

## Summary of Financial Results for the First Quarter of the Fiscal Year Ending March 2016 [Japan GAAP]

Name of Company: SHIROKI CORPORATION  
 Stock Code: 7243 URL: <http://www.shiroki.co.jp/english/index.html>  
 Stock Exchange Listing: Tokyo Stock Exchange, First Section,  
 Nagoya Stock Exchange, First section

Representative: Title: Representative Director and President Name: Takuo Matsui  
 Contact Person: Title: Manager, Accounting Division Name: Masutaka Kaede  
 Tel: +81-(533) 93-1269  
 Date of filing of quarterly securities report: August 6, 2015 (tentative)  
 Date of commencement of dividend payment: -  
 Supplementary materials for quarterly financial report: Yes  
 Information meeting for quarterly financial report: None

(Yen in millions, rounded down)

## 1. Financial results for the first quarter of the fiscal year ending March 2016 (April 1, 2015 – June 30, 2015)

## (1) Results of operations (Consolidated, year-to-date)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First quarter of FY3/2016	32,668	8.8	265	(64.1)	298	(41.6)	150	(63.0)
First quarter of FY3/2015	30,014	9.9	740	43.8	510	(24.9)	405	(7.1)

Note: Comprehensive income: First quarter of FY2016: 137 million yen [-17.7%], First quarter of FY2015: 167 million yen [-88.5%]

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
First quarter of FY3/2016	1.69	-
First quarter of FY3/2015	4.58	-

## (2) Financial position (Consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2015	86,983	44,186	50.3	493.40
As of March 31, 2015	85,147	44,311	51.4	494.33

Reference: Shareholders' equity As of June 30, 2015: 43,716 million yen As of March 31, 2015: 43,800 million yen

## 2. Dividends

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Annual
	Yen	Yen	Yen	Yen	Yen
FY3/2015	-	2.00	-	3.00	5.00
FY3/2016	-				
FY3/2016 (est.)		2.00	-	3.00	5.00

Note: Change in the estimation of dividend from the latest announcement: None

## 3. Forecast for the fiscal year ending March 2016 (Consolidated, April 1, 2015 – March 31, 2016)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First Half	64,400	5.9	1,000	(0.5)	900	(20.7)	600	(31.7)	6.77
Full year	131,600	5.1	3,000	35.7	2,800	(4.5)	3,300	91.7	37.23

Note: Change in the forecast from the latest announcement: None

\* Notes

- (1) Changes in significant subsidiaries (Changes in specific subsidiaries accompanied by changes in the scope of consolidation): None
- (2) Use of accounting methods specifically for the preparation of the quarterly consolidated financial statements: None
- (3) Changes in accounting principles and estimates, and retrospective restatement
- (a) Changes due to revision of accounting standards: None
  - (b) Changes other than in (a): None
  - (c) Changes in accounting estimates: None
  - (d) Retrospective restatement: None
- (4) Number of shares outstanding (common stock)
- (a) Shares outstanding (including treasury shares)

As of June 30, 2015: 89,003,624	As of March 31, 2015: 89,003,624
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  - (b) Treasury stock

As of June 30, 2015: 401,892	As of March 31, 2015: 396,637
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  - (c) Average number of shares (quarterly consolidated cumulative period)

Period ended June 30, 2015: 88,604,560	Period ended June 30, 2014: 88,625,104
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\*Information concerning quarterly review procedure

The rule mandating a review of quarterly financial statements (under the Financial Instruments and Exchange Act) does not apply to this Summary of Financial Results.

The financial statements for the period were under review at the time this Summary of Financial Results was released.

\*Cautionary statement regarding forecasts of operating results and special notes

Forecasts regarding future performance in these materials are based on judgments made in accordance with information available at the time this report was prepared. Actual results may differ significantly from these forecasts for a number of factors. For information about the forecasts, please see "Forecast for the fiscal year ending March 2016" on page 2.

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## 1. Consolidated Business Results

### (1) Results of Operations

In the first quarter of the current consolidated fiscal year, the Japanese economy enjoyed a strong export performance thanks to the weak yen, and the stock market rose gently in response to the improving tone in the economic environment. On the other hand however, although the US economy remained firm, uncertainty lingered overseas in reaction to the slowdown in the Chinese economy, the Greek debt problem and other negative factors.

