



Annual Review 2017

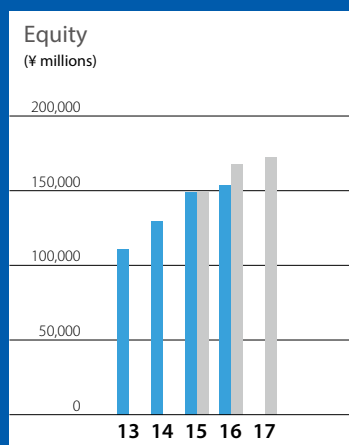
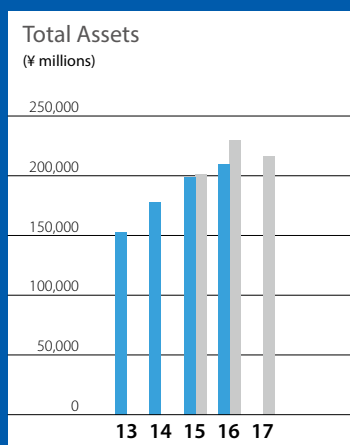
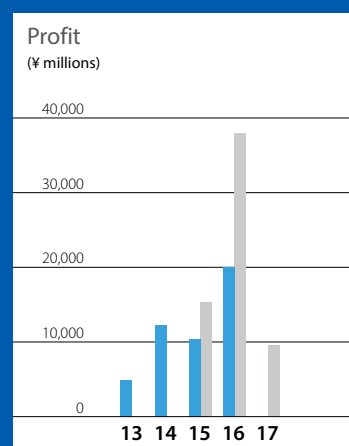
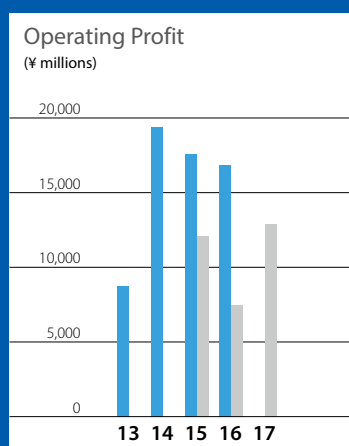
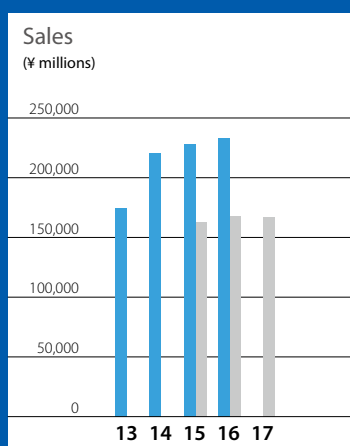
For the year ended March 31, 2017

Financial Highlights

Nissin Kogyo Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2016 and 2017

	Millions of yen		Thousands of U.S. dollars
	2016	2017	2017
For the year:			
Sales	¥167,709	¥166,889	\$1,487,554
Operating profit	7,490	12,278	109,437
Profit before income tax	7,406	12,880	114,809
Profit	37,906	9,560	85,213
Profit attributable to the owners of the parent	33,582	5,385	47,998
At year-end:			
Total assets	¥229,386	¥216,005	\$1,925,347
Equity	168,019	172,770	1,539,975
Per share (yen and U.S. dollars):			
Basic earnings per share	¥ 516.82	¥ 82.77	\$ 0.74
Cash dividends paid	42.50	45.00	0.40

Note: U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥112.19=U.S.\$1, the approximate exchange rate as of March 31, 2017.



■ JGAAP
■ IFRS

Thank you to all of our shareholders for your continuing encouragement and support.

The Nissin Kogyo Group is working to enhance its underlying competitiveness and establish a foundation for future growth by developing and providing products that are smaller and lighter, creating cutting-edge value, and offering environmental friendliness and safety.



Business Results for the Year

In the fiscal year ended March 31, 2017, overall domestic economic conditions stayed on a mild recovery trajectory, primarily on the production front with improvement in corporate business sentiment, reflecting declines in resource prices and weakness in emerging and other overseas economies in the first half of 2016 amid an expanding virtuous cycle of improvement in Japan's employment and income picture. In contrast, momentum on the spending front remains insufficient including for corporate capital investment and consumer spending. Prices also remained flat as upward pressure from rising domestic wages were countered by downward pressure from imports.

Overseas, the first half of 2016 was marked by heightened uncertainty about the future as the Chinese economic slowing that began in 2015 continued and the sluggishness in some parts of the corporate sector in the U.S. and the Eurozone spread. In international financial markets, investors repeatedly strengthened risk-off sentiment, conscious of downside economic risk reflecting impacts from geopolitical risk, the U.K.'s national referendum on whether to leave the European Union, a drop in oil prices, and concerns about the Chinese economy. In the second half of 2016, the global economy continued to gradually recover on the whole as the Chinese economy showed signs of picking up and weakness in developed countries became less pronounced.

In this business environment, the Nissin Kogyo Group strove to expand local production primarily in growing markets. Concurrently, the Group worked to enhance its underlying competitiveness and establish a foundation for future growth by developing and providing products that are smaller and lighter and creating cutting-edge, high added value based on the themes of environmental friendliness and safety.

Regarding new product development and mass production in the fiscal year ended March 31, 2017, starting with automotive products, the Group's aluminum front and rear knuckles have been adopted for use in Subaru Impreza models manufactured in North America and Japan. Additionally, our brake products and aluminum products have been adopted for use in Honda's CR-V and Changan's CS95 among others.

