



FY2016 1st Quarter Financial Results ended June 30, 2015

July 31, 2015

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1. Revenue and profit increased due to overseas production volume increase and the growth in sales as well as the depreciation of yen.

2. Upward revision to the first- half forecast and maintain the original forecast to the full-year of operating profit

FY2016 1st Quarter Financial Results

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	(Ratio to Revenue)		(Unit: Billions of Yen)	
	FY16 1Q	FY15 1Q	Change	
Revenue	1,106.0	1,028.2	+ 77.8	+ 7.6%
Operating Profit (include Other income/ expenses)	(7.8%) 86.7 (- 0.5)	(8.0%) 82.1 (- 0.6)	+ 4.5 (+ 0.1)	+ 5.5%
Finance income/costs & others(※1)	20.4	12.2	+ 8.2	
Profit before Income Taxes	(9.7%) 107.0	(9.2%) 94.3	+ 12.7	+ 13.5%
Profit (※2)	(6.7%) 73.9	(6.1%) 63.0	+10.9	+ 17.2%
Foreign Exchange Rate	JPY 121/\$ JPY134/Euro	JPY 102/\$ JPY140/Euro	+ JPY 19 - JPY 6	
Domestic Car Production	2.09	2.30	- 0.21	- 9.1%
Overseas Car Production of Japanese Manufacturers (North America)	4.54 (1.61)	4.50 (1.48)	+ 0.04 (+0.13)	+ 0.9% (+ 8.8%)

※1 Finance income, Finance costs, Foreign exchange gains/loss, Share of the profit of associates accounted for using the equity method

※2 Profit attributable to owners of the parent company

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[Overview of the consolidated financial results]

We posted revenue of 1,106.0 billion yen, up 77.8 billion yen from the previous year, equivalent to annual revenue growth of 7.6%.

Operating profit reached 86.7 billion yen, 4.5 billion yen higher than a year, up 5.5% from the previous year.

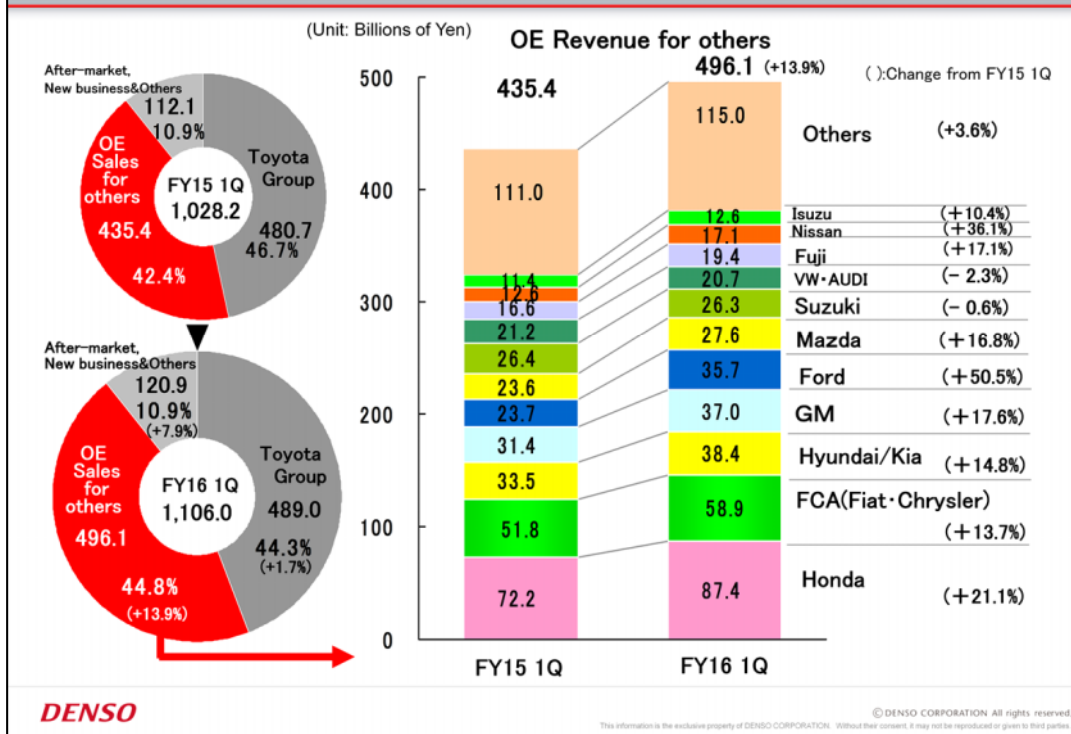
Profit before income taxes reached 107.0 billion yen, up 12.7 billion yen and 13.5% year-on-year.

We earned profit attributable to owners of the parent company of 73.9 billion yen after corporate and other taxes, up 10.9 billion yen, which is 17.2%, from a year earlier.

