



Consolidated financial results for FY2017

The fiscal year April 1, 2016 to March 31, 2017

Takata Corporation

May 18, 2017

Our mission – your safety.

FY2017 results overview

FY2017 Consolidated financial highlights

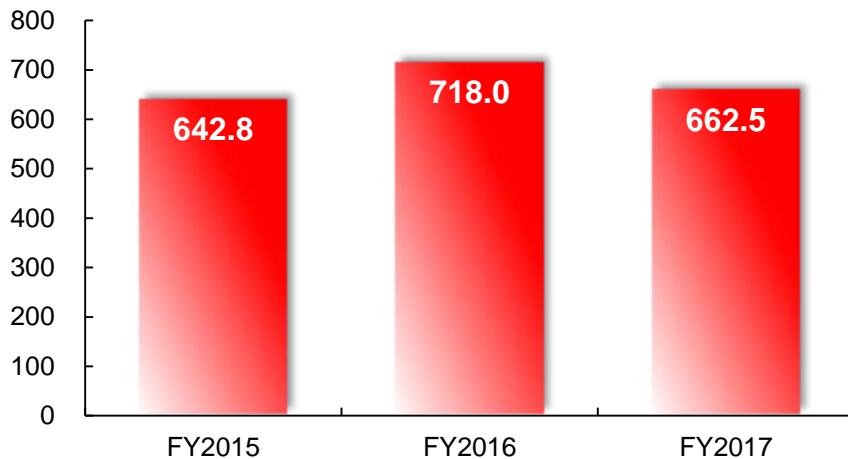
Unit: Billion yen, rounded down
Average rate during period

	FY2016	FY2017	Change in yen	Change in %
Net sales	718.0	662.5	(55.4)	(7.7%)
Operating income	42.1	38.6	(3.1)	(7.5%)
Operating income ratio	5.9%	5.9%	-	-
Ordinary income	35.2	42.9	7.7	22.1%
<i>Extraordinary income/loss</i>	(39.9)	(108.5)	-	-
Net income (loss)	(13.0)	(79.5)	(66.5)	-

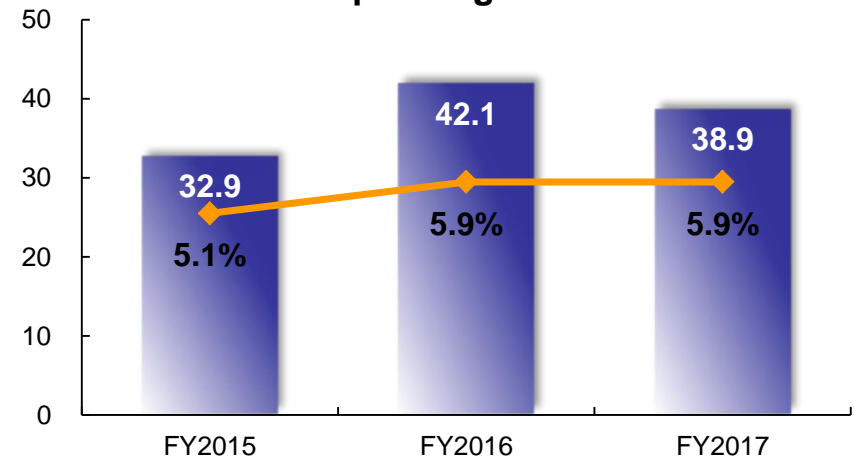
Exchange rate effects on sales:
(69.3 billion yen)
After accounting for exchange rate effects: +1.9%

USD/yen	120.14	108.34
Euro/yen	132.59	118.74

Consolidated net sales trends



Consolidated operating income trends



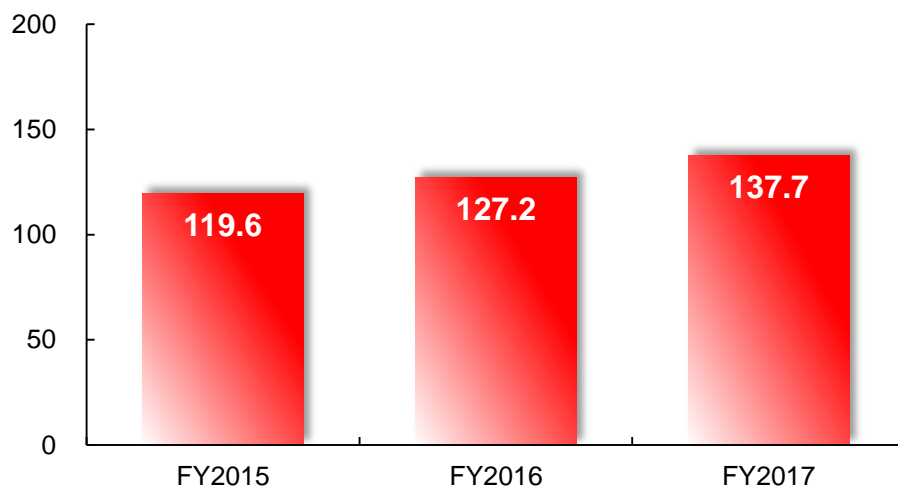
FY2017 Results by region: Japan

Unit: Billion yen, rounded down

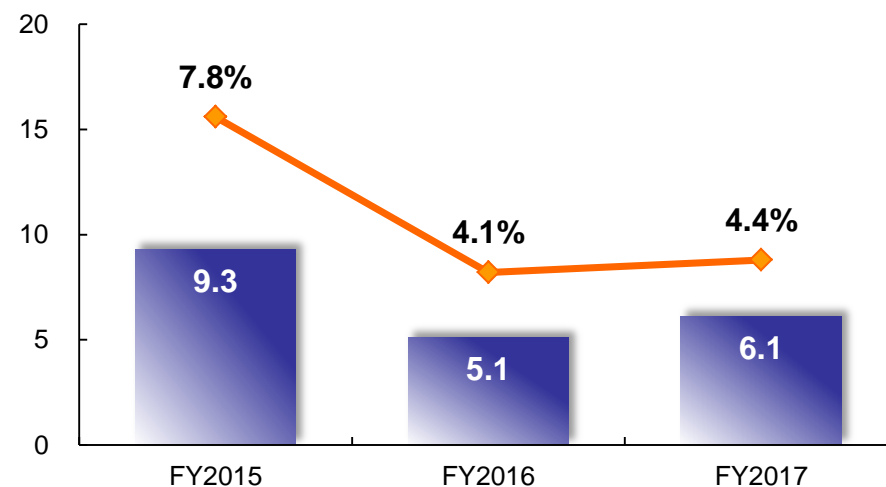
	FY2016	FY2017	Change in yen	Change in %
Net sales	127.2	137.7	10.5	8.3%
Operating income	5.1	6.1	0.9	17.9%
Operating income ratio	4.1%	4.4%	—	—

