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## FLASH REPORT

May. 11, 2018

Company name (official) : KYB Corporation URL <https://www.kyb.co.jp/english/>  
 Stock listing : Tokyo Stock Exchange (First Section)  
 Code number : 7242  
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The following statements are an English-translation of the original Japanese-language document for your convenience.  
 In the case that there is any discrepancy between Japanese and English versions, Japanese version is assumed to be correct.

(All amounts are rounded to the nearest million yen, unless otherwise noted.)

### 1. Consolidated financial results for the fiscal year ended March 31, 2018 ( from April 1, 2017 to March 31, 2018 )

#### (1) Consolidated operating results

(Percentages indicate the year-on-year changes)

	Net sales		Operating profit		Profit before taxes		Profit for the year	
Year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2018	392,394	10.4	20,885	8.5	20,881	10.8	15,786	4.7
March 31, 2017	355,316	(0.0)	19,247	344.8	18,852	567.3	15,078	—

	Profit attributable to owners of the parent		Comprehensive income for the year		Basic earnings per share	Diluted earnings per share
Year ended	Millions of yen	%	Millions of yen	%	Yen	Yen
March 31, 2018	15,202	4.5	20,115	9.7	595.09	—
March 31, 2017	14,544	—	18,345	—	569.32	—

	Ratio of profit to equity attributable to owners of the parent	Ratio of profit before income taxes to total assets	Ratio of operating profit to sales
Year ended	%	%	%
March 31, 2018	8.8	5.3	5.3
March 31, 2017	9.3	5.1	5.4

Reference: Share of profit (loss) in investments accounted for using the equity method:

Fiscal year ended March 31, 2018: ¥173million Fiscal year ended March 31, 2017: ¥1,016million

\*We carried out 1-for-10 reverse stock split on the effective date of October 1, 2017. Therefore basic earnings per share is calculated assuming that the reverse stock was carried out at the beginning of the previous consolidated fiscal year.

#### (2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets	Equity attributable to owners of the parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2018	412,493	186,651	180,225	43.7	7,055.40
March 31, 2017	381,326	169,771	164,299	43.1	6,431.51

\*We carried out 1-for-10 reverse stock split on the effective date of October 1, 2017. Therefore equity attributable to owners of the parent per share is calculated assuming that the reverse stock was carried out at the beginning of the previous consolidated fiscal year.

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of year
Year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2018	29,252	(16,386)	(4,482)	42,702
March 31, 2017	31,153	(21,337)	(969)	33,988

## 2. Cash dividends

	Annual cash dividends per share					Total cash dividends (Annual)	Payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of the parent (consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total			
Year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2017	—	5.00	—	7.00	12.00	3,066	21.1	2.0
March 31, 2018	—	7.00	—	80.00	—	3,832	25.2	2.2
March 31, 2019	—	70.00	—	80.00	150.00		23.1	

\*We carried out 1-for-10 reverse stock split on the effective date of October 1, 2017.

As for cash dividends per share of fiscal year 2017, we disclose the amount after we take the reverse stock split into consideration.

And we disclose total annual cash dividends per share as "-". Without taking reverse stock split into consideration, cash dividends per share at year-end will be 8.00 yen and total annual cash dividends per share will be 15.00 yen.

## 3. Forecasts for the fiscal year ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(Percentages indicate the year-on-year changes)

	Net sales		Segment profit		Operating profit		Profit before taxes	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First half	204,600	8.3	9,600	(5.3)	10,200	(7.7)	9,800	(10.1)
Full year	415,000	5.8	22,000	1.9	23,900	14.4	22,900	9.7

	Profit for the period		Profit attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Yen
First half	7,100	(5.9)	6,800	(6.1)	266.20
Full year	17,300	9.6	16,600	9.2	649.83

\*Segment profit is calculated by deducting cost of sales and selling, general and administrative expenses from sales.

## Consolidated Statements of Financial Position

KYB Corporation and its Consolidated Subsidiaries

(Unit: Millions of yen)

	As of March 31, 2017	As of March 31, 2018
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	33,988	42,702
Trade and other receivables	92,653	103,881
Inventories	49,640	54,001
Other current financial assets	1,039	1,066
Other current assets	3,641	9,904
Total current assets	180,962	211,554
Non-current assets:		
Property, plant and equipment	158,990	161,886
Goodwill	283	268
Intangible assets	5,850	6,692
Investments accounted for using the equity method	5,438	4,342
Other non-current financial assets	23,169	24,731
Other non-current assets	500	532
Deferred tax assets	6,132	2,487
Total non-current assets	200,364	200,938
<b>Total assets</b>	<b>381,326</b>	<b>412,493</b>