Moving on to motorcycle business, our brake products such as master cylinders and front calipers for combined braking systems (CBS) have been adopted for use in the Honda CB Shine SP. The Group plans to keep gradually developing CBS products for countries around the world in the future. Our brake products and aluminum products have also been adopted for use in Honda's new CBR 1000 RR and CBR 1000 RR SP, BMW's R nine T series, and

Triumph's Street Scrambler and Street Cup. In particular, the new NK2R4i anti-lock braking system (ABS) for motorcycles used in the new Honda CBR 1000 RR and CBR 1000 RR SP delivers braking performance worthy of flagship models via cutting-edge control logic. While being smaller and lighter than previous products, it works in concert with an inertial measurement unit (IMU) to recognize changes in riding position and riding conditions, prevent skidding sideways while cornering, and strike a balance between high deceleration and stable vehicle behavior as a braking system for super sports.

Turning to earnings in the fiscal year ended March 31, 2017, the Group posted consolidated sales of ¥166,889 million, down 0.5% year on year. Although sales grew in Asia, Japan, and North America, there was a negative impact from foreign exchange translation effects. Operating profit totaled ¥12,278 million, up 63.9% year on year. The growth reflects higher sales and reduced costs, which outweighed foreign exchange translation effects. Profit before income tax rose 73.9% year on year to ¥12,880 million. Profit was ¥9,560 million, down 74.8% year on year, and profit attributable to owners of the parent was ¥5,385 million, down 84.0% from the previous fiscal year.

Forecasts for the Fiscal Year Ending March 31, 2018

The Group's current forecasts for the fiscal year ending March 31, 2018, the first year of the 13th medium-term management plan, are for sales of ¥175,000 million, operating profit of ¥12,500 million, profit before income tax of ¥13,000 million, profit of ¥9,300 million and profit attributable to owners of the parent of ¥5,000 million. These forecasts are based on an assumed exchange rate of ¥109 to the U.S. dollar for the fiscal year ending March 31, 2018. The Group's consolidated financial statements are prepared according to International Financial Reporting Standards (IFRS) as of the fiscal year ended March 31, 2017.

We plan to pay cash dividends of ¥45 per share for the fiscal year ending March 31, 2018.

In closing, I would like to ask for the continued support of all our shareholders.

August 2017

A handwritten signature in black ink that reads "Eiji Okawara". The signature is written in a cursive, flowing style.

Eiji Okawara
President

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The 13th Medium-term Management PLAN CONCEPT

Nissin Kogyo has run its business of manufacturing brake components in the two fields of automobiles and motorcycles with a goal of becoming the World's Number One manufacturer of brake systems. As of 2016, in the motorcycle business we have a global share of about 70% for hydraulic brake systems, and 25% for brake systems as a whole, and through further expansion in emerging markets we will keep striving towards our goal of being the top manufacturer in name and results.

Nissin Kogyo started its 13th medium-term management plan from the fiscal year ending March 31, 2018, thereby aiming to achieve further success.

We are advancing business with the policies of growth as the largest motorcycle brake company in motorcycles, and of aluminum weight reduction in automobiles.

We also decided to build a new aluminum products production plant inside the Tobu Plant, and subsequently publicly announced this decision.

Up until now, the Naoetsu Plant in Joetsu City, Niigata Prefecture, has produced the aluminum products that contributed to the creation of lighter automobiles, but in order to respond to rising needs for even greater weight reduction, we decided to build an aluminum part production plant on the site of the Tobu Plant in Tomi City, Nagano Prefecture.

Looking ahead, Nissin Kogyo will continue providing a wide array of customers with products for motorcycles as a matter of course, as well as those utilizing our core aluminum casting technology that we have been cultivating since our founding.

Policies

- Motorcycles** Growth as the largest motorcycle brake company
- Automobiles** Growth through aluminum weight reduction technologies

Business Environment

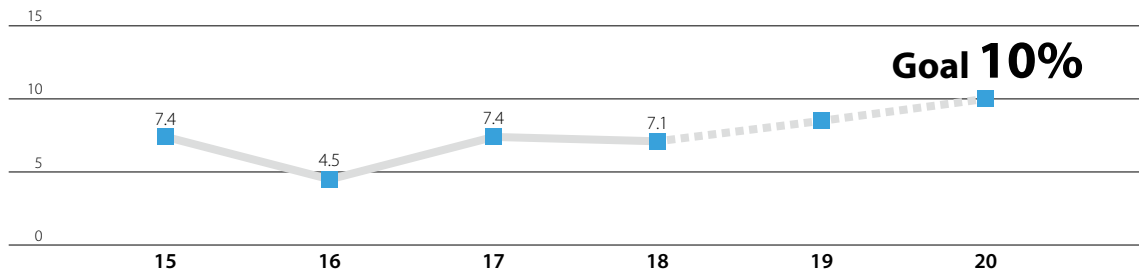
- Motorcycles** Increasing legislation about inclusion of advanced brakes (to reduce traffic accidents)
- Aluminum** Expanding needs for lighter car bodies
- Automobiles** Driverless cars, strengthening of safety regulations



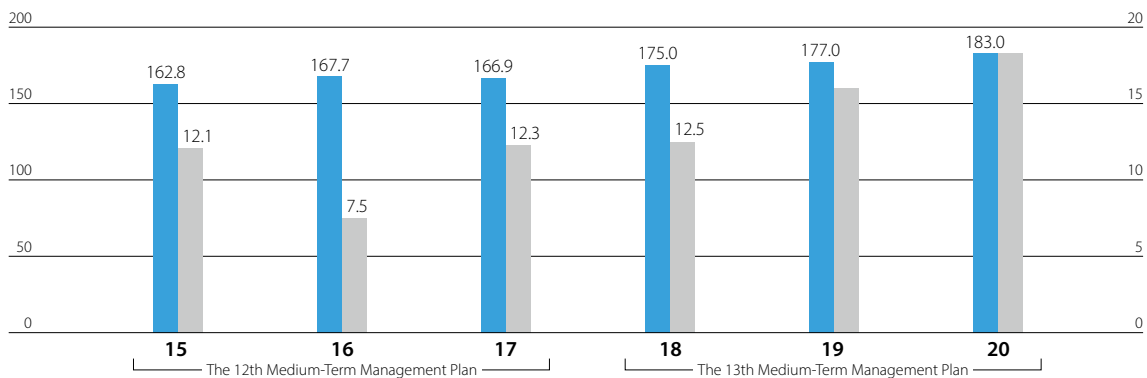
Growth Challenges

- Motorcycles** Expand the motorcycle brakes and CBS business (Indonesia, Thailand, Vietnam, India, China)
- Aluminum** Establish an earnings base on aluminum and lighter major undercarriage parts (front and rear knuckles, lower arms) and expand sales
- Automobiles** Improve automobile brake profitability