(Note) Profit before income taxes includes financial account balance such as dividend received, foreign exchange gains and share of the profit of associates accounted for using the equity method.

Change in 1st Quarter Consolidated Revenue(By Customer)

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[Sales by customer]

Sales to the Toyota Group

The increase of sales remained marginal due to the domestic car production level decrease from the previous year mainly in compact cars.

Sales to non-Toyota Group companies

- 1) Honda: Sales increased due to the increase in car production mainly in North America and China as well as the growth in sales of gasoline direct injection system.
- 2) Mazda: Sales increased due to the increase in car production in addition to the sales increase in diesel common rail system for SKYACTIV.

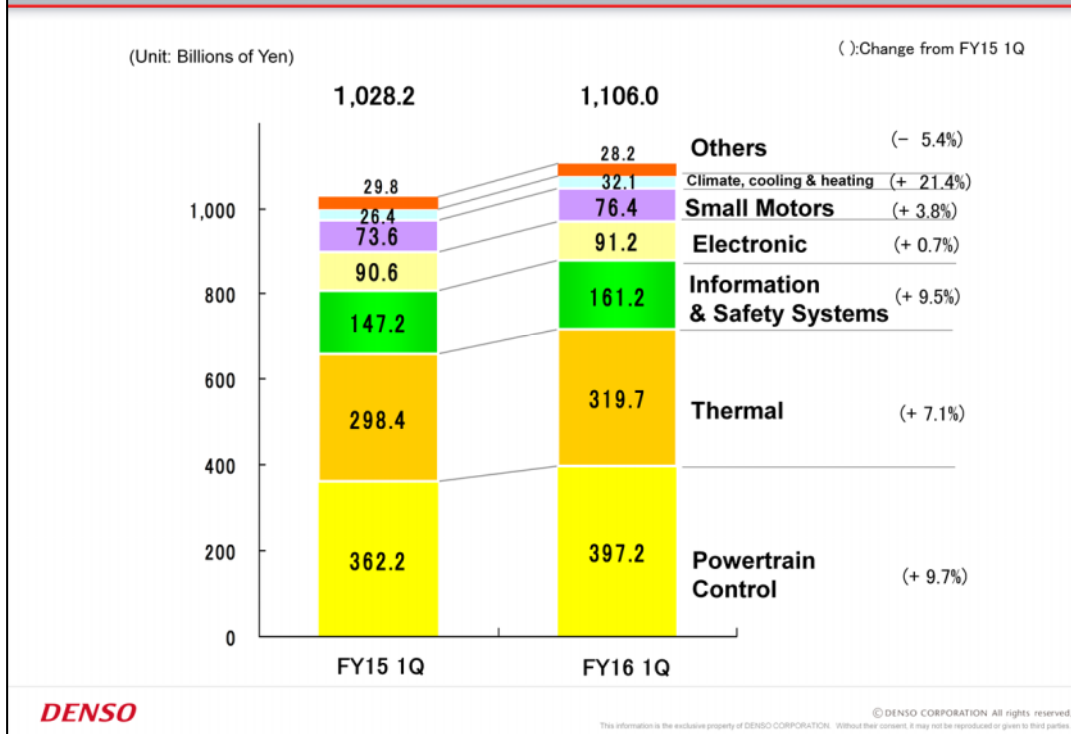
Sales to overseas automakers

Sales went up due to,

- 1) FCA(Fiat Chrysler Automobiles):
increase in production volume in Europe.
- 2) HYUNDAI/KIA: increase in sales of car air conditioners products.

Change in 1st Quarter Consolidated Revenue (By Business Segment)

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[Sales by business segment]

Sales of Powertrain Control products

Sales increased due to production volume increase in North America and Europe on the top of sales expansion in gasoline direct injection products.

