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**Consolidated Financial Results
for the Nine Months Ended December 31, 2015
<under Japanese GAAP>**

F-TECH INC.

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1. Qualitative information regarding financial results for the period under review

(1) Information regarding operating results

In the global economy during the nine months ended December 31, 2015, in the U.S., despite concerns about monetary policy normalization, falling crude oil prices and the impact of dollar appreciation, improved employment and steady recovery in household consumption are progressing. In Europe, the economy is continuing to recover due to the firm consumer spending, despite the concern over the impact from the geopolitical risks. Economic growth of the emerging countries, such as China, is declining and the economic stagnation continues.

In the Japanese economy, personal consumption remains generally firm, capital investments are roughly flat, and the economy has shown a moderate recovery trend.

Under these macro-economic circumstances, in the automotive industry, automobile sales in North America remains favorable. In Asia region, despite the decline in the Chinese market, owing to the favorable effect of a tax reduction on compact cars, automobile sales is experiencing an uptick. In Japan, demand stagnated, especially in light and compact car market, due in part to the increase of the tax levied on the light vehicle.

Under these conditions, the Group pushed ahead with its 12th Mid-Term Plan, which started in April 2014, under the whole corporate policy “To become a chassis system manufacturer with overwhelming competitive strength.” We will make the truly globalized enterprise by changing the Group to the structure of chassis system manufacturer and by strengthening environmentally friendly technologies to promote the sales expansion.

As a result of the above, the operating results for the Group during the nine months under review are as follows. Bolstered by robust ongoing automobile sales in the North America and the impact of yen depreciation and other factors, net sales rose 12.9% year on year to 144,145 million yen, operating income rose 23.1% to 4,463 million yen, ordinary income increased 16.6% to 4,263 million yen, and profit attributable to owners of parent rose 16.5% to 1,316 million yen.

Operating results by segment are as follows.

(Japan)

The volume of orders reduced, reflecting a reduction in the number of automobiles produced by the major customers of the Company. Net sales fell 16.5% year on year to 15,961 million yen, while the segment recorded an operating loss of 599 million yen, compared with an operating income of 90 million yen in the same period of the previous fiscal year.

(North America)

In the North American Market, firm automobile sales continued, and boosted by the positive effect of foreign exchange, net sales rose 16.4% year on year to 93,067 million yen and the segment recorded an operating income of 3,538 million yen, up 17.5% year on year.

(Asia)

Due to a start-up of the mass production for the new customers in China and a recovery in the number of automobiles produced by the major customers in Thailand, net sales grew 22.7% year on year to 35,116 million yen, while the segment recorded an operating income of 1,128 million yen, compared with an operating income of 98 million yen in the same period of the previous fiscal year.

(2) Information regarding financial position

As of December 31, 2015, total assets increased 7,084 million yen compared with the end of the previous fiscal year to 139,781 million yen, mainly reflecting increases in cash and deposits and machinery, equipment and vehicles, net.

Liabilities increased 5,751 million yen from the end of the previous fiscal year to 92,091 million yen mainly reflecting increases in notes and accounts payable - trade and short-term loans payable.

Net assets increased 1,333 million yen from the end of the previous fiscal year to 47,690 million yen mainly reflecting increases in retained earnings and non-controlling interests.

(3) Information regarding consolidated earnings forecasts and other forward-looking statements

The consolidated earnings forecasts for the fiscal year ending March 31, 2016, announced in “Consolidated Financial Results for the Six Months Ended September 30, 2015” on November 5, 2015, have not been changed.

2. Matters regarding summary information (Notes)

(1) Changes in significant subsidiaries during the nine months ended December 31, 2015

Not applicable.

(2) Application of special accounting for preparing quarterly consolidated financial statements

Tax expenses in the consolidated financial statements for a portion of consolidated subsidiaries are calculated first by reasonably estimating the effective tax rate after applying tax effect accounting against income before income taxes for the fiscal year including the third quarter ended December 31, 2015, and next by multiplying the quarterly income (loss) before income taxes by such estimated effective tax rate.

(3) Changes in accounting policies, changes in accounting estimates and restatements

Effective from the first quarter ended June 30, 2015, the Company has applied the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013), the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013) and the “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013), etc. As a result, the method of recording the amount of difference caused by changes in the Company’s ownership interests in subsidiaries in the case of subsidiaries under ongoing control of the Company was changed to one in which it is recorded as capital surplus, and the method of recording acquisition-related costs was changed to one in which they are recognized as expenses for the fiscal year in which they are incurred. Furthermore, for business combinations carried out on or after the beginning of the first quarter ended June 30, 2015, the accounting method was changed to one in which the reviewed acquisition cost allocation resulting from the finalization of the tentative accounting treatment is reflected in the quarterly consolidated financial statements for the quarterly period to which the date of business combination belongs. In addition, the presentation method for “net income” and other related items has been changed, and “minority interests” are now presented as “non-controlling interests.” To reflect these changes, the Company has reclassified its quarterly and full-year consolidated financial statements for the first nine months of the previous fiscal year and the previous fiscal year.

Application of the Accounting Standard for Business Combinations, etc. is in line with the transitional measures provided in Paragraph 58-2 (4) of the Accounting Standard for Business Combinations, Paragraph 44-5 (4) of the Accounting Standard for Consolidated Financial Statements and Paragraph 57-4 (4) of the Accounting Standard for Business Divestitures. Application of the standards commenced at the beginning of the first quarter ended June 30, 2015 and will continue going forward.

As a result, ordinary income and income before income taxes for the nine months ended December 31, 2015 have each decreased by 402 million yen. Moreover, capital surplus as of December 31, 2015 has increased 190 million yen.