Against this backdrop, the automobile industry saw sales of ordinary vehicles rise in Japan but experienced a decline overall due to slump in production of light passenger cars. Although the US market remained firm, other overseas emerging markets, with the exception of India, saw declining levels of production.

Consequently, SHIROKI Group's net sales increased 8.8% to 32,668 million yen, operating income decreased 64.1% to 265 million yen, ordinary income decreased 41.6% to 298 million yen, and quarterly profit attributable to owners of parent was down 63.0% to 150 million yen.

In terms of the outlook for the future, with the pace of the global development of automakers continuing to accelerate, we anticipate that cost competition, particularly in emerging nations, will continue to become fiercer. We also expect the drive to reduce vehicle weights and improve safety to result in further expansion in the scale of technological development, and so we recognize that we have to take steps to ensure our continued growth in the face of the all the challenges in the business environment in which we operate. Consequently, the decision has been taken to reinforce our competitiveness by entering into a merger with the Aisin Seiki Co. Ltd. We have concluded a memorandum of basic agreement relating to this merger, by means of a share exchange, on December 19, 2014 and agreed on May 13, 2015 on the share exchange ratio.

Furthermore, we plan to initiate the merger on April 1, 2016, on the assumption that we have received the approval of the general meeting of shareholders for this merger and that we have also received the approval of the relevant authorities in each of the countries involved on the basis of the stipulations of the countries' legislation on competition as shall be applicable to the merger.

Please refer to the 'Notice of an agreement between Aisin Seiki Co. Ltd. and Shiroki Industries Co. Ltd. relating to a Management Merger by Means of an Exchange of Shares' issued on May 13, 2015.

Geographic segment performance was as follows.

- 1) Japan  
Net sales increased 0.1% to 20,512 million yen and operating income decreased 42.9% to 226 million yen.
- 2) United States  
Net sales increased 21.8% to 7,798 million yen and operating loss was 111 million yen compared with operating income of 132 million yen one year earlier.
- 3) China  
Net sales increased 2.9% to 1,671 million yen and operating loss was 47 million yen compared with operating income of 21 million yen one year earlier.
- 4) Other Asia  
Net sales increased 52.6% to 3,412 million yen and operating income increased 0.8% to 192 million yen.

### (2) Financial Condition

Assets totaled 86,983 million yen at the end of the first quarter, 1,835 million yen more than at the end of the previous fiscal year. Cash and deposits increased 1 billion yen and notes and accounts receivable-trade increased 235 million yen.

Liabilities increased 1,960 million yen to 42,796 million yen mainly because of increases of 661 million yen in the provision for bonuses and 651 million yen in short-term loans payable.

Net assets decreased 124 million yen to 44,186 million yen.

### (3) Forecast for the Fiscal Year Ending March 2016

There is no change in the forecast for consolidated results of operations in the current fiscal year that was announced on May 13, 2015.

## 2. Other Information

(1) Changes in significant subsidiaries

None

(2) Use of accounting methods specifically for the preparation of the quarterly consolidated financial statements

None

(3) Changes in accounting principles and estimates, and retrospective restatements

None

(4) Additional information

The Company has adopted the 'Accounting Standards for Financial Statements' (Company Accounting Standard No. 22 of September 13, 2013) Article 39. The method of presentation of net income for the quarter and from minority interests to non-controlling interests is changed to comply with the aforementioned standards.

In order to reflect these changes appropriately in the relevant disclosures, the consolidated quarterly financial statements for the first quarter of the previous fiscal year and the consolidated financial statements for the previous consolidate fiscal year are restated.

### 3. Quarterly Consolidated Financial Statements

#### (1) Quarterly consolidated balance sheets

(Million yen)

	As of March 31, 2015	As of June 30, 2015
<b>ASSETS</b>		
Current assets		
Cash and deposits	12,584	13,584
Notes and accounts receivable-trade	21,528	21,763
Merchandise and finished goods	1,062	1,206
Work in process	821	876
Raw materials and supplies	2,287	2,573
Other	4,016	3,972
Allowance for doubtful accounts	(1)	(1)
Total current assets	42,299	43,976
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	6,526	7,356
Machinery, equipment and vehicles, net	13,994	14,289
Land	3,980	4,210
Construction in progress	3,702	2,325
Other, net	3,161	3,114
Total property, plant and equipment	31,366	31,295
Intangible assets		
Goodwill	1,163	1,136
Other	365	344
Total intangible assets	1,528	1,481
Investments and other assets		
Investment securities	1,669	1,759
Net defined benefit asset	7,431	7,650
Other	881	846
Allowance for doubtful accounts	(28)	(28)
Total investments and other assets	9,953	10,228
Total noncurrent assets	42,848	43,006
Total assets	85,147	86,983