Operating profit ratio (%)



Sales/Operating profit (¥ billions)



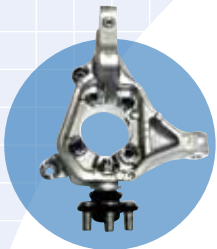
■ Sales (left) ■ Operating profit (right)

New Adoptions of Our Products

Through its aluminum-weight-reduction and braking system technologies, Nissin Kogyo makes significant contributions to motorized society in terms of both environmental performance and safety.

Automobile Business

Nissin Kogyo has started production on the aluminum products newly adopted for use on Subaru's Impreza in Japan and North America.



Aluminum Knuckle
(front)



Aluminum Knuckle
(rear)

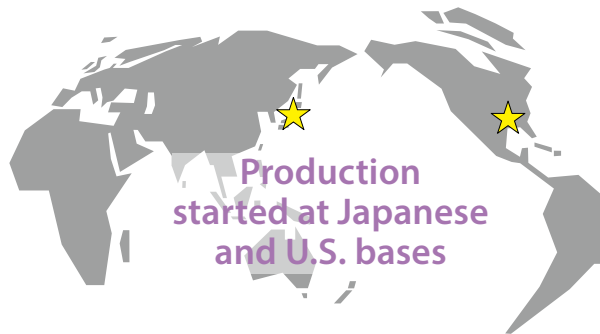


SUBARU IMPLEZA

Naoetsu Plant



NISSIN BRAKE GEORGIA



Research and Development Activities

The Nissin Kogyo Group constantly strives to keep one step ahead of changes in the world by conducting research and development activities in order to create new product families that can contribute to safety and environmental performance, while meeting the needs of customers and society.

In Japan, Group efforts are on basic brake systems, mechatronics-automated control systems, and aluminum products, primarily for motorcycles and automobiles. In these areas, we aim to reduce weight, improve fuel efficiency, and

develop products that contribute to better safety and comfort, as well as develop materials and manufacturing processes, all from a global perspective. We are also responding to needs related to achieving a low-carbon society by developing products, materials and manufacturing processes that can help to reduce CO₂ emissions.

In motorcycles, the mandatory fitment of advanced braking systems is spreading throughout the world. Consequently, we have developed lightweight combined braking systems (CBS) and anti-locking

Motorcycle Business

Our brake products were adopted for the combined braking systems (CBS) on the Honda CB Shine SP.



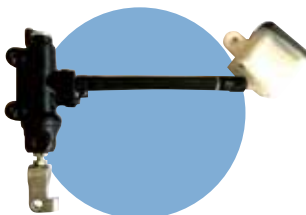
Honda CB Shine SP

CBS (Combined Brake System)

Front and rear brakes working in conjunction realize a higher level of safety



Front caliper



Rear master cylinder



Front master cylinder

braking systems (ABS) and market these to customers at reasonable prices.

We have also developed a high value-added ABS control unit and enhanced it for easy installation in completed vehicles.

We are enhancing our investment in research and development and development platforms to advance these activities more quickly. Specifically, as a form of computerized assessment, we are working on development initiatives utilizing CAE analysis (strength, action confirmation, casting defects, brake screeching, etc.) and simulation technology (ABS using HILS).

In North America, we are developing basic brake systems and aluminum products tailored to the needs of regional customers and society. In tandem, we are conducting market surveys to identify needs and trends in these regions, with a view to contributing to society.

Nissin Kogyo's Development Division is the key driver of the Group's research and development. R&D expenditures in the year under review were ¥4,744 million; by geographic segment, Japan accounted for ¥4,469 million and North America for ¥276 million.

Basic Philosophy

The Group implements corporate governance based on its guidelines and rules of conduct, including its basic principle, “Rich in spirit. A company that contributes,” and its mission statement, “Always stay ahead of changes in the world and provide superior products, technologies and ideas to meet the needs of customers and society.”