3. Quarterly consolidated financial statements

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
Assets		
Current assets		
Cash and deposits	8,983	12,781
Notes and accounts receivable - trade	27,379	24,267
Merchandise and finished goods	5,539	5,515
Work in process	3,766	3,715
Raw materials and supplies	8,159	8,579
Other	3,880	4,342
Total current assets	57,707	59,202
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,657	20,218
Machinery, equipment and vehicles, net	24,687	28,798
Construction in progress	12,365	13,244
Other, net	10,816	10,695
Total property, plant and equipment	67,527	72,956
Intangible assets	780	698
Investments and other assets		
Investment securities	5,063	5,233
Other	1,618	1,691
Total investments and other assets	6,681	6,924
Total non-current assets	74,989	80,579
Total assets	132,697	139,781
Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,518	18,610
Short-term loans payable	19,099	21,324
Current portion of long-term loans payable	11,356	12,246
Income taxes payable	825	470
Provision for directors' bonuses	88	92
Other	9,904	9,027
Total current liabilities	57,792	61,773
Non-current liabilities		
Bonds payable	4,000	4,000
Long-term loans payable	21,050	21,505
Provision for directors' retirement benefits	212	228
Net defined benefit liability	243	253
Negative goodwill	78	74
Other	2,963	4,256
Total non-current liabilities	28,548	30,317
Total liabilities	86,340	92,091

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
Net assets		
Shareholders' equity		
Capital stock	4,790	4,790
Capital surplus	5,228	5,419
Retained earnings	15,115	16,123
Treasury shares	(18)	(18)
Total shareholders' equity	25,115	26,314
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	858	927
Foreign currency translation adjustment	4,085	2,445
Remeasurements of defined benefit plans	338	264
Total accumulated other comprehensive income	5,283	3,638
Non-controlling interests	15,958	17,737
Total net assets	46,356	47,690
Total liabilities and net assets	132,697	139,781

(2) Consolidated statements of income and comprehensive income

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Net sales	127,699	144,145
Cost of sales	113,063	128,064
Gross profit	14,636	16,080
Selling, general and administrative expenses	11,010	11,616
Operating income	3,626	4,463
Non-operating income		
Interest income	27	37
Dividend income	42	39
Share of profit of entities accounted for using equity method	283	302
Foreign exchange gains	94	–
Other	123	141
Total non-operating income	571	521
Non-operating expenses		
Interest expenses	525	654
Foreign exchange losses	–	38
Other	14	28
Total non-operating expenses	540	721
Ordinary income	3,657	4,263
Extraordinary income		
Gain on sales of non-current assets	20	155
Insurance income	61	–
Total extraordinary income	82	155
Extraordinary losses		
Loss on sales of non-current assets	1	4
Loss on retirement of non-current assets	144	63
Total extraordinary losses	145	67
Income before income taxes	3,594	4,352
Income taxes - current	1,742	1,601
Income taxes - deferred	(69)	(12)
Total income taxes	1,672	1,588
Profit	1,921	2,763
Profit attributable to		
Profit attributable to owners of parent	1,129	1,316
Profit attributable to non-controlling interests	792	1,447
Other comprehensive income		
Valuation difference on available-for-sale securities	(15)	(6)
Foreign currency translation adjustment	3,618	(2,042)
Remeasurements of defined benefit plans, net of tax	4	(71)
Share of other comprehensive income of entities accounted for using equity method	296	(32)
Total other comprehensive income	3,903	(2,153)
Comprehensive income	5,825	610
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,710	(60)
Comprehensive income attributable to non-controlling interests	2,115	670

(3) Notes to quarterly consolidated financial statements

Uncertainties of entity's ability to continue as going concern

Not applicable.

Substantial changes in the amount of shareholders' equity

Not applicable.

Segment information, etc.

Segment information

I. Nine months ended December 31, 2014

1. Disclosure of net sales and profit (loss) for each reportable segment

(Millions of yen)

	Reportable segments			Total
	Japan	North America	Asia	
Net sales				
Net sales to external customers	19,114	79,964	28,620	127,699
Transactions with other segments	8,345	1,068	1,416	10,829
Total	27,459	81,033	30,037	138,529
Segment profit	90	3,012	98	3,202

2. Differences between total amounts of profit (loss) for reportable segments and amounts in the consolidated statements of income and comprehensive income and main details of these differences (matters relating to difference adjustments)

(Millions of yen)

Profit	Amount
Reportable segments total	3,202
Elimination of intersegment transactions	423
Operating income in the consolidated statements of income and comprehensive income	3,626

3. Disclosure of impairment loss on non-current assets and goodwill for each reportable segment

Not applicable.

II. Nine months ended December 31, 2015

1. Disclosure of net sales and profit (loss) for each reportable segment

(Millions of yen)

	Reportable segments			Total
	Japan	North America	Asia	
Net sales				
Net sales to external customers	15,961	93,067	35,116	144,145
Transactions with other segments	9,702	1,164	1,488	12,354
Total	25,663	94,231	36,604	156,499
Segment profit (loss)	(599)	3,538	1,128	4,067

2. Differences between total amounts of profit (loss) for reportable segments and amounts in the consolidated statements of income and comprehensive income and main details of these differences (matters relating to difference adjustments)

(Millions of yen)

Profit	Amount
Reportable segments total	4,067
Elimination of intersegment transactions	396
Operating income in the consolidated statements of income and comprehensive income	4,463

3. Disclosure of impairment loss on non-current assets and goodwill for each reportable segment

Not applicable.

Significant events after reporting period

Not applicable.