Sales of Thermal products

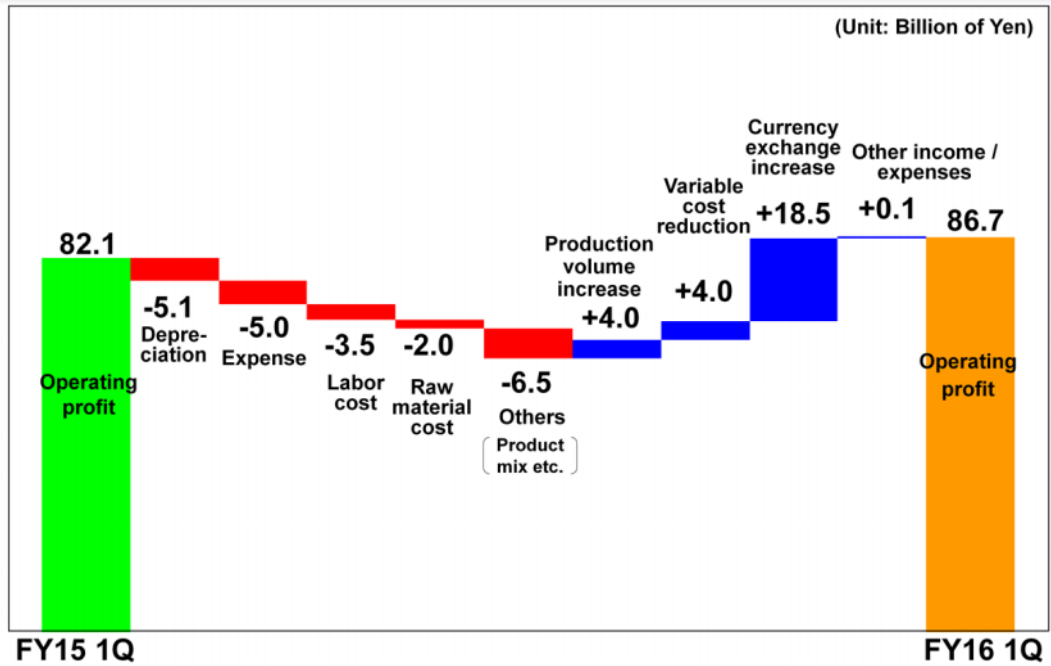
Sales increased mainly in Europe due to the production volume increase.

Sales of Information & Safety Systems

Sales increased due to the sales expansion of meter and active safety products.

Change in 1st Quarter Operating profit

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FY15 1Q

FY16 1Q

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[Factors that contributed to increases or decreases in operating profit]

Negative factors

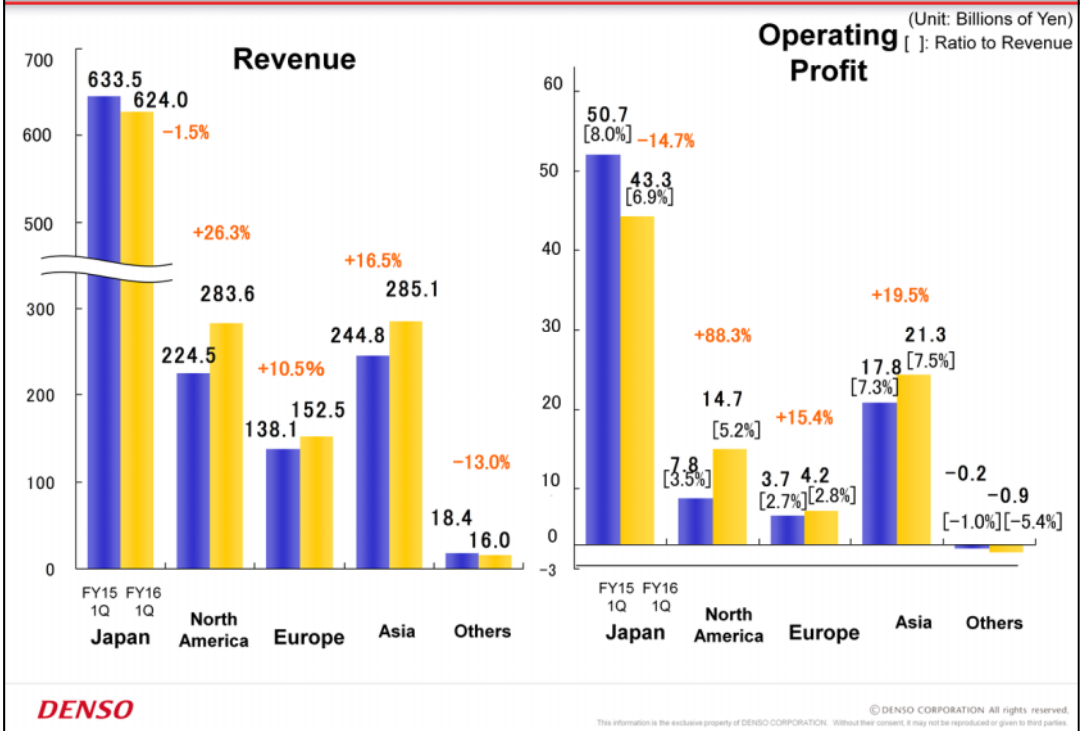
- 1) Higher depreciation cost: An increase of 5.1 billion yen was due to an increase in investment costs overseas mainly in Asia.
- 2) Higher expense: An increase of 5.0 billion yen was mainly due to an increase in R&D expenses in Japan.

Positive factors

- 1) Production volume increase: An increase of 4.0 billion yen was due to production volume increase and sales expansion in North America and Europe.
- 2) Variable cost reduction: An increase of 4.0 billion yen was due to increased productivity and other efficiencies.
- 3) Depreciation of the yen: An increase of 18.5 billion yen was due to the impact of the weak yen, which is 19 yen lower against the US dollar.

