

# Summary of consolidated financial results as of December 31, 2017

14-Feb-18

Listed Company **ICHIKOH INDUSTRIES, LTD.** Tokyo First section  
 Code No, 7 2 4 4 URL <http://www.ichikoh.com/>  
 Represented by Heiko Sauer, President, COO, Representative director TEL (0463) 96-1442  
 Contact Masaki Takamori GM of Corporate Planning Department  
 Date for holding shareholders' meeting: March 27, 2018  
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 Financial Results Presentation to Be Held: No

(Figures under million yen rounded down)

## 1. Summary of financial results as of December 31, 2017 (April 1, 2017 ~ December 31, 2017)

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

	Net sales		Operating income		Ordinary income		Net income (loss) attributable to the	
	million yen	%	million yen	%	million yen	%	million yen	%
31-Dec-17	94,070	-	3,971	-	4,660	-	3,792	-
31-Mar-17	113,195	10.8	4,809	98.0	5,233	74.0	5,916	136.2

(Note)

Comprehensive income:

Dec 31,2017 5,095 million yen ( - %) Mar 31,2017 5,747 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-Dec-17	39.47	-	12.7	4.7	4.2
31-Mar-17	61.63	-	23.8	5.5	4.2

(Reference) Investment gains / losses on equity method :

Dec 31,2017 917 million yen Mar 31,2017 775 million yen

Note: Ichikoh Industries would change its fiscal year-end, which is subject to the partial amendment of the Company's Articles of Incorporation approved at the 87th Ordinary General Meeting of Shareholders to be held on 28 June 2017. In consolidated and non-consolidated financial statements, the 88th business term, which is a transitional period for the change in the fiscal year-end, will be a nine-month period commencing April 1,2017 and Ending December 31, 2017. For this reason, percentage changes of full year forecast are not given.

### (2) Consolidated financial conditions

	Total assets	Net assets	Ratio of shareholders' equity	Net assets per share
	million yen	million yen	%	yen
31-Dec-17	103,177	33,266	30.9	332.18
31-Mar-17	96,850	28,930	28.6	288.08

(Reference) Shareholders' equity:

Dec 31,2017 31,910 million yen Mar 31,2017 27,673 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-Dec-17	9,029	(4,745)	(6,545)	9,422
31-Mar-17	13,029	(8,758)	(9,643)	11,522

## 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-17	-	1.50	-	2.50	4.00	384	6.5	1.5
31-Dec-17	-	2.50	-	1.50	4.00	384	10.1	1.3
31-Dec-18 (forecast)	-	2.50	-	2.50	5.00		7.9	

3. Consolidated earnings forecasts for the year ending December 31, 2018 (January 1, 2018 ~ December 31, 2018)

(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	68,000	-	3,700	-	4,100	-	3,100	-	32.27
Full year	133,000	-	7,300	-	8,100	-	6,100	-	63.50

Note: Due to a change in the fiscal year, the consolidated fiscal year under review is the nine months starting on April 1, 2017 and ending on December 31, 2017. As a result, change from the previous corresponding period have not been provided.

※ 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-Dec-17 96,225,501 31-Mar-17 96,220,851

② Number of treasury stocks at the end

31-Dec-17 161,925 31-Mar-17 157,639

③ Average shares outstanding over period (cumulative; consolidated)

31-Dec-17 96,063,394 31-Mar-17 96,001,185

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

1. Summary of financial results as of December 31, 2017 (January 1, 2017 ~ December 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-Dec-17	72,812	-	3,204	-	3,326	-	2,940	-
31-Mar-17	87,482	16.2	3,777	50.5	4,013	45.8	4,985	87.1

	Net income per share	Net income per share including assuming diluted stocks
	yen	yen
31-Dec-17	30.61	-
31-Mar-17	51.93	-

(2) Financial conditions

	Total assets	Net assets	Ratio of shareholders' equity	Net assets per share
	million yen	million yen	%	yen
31-Dec-17	80,162	26,611	33.2	277.02
31-Mar-17	78,133	23,610	30.2	245.78