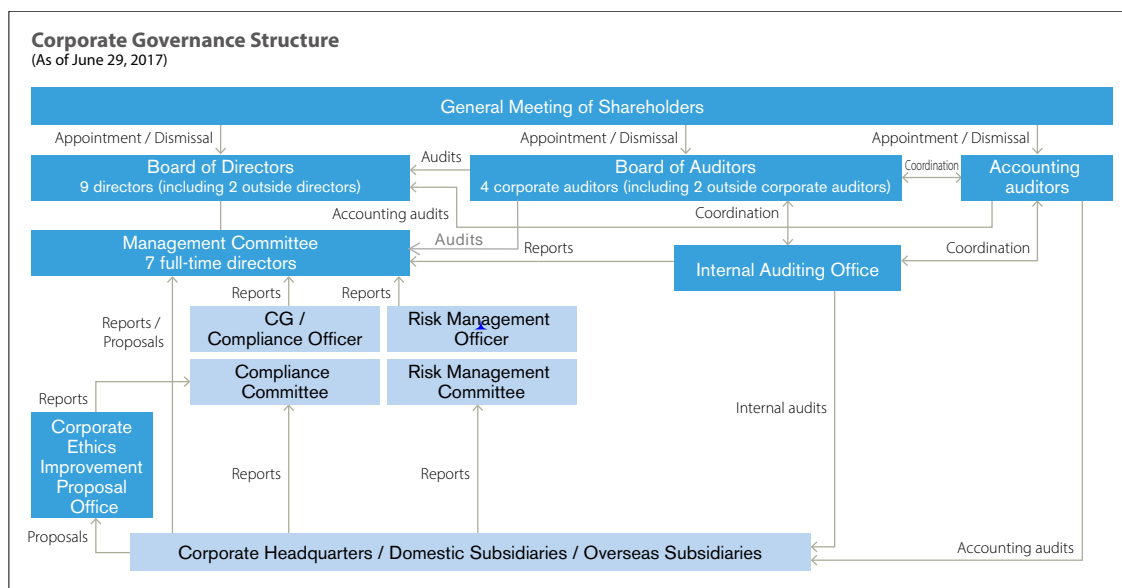
Overview of Nissin Kogyo’s Organization

Nissin Kogyo’s Board of Directors comprises 9 directors, of whom 2 are outside directors and its role is to deliberate upon legal matters and major management issues. The Management Committee comprises 7 full-time directors and its role is to conduct prior deliberation on matters to be brought up for discussion by the Board of Directors, as well as to sufficiently deliberate upon important matters of management, share management issues, and decide upon measures to solve those issues.

The Company is a Company with Board of Auditors, in accordance with the Companies Act. The Board of Auditors is comprised of four corporate auditors, two of whom are outside corporate auditors. Corporate auditors attend meetings of the Board of Directors, Management Committee and other important meetings and audit business execution.

The Internal Auditing Office appoints four full-time corporate auditors and concurrent corporate auditors elected from the accounting field to form an Independent Operation Auditing Department. The job of this department is to provide support in the execution of internal auditing and to respond to requests from corporate auditors. In internal auditing, the Internal Auditing Office conducts audits of all domestic divisions on a twice-yearly basis, along with conducting regular audits of overseas bases.

The system for execution of operations is modeled on a high standard of effectiveness and efficiency and utilizes the cooperation of the four headquarters and overseas bases.



Details of Director and Corporate Auditor Remuneration

Classification	Total compensation paid (Millions of yen)	Total compensation paid by type (Millions of yen)		Number of recipients (Persons)
		Basic compensation	Bonus	
Directors (Excluding the outside director)	207	176	31	7
Corporate auditors (Excluding outside corporate auditors)	43	35	8	2
Outside director and corporate auditors	10	10	—	4

Environmental Initiatives

Nissin Kogyo positions environmental issues among management's most important challenges, and has taken a progressive approach to environmental protection activities. Beyond providing customers with resource- and energy-saving products, the Nissin Kogyo Group concentrates wholeheartedly on the environment and safety, and is developing a framework for further environmental protection.

Environmental Policy of Nissin Kogyo

In June 1998, Nissin Kogyo formulated its Environmental Policy to promote environmental protection activities. Every member of the Group is working together toward the formation of a recycling-oriented, sustainable society.

Environmental Protection Activities

Nissin Kogyo is working to establish environmentally friendly plants that contribute to the reduction of CO₂ emissions in production activities. As a part of this, we have been introducing cogeneration facilities that use natural gas to generate electricity consumed at production plants, while also effectively utilizing the hot water and heat produced when power is generated.

The first of our plants to introduce a cogeneration facility was the Naoetsu Plant. This was followed by the introduction of the same system at the Tobu Plant.

In addition to using the electricity generated by these systems for plant operations, we also effectively utilize the hot water and heat produced for the cooling and heating systems of our Corporate Headquarters and the Tobu Plant. At the Naoetsu Plant, the electricity generated is used at the new plant for automobile parts, with the hot water and surplus heat utilized not only in alumite treatment and surface treatment processes, but also to melt snow in winter.



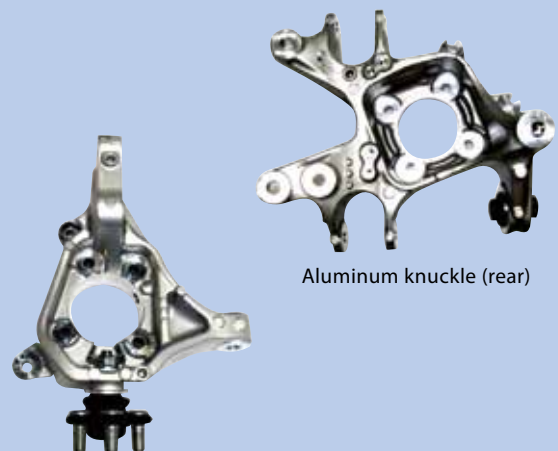
Cogeneration facility at the Naoetsu Plant



Cogeneration facility at the Tobu Plant

Environmentally Friendly Products

Nissin Kogyo is promoting a shift from steel to aluminum using aluminum weight-reduction technology. The aluminum knuckle is one example. By changing the material for this product from steel to aluminum, each car can be lightened by around 4 kg, contributing to energy savings and CO₂ reductions.



Aluminum knuckle (front)

Aluminum knuckle (rear)

Business Results

In the fiscal year ended March 31, 2017, consolidated sales decreased 0.5% year on year to ¥166,889 million, mainly due to the impact of foreign exchange translation, despite increases in sales in Japan and North America, as well as Asia. Operating profit rose 63.9% to ¥12,278 million, mainly due to the impact of higher sales and cost reductions, despite foreign exchange effects. Profit before income tax was ¥12,880 million, up 73.9%, profit was ¥9,560 million, down 74.8%, and profit attributable to owners of the parent was ¥5,385 million, down 84.0%.

In the fiscal year ended March 31, 2016, certain businesses operated by the Company and its subsidiaries were classified as discontinued operations pursuant to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Accordingly, sales, operating profit and profit before income tax for the fiscal year ended March 31, 2016 were restated to reflect only continuing operations. Along with this, profit from discontinued operations of ¥32,219 million and ¥31,928 million were included in profit and profit attributable to owners of the parent, respectively.