	As of March 31, 2015	As of June 30, 2015
<b>LIABILITIES</b>		
Current liabilities		
Notes and accounts payable-trade	20,666	20,828
Short-term loans payable	1,583	2,234
Current portion of long-term loans payable	108	6,106
Income taxes payable	180	287
Provision for bonuses	1,063	1,724
Provision for directors' bonuses	47	12
Other	5,668	6,101
Total current liabilities	29,317	37,295
Noncurrent liabilities		
Long-term loans payable	7,983	1,967
Provision for directors' retirement benefits	10	5
Net defined benefit liability	2,842	2,860
Asset retirement obligations	286	288
Other	396	379
Total Noncurrent liabilities	11,519	5,500
Total liabilities	40,836	42,796
<b>NET ASSETS</b>		
Shareholders' equity		
Capital stock	7,460	7,460
Capital surplus	9,699	9,699
Retained earnings	20,817	20,701
Treasury shares	(102)	(104)
Total shareholders' equity	37,874	37,756
Valuation and translation adjustments		
Valuation differences on available-for-sale securities	705	767
Foreign currency translation adjustment	1,825	1,834
Remeasurements of defined benefit plans	3,395	3,357
Total accumulated other comprehensive income	5,926	5,959
Non-controlling interests	510	470
Total net assets	44,311	44,186
Total liabilities and net assets	85,147	86,983

(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income  
(First quarter ended June 2015)

(Million yen)

	First quarter ended June 2014 (Apr. 1, 2014 – June 30, 2014)	First quarter ended June 2015 (Apr. 1, 2015 – June 30, 2015)
Net sales	30,014	32,668
Cost of sales	26,292	29,237
Gross profit	3,721	3,430
Selling, general and administrative expenses	2,981	3,165
Operating income (loss)	740	265
Non-operating income		
Interest income	21	25
Dividends income	8	9
Foreign exchange gains	-	16
Gain on sales of molds, etc.	8	40
Other	20	16
Total non-operating income	59	108
Non-operating expenses		
Interest expenses	41	58
Foreign exchange losses	173	-
Loss on sales of molds, etc.	64	0
Other	9	16
Total non-operating expenses	288	76
Ordinary income (loss)	510	298
Extraordinary income		
Gain on sales of noncurrent assets	-	0
Total extraordinary income	-	0
Extraordinary loss		
Loss on retirement of noncurrent assets	-	5
Impairment loss	17	34
Other	2	0
Total extraordinary loss	20	40
Income before income taxes and minority interests	490	258
Income taxes-current	362	316
Income taxes-deferred	(279)	(168)
Total income taxes	83	148
Profit	406	109
Profit attributable to owners of parent	405	150
Profit (loss) attributable to non-controlling interests	1	(40)
Other comprehensive income		
Valuation difference on available-for-sale securities	85	62
Foreign currency translation adjustment	(324)	3
Remeasurements of defined benefit plans, net of tax	(1)	(37)
Total other comprehensive income	(239)	27
Comprehensive income	167	137
Comprehensive income attributable to owners of the parent	177	177
Comprehensive income attributable to non-controlling interests	(9)	(39)



- (3) Notes to consolidated financial statements  
 (Going concern assumptions)  
 None

(Significant change in shareholders' equity)  
 None

(Segment information, etc.)

