Consolidated Financial Summary FY2017

(April 1, 2016 – March 31, 2017)

TS TECH Co.,Ltd.

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

Consolidated Financial Summary for FY2017 (under IFRS)

April 28, 2017

Company name: TS TECH CO., LTD. Stock exchange listing: Tokyo Stock Exchange
Stock code: 7313 URL: http://www.tstech.co.jp
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Scheduled date of general meeting of shareholders: June 23, 2017
Scheduled date of commencement of dividend payment: June 26, 2017
Scheduled date for filing of securities report: June 26, 2017
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 FY2017 (April 1, 2016 - March 31, 2017)

(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	%
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
FY2016	458,732	8.6	39,279	9.0	40,766	1.2	29,413	6.2	23,528	4.2	12,339	-72.6

	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	%	%	%
FY2017	288.58	—	9.6	11.4	8.1
FY2016	346.01	—	12.1	13.6	8.6

(Reference) Share of profit (loss) of investments accounted for using the equity method FY2017 324 million yen FY2016 482 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		%	Yen
FY2017	322,202	230,989	212,417	65.9	3,123.88
FY2016	303,948	219,092	197,060	64.8	2,898.04

(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
FY2017	34,045	-12,409	-14,214	96,008
FY2016	47,531	-25,299	-12,319	90,437

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	%	%
FY2016	—	33.00	—	33.00	66.00	4,487	19.1	2.3
FY2017	—	35.00	—	35.00	70.00	4,759	24.3	2.3
FY2018 (Forecasts)	—	38.00	—	38.00	76.00		22.5	

3. Consolidated Forecasts for FY2018 (April 1, 2017 - March 31, 2018)

(% 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 FY2018	215,000	6.4	20,900	34.3	21,600	45.3	15,300	47.6	11,200	39.0	164.71
FY2018	435,000	2.2	40,000	15.7	41,500	15.9	29,000	15.6	23,000	17.2	338.25

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	FY2017	68,000,000 shares	FY2016	68,000,000 shares
2) Number of treasury stock at the end of the term	FY2017	2,050 shares	FY2016	1,974 shares
3) Average number of shares during the term (cumulative)	FY2017	67,997,961 shares	FY2016	67,998,076 shares

(Note) For the number of shares that is the basis for the calculation of basic earnings per share, please see page 19, "Per Share Information."

(Reference) Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for FY2017 (April 1, 2016 - March 31, 2017)

(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	%
FY2017	85,456	-2.5	1,939	-48.0	11,309	-17.8	8,822	-22.7
FY2016	87,684	6.9	3,728	82.2	13,762	17.2	11,409	16.5

	Net income per share	Diluted net income per share
	Yen	Yen
FY2017	129.74	—
FY2016	167.79	—

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2017	115,182	96,227	83.5	1,415.16
FY2016	111,161	91,077	81.9	1,339.42

(Reference) Shareholders' equity: FY2017 96,227 million yen FY2016 91,077 million yen
(Note) Financial figures in the non-consolidated financial results are based on Japanese accounting standards.

*This consolidated financial summary is exempt from auditing.

* 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 FY2018" on page 6 for assumptions and other information that form the premise for the operating results forecast above.

Presentation materials used at the briefing held on April 28, 2017 can be obtained via the following URL:
(IR Library): http://www.tstech.co.jp/english/ir/

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1. Operating Performance Overview

(1) Overview of Financial Results

Despite volatility stemming from growing concerns about the Chinese economy as well as the Brexit vote, the global economy during the period under review stabilized thanks to a late rally by the Chinese economy and a moderate recovery by the American economy. Although order volume was down in the Americas and India, order volume for the TS TECH Group remained steady overall, driven by higher order volume for seats for the full model change Honda Civic primarily in the U.K. and Thailand as well as a boost from increased demand for SUVs in China.

Against this backdrop, the Group pursued various measures to improve revenue in the final year of its 12th Medium-Term Management Plan. Despite lower revenue, the Group proceeded with production loss improvements and streamlining in the Americas segment aimed at structural reforms. In China, a plant relocation in association with an urban development project in Guangzhou concluded, and the new plant, which has improved its production efficiency, is now online. Additionally, in Asia, the Group implemented various measures to improve component competitiveness, such as launching operations at a cutting and sewing subsidiary to further improve profitability.