Breakdown by Geographic Segment

Japan

In Japan, sales increased 5.1% year on year to ¥25,953 million, mainly due to higher sales of aluminum products and other items, despite lower sales of motorcycle products.

Operating profit was ¥2,241 million, an increase of ¥2,999 million from an operating loss in the previous fiscal year. This increase was mainly due to the impact of higher sales and cost reductions, as well as the recording of one-time expenses associated with business divestitures in the previous fiscal year.

North America

Sales decreased 4.0% year on year to ¥42,078 million, mainly due to foreign exchange effects, despite an increase in sales of aluminum products.

Operating loss was ¥477 million, decreasing by ¥1,486 million from an operating loss in the previous fiscal year. This decrease mainly reflected the impact of higher sales and the recording of impairment losses in the previous fiscal year, despite the impact of the yen's appreciation.

Asia

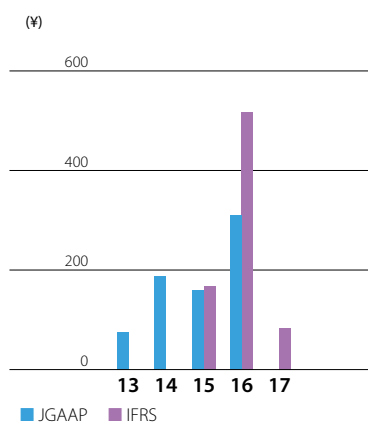
Sales were almost level with the previous fiscal year at ¥86,830 million, mainly reflecting foreign exchange effects, which largely offset higher sales in China, Vietnam and Thailand.

Operating profit was mostly unchanged from the previous fiscal year at ¥10,336 million, mainly reflecting the impact of higher sales, cost reductions and other factors, which largely offset exchange rate effects.

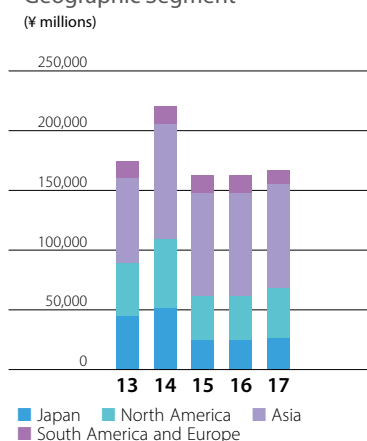
South America and Europe

Net sales decreased 5.5% year on year to ¥12,029 million, mainly due to a weak Brazilian market and foreign exchange effects.

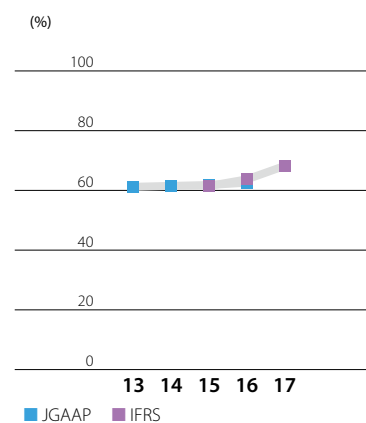
Basic Earnings per Share



Net Sales by Geographic Segment



Shareholders' Equity Ratio



Operating profit was ¥116 million, an increase of ¥492 million from an operating loss in the previous fiscal year. This increase mainly reflected foreign exchange effects, despite the weak Brazilian market.

Financial Position

Total assets as of March 31, 2017 were down ¥13,381 million from the previous fiscal year-end to ¥216,005 million. The main reasons for changes in assets, liabilities and equity were as follows.

Current assets were down ¥15,722 million from the previous fiscal year-end to ¥116,730 million. This mainly reflected a decrease in cash and cash equivalents.

Non-current assets were up ¥2,341 million from the previous fiscal year-end to ¥99,275 million. This mainly reflected an increase in property, plant and equipment.

Current liabilities were down ¥18,427 million from the previous fiscal year-end to ¥34,868 million. This was mainly due to a decline in income tax payables.

Non-current liabilities were up ¥295 million from the previous fiscal year-end to ¥8,367 million. This was mainly due to an increase in deferred tax liabilities.

Total equity was up ¥4,751 million from the previous fiscal year-end to ¥172,770 million. This was mainly due to an increase in retained earnings.

Cash Flows

Cash and cash equivalents ("cash") for the fiscal year ended March 31, 2017 stood at ¥38,541 million, down ¥14,508 million from the previous fiscal year.

The status of cash flows in the fiscal year ended March 31, 2017 was as follows.

Net cash provided by operating activities was ¥8,974 million (compared with ¥25,842 million in the previous fiscal year). Principle items included profit before income tax and depreciation and amortization expense, which were partially offset by income taxes paid.

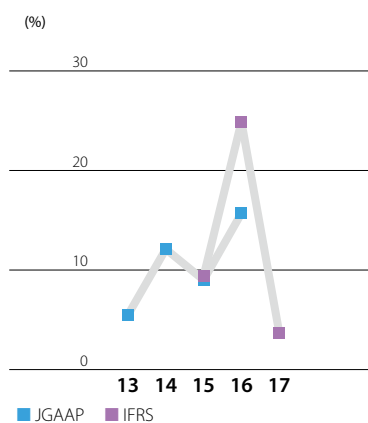
Net cash used in investing activities was ¥13,892 million (compared with ¥2,857 million in the previous fiscal year). This mainly reflected purchase of property, plant and equipment.

Net cash used in financing activities was ¥8,628 million (compared with ¥4,902 million in the previous fiscal year). This mainly reflected dividends paid and net decrease in short-term borrowings.