(Unit: Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Liabilities and equity		
Current liabilities:		
Trade and other payables	72,137	82,695
Borrowings	50,983	57,098
Income tax payables	1,536	1,944
Other current financial liabilities	18,274	22,760
Provisions	3,754	5,438
Other current liabilities	1,001	1,708
Total current liabilities	147,684	171,643
Non-current liabilities:		
Borrowings	39,962	34,986
Liabilities for retirement benefits	11,589	9,592
Other non-current financial liabilities	2,405	2,255
Provisions	2,127	2,189
Other non-current liabilities	56	21
Deferred tax liabilities	7,732	5,156
Total non-current liabilities	63,871	54,198
Total liabilities	211,555	225,841
Equity		
Equity attributable to owners of the parent:		
Share capital	27,648	27,648
Capital surplus	29,414	29,414
Retained earnings	100,995	114,363
Treasury shares	(587)	(598)
Other components of equity	6,829	9,398
Total equity attributable to owners of the parent	164,299	180,225
Non-controlling interests	5,472	6,426
Total equity	169,771	186,651
Total liabilities and equity	381,326	412,493

## Consolidated Statements of Income

KYB Corporation and its Consolidated Subsidiaries

(Unit: Millions of yen)

	For the fiscal year ended March 31, 2017 (Apr. 1, 2016 through Mar. 31, 2017)	For the fiscal year ended March 31, 2018 (Apr. 1, 2017 through Mar. 31, 2018)
Net sales	355,316	392,394
Cost of sales	282,886	312,810
Gross profit	72,430	79,583
Selling, general and administrative expenses	53,806	57,983
Equity in earnings of affiliates	1,016	173
Other income	2,036	2,665
Other expenses	2,430	3,553
Operating profit	19,247	20,885
Finance income	593	973
Finance costs	988	977
Profit before taxes	18,852	20,881
Income tax expenses	3,774	5,096
Profit for the year	15,078	15,786
Profit attributable to:		
Owners of the parent	14,544	15,202
Non-controlling interests	533	584
Profit for the year	15,078	15,786
Earnings per share		
Basic earnings per share (in yen)	569.32	595.09

## Consolidated Statements of Comprehensive Income

KYB Corporation and its Consolidated Subsidiaries

(Unit: Millions of yen)

	For the fiscal year ended March 31, 2017 (Apr. 1, 2016 through Mar. 31, 2017)	For the fiscal year ended March 31, 2018 (Apr. 1, 2017 through Mar. 31, 2018)
Profit for the year	15,078	15,786
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Net changes in financial assets measured at fair value through other comprehensive income	3,342	1,206
Remeasurements of defined benefit plans	1,705	1,698
Share of other comprehensive income of investments accounted for using the equity method	17	(27)
Total	5,064	2,876
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	(1,509)	1,333
Effective portion of the net changes in the fair value of cash flow hedges	(85)	(71)
Share of other comprehensive income of investments accounted for using the equity method	(203)	191
Total	(1,797)	1,453
Total other comprehensive income	3,267	4,329
Comprehensive income for the year	18,345	20,115
Comprehensive income for the year attributable to:		
Owners of the parent	17,708	19,445
Non-controlling interests	636	670
Comprehensive income for the year	18,345	20,115

## Consolidated Statements of Changes in Equity

KYB Corporation and its Consolidated Subsidiaries

(Unit: Millions of yen)

	Share capital	Capital surplus	Retained earnings	Treasury shares
Balance at April 1, 2016	27,648	29,414	86,393	(579)
Comprehensive income for the year:				
Profit for the year	—	—	14,544	—
Other comprehensive income	—	—	—	—
Total comprehensive income for the year	—	—	14,544	—
Transactions with owners:				
Contributions by and distributions to owners in their capacity as owners:				
Acquisition of treasury shares	—	—	—	(8)
Disposal of treasury shares	—	—	—	—
Dividends of surplus	—	—	(2,810)	—
Changes of scope of equity method	—	—	1,175	—
Changes due to business combination	—	—	(45)	—
Transfer to retained earnings	—	—	1,737	—
Total contributions by and distributions to owners in their capacity as owners	—	—	57	(8)
Changes in equity interest of subsidiaries:				
Change of non-controlling interests	—	—	—	—
Dividends of surplus	—	—	—	—
Total changes in equity interest of subsidiaries	—	—	—	—
Total transactions with owners	—	—	57	(8)
Balance at March 31, 2017	27,648	29,414	100,995	(587)
Balance at April 1, 2017	27,648	29,414	100,995	(587)
Comprehensive income for the year:				
Profit for the year	—	—	15,202	—
Other comprehensive income	—	—	—	—
Total comprehensive income for the year	—	—	15,202	—
Transactions with owners:				
Contributions by and distributions to owners in their capacity as owners:				
Acquisition of treasury shares	—	—	—	(11)
Disposal of treasury shares	—	0	—	0
Dividends of surplus	—	—	(3,576)	—
Changes of scope of equity method	—	—	—	—
Changes due to business combination	—	—	69	—
Transfer to retained earnings	—	—	1,674	—
Total contributions by and distributions to owners in their capacity as owners	—	0	(1,834)	(11)
Changes in equity interest of subsidiaries:				
Change of non-controlling interests	—	—	—	—
Dividends of surplus	—	—	—	—
Total changes in equity interest of subsidiaries	—	—	—	—
Total transactions with owners	—	0	(1,834)	(11)
Balance at March 31, 2018	27,648	29,414	114,363	(598)