Revenue for the fiscal year under review amounted to 425,794 million yen on a consolidated basis, down 32,937 million yen (7.2%) from the preceding fiscal year. The impact of exchange rates driven by the stronger yen offset an increase in order volume from major customers. Looking at profits, operating income stood at 34,557 million yen, a decrease of 4,722 million yen (12.0%) year on year. This reflected a decline in revenue due mainly to exchange rates as well as a temporary increase labor costs related to transitions to new models, offsetting aggressive cost-cutting measures. Income attributable to owners of parent totaled 19,622 million yen, a decrease of 3,905 million yen (16.6%) year-on-year.

These figures include the amount the Group is expected to bear in conjunction with the matter outlined in the “Notice of a Recall of an Automobile Model Equipped with Group Products” release that was issued on January 10, 2017.

*USD/JPY average exchange rate…FY2016: ¥120.1　FY2017: ¥108.4

Operating performance by geographic segment is as follows:

(Japan)

Despite no new model launches, the Group worked to reduce costs through measures such as the establishment of a high-efficiency production structure dedicated to minicars and other small models in the Suzuka District; greater efficiency and self-sufficiency through automated supply and transport systems at domestic locations; and changes to welding line layouts.

The operating performance of the Japanese segment is as follows:

（Unit: Million yen）

	FY2016	FY2017	Year-on-year	Changes
Revenue	92,071	91,830	-240	-0.3%
Operating income	9,152	7,343	-1,809	-19.8%

Main factors for year-on-year changes

Revenue	Despite an improved makeup of models, revenue decreased slightly due to the impact of exchange rates stemming from a stronger yen.
Operating income	Operating income decreased mainly due to development costs and the impact of exchange rates, offsetting an improved makeup of models.

(The Americas)

In the fiscal year under review, the Group launched production of seats and interior products for Honda's CR-V and NSX in North America.

To be even more competitive in the increasingly fierce markets in the Americas, new batch welding facilities were installed at each location in tandem with the CR-V model change in a move to increase productivity. In addition, the Group actively worked to expand sales beyond existing customers,* resulting in the start of production for 3rd row seats for a new Volkswagen SUV at a recently expanded plant at TS TECH ALABAMA, LLC. as well as the receipt of orders for trim cover for Volkswagen in Brazil.

The operating performance of the Americas segment is as follows:

(Unit: Million yen)

	FY2016	FY2017	Year-on-year	Changes
Revenue	247,087	213,008	-34,078	-13.8%
Operating income	14,327	12,365	-1,961	-13.7%

Main factors for year-on-year changes

Revenue	Revenue decreased due to the impact of exchange rates stemming from a stronger yen and changes in the makeup of models.
Operating income	Despite aggressive cost-cutting measures, operating income decreased due to the effects of lower revenue and exchange conversion.

*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 models such as Honda's Avancier and Gienia.

The relocation of GUANGZHOU TS AUTOMOTIVE INTERIOR SYSTEMS CO., LTD. in association with an urban development project in the Zengcheng District of Guangzhou concluded, and the new plant is now operational. The plant strove to make itself even more competitive by improving productivity through measures such as optimal manufacturing/logistics routes using integrated production lines and the installation of new integrated foam molding machines, which offer the fastest production in the group.

The operating performance of the Chinese segment is as follows:

(Unit: Million yen)

	FY2016	FY2017	Year-on-year	Changes
Revenue	96,513	94,990	-1,522	-1.6%
Operating income	16,171	16,425	253	1.6%

Main factors for year-on-year changes

Revenue	Revenue decreased slightly primarily due to the impact of exchange rates stemming from a stronger yen, offsetting a rise in order volume from major customers and an improved makeup of models.
Operating income	Despite the effects of exchange conversion and higher labor costs, operating income increased slightly due an improved makeup of models.

(Asia and Europe)

In the fiscal year under review, the Group launched production of seats for Honda's Civic in the U.K. and BR-V in India.