(Reference) Shareholders' equity:

Dec 31, 2017 26,611 million yen

Mar 31, 2017 23,610 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. Summary of Financial Results

### (1) Summary of Financial Results of this fiscal year

The consolidated accounting period in our company was initially set every year on March 31, however, it was changed to be from March 31 to December 31 after obtaining the approval of "Partial Amendment of the Articles of Incorporation" in the 87th Ordinary General Meeting of Shareholders held on June 28, 2017. For this reason, the consolidated accounting period of this time is an irregular account settlement with a transitional period of nine months from April 1 to December 31, 2017. And also, the 9 months consolidated P&L of our company and affiliate companies are compared with the same period of the previous fiscal year. The financial numbers of the same period of last fiscal year is a reference figures which are not audited.

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

The domestic car production volume increased as a reaction to the earthquakes in Kumamoto prefecture in 2016 that caused interruption of car production. As for ASEAN, car production increased compared to last year because of the recovery of consumers sentiment to refrain buying cars after the pass away of the King of Thailand, and as a result, the total car production in the three ASEAN countries increased. The trend of car production in Indonesia was same as last year, but decreased in Malaysia compared to last year due to poor car sales. As for China, car production increased compared to the last year sustained by the strong economy in China.

Under those circumstances, both revenue and profit increased in year-on-year, mainly owing to the growth of orders intakes in Japan and performance recovery of overseas affiliate companies in ASEAN. On the other hand, an additional loss on valuation was calculated because the method of inventory assessment was partially revised by becoming a consolidated affiliate company of Valeo. As a result, the revenue was 94,070 million yen (same period of last year 82,144 million yen, 14.5% increase), operating profit was 3,971 million yen (same period of last year 2,721 million yen, 45.9% increase), ordinary profit was 4,660 million yen (same period of last year 3,061 million yen, 52.2% increase), and net income attributable to shareholders of the parent company was 3,792 million yen (same period of last year 3,536 million yen, 7.2% increase).

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 intakes in Japan and performance recovery of overseas affiliates in ASEAN. The revenue was 87,318 million yen (same period of last year 75,905 million yen, 15.0% increase), operating income was 4,201 million yen (same period of last year 2,838 million yen, 48.0% increase).

#### 2. After-Market business

After-Market business revenue was 6,411 million yen (same period of last year 5,934 million yen, 8.0% increase), operating loss was 259 million yen (same period of last year 137 million yen operating loss).

### 3. Other business

Other business revenue was 1,551 million yen (same period of last year 1,403 million yen, 10.5% increase), operating income was 38 million yen (same period of last year 1 million yen operating loss).

#### (2) Future Outlooks

The consolidated accounting period of this time was changed to from March 31 to December 31 by obtaining the approval of " Partial Amendment of the Articles of Incorporation" in the 87th Ordinary General Meeting of Shareholders held on June 28, 2017. For this reason, the consolidated accounting period of this time is an irregular account settlement with a transitional period of nine months from April 1 to December 31, 2017, therefore, increase/decrease rates year-on-year are not described in the performance forecast.

The performance forecast is expected to be revenue 133,000 million yen, operating profit 7,300 million yen, ordinary profit 8,100 million yen, and net income attributable to shareholders of the parent company 6,100 million yen by the effect of favorable domestic and overseas order intakes in recent years, and also by the improvement of operations in ASEAN.

Regarding dividends, the company considers the redistribution of profits to its shareholders as an important issue, and the basic policy of the company is a continuous and stable profit-sharing with insights on a long-term future outlooks.

Distribution of midterm dividends was 2.5 yen per share, and for the period of Oct. 1 to Dec.31, 2017, the year-end dividend is 1.5 yen per share which is according to the projection, therefore, the annual dividend becomes 4 yen.