*Total net sales value including internal transactions

Net sales trends (consolidated before eliminations)



Operating income trends



FY2017 Results by region: Americas

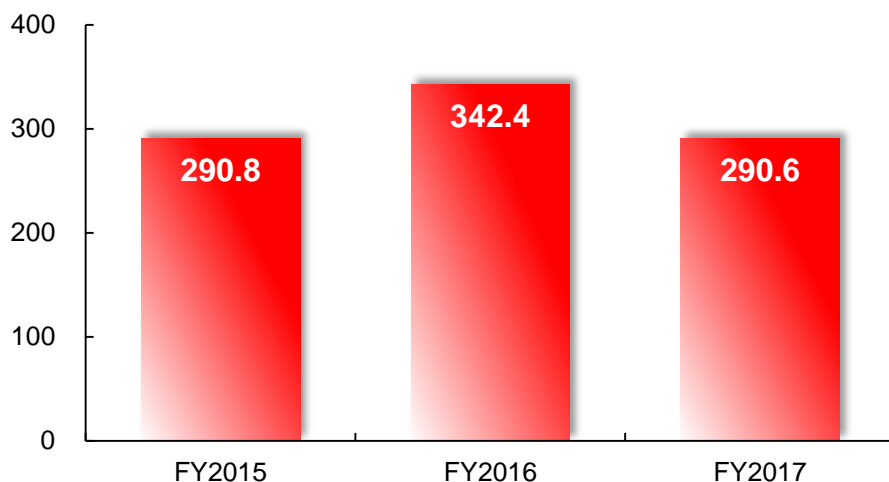
Unit: Billion yen, rounded down

	FY2016	FY2017	Change in yen	Change in %
Net sales	342.4	290.6	(51.7)	(15.1%)
Operating income	17.4	11.1	(6.3)	(36.4%)
Operating income ratio	5.1%	3.8%	—	—

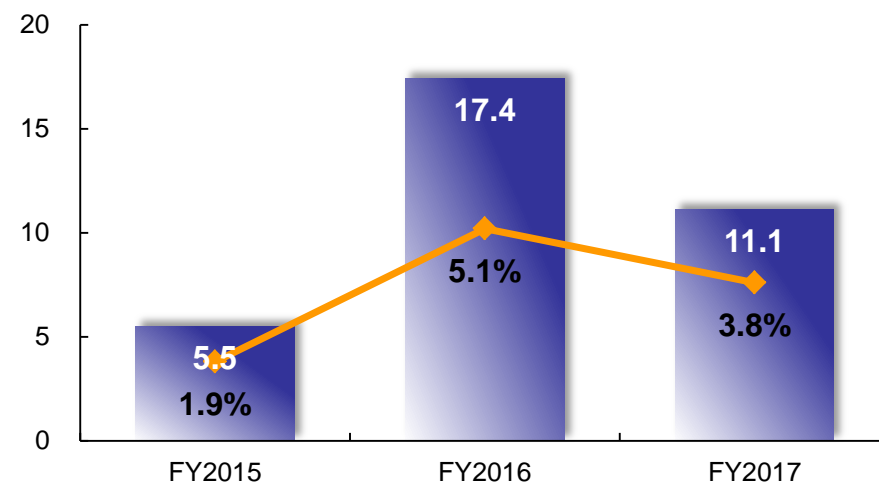
*Total net sales value including internal transactions

Exchange rate effects on sales: (30.3 billion yen)
After accounting for exchange rate effects: (6.2%)

Net sales trends (consolidated before eliminations)



Operating income trends



FY2017 Results by region: Europe

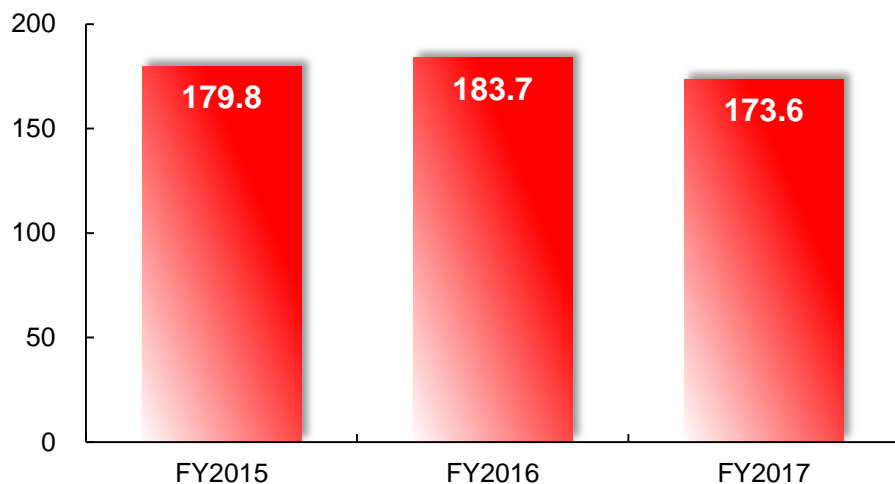
Unit: Billion yen, rounded down

	FY2016	FY2017	Change in yen	Change in %
Net sales	183.7	173.6	(10.1)	(5.5%)
Operating income	0.7	2.1	1.3	173.7%
Operating income ratio	0.4%	1.2%	—	—

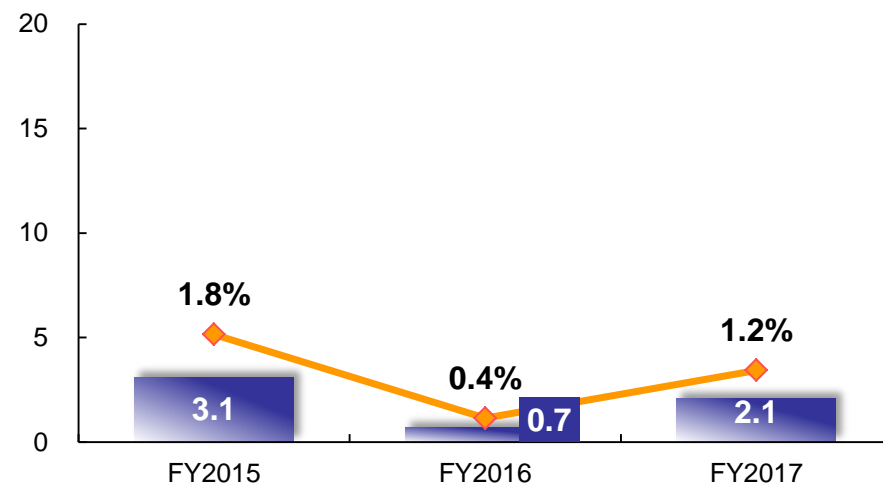
*Total net sales value including internal transactions