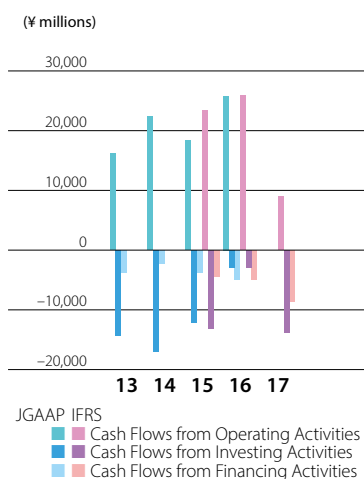
Basic Stance Regarding Selection of Accounting Standards

The consolidated financial statements of the Group have been prepared in compliance with International Financial Reporting Standards (IFRS) from the fiscal year ended March 31, 2016.

Return on Equity



Cash Flows



Consolidated Statement of Financial Position

Nissin Kogyo Co., Ltd. and Consolidated Subsidiaries
March 31, 2016 and 2017

ASSETS	Millions of yen		Thousands of U.S. dollars
	2016	2017	2017
Current assets:			
Cash and cash equivalents	¥ 53,049	¥ 38,541	\$ 343,531
Trade receivables	32,308	26,727	238,232
Other financial assets	22,489	25,448	226,828
Inventories	21,938	22,109	197,067
Other current assets	2,520	3,769	33,597
Subtotal	132,303	116,594	1,039,255
Assets classified as held-for-sale	149	136	1,213
Total current assets	132,452	116,730	1,040,468
Non-current assets:			
Property, plant and equipment	49,326	51,948	463,038
Intangible assets	1,727	1,544	13,759
Investments accounted for using the equity method	28,675	27,362	243,892
Other financial assets	15,369	16,869	150,365
Deferred tax assets	499	979	8,724
Other non-current assets	1,337	572	5,102
Total non-current assets	96,934	99,275	884,879
Total assets	¥229,386	¥216,005	\$1,925,347

Note: The accompanying consolidated financial statements are expressed in yen, and solely for the convenience of the reader, have been translated into U.S. dollars at the rate of 112.19 = U.S.\$1, the approximate rate of exchange prevailing at March 31, 2017. This translation should not be construed as a representation that all amounts shown could be converted into U.S. dollars at such rate.

Consolidated Statement of Changes in Equity

Nissin Kogyo Co., Ltd. and Consolidated Subsidiaries
Year ended March 31, 2017

	Total equity attributable to owners of the parent						Non-controlling interests	Total equity
	Capital stock	Capital surplus	Treasury shares	Retained earnings	Other components of equity	Total		
Balance as of March 31, 2016	¥3,694	¥3,908	¥(526)	¥132,712	¥6,045	¥145,833	¥22,186	¥168,019
Comprehensive income:								
Profit	—	—	—	5,385	—	5,385	4,175	9,560
Other comprehensive income	—	—	—	—	84	84	165	248
Total comprehensive income	—	—	—	5,385	84	5,468	4,340	9,808
Total transactions with owners:								
Increase (decrease) in treasury shares	—	—	(0)	—	—	(0)	—	(0)
Dividends	—	—	—	(2,928)	—	(2,928)	(2,129)	(5,057)
Other increase (decrease)	—	—	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	86	(86)	—	—	—
Total transactions with owners	—	—	(0)	(2,842)	(86)	(2,928)	(2,129)	(5,057)
Balance as of March 31, 2017	¥3,694	¥3,908	¥(526)	¥135,255	¥6,043	¥148,374	¥24,396	¥172,770

LIABILITIES AND EQUITY	Millions of yen		Thousands of U.S. dollars
	2016	2017	2017
Liabilities:			
Current liabilities:			
Trade payables	¥ 20,727	¥ 17,774	\$ 158,430
Borrowings	7,736	4,470	39,842
Other financial liabilities	6,858	5,362	47,797
Income tax payables	12,878	1,571	13,999
Provisions	640	879	7,832
Other current liabilities	4,456	4,812	42,895
Total current liabilities	53,295	34,868	310,795
Non-current liabilities:			
Borrowings	1,371	898	8,000
Other financial liabilities	22	2	14
Net defined benefit liability	2,321	2,450	21,838
Provisions	1,082	1,156	10,305
Deferred tax liabilities	2,739	3,296	29,378
Other non-current liabilities	537	566	5,042
Total non-current liabilities	8,072	8,367	74,577
Total liabilities	61,367	43,235	385,372
Equity:			
Capital stock	3,694	3,694	32,926
Capital surplus	3,908	3,908	34,833
Treasury shares	(526)	(526)	(4,690)
Retained earnings	132,712	135,255	1,205,589
Other components of equity	6,045	6,043	53,863
Total equity attributable to owners of the parent	145,833	148,374	1,322,521
Non-controlling interests	22,186	24,396	217,454
Total equity	168,019	172,770	1,539,975
Total liabilities and equity	¥229,386	¥216,005	\$1,925,347

	Thousands of U.S. dollars							
	Total equity attributable to owners of the parent						Non-controlling interests	Total equity
	Capital stock	Capital surplus	Treasury shares	Retained earnings	Other components of equity	Total		
Balance as of March 31, 2016	\$32,926	\$34,833	\$(4,690)	\$1,182,925	\$53,882	\$1,299,876	\$197,750	\$1,497,626
Comprehensive income:								
Profit	—	—	—	47,998	—	47,998	37,215	85,213
Other comprehensive income	—	—	—	—	744	744	1,470	2,214
Total comprehensive income	—	—	—	47,998	744	48,742	38,685	87,427
Total transactions with owners:								
Increase (decrease) in treasury shares	—	—	(0)	—	—	(0)	—	(0)
Dividends	—	—	—	(26,097)	—	(26,097)	(18,980)	(45,077)
Other increase (decrease)	—	—	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	763	(763)	—	—	—
Total transactions with owners	—	—	(0)	(25,333)	(763)	(26,097)	(18,980)	(45,077)
Balance as of March 31, 2017	\$32,926	\$34,833	\$(4,690)	\$1,205,589	\$53,863	\$1,322,521	\$217,454	\$1,539,975

Note: U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥112.19=U.S.\$1, the approximate exchange rate as of March 31, 2017.