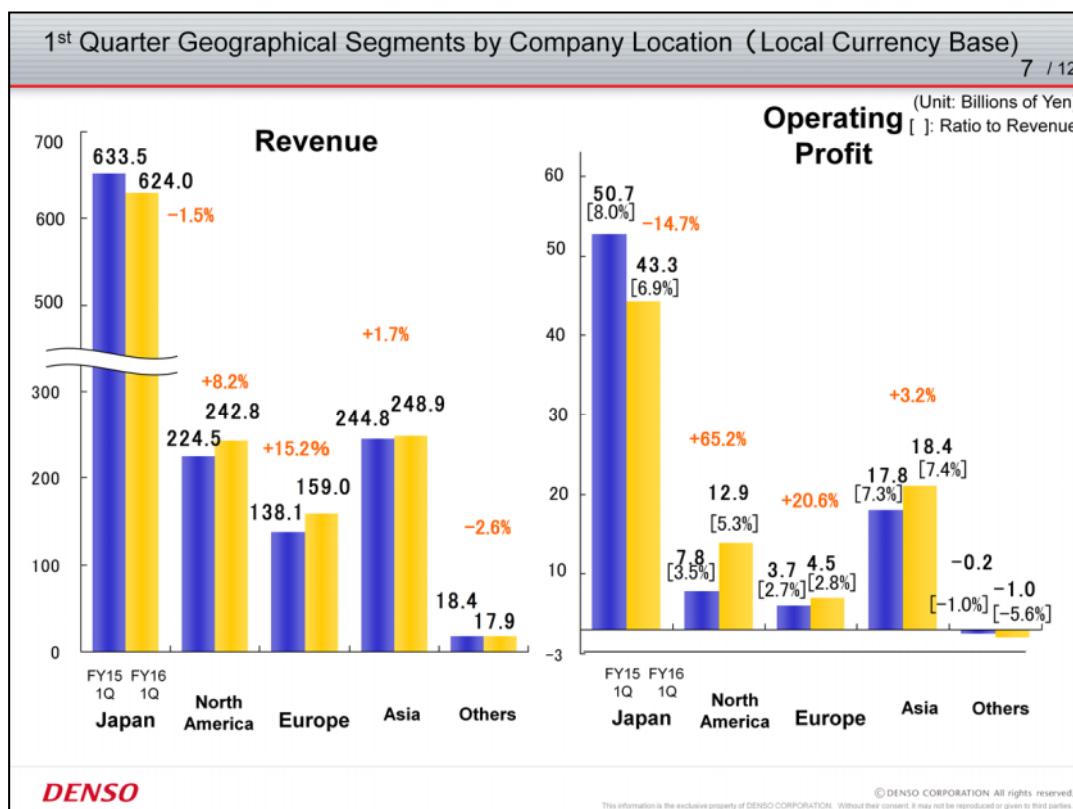
1st Quarter Geographical Segments by Company Location

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[Revenue and operating profit by operating region]

* Based on Japanese yen



[Revenue and operating profit by operating region]

* Based on local currency, excluding the effect of foreign exchange rates

Japan

- Revenue decreased by 1.5% from the previous year due to reduction of production mainly in compact cars.
- Operating profit diminished by 14.7% from the previous year due to the decrease in production volume and the increase in R&D expenses.

Overseas

- Revenue and profit increased in North America and Europe thanks to the increase in car production and sales growth.
- In Asia, although production decreased in South East Asia, revenue and profit increased thanks to the increase in production volume and sales expansion in China.

FY2016 1st Half Financial Forecast

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	(Ratio to Revenue)		(※3)	(Unit: Billions of Yen)	
	FY16 2Q YTD Original	FY16 2Q YTD Revised	FY15 2Q YTD	Change	
Revenue	2,160.0	2,240.0	2,070.1	+ 169.9	+ 8.2%
Operating Profit (include Other income/ expenses)	(7.4%) 160.0 (-)	(7.6%) 170.0 (- 0.9)	(7.2%) 149.8 (- 10.7)	+ 20.2 (+ 9.8)	+ 13.5%
Finance income /costs & others(※1)	15.0	22.0	18.6	+ 3.4	
Profit before Income Taxes	(8.1%) 175.0	(8.6%) 192.0	(8.1%) 168.4	+ 23.6	+ 14.0%
Profit (※2)	(5.5%) 118.0	(5.8%) 130.0	(5.4%) 112.0	+18.0	+ 16.0%
Foreign Exchange Rate	JPY 115/\$ JPY125/Euro	JPY 122/\$ JPY135/Euro	JPY 103/\$ JPY139/Euro	+ JPY 19 - JPY 4	
Domestic Car Production	4.36	4.34	4.59	- 0.25	- 5.4%
Overseas Car Production of Japanese Manufacturers (North America)	9.22 (3.14)	9.35 (3.13)	9.13 (2.99)	+ 0.22 (+0.14)	+ 2.4 % (+ 4.7%)

※1 Finance income, Finance costs, Foreign exchange gains/loss, Share of the profit of associates accounted for using the equity method