Exchange rate effects on sales: (21.1 billion yen)
After accounting for exchange rate effects: +6.0%

Net sales trends (consolidated before eliminations)



Operating income trends



FY2017 Results by region: Asia

Unit: Billion yen, rounded down

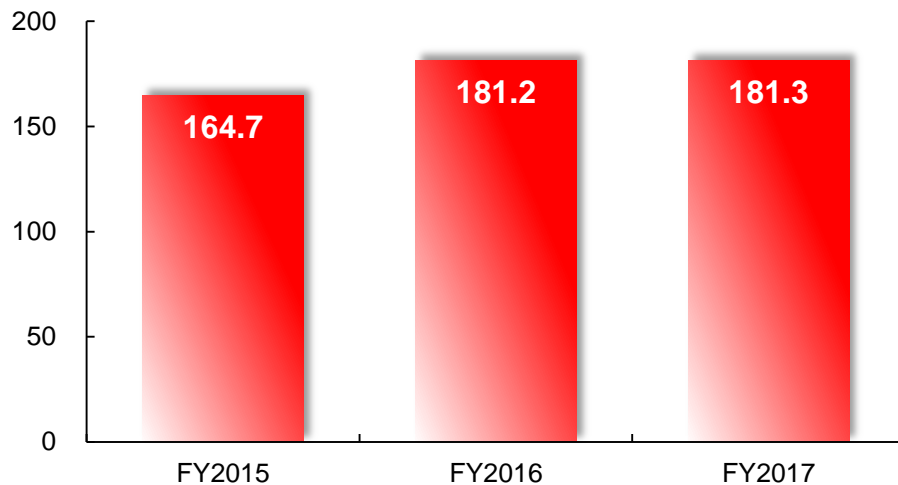
	FY2016	FY2017	Change in yen	Change in %
Net sales	181.2	181.3	0.0	0.0%
Operating income	19.3	19.6	0.3	1.8%
Operating income ratio	10.7%	10.8%	—	—

*Total net sales value including internal transactions

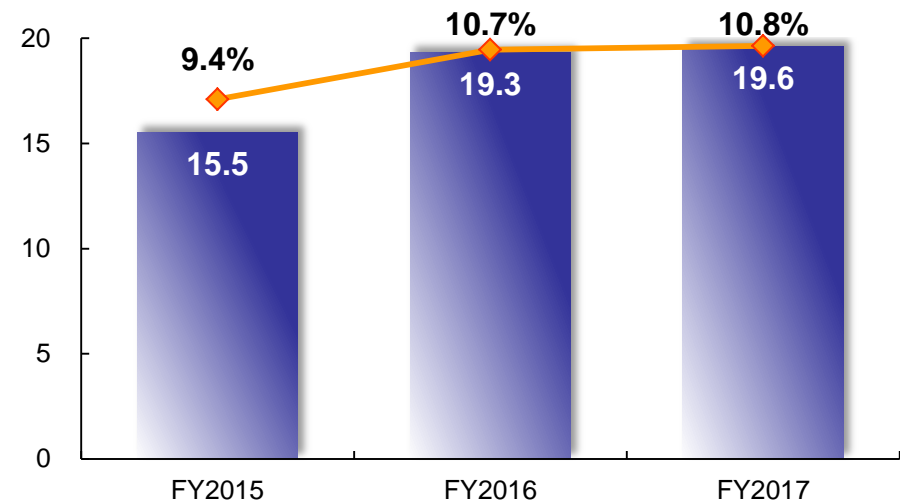
Exchange rate effects on sales: (27.0 billion yen)

After accounting for exchange rate effects: +15.0%

Net sales trends (consolidated before eliminations)



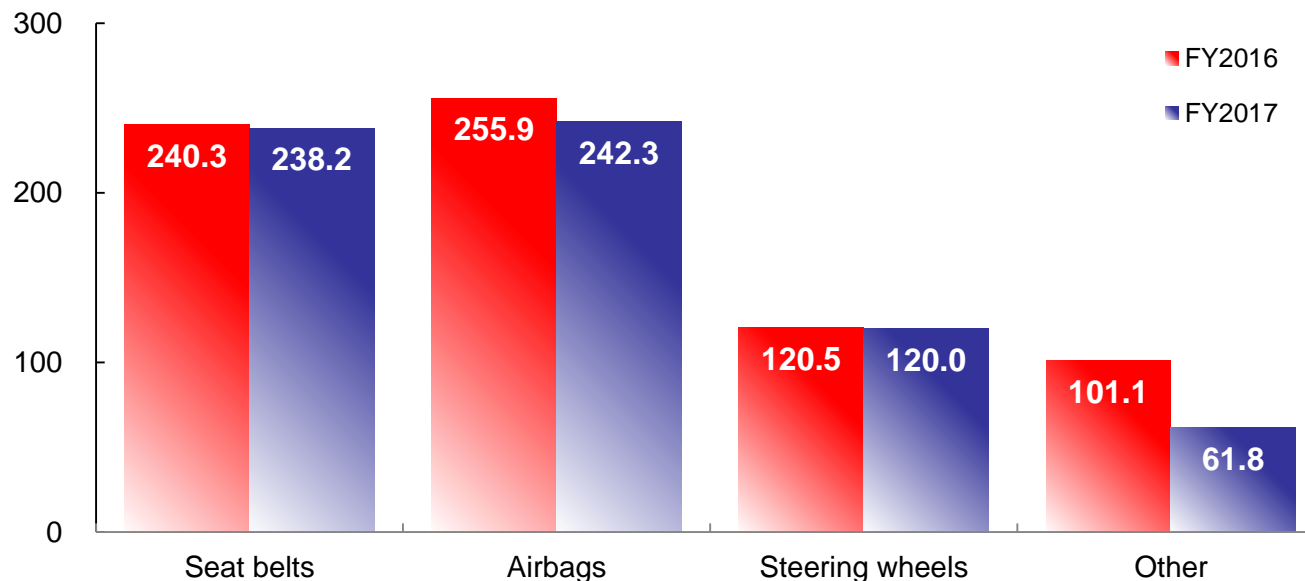
Operating income trends



FY2017 Consolidated net sales by product

Unit: Billion yen, rounded down
Consolidated after eliminations

	FY2016	Composition ratio	FY2017	Composition ratio	Change in yen	Change in %
Seat belts	240.3	33.5%	238.2	36.0%	(2.1)	(0.9%)
Airbags	255.9	35.7%	242.3	36.6%	(13.6)	(5.3%)
Steering wheels	120.5	16.8%	120.0	18.1%	(0.4)	(0.4%)
Other	101.1	14.1%	61.8	9.3%	(39.2)	(38.8%)
Total	718.0	100%	662.5	100%	(55.4)	(7.7%)

