

Review of Operations

Operating Results for Fiscal 2016

In fiscal 2016, net sales decreased 5.4% from the previous fiscal year to JPY266.1 billion. Akebono reported a decline in domestic sales owing to weak sales of automobiles in Japan in the first half and slowing in exports. Overseas, orders remained brisk in North America, and increased in China, while operations ramped up for high performance vehicles in Europe. As a result, with the exception of Japan, sales increased in all regions on a local currency basis, but yen appreciation had a significant impact on foreign currency exchange (-JPY23.4 billion year on year).

On the earnings front, Akebono posted operating profit of JPY4.2 billion (compared with an operating loss of JPY3.8 billion last year). Rationalization effect in Japan, strong orders in China and measures to rebuild operations

in North America, such as optimization of sales prices, which showed earlier-than-anticipated results, offset slightly continued manufacturing problems in North America that led to higher labor, transportation and other costs. Ordinary profit totaled JPY0.8 billion, an improvement from ordinary losses of JPY6.8 billion a year ago, mainly reflecting a decline in interest payments and foreign exchange losses. Profit attributable to owners of parent was JPY0.35 billion, compared with the loss attributable to owners of parent of JPY19.5 billion last year, mainly reflecting the recording of extraordinary income on the sale of some investment securities and subsidy income (Fukushima business investment subsidy for revitalization of industries).

At a glance