Operations commenced at cutting and sewing subsidiary TS TECH BANGLADESH LIMITED, which was established both as a supplementary global base for the Group's trim cover and with the goal of making automobile seat components even more cost competitive.

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

(Unit: Million yen)

	FY2016	FY2017	Year-on-year	Changes
Revenue	59,257	59,825	567	1.0%
Operating income	4,671	3,313	-1,357	-29.1%

Main factors for year-on-year changes

Revenue	Revenue increased slightly mainly due to higher order volume from major customers, offsetting the impact of exchange rates stemming from a stronger yen.
Operating income	Despite aggressive cost-cutting measures, operating income decreased primarily due to higher expenses such as new model changeover costs, temporary additional expenses, and the effects of exchange conversion.

Revenue by business segment is as follows:

(Unit: Million yen)

	FY2016		FY2017		Year-on-year	Changes
		Ratio		Ratio		
Motorcycles	6,302	1.4%	5,713	1.3%	-588	-9.3%
Automobiles	445,885	97.2%	414,447	97.4%	-31,437	-7.1%
(Seats)	398,230	86.8%	361,843	85.0%	-36,387	-9.1%
(Interior products)	47,655	10.4%	52,604	12.4%	4,949	10.4%
Other businesses	6,543	1.4%	5,632	1.3%	-911	-13.9%
Total	458,732	100.0%	425,794	100.0%	-32,937	-7.2%

(2) Overview of Financial Position

Assets, liabilities, and equity

(Assets)

Assets at the end of FY2017 stood at 322,202 million yen, increasing 18,254 million yen from the end of FY2016. The main factors for the rise were higher order volume from major customers as well as an increase in trade and other receivables from the allocation of amounts estimated to be collected from business partners in conjunction with a recall by a major customer.

(Liabilities)

Total liabilities at the end of FY2017 amounted to 91,212 million yen, up 6,357 million yen from the end of FY2016. This is due primarily to an increase in operating and other debts on higher order volume from major customers as well as the allocation of provisions related to a recall by a major customer.

(Equity)

Equity at the end of FY2017 totaled 230,989 million yen, rising 11,896 million yen from the end of FY2016. 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 FY2016 amounted to 96,008 million yen, up 5,571 million yen from the end of the previous fiscal year.

(Cash flows from operating activities)

Cash flows from operating activities amounted to 34,045 million yen, showing a year-on-year decrease of 13,486 million yen. This is the result of a decrease of 4,974 million yen in income before tax; a change in operating and other receivables from a decrease of 5,236 million yen in the previous fiscal year to a decrease of 12,510 million yen in FY2017; and a change in operating and other debts from an increase of 11,731 million yen in the previous fiscal year to an increase of 4,962 million yen in FY2017.

(Cash flows from investing activities)

Cash flows from investing activities came to 12,409 million yen, a decrease of 12,890 million yen year-on-year. This primarily reflects a decrease of 6,683 million yen in payments from the purchase of property, plant and equipment as well as a net change in both payments into and proceeds from the withdrawl of time deposits from an outlay of 4,919 million yen to an intake of 1,525 million yen in FY2017.

(Cash flows from financial activities)

Cash flows from financial activities totaled 14,214 million yen, an increase of 1,894 million yen year-on-year. This reflects 3,470 million yen in payments for the purchase of shares of consolidated affiliates from non-controlling interests, offsetting a change in net increase (decrease) in short-term loans payable from a decrease of 777 million yen to a decrease of 133 million yen in FY2017.

(4) Consolidated Earnings Forecasts for FY2018

The Group's consolidated forecasts for FY2018 are as follows:

Revenue	435.0 billion yen	(Up 2.2% year-on-year)
Operating income	40.0 billion yen	(Up 15.7% year-on-year)
Income before tax	41.5 billion yen	(Up 15.9% year-on-year)
Net income	29.0 billion yen	(Up 15.6% year-on-year)
Income attributable to owners of parent	23.0 billion yen	(Up 17.2% year-on-year)

The Group has assumed 1 USD = 108.0 yen (108.4 yen for the period under review) and 1 CNY = 15.7 yen (16.1 yen for the period under review) for its full-year average exchange rates.