[Segment information]

I. For the first quarter ended June 2014 (Apr. 1, 2014 – June 30, 2014)

1. Information about sales and income (loss) by reportable segments

(Million yen)

	Japan	U.S.A.	China	Other Asia	Total
Net sales					
of which to outside customers	19,836	6,387	1,612	2,177	30,014
of which inter-segment and transfers	645	16	12	59	733
Total	20,482	6,404	1,625	2,236	30,748
Segment income (loss)	395	132	21	190	740

2. Reconciliation of difference between total income (loss) for reportable segments and in quarterly consolidated statements of income and consolidated statements of comprehensive income  
 (Item concerning adjustment for difference)

(Million yen)

Income	Amount
Total for reportable segments	740
Intersegment eliminations	(0)
Operating income on quarterly consolidated statements of income and consolidated statements of comprehensive income	740

3. Reportable segment information concerning impairment losses or goodwill amortization:  
 There was no significant impairment loss or goodwill amortization.

II. For the first quarter ended June 2015 (Apr. 1, 2015 – June 30, 2015)

1. Information about sales and income (loss) by reportable segments

(Million yen)

	Japan	U.S.A.	China	Other Asia	Total
Net sales					
of which to outside customers	19,877	7,797	1,671	3,322	32,668
of which inter-segment and transfers	635	0	0	90	726
Total	20,512	7,798	1,671	3,412	33,394
Segment income (loss)	226	(111)	(47)	192	259

2. Reconciliation of difference between total income (loss) for reportable segments and in quarterly consolidated statements of income and consolidated statements of comprehensive income  
(Item concerning adjustment for difference)

(Million yen)

Income	Amount
Total for reportable segments	259
Intersegment eliminations	6
Operating income on quarterly consolidated statements of income and consolidated statements of comprehensive income	265

3. Reportable segment information concerning impairment losses of noncurrent assets or goodwill, etc.:  
There were no significant changes in impairment losses of noncurrent assets or goodwill amortization.

4. Changes in reportable segments

From the fourth quarter of the previous fiscal year, in response to Shiroki Technico India became a consolidated subsidiary of the Group. To reflect this change, the name of the 'Southeast Asia' segment within the reportable segments is changed to 'Other Asia'.

Moreover, segment information for the first quarter of the previous fiscal year presented for the purpose of previous year comparison is restated to comply with the revised segment names.

(Supplementary Information)

**Supplementary data for the first quarter of the fiscal year ending March 2016**

1. Consolidated performance in the first quarter and fiscal year outlook

(Million yen, %)

	FY3/15 (First quarter)		FY3/16 (First quarter)		Change		Full year FY3/16 (Forecast)		Change vs. FY3/15	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Net sales	30,014	100.0	32,668	100.0	2,653	8.8	131,600	100.0	6,326	5.1
Operating income (loss)	740	2.5	265	0.8	(474)	(64.1)	3,000	2.3	789	35.7
Ordinary income (loss)	510	1.7	298	0.9	(212)	(41.6)	2,800	2.1	(132)	(4.5)
Profit (loss) attributable to owners of parent	405	1.4	150	0.5	(255)	(63.0)	3,300	2.5	1,578	91.7
Comprehensive income	167	0.6	137	0.4	(29)	(17.7)	-	-	-	-
Profit (loss) per share (yen)	4.58		1.69		(2.89)		37.23		17.81	
Shares outstanding (1,000 shs)	89,003		89,003		-		89,003		-	
No. of consolidated subsidiaries	14		15		1		15		-	
No. of equity-method affiliates	0		0		-		0		-	
Employees at end of period (except temporary workers)	3,526		3,744		218		-		-	

2. Sales by product category

(Million yen, %)

	FY3/15 (First quarter)		FY3/16 (First quarter)		Change	
	Amount	%	Amount	%	Amount	%
Wind regulator	11,159	37.2	12,233	37.4	1,073	9.6
Seat recliner, seat adjuster	7,843	26.1	8,864	27.1	1,020	13.0
Door sashes	6,965	23.2	7,851	24.0	885	12.7
Locks and hinges	1,903	6.3	1,711	5.2	(192)	(10.1)
Moldings	1,218	4.1	1,623	5.0	405	33.3
Others	923	3.1	384	1.3	(538)	(58.3)
Total	30,014	100.0	32,668	100.0	2,653	8.8

3. Sales by customer

(Million yen, %)