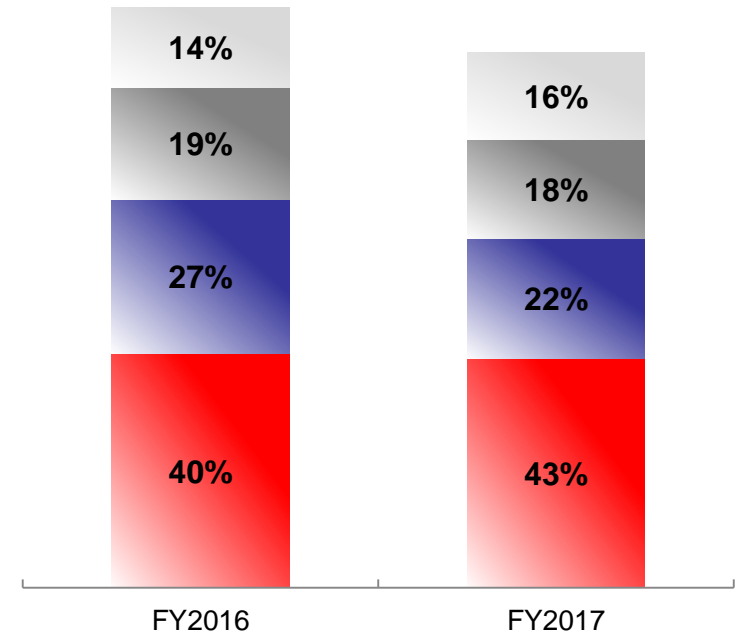


■ Top 5 customers

Rank	FY2016	FY2017
1	Honda	Honda
2	Renault Nissan	Renault Nissan
3	Ford	GM
4	GM	Toyota
5	Fiat Chrysler	VW
Top 5	52.9%	52.8%

■ Composition of net sales by major customer

■ Japanese
 ■ American
 ■ European
 ■ Asian/Other



Unit: Billion yen, rounded down

	FY2014	FY2015	FY2016	FY2017	Changes
Cash and deposit	108.2	76.3	58.5	78.0	19.5
Interest-bearing debt	90.9	86.3	84.0	83.9	(0.0)
Net	17.2	(9.9)	(25.5)	(5.9)	19.5
Capital adequacy ratio (%)	39.3	31.0	27.5	7.0	(20.5)
Investment grade (JCR)	A	BBB+	BB- *	B-	-
CCC days	75	73	65	71	6

Cash and deposits: includes securities and fixed deposit of more than 3 months

CCC: Cash conversion cycle

*Revised on May 6, 2016

FY2017 Consolidated balance sheet (summary)

Unit: Billion yen, rounded down

	FY2014	FY2015	FY2016	FY2017	Changes
Current asset	309.8	313.5	300.7	318.9	18.2
(Cash and deposits)	108.2	76.3	58.5	78.0	19.5
(Inventories)	59.2	70.9	81.4	80.2	(1.1)
Fixed assets	136.8	161.9	142.2	111.9	(30.3)
(Investment securities)	19.9	21.8	12.3	5.0	(7.3)
Total assets	446.7	475.4	443.0	430.9	(12.0)
Current liabilities	171.9	232.4	235.0	340.6	105.6
(Interest-bearing debt)	25.4	31.0	35.8	59.9	24.1
(Accounts payable –other)	4.8	14.7	39.3	145.2	105.8
(Warranty reserve)	46.2	75.2	42.7	20.9	(21.7)
Fixed liabilities	97.8	94.1	83.3	57.1	(26.2)
(Interest-bearing debt)	65.4	55.2	48.2	23.9	(24.2)
Total liabilities	269.8	326.6	318.4	397.8	79.3
Total Net assets	176.8	148.7	124.5	33.1	(91.4)
Total liabilities and net assets	446.7	475.4	443.0	430.9	(12.0)

Cash and deposits: includes securities and fixed deposit of more than 3 months

FY2018 forecasts

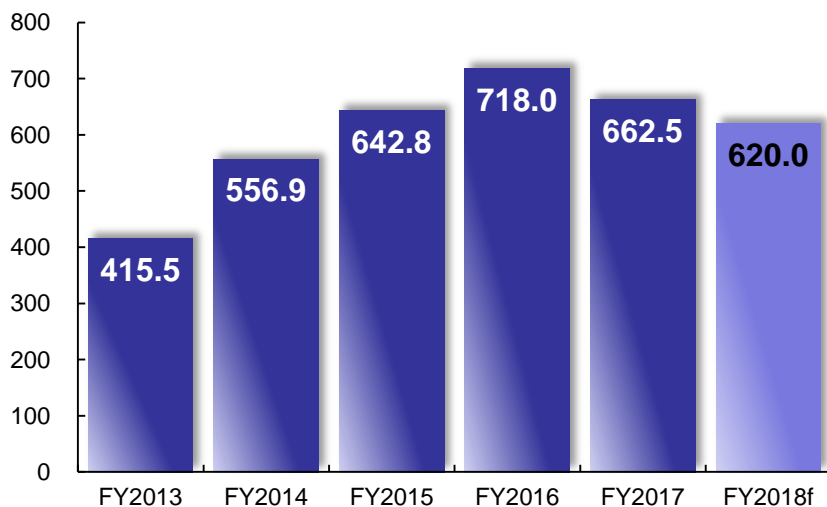
FY2018 Consolidated full-year financial outlook