(Unit: Millions of yen)

	Other components of equity					Comprehensive income for the year attributable to owners of the parent	Non-controlling interests	Total equity
	Net changes in financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Exchange differences on translation of foreign operations	Effective portion of the net changes in the fair value of cash flow hedges	Total other components of equity			
Balance at April 1, 2016	4,967	-	275	160	5,402	148,278	5,103	153,381
Comprehensive income for the year:								
Profit for the year	-	-	-	-	-	14,544	533	15,078
Other comprehensive income	3,342	1,702	(1,796)	(83)	3,164	3,164	103	3,267
Total comprehensive income for the year	3,342	1,702	(1,796)	(83)	3,164	17,708	636	18,345
Transactions with owners:								
Contributions by and distributions to owners in their capacity as owners:								
Acquisition of treasury shares	-	-	-	-	-	(8)	-	(8)
Disposal of treasury shares	-	-	-	-	-	-	-	-
Dividends of surplus	-	-	-	-	-	(2,810)	-	(2,810)
Changes of scope of equity method	-	-	-	-	-	1,175	-	1,175
Changes due to business combination	-	-	-	-	-	(45)	-	(45)
Transfer to retained earnings	(35)	(1,702)	-	-	(1,737)	-	-	-
Total contributions by and distributions to owners in their capacity as owners	(35)	(1,702)	-	-	(1,737)	(1,687)	-	(1,687)
Changes in equity interest of subsidiaries:								
Change of non-controlling interests	-	-	-	-	-	-	-	-
Dividends of surplus	-	-	-	-	-	-	(267)	(267)
Total changes in equity interest of subsidiaries	-	-	-	-	-	-	(267)	(267)
Total transactions with owners	(35)	(1,702)	-	-	(1,737)	(1,687)	(267)	(1,955)
Balance at March 31, 2017	8,274	-	(1,521)	77	6,829	164,299	5,472	169,771
Balance at April 1, 2017	8,274	-	(1,521)	77	6,829	164,299	5,472	169,771
Comprehensive income for the year:								
Profit for the year	-	-	-	-	-	15,202	584	15,786
Other comprehensive income	1,206	1,675	1,433	(71)	4,243	4,243	87	4,329
Total comprehensive income for the year	1,206	1,675	1,433	(71)	4,243	19,445	670	20,115
Transactions with owners:								
Contributions by and distributions to owners in their capacity as owners:								
Acquisition of treasury shares	-	-	-	-	-	(11)	-	(11)
Disposal of treasury shares	-	-	-	-	-	0	-	0
Dividends of surplus	-	-	-	-	-	(3,576)	-	(3,576)
Change of scope of equity method	-	-	-	-	-	-	-	-
Changes due to business combination	-	-	-	-	-	69	-	69
Transfer to retained earnings	1	(1,675)	-	-	(1,674)	-	-	-
Total contributions by and distributions to owners in their capacity as owners	1	(1,675)	-	-	(1,674)	(3,518)	-	(3,518)
Changes in equity interest of subsidiaries:								
Change of non-controlling interests	-	-	-	-	-	-	541	541
Dividends of surplus	-	-	-	-	-	-	(257)	(257)
Total changes in equity interest of subsidiaries	-	-	-	-	-	-	284	284
Total transactions with owners	1	(1,675)	-	-	(1,674)	(3,518)	284	(3,235)
Balance at March 31, 2018	9,480	-	(88)	6	9,398	180,225	6,426	186,651



## Consolidated Statements of Cash Flows

KYB Corporation and its Consolidated Subsidiaries

(Unit: Millions of yen)