Consolidated Statement of Income

Nissin Kogyo Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2016 and 2017

	Millions of yen		Thousands of U.S. dollars
	2016	2017	2017
Sales	¥ 167,709	¥ 166,889	\$ 1,487,554
Cost of sales	(147,875)	(144,346)	(1,286,617)
Gross profit	19,834	22,543	200,937
Selling, general and administrative expenses	(9,117)	(10,139)	(90,369)
Other income	1,706	908	8,091
Other expenses	(4,933)	(1,035)	(9,222)
Operating profit	7,490	12,278	109,437
Finance income	1,225	1,728	15,404
Finance costs	(1,131)	(45)	(403)
Share of profit (loss) of entities accounted for using the equity method	(179)	(1,080)	(9,629)
Profit before income tax	7,406	12,880	114,809
Income tax expense	(1,719)	(3,320)	(29,596)
Profit from continuing operations	5,687	9,560	85,213
Profit from discontinued operations	32,219	—	—
Profit	¥ 37,906	¥ 9,560	\$ 85,213
Profit attributable to:			
Owners of the parent:			
Profit from continuing operations	¥ 1,655	¥ 5,385	\$ 47,998
Profit from discontinued operations	31,928	—	—
Profit attributable to owners of the parent	33,582	5,385	47,998
Non-controlling interests	4,324	4,175	37,215
Profit	¥ 37,906	¥ 9,560	\$ 85,213
Earnings per share:			
Basic earnings per share (yen):			
From continuing operations	¥ 25.47	¥ 82.77	\$ 0.74
From discontinued operations	491.36	—	—
Total	¥ 516.82	¥ 82.77	\$ 0.74

Note: U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥112.19=U.S.\$1, the approximate exchange rate as of March 31, 2017.

Consolidated Statement of Comprehensive Income

Nissin Kogyo Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2016 and 2017

	Millions of yen		Thousands of U.S. dollars
	2016	2017	2017
Profit	¥ 37,906	¥ 9,560	\$ 85,213
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Financial assets valued at fair value through other comprehensive income	(1,912)	1,028	9,163
Remeasurements of defined benefit plans	(390)	61	541
Other, net	—	14	121
Total other comprehensive income that will not be reclassified to profit or loss, net of taxes	(2,302)	1,102	9,825
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations	(9,928)	(608)	(5,422)
Share of other comprehensive income of entities accounted for using the equity method	39	(246)	(2,189)
Total other comprehensive income that may be reclassified to profit or loss	(9,890)	(854)	(7,611)
Other comprehensive income, net of tax	(12,191)	248	2,214
Total comprehensive income	¥ 25,787	¥ 9,808	\$ 87,427
Total comprehensive income attributable to:			
Owners of the parent	¥ 24,034	¥ 5,468	\$ 48,742
Non-controlling interests	1,753	4,340	38,685
Total comprehensive income	¥ 25,787	¥ 9,808	\$ 87,427

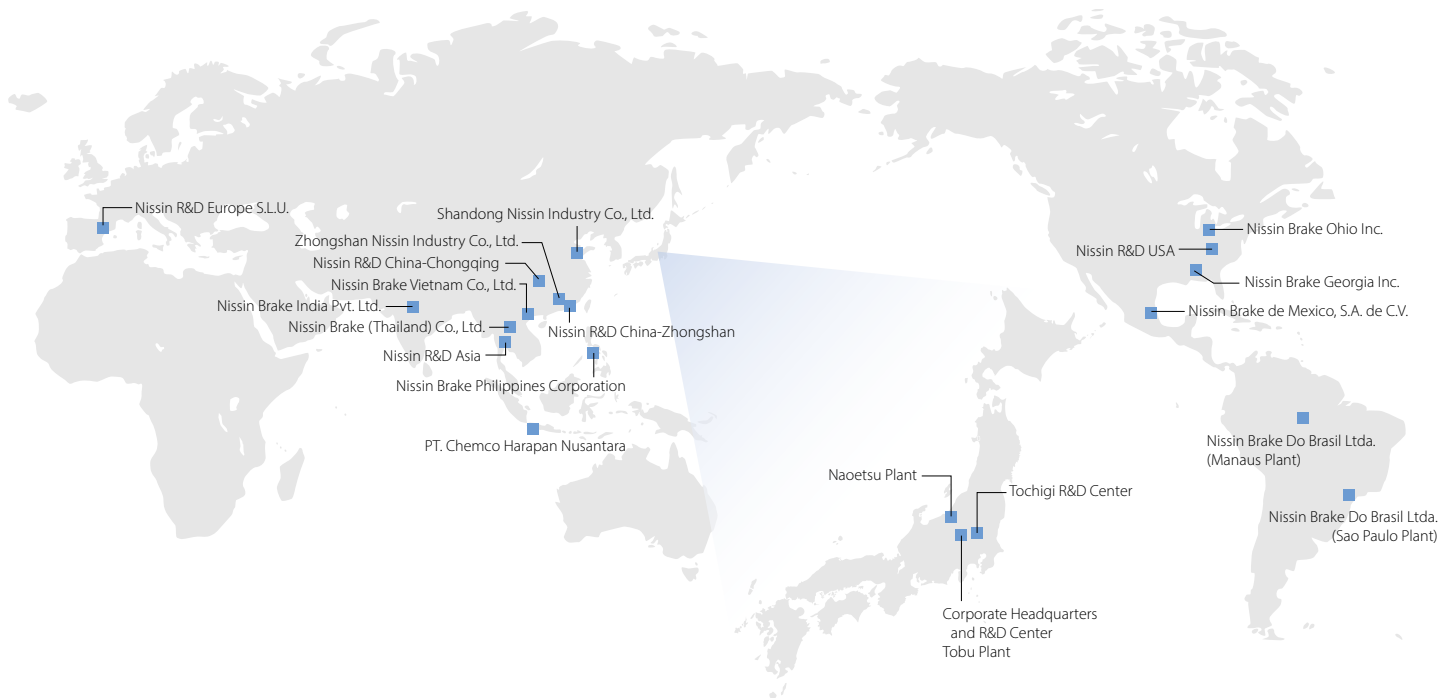
Note: U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥112.19=U.S.\$1, the approximate exchange rate as of March 31, 2017.