Unit: Billion yen, rounded down

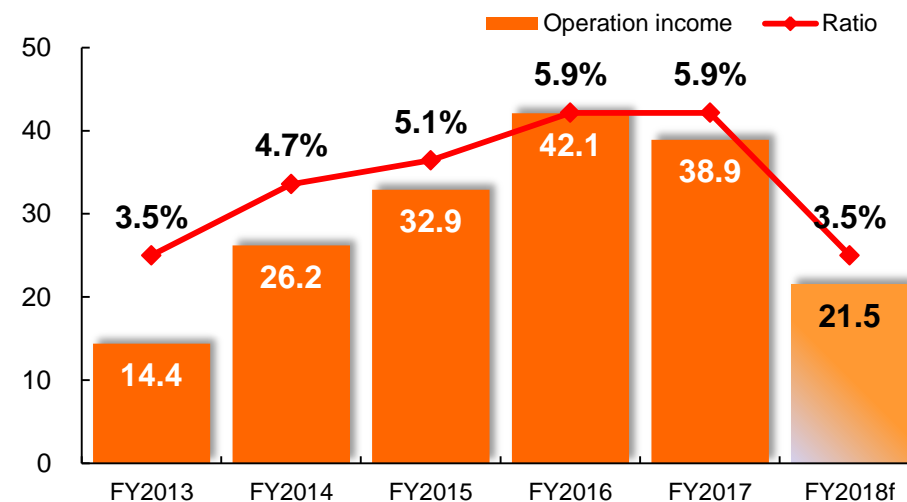
	FY2017 result	FY2018 forecast	Change in yen	Change in %
Net sales	662.5	620.0	(42.5)	(6.4%)
Operating income	38.9	21.5	(17.4)	(44.8%)
Operating income ratio	5.9%	3.5%	-	-
Ordinary income	42.9	21.0	(21.9)	(51.2%)
Net income (loss)	(79.5)	9.0	-	-
USD/yen	108.34	110.00		
Euro/yen	118.74	120.00		

After accounting for exchange rate effects on sales change : (8.7%)

Consolidated net sales trends



Consolidated operating income trends



FY2018 forecast by region

Sales by region

Unit: Billion yen, rounded down

	FY2017 result	FY2018 forecast	Change in yen	Change in %
Japan	137.7	117.0	(20.7)	(15.1%)
Americas	290.6	243.0	(47.6)	(16.4%)
Europe	173.6	170.0	(3.6)	(2.1%)
Asia	181.3	195.0	13.6	7.5%
Elimination	(120.8)	(105.0)	-	-
Consolidated	662.5	620.0	(42.5)	(6.4%)

Operating income by region

	FY2017 result	FY2018 forecast	Change in yen	Change in %
Japan	6.1	1.2	(4.9)	(79.7%)
Americas	11.1	(0.9)	(12.0)	-
Europe	2.1	3.0	0.8	40.8%
Asia	19.6	18.2	(1.4)	(7.4%)
Elimination	(0.0)	(0.0)	-	-
Consolidated	38.9	21.5	(17.4)	(44.8%)

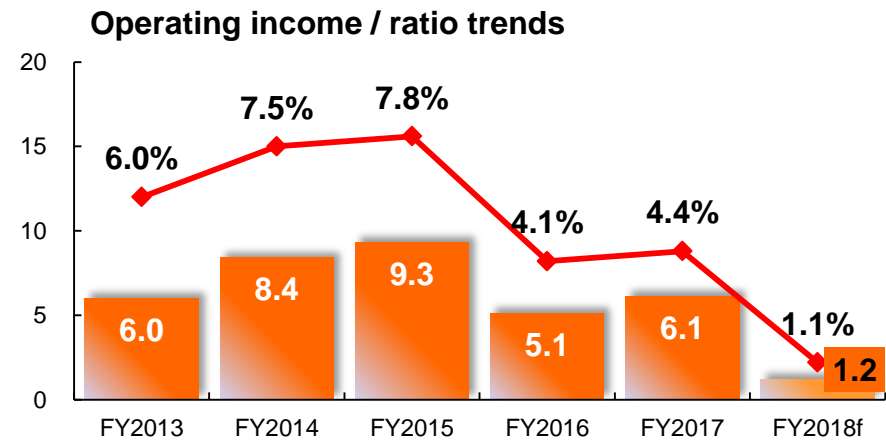
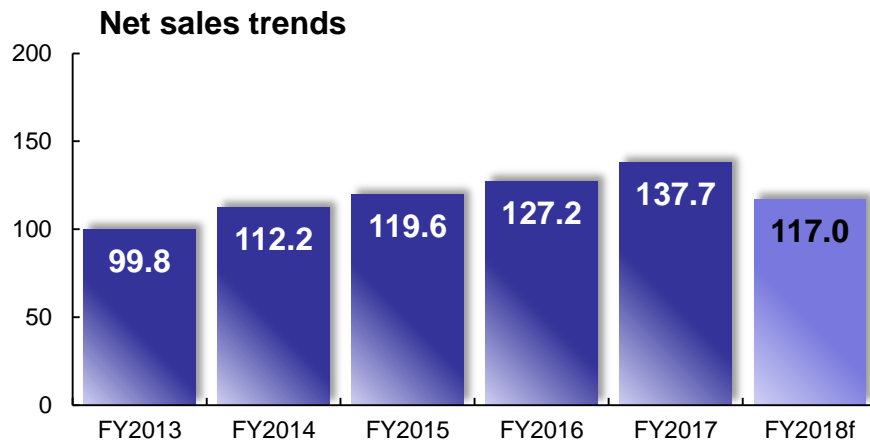
Unit: Billion yen, rounded down

- Lower earnings on fall in sales
- Higher material cost mainly due to steel price hike

FY2018 Automobile production sales growth rate		FY2018 Takata sales growth rate	
Japan	(0.3%)	Japan	(15.1%)

	FY2017 result	FY2018 forecast	Change in yen	Change in %
Net sales	137.7	117.0	(20.7)	(15.1%)
Operating income	6.1	1.2	(4.9)	(79.7%)
Operating income ratio	4.4%	1.1%	-	-

*Total net sales value including internal transactions



- Decline in sales due to change of supplier for certain vehicle models
- Decline in sales due to transfer of business
- Higher recall-related expenses (SG&A, etc.)