As for dividend of 2018, considering the major investment for the construction of a new plant in Japan, Morinosato in Atsugi city of Kanagawa Prefecture and the need to further enhance shareholders' equity, the company plans to keep the level of the mid-term dividend of the last year and distribute the annual dividend of 5 yen per share, i.e., 2.5 yen per share in both mid-term and year-end.

## 2. Basic concept on the selection accounting standards

The Japanese accounting standard is currently adopted in the company to realize easier year-on - year comparison and comparability to other companies of the same industry in Japan. However, comprehensively taking into account the fact that IFRS is adopted in the parent company, the company continues to consider the change of accounting system to IFRS in the future.

### 3. Consolidated Financial Statement

#### (1) Consolidated Balance Sheets

(Millions of yen)

	Previous Year End (As of March 31, 2017)	Current Year End (As of December 31, 2017)
<b>Assets</b>		
Current assets		
Cash and deposits	11,552	9,422
Notes and accounts receivable-trade	20,466	23,402
Electronically recorded monetary claims-operating	903	1,091
Merchandise and finished goods	4,004	4,658
Work in progress	534	713
Raw materials and supplies	2,857	3,310
Deferred tax assets	1,627	1,616
Other	2,481	3,145
Allowance for doubtful accounts	(312)	(130)
Total current assets	44,115	47,229
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	25,404	26,298
Accumulated depreciation	(15,042)	(15,819)
Buildings and structures, net	10,362	10,479
Machinery, equipment and vehicles	35,348	37,417
Accumulated depreciation	(25,267)	(25,908)
Machinery, equipment and vehicles, net	10,080	11,508
Tools, furniture and fixtures	12,383	12,650
Accumulated depreciation	(9,467)	(9,522)
Tools, furniture and fixtures, net	2,916	3,128
Land	3,459	3,434
Lease assets	11,530	15,839
Accumulated depreciation	(5,217)	(8,426)
Lease assets, net	6,313	7,412
Construction in progress	4,942	3,699
Total property, plant and equipment	38,074	39,662
Intangible assets		
goodwill	658	551
Other	1,460	1,301
Total intangible assets	2,119	1,852
Investments and other assets		
Investment securities	5,580	6,407
Long-term loans receivable	978	1,035
Investment in affiliates	5,227	6,273
Deferred tax assets	270	142
Other	490	578
Allowance for doubtful accounts	(5)	(4)
Total investments and other assets	12,541	14,433
Total noncurrent assets	52,734	55,948
<b>Total assets</b>	<b>96,850</b>	<b>103,177</b>

(Millions of yen)

	Previous Year End (As of March 31, 2017)	Current Year End (As of December 31, 2017)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	22,698	24,938
Short-term loans payable	1,155	6,733
Current portion of long-term loans payable	4,724	985
Lease obligations	4,234	5,270
Income taxes payable	633	265
Accrued expenses	2,881	3,693
Accounts payable	1,788	1,229
Provision for bonuses	1,825	958
Provision for directors' bonuses	64	29
Provision for product warranties	1,329	1,361
Notes payable-facilities	330	213
Other	816	1,932
<b>Total current liabilities</b>	<b>42,480</b>	<b>47,611</b>
<b>Noncurrent liabilities</b>		
Long-term loans payable	11,992	8,817
Lease obligations	3,551	3,750
Deferred tax liabilities	678	856
Retirement benefits	9,021	8,603
Asset retirement obligations	183	214
Provision for environmental measures	9	8
Other	2	48
<b>Total noncurrent liabilities</b>	<b>25,439</b>	<b>22,299</b>
<b>Total liabilities</b>	<b>67,919</b>	<b>69,911</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	8,955	8,957
Capital surplus	2,735	2,476
Retained earnings	17,138	20,449
Treasury stock	(39)	(43)
<b>Total shareholders' equity</b>	<b>28,788</b>	<b>31,840</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,738	2,306
Deferred gain for hedges	(5)	-
Foreign currency translation adjustment	(2,482)	(1,982)
Adjustment retirement benefits	(365)	(254)
<b>Total accumulated other comprehensive income</b>	<b>(1,114)</b>	<b>69</b>
<b>Minority interests</b>	<b>1,256</b>	<b>1,356</b>
<b>Total net assets</b>	<b>28,930</b>	<b>33,266</b>
<b>Total liabilities and net assets</b>	<b>96,850</b>	<b>103,177</b>