	FY3/15 (First quarter)		FY3/16 (First quarter)		Change	
	Amount	%	Amount	%	Amount	%
TOYOTA MOTOR CORP.	13,734	45.8	15,038	46.0	1,304	9.5
TOYOTA BOSHOKU CORP	3,810	12.7	4,446	13.6	635	16.7
TOYOTA AUTO BODY CO., LTD	823	2.8	994	3.1	170	20.8
DAIHATSU MOTOR CO., LTD	882	2.9	602	1.8	(280)	(31.8)
FUJI HEAVY INDUSTRIES LTD.	23	0.1	561	1.7	537	-
Others	1,275	4.2	1,431	4.4	156	12.3
Total Toyota Group	20,549	68.5	23,074	70.6	2,525	12.3
NISSAN MOTOR CO., LTD.	2,371	7.9	2,784	8.5	412	17.4
SUZUKI MOTOR CORP.	2,240	7.5	2,344	7.2	103	4.6
MITSUBISHI MOTORS CORP.	1,017	3.4	1,082	3.3	65	6.4
NHK SPRING CO., LTD	1,241	4.1	812	2.5	(428)	(34.5)
Others	2,594	8.6	2,569	7.9	(24)	(1.0)
Total	30,014	100.0	32,668	100.0	2,653	8.8

4. Reasons for increase/decrease in ordinary income (year-on-year comparison)

(Million yen)

Factors	Amount	Factors	Amount	
<b>Positive factors</b>		<b>Negative factors</b>		
· Changes in foreign exchange rates	244	· Changes in selling price	(137)	
· Changes in operating rates	200	· Increases in materials costs and personnel expenses, etc.	(562)	
· Reduction in cost of sales	43			
Total	487	Total	(699)	
			Net increase (decrease) in ordinary income	(212)

#### 5. Geographical segment

(Million yen, %)

		FY3/15 (First quarter)	FY3/16 (First quarter)	Change	
				Amount	%
Net sales	Japan	20,482	<b>20,512</b>	29	0.1
	U.S.A.	6,404	<b>7,798</b>	1,393	21.8
	China	1,625	<b>1,671</b>	46	2.9
	Other Asia	2,236	<b>3,412</b>	1,175	52.6
	Eliminations	(733)	<b>(726)</b>	7	-
Total		30,014	<b>32,668</b>	2,653	8.8
Operating income (loss)	Japan	395	<b>226</b>	(169)	(42.9)
	U.S.A.	132	<b>(111)</b>	(244)	-
	China	21	<b>(47)</b>	(69)	-
	Other Asia	190	<b>192</b>	1	0.8
	Eliminations	(0)	<b>6</b>	6	-
Total		740	<b>265</b>	(474)	(64.1)

#### 6. Consolidated financial condition

(Million yen, %)

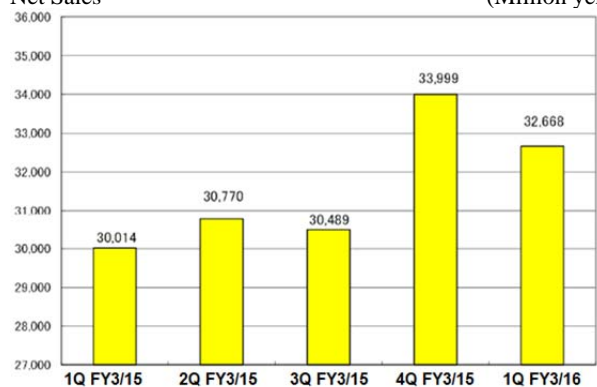
	FY3/15	FY3/16 (First quarter)	Difference
Total assets	85,147	<b>86,983</b>	1,835
Net assets	44,311	<b>44,186</b>	(124)
Equity ratio (%)	51.4	<b>50.3</b>	(1.1)
Net assets per share (yen)	494.33	<b>493.40</b>	(0.93)

## 7. Historical financial summary

(Million yen, %)

	FY3/14		FY3/15		FY3/16 (Forecast)	
Net sales	117,937	100.0	125,273	100.0	131,600	100.0
Operating income (loss)	2,730	2.3	2,210	1.8	3,000	2.3
Ordinary income (loss)	3,251	2.8	2,932	2.3	2,800	2.1
Profit (loss) attributable to owners of parent	2,036	1.7	1,721	1.4	3,300	2.5
Capital expenditures	5,285		5,341		6,125	
Depreciation and amortization	4,571		5,181		5,844	
Dividend per share (yen)	5.00		5.00		5.00	

Net Sales (Million yen)



Operating income and operating margin (Million yen, %)