Unit: Billion yen, rounded down

FY2018 Automobile production growth rate		FY2018 Takata sales growth rate	
North America	(1.5%)	North America	(19.1%)
South America	+4.4%	South America	(3.0%)

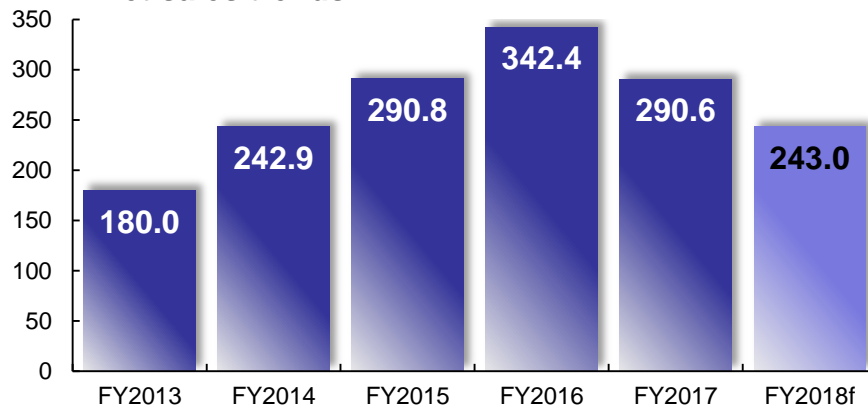
※After accounting for exchange rate effects

	FY2017 result	FY2018 forecast	Change in yen	Change in %
Net sales	290.6	243.0	(47.6)	(16.4%)
Operating income	11.1	(0.9)	(12.0)	-
Operating income ratio	3.8%	(0.4%)	-	-

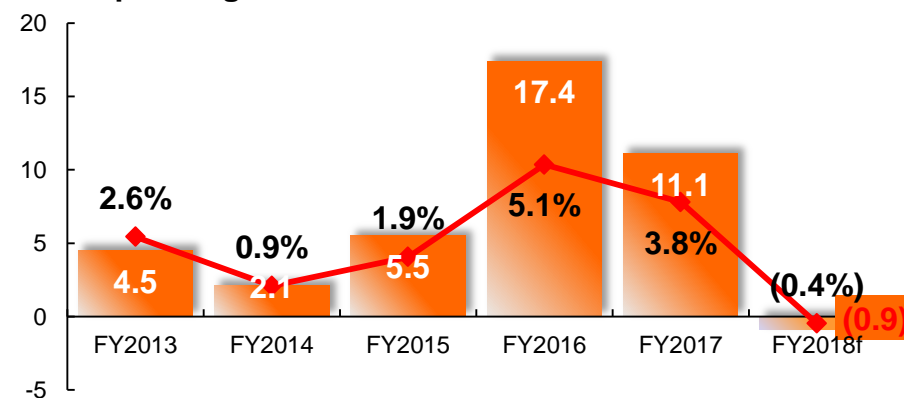
*Total net sales value including internal transactions

After accounting for exchange rate effects on sales change: (17.4%)

Net sales trends



Operating income / ratio trends



Unit: Billion yen, rounded down

- Promotion of various cost reduction measures including relocation of production to Eastern Europe

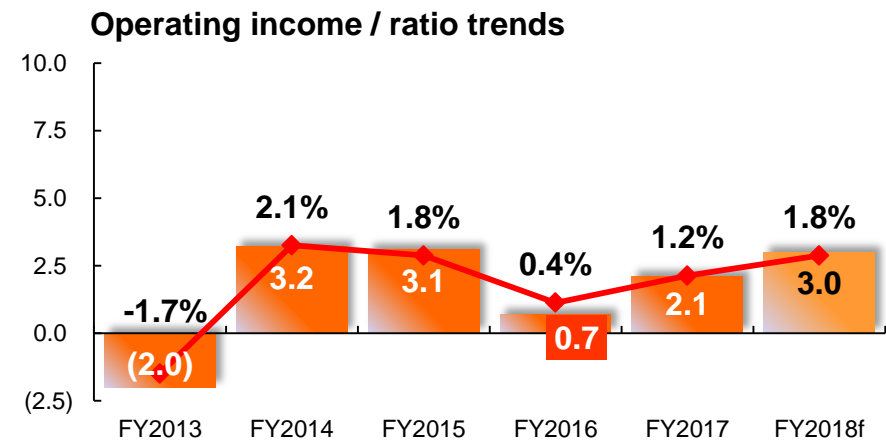
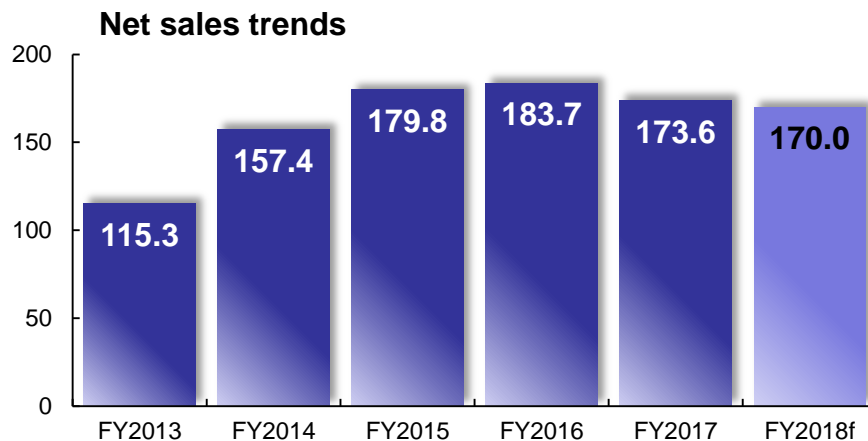
FY2018 Automobile production growth rate		FY2018 Takata sales growth rate	
Germany	(4.5 %)	Europe	(2.7%)
Russia	+4.0%		
Europe	(0.4%)		

※After accounting for exchange rate effects

	FY2017 result	FY2018 forecast	Change in yen	Change in %
Net sales	173.6	170.0	(3.6)	(2.1%)
Operating income	2.1	3.0	0.8	40.8%
Operating income ratio	1.2%	1.8%	-	-

*Total net sales value including internal transactions

After accounting for exchange rate effects on sales change: (2.7%)



Unit: Billion yen, rounded down

- China: Sales to customers continued to trend positively
- Lower profit mainly due to steel price hike