※2 Profit attributable to owners of the parent company
※3 Results for FY15 2Q YTD are unaudited

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[Forecasts for consolidated first-half financial results]

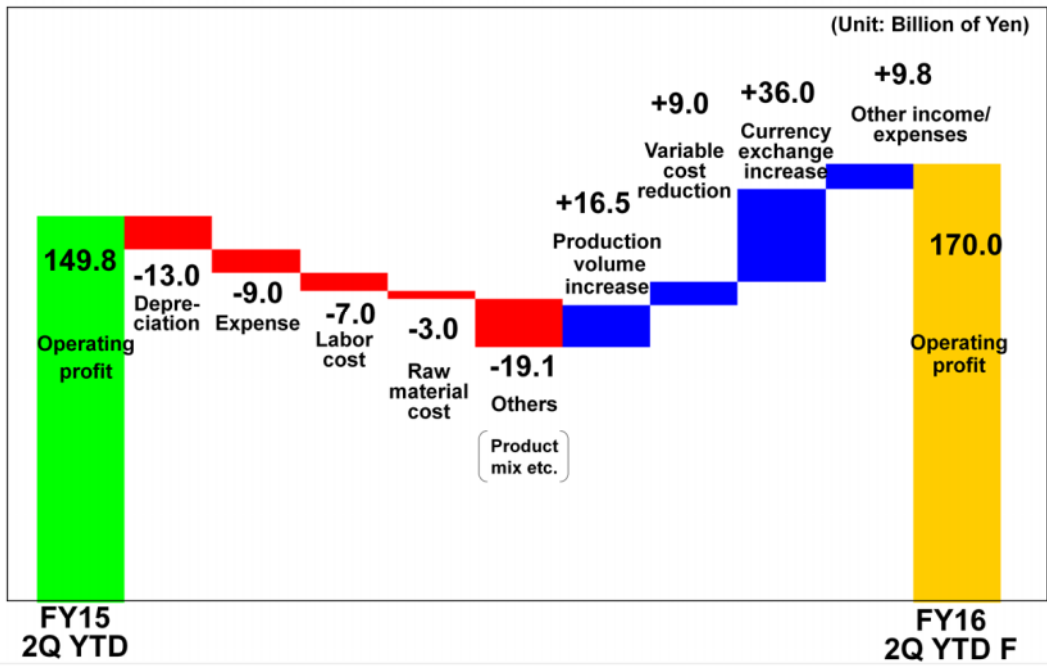
Considering the positive financial results in the first-quarter, as well as the market trend, we have decided to upwardly revise the original forecasts of operating profit for the first-half financial results.

We expect revenue to be 2,240.0 billion yen, up 80.0 billion yen from the original forecast. Operating profit to be 170.0 billion yen, increased 10.0 billion yen.

This forecast is based on the currency rate of 122 yen to the dollar and 135 yen to the euro.

Change in 1st Half Operating Profit

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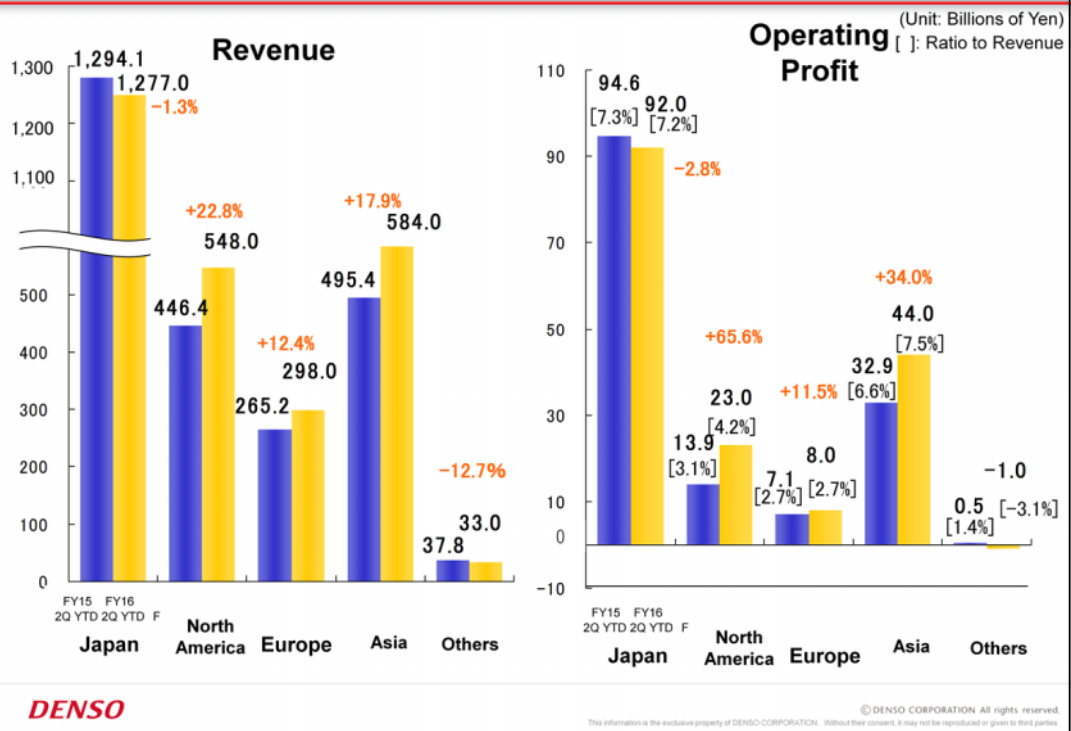
[Factors that contributed to increases or decreases in first-half forecasts for operating profit]