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

Consolidated Statements of Income

(Millions of yen)

	Previous FY (April 1, 2016 ~ March 31, 2017)	Current FY (April 1, 2017 ~ December 31, 2017)
Net sales	113,195	94,070
Cost of sales	89,587	75,153
Gross profit	23,607	18,917
Selling, general and administrative expenses	18,798	14,945
Operating income (loss)	4,809	3,971
Non-operating income		
Interest income	88	80
Dividends income	228	184
Equity in earnings of affiliates	775	917
Other	108	95
Total non-operating income	1,200	1,278
Non-operating expenses		
Interest expenses	443	454
Commission fee	5	4
Foreign exchange losses	217	54
Other	110	76
Total non-operating expenses	776	590
Ordinary income	5,233	4,660
Extraordinary income		
Gain on disposal of noncurrent assets	1	23
Total extraordinary income	1	23
Extraordinary loss		
Loss on disposal of noncurrent assets	134	87
Impairment loss	-	40
Settlement	187	-
Total extraordinary losses	321	128
Income before income taxes and minority interests	4,913	4,555
Income taxes-current	765	585
Income taxes-deferred	(1,820)	118
Total income taxes	(1,055)	704
Income before minority interests	5,969	3,850
Minority interests in income	52	58
Net income	5,916	3,792

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	Previous FY (April 1, 2016 ~ March 31, 2017)	Current FY (April 1, 2017 ~ December 31, 2017)
Income before minority interests	5,969	3,850
Other comprehensive income		
Valuation difference on available-for-sale securities	315	567
Deferred gain for hedges	6	5
Foreign currency translation adjustment	(590)	516
Remeasurements of defined benefit plans.	480	110
Share of other comprehensive income of associates accounted for using equity method	(434)	43
Total other comprehensive income	(221)	1,244
Comprehensive income	5,747	5,095
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	5,797	4,976
Comprehensive income attributable to minority interests	(49)	119

**(3) Consolidated Statements of Change in Net Assets**

(Millions of yen)

	Previous FY (April 1, 2016 ~ March 31, 2017)	Current FY (April 1, 2017 ~ December 31, 2017)
<b>Shareholders' equity</b>		
Capital stock		
Balance at the beginning of current period	8,929	8,955
Issue new shares	26	2
Total changes of items during the period	26	2
Balance at the end of current period	8,955	8,957
Capital surplus		
Balance at the beginning of current period	2,708	2,735
Issue new shares	26	2
Change in treasury shares of parent arising from transactions with non controlling shareholders	-	(260)
Total changes of items during the period	26	(258)
Balance at the end of current period	2,735	2,476
Retained earnings		
Balance at the beginning of current period	11,509	17,138
Net income	5,916	3,792
Dividend of Surplus	(287)	(480)
Total changes of items during the period	5,628	3,311
Balance at the end of current period	17,138	20,449
Treasury stock		
Balance at the beginning of current period	(34)	(39)
Purchase of treasury stock	(4)	(3)
Total changes of items during the period	(4)	(3)
Balance at the end of current period	(39)	(43)
Total shareholders' equity		
Balance at the beginning of current period	23,112	28,788
Net income	5,916	3,792
Issue new shares	52	4
Dividend of Surplus	(287)	(480)
Change in treasury shares of parent arising from transactions with non controlling shareholders	-	(260)
Purchase of treasury stock	(4)	(3)
Total changes of items during the period	5,675	3,052
Balance at the end of current period	28,788	31,840
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	1,423	1,738
Net changes of items other than shareholders' equity	315	567
Total changes of items during the period	315	567
Balance at the end of current period	1,738	2,306
Deferred gain for hedges		
Balance at the beginning of current period	(12)	(5)
Net changes of items other than shareholders' equity	6	5
Total changes of items during the period	6	5
Balance at the end of current period	(5)	-
Foreign currency translation adjustment		
Balance at the beginning of current period	(1,560)	(2,482)
Net changes of items other than shareholders' equity	(922)	500
Total changes of items during the period	(922)	500
Balance at the end of current period	(2,482)	(1,982)
Adjustment retirement benefits		
Balance at the beginning of current period	(846)	(365)
Net changes of items other than shareholders' equity	480	110