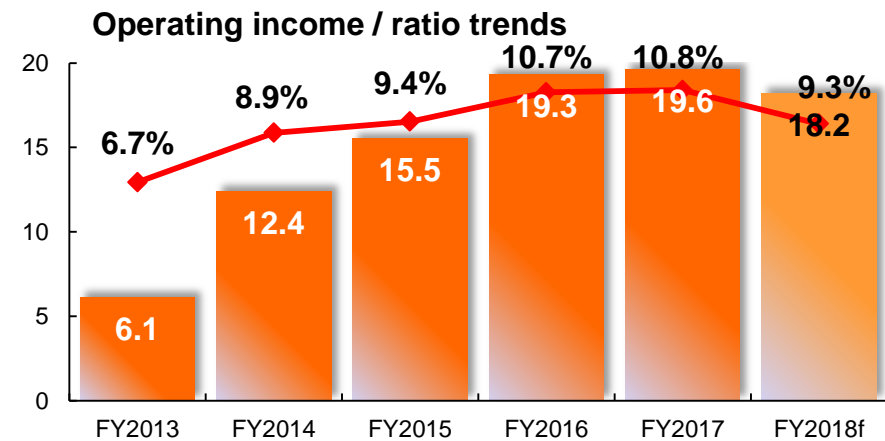
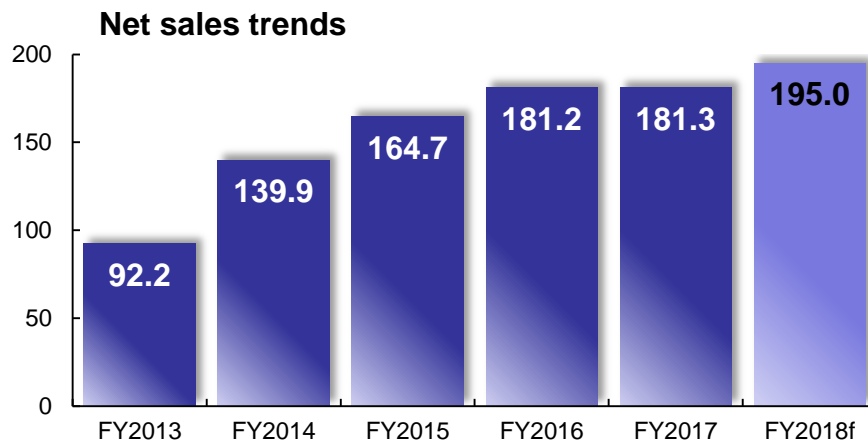
FY2018 Automobile production growth rate		FY2018 Takata sales growth rate	
China	+2.3%	China	+2.3%
Thailand	+0.2%	Thailand	(6.5%)

※After accounting for exchange rate effects

	FY2017 result	FY2018 forecast	Change in yen	Change in %
Net sales	181.3	195.0	13.6	7.5%
Operating income	19.6	18.2	(1.4)	(7.4%)
Operating income ratio	10.8%	9.3%	-	-

*Total net sales value including internal transactions

After accounting for exchange rate effects on sales change: +1.2%

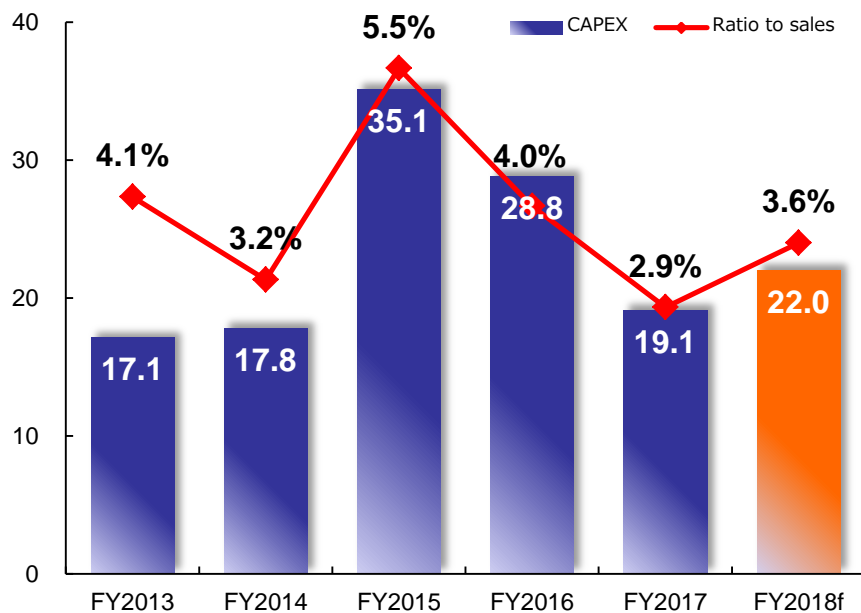


Unit: Billion yen, rounded down

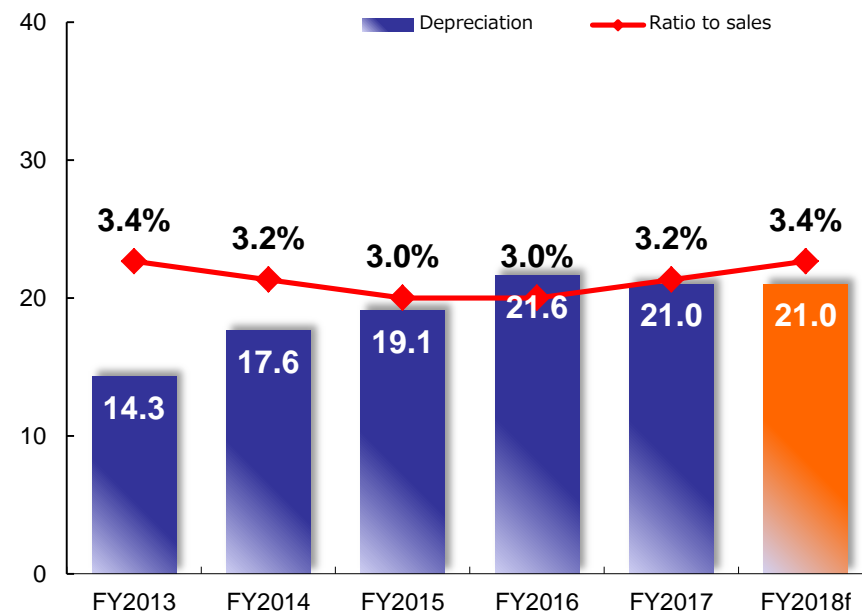
	FY2016	FY2017 result	FY2018 forecast	Change in yen	Change in %
CAPEX	28.8	19.1	22.0	2.9	15.1%
Depreciation	21.6	21.0	21.0	(0.0)	(0.0%)

CAPEX is calculated on the basis of acquired fixed and intangible assets as recorded in consolidated statements of cash flow from investing activities.