The Group's forecasts by segment are as follows:

(Japan)

(Unit: Million yen)

	FY2017	FY2018 Forecasts	Year-on-year	Changes
Revenue	91,830	93,090	1,259	1.4%
Operating income	7,343	7,960	616	8.4%

Main factors for year-on-year changes

Revenue: Revenue is anticipated to increase slightly due higher order volume from major customers, offsetting a change in the makeup of models.

Operating income: Operating income is expected to increase due to higher revenue.

(The Americas)

(Unit: Million yen)

	FY2017	FY2018 Forecasts	Year-on-year	Changes
Revenue	213,008	218,810	5,801	2.7%
Operating income	12,365	14,610	2,244	18.2%

Main factors for year-on-year changes

Revenue: Revenue is expected to increase due higher order volume from major customers.

Operating income: Operating income is anticipated to increase due to aggressive cost-cutting measures and the effects of higher revenue.

(China)

（Unit: Million yen）

	FY2017	FY2018 Forecasts	Year-on-year	Changes
Revenue	94,990	90,350	-4,640	-4.9%
Operating income	16,425	16,910	484	3.0%

Main factors for year-on-year changes

Revenue	Revenue is expected to decrease due to a change in the makeup of models, offsetting an increase in order volume from major customers.
Operating income	Despite lower revenue, operating income is anticipated to increase due to compensation accompanying the end of the Guangzhou plant relocation.

(Asia and Europe)

（Unit: Million yen）

	FY2017	FY2018 Forecasts	Year-on-year	Changes
Revenue	59,825	68,670	8,844	14.8%
Operating income	3,313	5,800	2,486	75.1%

Main factors for year-on-year changes

Revenue	Revenue is anticipated to rise due to a change in the makeup of models as well as higher volume from major customers.
Operating income	Operating income is expected to increase due to higher revenue and the elimination of new model changeover costs.

The Group also plans a capital investment of 9.3 billion yen, down 17.0% 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)

	FY2016 (As of March 31, 2016)	FY2017 (As of March 31, 2017)
Assets		
Current assets		
Cash and cash equivalents	90,437	96,008
Trade and other receivables	56,849	68,024
Other financial assets	8,948	7,307
Inventories	27,763	29,059
Income tax receivables	1,201	449
Other current assets	4,918	5,280
Total assets	190,118	206,131
Non-current assets		
Property, plant and equipment	76,338	76,576
Intangible assets	11,467	11,695
Investments accounted for using the equity method	1,016	1,028
Other financial assets	21,580	22,019
Assets concerning retirement benefits	598	1,896
Deferred tax assets	1,897	1,906
Other non-current assets	931	948
Total non-current assets	113,829	116,070
Total assets	303,948	322,202

(Unit: Million yen)

	FY2016 (As of March 31, 2016)	FY2017 (As of March 31, 2017)
Liabilities and equity		
Current liabilities		
Trade and other payables	66,224	69,476
Current borrowings	1,086	973
Other financial liabilities	1,452	709
Income tax receivables	2,406	2,871
Provisions	107	3,940
Other current liabilities	4,107	2,173
Total current liabilities	75,384	80,143
Non-current liabilities		
Non-current borrowings	21	315
Other financial liabilities	1,775	1,530
Liabilities related to retirement benefits	945	1,098
Provisions	78	101
Deferred tax liabilities	4,847	6,173
Other non-current liabilities	1,802	1,850
Total non-current liabilities	9,470	11,068
Total liabilities	84,855	91,212
Equity		
Capital stock	4,700	4,700
Capital surplus	4,949	5,257
Treasury stock	-4	-4
Retained earnings	179,851	194,847
Other components of equity	7,563	7,617
Total equity attributable to owners of parent	197,060	212,417
Non-controlling interests	22,031	18,572
Total equity	219,092	230,989
Total liabilities and equity	303,948	322,202

(2) Consolidated Statement of Income and Comprehensive Income

Consolidated Statement of Income (Unit: Million yen)