While negative factors, such as depreciation, expense and labor cost, operating profit increase by 20.2 billion yen to 170.0 billion yen due to production volume increase and variable cost reduction.

Other income and expenses, which are 9.8 billion yen, consist of reactionary increase from other expenses occurred in the previous year.

1st Half Geographical Segments by Company Location

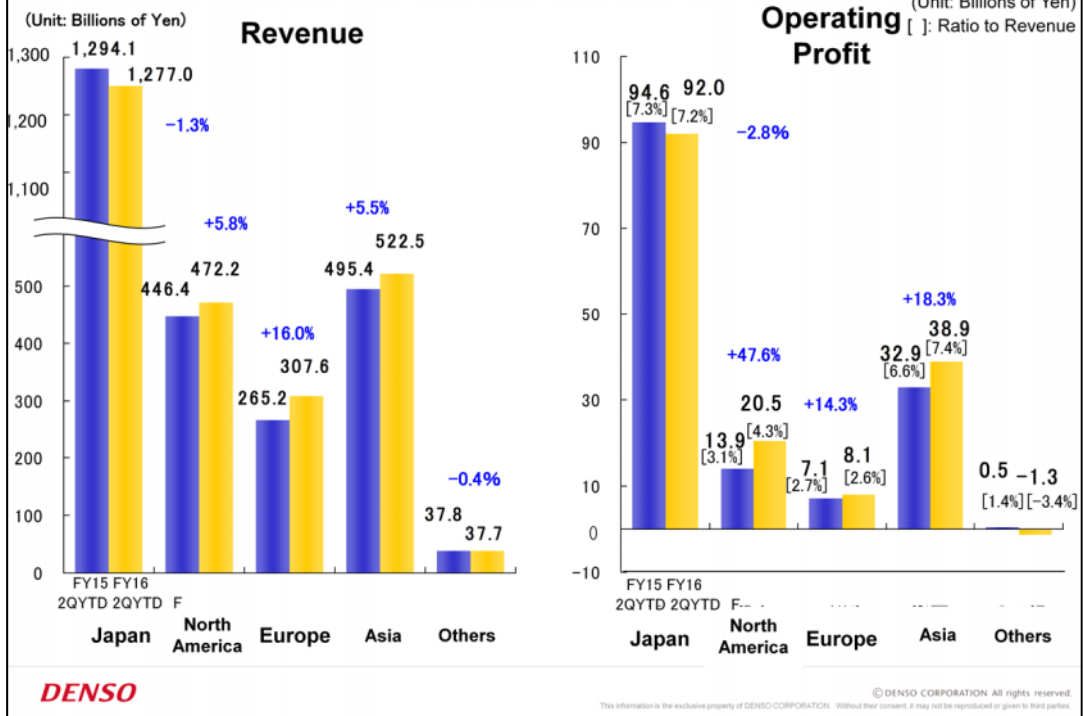
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[Revenue and operating profit by operating region in first-half forecasts]

* Based on Japanese yen

1st Half Geographical Segments by Company Location (Local Currency Base)



[Revenue and operating profit by operating region in first-half forecasts]

* Based on local currency, excluding the effect of foreign exchange rates

We expect revenue and profit decrease in Japan and Others.

On the other hand, they will expected to increase in North America, Europe and Asia.

FY2016 Financial Forecast

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	(Ratio to Revenue)		(Unit: Billions of Yen)		
	FY2016 Original	FY2016 Revised	FY2015	Change	
Revenue	4,470.0	4,470.0	4,309.8	+ 160.2	+ 3.7%
Operating Profit (include Other income/ expenses)	(8.5%) 380.0 (-)	(8.5%) 380.0 (- 1.7)	(7.7%) 331.4 (- 26.8)	+ 48.6 (+ 25.1)	+ 14.7%
Finance income /costs & others(※1)	27.0	34.0	40.5	- 6.5	
Profit before Income Taxes	(9.1%) 407.0	(9.3%) 414.0	(8.6%) 371.9	+ 42.1	+ 11.3%
Profit (※2)	(6.2%) 275.0	(6.3%) 280.0	(6.0%) 258.4	+21.6	+ 8.4%
Foreign Exchange Rate	JPY 115/\$ JPY125/Euro	JPY119/\$ JPY130/Euro	JPY110/\$ JPY139/Euro	+ JPY 9 - JPY 9	Impact on operating profit 2.5 billions for \$ 0.7 billions for Euro
				(Unit: Millions of Units)	
Domestic Car Production	9.09	9.03	9.21	- 0.18	- 2.0%
Overseas Car Production of Japanese Manufacturers (North America)	19.04 (6.37)	18.46 (6.27)	18.34 (6.00)	+ 0.12 (+0.27)	+ 0.7 % (+ 4.5%)