CAPEX trend



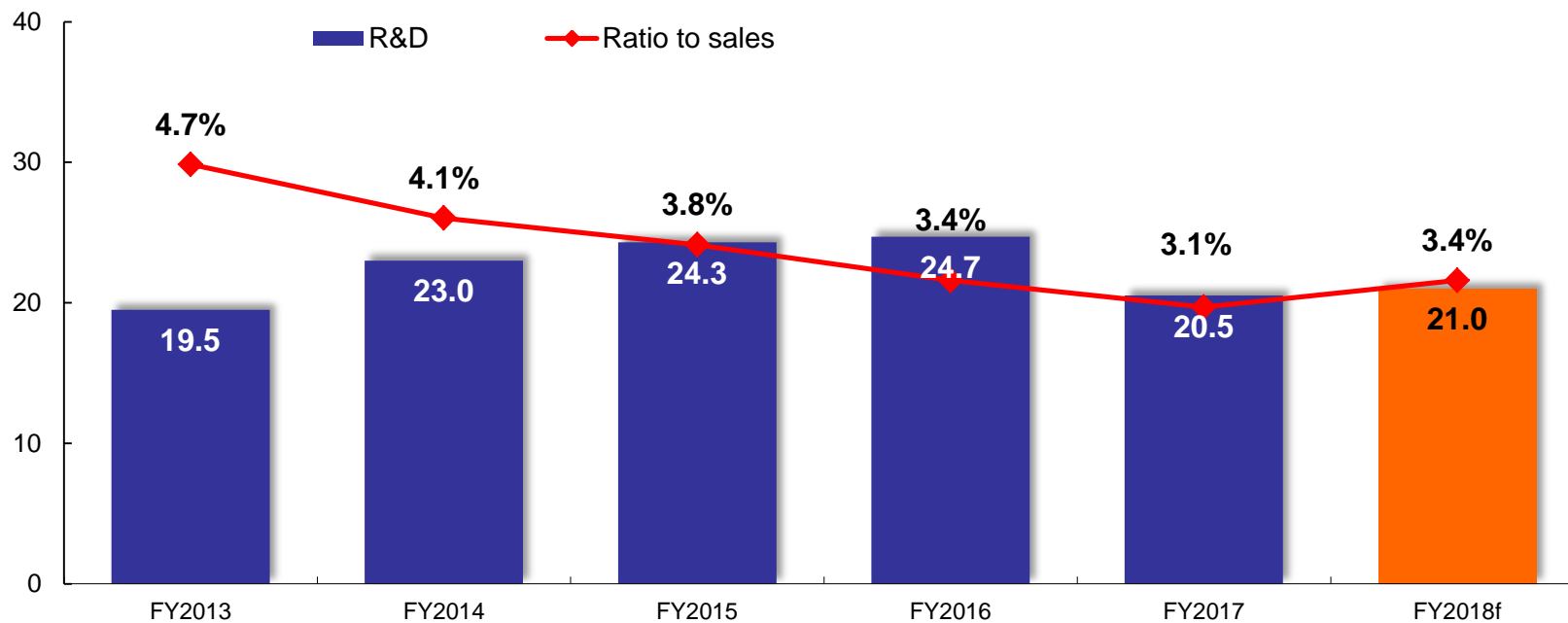
Depreciation trend



Unit: Billion yen, rounded down

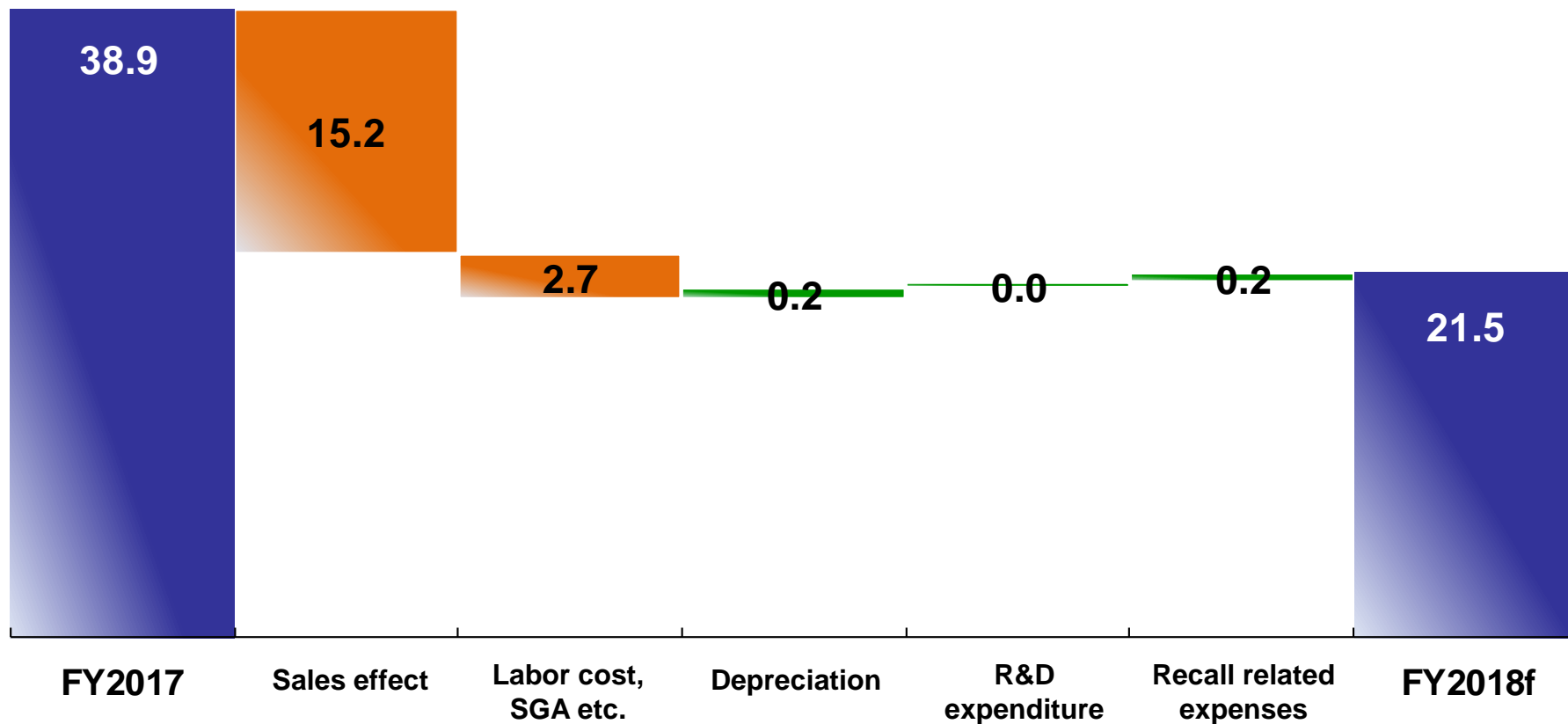
	FY2016	FY2017 result	FY18 forecast	Change in yen	Change in %
R&D	24.7	20.5	21.0	0.5	2.3%
R&D ratio	3.4%	3.1%	3.1%	-	-

R&D trend



FY2018 Operating income analysis (summary)

Unit: Billion yen, rounded down





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