	FY2016 (April 1, 2015- March 31, 2016)	FY2017 (April 1, 2016- March 31, 2017)
Revenue	458,732	425,794
Cost of sales	-381,258	-355,176
Gross profit	77,473	70,617
Selling, general and administrative expenses	-39,414	-35,755
Other income	1,693	726
Other expenses	-472	-1,032
Operating income	39,279	34,557
Finance income	1,593	1,699
Finance costs	-589	-788
Share of profit (loss) of investments accounted for using the equity method	482	324
Income before tax	40,766	35,792
Income tax expense	-11,352	-10,705
Net income	29,413	25,086
Income attributable to		
Income attributable to owners of parent	23,528	19,622
Income attributable to non-controlling interests	5,885	5,463
Net income	29,413	25,086
Earnings per share		
Basic earnings per share (yen)	346.01	288.58
Diluted earnings per share (yen)	-	-

Consolidated Comprehensive Income

(Unit: Million yen)

	FY2016 (April 1, 2015- March 31, 2016)	FY2017 (April 1, 2016- March 31, 2017)
Net income	29,413	25,086
Other comprehensive income		
Components that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	-196	674
Total components that will not be reclassified to profit or loss	-196	674
Components that will be reclassified to profit or loss		
Change in fair value of financial assets available-for-sale	-2,314	912
Differences on translation from foreign operations	-14,498	-2,248
Share for equity method affiliates	-65	-86
Total components that will be reclassified to profit or loss	-16,878	-1,422
Other comprehensive income, net of tax	-17,074	-747
Comprehensive income for the period	12,339	24,339
Comprehensive income for the period attributable to		
Comprehensive income for the period attributable to the owners of parent	9,520	19,676
Comprehensive income for the period attributable to non-controlling interests	2,818	4,662
Comprehensive income for the period	12,339	24,339

(3) Consolidated Statement of Changes in Equity

FY2016 (April 1, 2015 - March 31, 2016)

(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	-3	160,899	21,571
Comprehensive income					
Profit				23,528	
Other comprehensive income					-14,007
Total comprehensive income	—	—	—	23,528	-14,007
Transactions with owners, etc.					
Dividends				-4,283	
Acquisition of treasury stock			-0		
Changes in ownership interests in subsidiaries					
Other				-291	
Total transactions with owners, etc.	—	—	-0	-4,575	—
Closing balance at the end of the fiscal year	4,700	4,949	-4	179,851	7,563

	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at the end of the previous fiscal year	192,116	24,385	216,502
Comprehensive income			
Profit	23,528	5,885	29,413
Other comprehensive income	-14,007	-3,066	-17,074
Total comprehensive income	9,520	2,818	12,339
Transactions with owners, etc.			
Dividends	-4,283	-5,170	-9,454
Acquisition of treasury stock	-0		-0
Changes in ownership interests in subsidiaries			
Other	-291	-1	-293
Total transactions with owners, etc.	-4,576	-5,172	-9,748
Closing balance at the end of the fiscal year	197,060	22,031	219,092

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					
Profit				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	—
Closing 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			
Profit	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
Closing balance at the end of the fiscal year	212,417	18,572	230,989

(4) Consolidated Statement of Cash Flows

(Unit: million yen)

	FY2016 (April 1, 2015- March 31, 2016)	FY2017 (April 1, 2016- March 31, 2017)
Cash flows from operating activities		
Income before tax	40,766	35,792
Depreciation and amortization	10,819	10,602
Impairment loss	14	284
Loss (gain) on disposal of non-current assets	-652	500
Finance income and finance costs	-1,452	-1,890
Equity in (earnings) losses of affiliates	-482	-324
Decrease (increase) in operating and other receivables	-5,236	-12,510
Net decrease (increase) in lease receivables and investment assets	3,072	2,809
Decrease (increase) in inventories	-1,244	-1,491
Increase (decrease) in operating and other debts	11,731	4,962
Increase in net defined benefit asset or liability	48	-1,155
Increase (decrease) in provisions	-78	3,904
Other	-554	-1,269
Subtotal	56,752	40,213
Interest income received	1,115	1,060
Dividend income received	1,147	473
Interest expenses paid	-182	-146
Income taxes paid	-11,300	-7,555
Cash flows from operating activities	47,531	34,045
Cash flows from investing activities		
Payments into time deposits	-8,305	-3,336
Proceeds from withdrawal of time deposits	3,385	4,862
Purchase of property, plant and equipment	-17,673	-10,990
Proceeds from sales of property, plant and equipment	872	301
Purchase of intangible assets	-2,633	-2,272
Purchase of equity instruments	-59	-57
Proceeds from sales of equity instruments	102	129
Payments of loans receivable	-270	-188
Collection of loans receivable	287	171
Other	-1,006	-1,028
Cash flows from investing activities	-25,299	-12,409