※1 Finance income, Finance costs, Foreign exchange gains/loss, Share of the profit of associates accounted for using the equity method ※2 Profit attributable to owners of the parent company

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[Forecasts for consolidated full-year financial forecasts]

We expect revenue remain to be 4,470.0 billion yen and operating profit to be 380.0 billion yen due to the expected production volume decrease in China and Asia in the second-half forecast.

This forecast is based on the currency rate of 115 yen to the dollar and 125 yen to the euro.

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- Non-Consolidated Financial Results
- Pre-Conditions (Foreign Exchange Rate/Car Production)
- Consolidated Revenue by Customer
- Consolidated Revenue by Business Segment
- Trend of Capital Expenditures, Depreciation and R&D Expenditures
- Capital Expenditures, Depreciation, and R&D Expenditures

Income Statements(Japanese accounting standards)

Account	(Ratio to Sales)		(Unit: Billions of Yen,%)			
	FY2016 1Q		FY2015 1Q		Change	
					Amount	Percent
Net Sales	(100.0)	572.5	(100.0)	580.6	-8.1	-1.4
Operating Income	(6.3)	35.9	(7.3)	42.6	-6.7	-15.6
Non-Operating Income (Loss)		32.8		30.7	2.1	
Extraordinary Income (Loss)		-0.5		0.0	-0.5	
Income Before Income Taxes	(11.9)	68.3	(12.6)	73.3	-5.0	-6.9
Net Income	(9.9)	56.5	(10.6)	61.4	-4.9	-7.9

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Pre-Conditions (Foreign Exchange Rate/Car Production)

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		FY2016 First-Half							FY2016 Second-Half				FY2016 Full Year			
		1Q														
		Prior Year	Actual	Change	Forecast (Original)	Forecast (Revised)	Actual	Change	Prior Year	Forecast (Original)	Forecast (Revised)	Change	Prior Year	Forecast (Original)	Forecast (Revised)	Change
Foreign Exchange Rate (Yen)	USD	102	121	+ 19.2	103	115	122	+ 18.6	117	115	115	- 1.8	110	115	119	+ 9.1
	EUR	140	134	- 5.9	139	125	135	- 4.3	139	125	125	- 13.6	139	125	130	- 8.8
Forex Impact on Operating Income per Yen (Billions of Yen)	USD	-							-				2.5	2.5	2.5	0.0
	EUR	-							-				0.7	0.7	0.7	0.0
Car Production of Japanese Manufacturers (Millions of Units)	Domestic	2.30	2.09	- 9%	4.59	4.36	4.34	- 5%	4.63	4.73	4.69	+ 1%	9.21	9.09	9.03	- 2%
	North America	1.48	1.61	+ 9%	2.99	3.14	3.13	+ 5%	3.02	3.24	3.14	+ 4%	6.00	6.37	6.27	+ 5%
	Overseas	4.50	4.54	+ 1%	9.13	9.22	9.35	+ 2%	9.21	9.82	9.10	- 1%	18.34	19.04	18.46	+ 1%

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Consolidated Revenue (By Customer)

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(Unit: Billions of Yen)

	FY2016 Ended June. 30, 2015		FY2015 Ended June. 30, 2014		Change	
	Amount	% to Total	Amount	% to Total	Amount	%
Toyota	454.4	41.1	441.4	42.9	13.0	3.0
Daihatsu	21.7	2.0	26.9	2.6	-5.1	-19.1
Hino	12.9	1.2	12.5	1.2	0.4	3.3
Toyota Group	489.0	44.3	480.7	46.7	8.3	1.7
Honda	87.4	7.9	72.2	7.0	15.2	21.1
FCA(Fiat·Chrysler)	58.9	5.3	51.8	5.0	7.1	13.7
Hyundai/Kia	38.4	3.5	33.5	3.3	5.0	14.8
GM	37.0	3.3	31.4	3.1	5.5	17.6
Ford	35.7	3.2	23.7	2.3	12.0	50.5
Mazda	27.6	2.5	23.6	2.3	4.0	16.8
Suzuki	26.3	2.4	26.4	2.6	-0.2	-0.6
VW/AUDI	20.7	1.9	21.2	2.1	-0.5	-2.3
Fuji	19.4	1.8	16.6	1.6	2.8	17.1
Nissan	17.1	1.5	12.6	1.2	4.5	36.1
Isuzu	12.6	1.1	11.4	1.1	1.2	10.4
Mitsubishi	11.3	1.0	11.9	1.2	-0.6	-5.1
BMW	10.8	1.0	9.9	1.0	0.8	8.2
Benz	9.1	0.8	8.2	0.8	0.9	11.3
PSA	6.6	0.6	5.4	0.5	1.2	22.3
Jaguar/Land Rover	5.2	0.5	5.2	0.5	0.0	0.1
OE Sales for others	72.1	6.5	70.3	6.8	1.8	2.5
OEM Total	985.1	89.1	916.1	89.1	69.0	7.5
After-market, New business & Others(*)	120.9	10.9	112.1	10.9	8.7	7.8
Total	1,106.0	100.0	1,028.2	100.0	77.8	7.6