Total changes of items during the period	480	110
Balance at the end of current period	(365)	(254)
Total accumulated other comprehensive income		
Balance at the beginning of current period	(995)	(1,114)
Net changes of items other than shareholders' equity	(119)	1,184
Total changes of items during the period	(119)	1,184
Balance at the end of current period	(1,114)	69
Minority interests		
Balance at the beginning of current period	1,460	1,256
Net changes of items other than shareholders' equity	(204)	99
Total changes of items during the period	(204)	99
Balance at the end of current period	1,256	1,356
Total net assets		
Balance at the beginning of current period	23,578	28,930
Net income	5,916	3,792
Issue new shares	52	4
Dividend of Surplus	(287)	(480)
Change in treasury shares of parent arising from transactions with non controlling shareholders	-	(260)
Purchase of treasury stock	(4)	(3)
Net changes of items other than shareholders' equity	(323)	1,283
Total changes of items during the period	5,352	4,335
Balance at the end of current period	28,930	33,266

**(4) Consolidated Cash Flows**

(Millions of yen)

	Previous FY (April 1, 2016 ~ March 31, 2017)	Current FY (April 1, 2017 ~ December 31, 2017)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	4,913	4,555
Depreciation and amortization	7,565	6,751
Amortization of goodwill	188	146
Increase (decrease) in allowance for doubtful accounts	159	(183)
Increase (decrease) in provision for bonuses	48	(870)
Increase (decrease) in provision for product warranties	66	30
Increase (decrease) in retirement benefits	(235)	(359)
Interest and dividends income	(316)	(265)
Interest expenses	443	454
Impairment loss	-	40
Equity in (earnings) losses of affiliates	(775)	(917)
Loss (gain) on disposal of noncurrent assets	132	63
Decrease (increase) in notes and accounts receivable-trade	(1,373)	(2,968)
Decrease (increase) in inventories	(246)	(1,233)
Decrease (increase) in other current assets	(132)	328
Increase (decrease) in notes and accounts payable-trade	2,429	2,131
Increase (decrease) in other current liabilities	739	2,483
Other, net	111	(75)
Subtotal	13,718	10,112
Interest and dividends income received	273	217
Interest expenses paid	(430)	(452)
Income taxes paid	(532)	(848)
Net cash provided by (used in) operating activities	13,029	9,029
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(13,316)	(8,768)
Proceeds from sales of property, plant and equipment	4,852	4,471
Payments acquisition of intangible fixed assets	(162)	(95)
Purchase of investment securities	(18)	(13)
Other, net	(114)	(338)
Net cash provided by (used in) investing activities	(8,758)	(4,745)

(Millions of yen)

	Previous FY (April 1, 2016 ~ March 31, 2017)	Current FY (April 1, 2017 ~ December 31, 2017)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(3)	5,578
Proceeds from long-term loans payable	400	1,400
Repayment of long-term loans payable	(5,058)	(8,314)
Proceeds from sales and lease-back	52	-
Dividend receipt	(287)	(480)
Cash dividends paid to minority shareholders	(154)	(19)
Repayments of lease obligations	(4,586)	(4,445)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	(260)
Other, net	(4)	(3)
Net cash provided by (used in) financing activities	(9,643)	(6,545)
Effect of exchange rate change on cash and cash equivalents	(269)	162
Net increase (decrease) in cash and cash equivalents	(5,642)	(2,099)
Cash and cash equivalents at beginning of period	17,164	11,522
Cash and cash equivalents at end of period	11,522	9,422