustment amounts and items)

(Millions of yen)

Profit	Amount
Total amount for Segment	2,740
Profit including "Other"	0
Elimination for intersegment	9
Operating income in quarterly consolidated statement	2,750

II. Current First Quarter (January 1, 2020 to March 31, 2020)

1. Sales and profits or losses for each reportable segment

(Millions of yen)

	Segments			Other	Total
	Automotive Parts	Automotive Aftermarket	Sub Total		
Net sales					
(1) Sales to Outside Customers	30,128	1,552	31,680	252	31,933
(2) Intersegment Sales or Transfers	0	369	370	281	651
TOTAL	30,129	1,921	32,051	534	32,585
Segment income	1,352	41	1,394	(7)	1,387

\* "Other" shows business segments which is not included in reportable segment. It shows "Sales and production business of electric bulb for automotive in our group".

2. Total amount for profit and loss in reportable segment and

Details of adjustment in the quarterly consolidated statement (Adjustment amounts and items)

(Millions of yen)

Profit	Amount
Total amount for Segment	1,394
Profit including "Other"	(7)
Elimination for intersegment	13
Operating income in quarterly consolidated statement	1,401