* Sales of industrial systems and consumer products, Sales for After Market, and Sales of property/equipment are included.

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Consolidated Revenue (By Business Segment)

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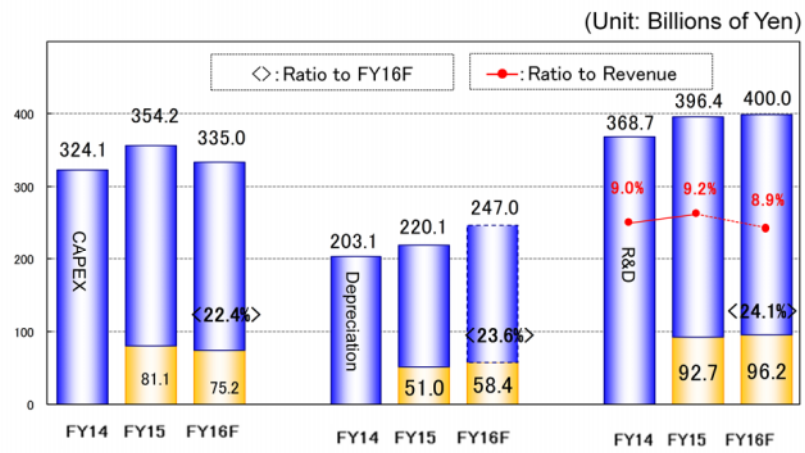
(Unit: Billions of Yen)

	FY2016 Ended June 30, 2015		FY2015 Ended June 30, 2014		Change	
	Amount	% to Total	Amount	% to Total	Amount	%
Powertrain Control	397.2	35.9	362.2	35.2	35.0	9.7
Thermal	319.7	28.9	298.4	29.0	21.3	7.1
Information & Safety Systems	161.2	14.6	147.2	14.3	14.0	9.5
Electronic	91.2	8.3	90.6	8.8	0.6	0.7
Small Motors	76.4	6.9	73.6	7.2	2.8	3.8
Climate, Cooling and Heating	32.1	2.9	26.4	2.6	5.7	21.4
Others(*)	12.6	1.1	13.4	1.3	-0.8	-6.2
Automotive Total	1,090.3	98.6	1,011.7	98.4	78.6	7.8
Industrial & Consumer Product	12.8	1.1	12.4	1.2	0.4	3.2
Others	2.9	0.3	4.1	0.4	-1.2	-28.6
New Business Total	15.7	1.4	16.5	1.6	-0.8	-4.8
Total	1,106.0	100.0	1,028.2	100.0	77.8	7.6

* Revenue of equipment, Repair parts, original brand products of subsidiaries

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Capital Expenditures, Depreciation and R&D Expenditures

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(Unit: Billions of Yen)

	FY15		FY16 Forecast		1Q YTD Change from PY	Progress to FY16 Forecast
	1Q		1Q			
Japan	42.1	189.0	39.2	183.0	-6.9%	21.4%
North America	9.8	48.5	12.2	45.0	24.5%	27.1%
Europe	6.1	29.2	5.8	28.0	-4.9%	20.7%
Asia	22.6	83.1	18.0	76.0	-20.4%	23.7%
Others	0.5	4.4	0.3	3.0	-40.0%	10.0%
Capital Exp.	81.1	354.2	75.2	335.0	-7.3%	22.4%
Japan	31.5	133.3	33.0	147.8	4.8%	22.3%
North America	5.0	23.4	6.8	29.0	36.0%	23.4%
Europe	4.3	17.0	4.7	18.5	9.3%	25.4%
Asia	9.3	42.8	13.0	48.0	39.8%	27.1%
Others	0.9	3.6	0.9	3.7	0.0%	24.3%
Depreciation	51.0	220.1	58.4	247.0	14.5%	23.6%
R&D Expenditure (Ratio to Revenue)	92.7 (9.0%)	396.4 (9.2%)	96.2 (8.7%)	400.0 (8.9%)	3.8%	24.1%

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