Consolidated Statement of Cash Flows

Nissin Kogyo Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2016 and 2017

	Millions of yen		Thousands of U.S. dollars
	2016	2017	2017
Cash flows from operating activities:			
Profit before income tax	¥ 7,406	¥ 12,880	\$ 114,809
Profit before tax from discontinued operations	46,607	—	—
Depreciation and amortization expense	9,675	8,422	75,069
Impairment loss	2,137	218	1,939
Gain on transfer from business divestitures	(39,184)	—	—
Finance (income) and costs	(482)	(1,274)	(11,358)
Share of (profit) loss of entities accounted for using the equity method	179	1,080	9,629
Increase (decrease) in provisions and net defined benefit liability	1,044	457	4,078
(Increase) decrease in trade and other receivables	113	4,940	44,033
(Increase) decrease in inventories	53	(140)	(1,245)
Increase (decrease) in trade and other payables	(1,448)	(4,256)	(37,938)
Other, net	2,823	918	8,186
Subtotal	28,922	23,246	207,201
Interest and dividends received	1,226	1,392	12,412
Interest paid	(101)	(55)	(489)
Income taxes paid	(4,206)	(15,609)	(139,131)
Net cash flows from (used in) operating activities	25,842	8,974	79,992
Cash flows from investing activities:			
Net (increase) decrease in time deposits	(3,692)	(2,578)	(22,976)
Net (increase) decrease in securities	(9,000)	—	—
Purchase of property, plant and equipment	(13,409)	(11,035)	(98,363)
Purchase of intangible assets	(1,699)	(391)	(3,484)
Purchase of investment securities	(32)	(4)	(35)
Proceeds from the sale of investment securities	100	1	11
Cash advances and loans made to other parties	(1,604)	—	—
Proceeds from business divestitures	35,030	—	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	231	—	—
Payment for acquisition of investments accounted for using the equity method	(9,025)	—	—
Proceeds from sale of investments accounted for using the equity method	93	—	—
Other, net	149	115	1,022
Net cash flows from (used in) investing activities	(2,857)	(13,892)	(123,825)
Cash flows from financing activities:			
Net increase (decrease) in short-term borrowings	2,101	(3,050)	(27,186)
Dividends paid to owners of the parent	(2,598)	(2,928)	(26,097)
Dividends paid to non-controlling shareholders	(1,794)	(2,129)	(18,980)
Purchase of non-controlling interests	(2,986)	—	—
Other, net	374	(521)	(4,645)
Net cash flows from (used in) financing activities	(4,902)	(8,628)	(76,907)
Effect of exchange rate changes on cash and cash equivalents	(2,819)	(962)	(8,574)
Net increase (decrease) in cash and cash equivalents	15,263	(14,508)	(129,314)
Cash and cash equivalents at beginning of period	37,785	53,049	472,845
Cash and cash equivalents at end of period	¥ 53,049	¥ 38,541	\$ 343,531

Note: U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥112.19=U.S.\$1, the approximate exchange rate as of March 31, 2017.



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Corporate Data

(As of March 31, 2017)

Name: Nissin Kogyo Co., Ltd.

Established: October 1953

Paid-In Capital: ¥3,694 million

Employees: 9,557

Directors and Corporate Auditors:

(As of June 16, 2017)

President

Eiji Okawara

Executive Director

Junya Takei

Managing Director

Kenji Terada

Directors

Kazuya Sato

Yuichi Ichikawa

Takayoshi Shinohara

Keiichi Kobayashi

Jiro Miyashita

Masataka Fukui

Statutory Corporate Auditors

Kiyoshi Sakashita

Takanobu Watanabe

Corporate Auditors

Hiroyuki Negishi

Heiji Saito

Total Shares Issued and Outstanding: 65,452,143

Number of Shareholders: 16,051

Stock Listing: Tokyo Stock Exchange, First Section

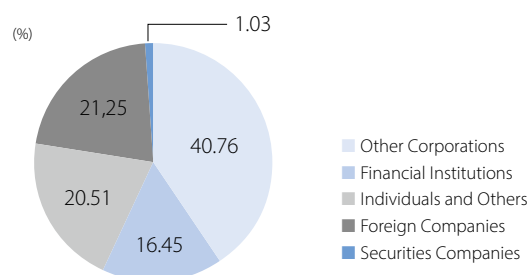
Stock Code: 7230

Transfer Agent:

Sumitomo Mitsui Trust Bank, Limited

1-4-1, Marunouchi, Chiyoda-ku, Tokyo, Japan

Shareholdings by Shareholder Type:



Principal Shareholders:

Name	Shareholding (Thousands of shares)	Percentage of total shares outstanding (%)
Honda Motor Co., Ltd.	22,682	34.65
Daishin Sangyo Co., Ltd.	3,398	5.19
Japan Trustee Services Bank, Ltd. (Trust Account)	2,486	3.79
The Bank of New York, Mellon SA/NV 10	2,315	3.53
Naoya Miyashita	1,963	2.99
State Street Bank & Trust Company	1,748	2.67
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,405	2.14
Northern Trust Co. (AVFC) RE-HCR00	912	1.39
Japan Trustee Services Bank, Ltd. (Trust Account 5)	821	1.25
Japan Trustee Services Bank, Ltd. (Trust Account 9)	757	1.15



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