(Unit: million yen)

	FY2016 (April 1, 2015- March 31, 2016)	FY2017 (April 1, 2016- March 31, 2017)
Cash flows from financial activities		
Net increase (decrease) in short-term loans payable	-777	-133
Proceeds from long-term loans payable	27	300
Repayment of long-term loans payable	-59	-5
Repayments of finance lease obligations	-2,073	-1,657
Purchase of treasury stock	-0	-0
Cash dividends paid	-4,283	-4,623
Cash-dividends paid to non-controlling interests	-5,151	-4,623
Payments for purchase of shares of consolidated affiliates from non-controlling interests	―	-3,470
Net cash provided by (used in) financing activities	-12,319	-14,214
Effect of exchange rate change on cash and cash equivalents	-7,465	-1,850
Net increase (decrease) in cash and cash equivalents	2,446	5,571
Cash and cash equivalents at beginning of period	87,889	90,437
Increase in cash and cash equivalents from newly consolidated subsidiaries	101	―
Cash and cash equivalents at end of period	90,437	96,008

(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

FY2016 (April 1, 2015 - March 31, 2016)

(Unit: Million yen)

	Reporting Segments					Adjustments (Note)	Amounts stated in consolidated F/S
	Japan	The Americas	China	Asia and Europe	Total		
Revenue							
External revenue	64,936	246,194	88,975	58,624	458,732	—	458,732
Interarea transfer	27,135	892	7,537	632	36,197	-36,197	—
Total	92,071	247,087	96,513	59,257	494,929	-36,197	458,732
Segment profits	9,152	14,327	16,171	4,671	44,322	-5,043	39,279
Finance income and finance costs	—	—	—	—	—	—	1,004
Return on investment using the equity method	—	—	—	—	—	—	482
Income before tax	—	—	—	—	—	—	40,766

(Note) Adjustments of -5,043 million yen for segment profits included a deduction of 98 million yen for transactions between segments, and operating expenses of -5,141 million yen associated with the administration division of the headquarters of the parent company, 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	2,696	4,609	1,473	2,112	10,890	-71	10,819
Impairment loss	—	—	14	—	14	—	14
Capital payments	2,233	7,026	6,153	1,650	17,064	—	17,064

(Note) The adjustment for depreciation is a deduction for transactions between 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
Interarea 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 included a deduction of 97 million yen for transactions between segments, and operating expenses of -4,987 million yen associated with the administration division of the headquarters of the parent company, 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.

4. Information related to products and services

FY2016 (April 1, 2015 - March 31, 2016)

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.

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.

5. Information according to region

Revenue

(Unit: Million yen)

	FY2016 (April 1, 2015- March 31, 2016)	FY2017 (April 1, 2016- March 31, 2017)
Japan	63,160	63,813
U.S.	176,996	150,879
Canada	60,388	51,890
China	89,219	88,800
Other	68,966	70,410
Total	458,732	425,794

(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)

	FY2016 (As of March 31, 2016)	FY2017 (As of March 31, 2017)
Japan	29,996	30,463
U.S.	18,833	20,334
China	12,182	13,184
Other	26,792	24,288
Total	87,805	88,271

Information according to major customers

(Unit: Million yen)

	FY2016 (April 1, 2015- March 31, 2016)	FY2017 (April 1, 2016- March 31, 2017)
Honda Motor Co., Ltd. Group	423,410	385,753

(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.

	FY2016 (April 1, 2015- March 31, 2016)	FY2017 (April 1, 2016- March 31, 2017)
Income attributable to owners of parent (million yen)	23,528	19,622
Average number of common stock for the period (1,000 shares)	67,998	67,997
Basic earnings per share (yen)	346.01	288.58

(Subsequent Events)

Not applicable