	For the fiscal year ended March 31, 2017 (Apr. 1, 2016 through Mar. 31, 2017)	For the fiscal year ended March 31, 2018 (Apr. 1, 2017 through Mar. 31, 2018)
Cash flows from operating activities:		
Profit before taxes	18,852	20,881
Depreciation and amortization	15,922	16,988
Impairment losses	147	383
Increase (decrease) in assets and liabilities for retirement benefits	149	422
Increase (decrease) in provisions for product warranties	(1,495)	351
Finance income	(593)	(973)
Finance costs	988	977
Equity in earnings (losses) of affiliates	(1,016)	(173)
Loss on sales of investments accounted for using the equity method	—	367
(Increase) decrease in trade and other receivables	(5,052)	(9,820)
(Increase) decrease in inventories	(1,889)	(3,874)
Increase (decrease) in trade and other payables	6,640	9,745
Provision for loss on cancellation of joint venture agreement	—	1,189
Loss associated with the Anti-Trust law	700	—
Other	2,209	(3,065)
Subtotal	35,562	33,399
Interest received	94	131
Dividends received	1,072	1,593
Interest paid	(1,003)	(1,012)
Income taxes paid	(3,815)	(4,859)
Payments of loss associated with the Anti-Trust law	(757)	—
Net cash from operating activities	31,153	29,252
Cash flows from investing activities:		
Payment into time deposits	(237)	(203)
Proceeds from withdrawal of time deposits	255	136
Payment for purchases of property, plant and equipment	(19,734)	(14,402)
Proceeds from sales of property, plant and equipment	31	99
Payment for purchases of other financial assets	(1)	(24)
Proceeds from sale of other financial assets	178	8
Proceeds from sale of investments accounted for using the equity method	—	286
Other	(1,830)	(2,287)
Net cash flows from investing activities	(21,337)	(16,386)

(Unit: Millions of yen)

	For the fiscal year ended March 31, 2017 (Apr. 1, 2016 through Mar. 31, 2017)	For the fiscal year ended March 31, 2018 (Apr. 1, 2017 through Mar. 31, 2018)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	5,207	3,408
Repayments of lease obligations	(456)	(589)
Proceeds from long-term borrowings	15,294	9,388
Repayment of long-term borrowings	(17,928)	(13,386)
Proceeds from non-controlling interests	—	541
Payments for purchase of treasury shares	(8)	(11)
Proceeds from sales of treasury shares	—	0
Dividends paid	(2,810)	(3,576)
Dividends paid to non-controlling interests	(267)	(257)
Net cash flows from financing activities	(969)	(4,482)
Effect of changes in foreign exchange rates	(160)	288
Net increase (decrease) in cash and cash equivalents	8,687	8,672
Cash and cash equivalents at beginning of year	25,296	33,988
Increase (decrease) in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	5	42
Cash and cash equivalents at end of year	33,988	42,702

## Segment Information

KYB Corporation and its Consolidated Subsidiaries

For the fiscal year ended March 31, 2017

(Unit: Millions of yen)

	Reportable segment			Others (Note 1)	Total	Adjustment (Note 2)	Consolidated
	Automotive components	Hydraulic components	Subtotal				
Net sales:							
Outside customers	231,025	96,327	327,352	27,964	355,316	—	355,316
Intersegment sales and transfers	577	2,336	2,913	481	3,393	(3,393)	—
Total	231,601	98,663	330,265	28,445	358,709	(3,393)	355,316
Segment profit (Note 3)	10,997	6,615	17,612	941	18,553	71	18,624
Equity in earnings of affiliates	639	377	1,016	—	1,016	—	1,016
Other income and expenses (net)	(315)	(120)	(436)	42	(394)	—	(394)
Operating profit	11,321	6,872	18,193	983	19,175	71	19,247
Finance income and costs (net)							(395)
Profit before taxes							18,852
Depreciation and amortization	9,987	5,158	15,145	783	15,928	(6)	15,922
Impairment loss	81	42	123	23	147	—	147
Increases of non current-assets (Note 4)	14,794	3,751	18,545	2,030	20,575	4	20,578

Notes: 1. "Others" includes "Special-purpose Vehicles", "Aircraft Components" and "System Products and Electronic Equipment" that are not included in the two of reportable segment.

2. ¥71 million of adjustment of segment profit is the elimination of intersegment transactions.

3. Segment profit is calculated by deducting cost of sales and selling, general and administrative expenses from sales.

4. Non current-assets don't include investments accounted for using the equity method, other non-current financial assets and deferred tax assets.

For the fiscal year ended March 31, 2018

(Unit: Millions of yen)

	Reportable segment			Others (Note 1)	Total	Adjustment (Note 2)	Consolidated
	Automotive components	Hydraulic components	Subtotal				
Net sales:							
Outside customers	242,560	122,603	365,163	27,231	392,394	—	392,394
Intersegment sales and transfers	771	1,363	2,134	488	2,622	(2,622)	—
Total	243,331	123,966	367,297	27,719	395,016	(2,622)	392,394
Segment profit (Note 3)	9,256	11,021	20,277	1,004	21,281	320	21,600
Equity in earnings (losses) of affiliates	(207)	380	173	—	173	—	173
Other income and expenses (net)	(490)	(238)	(729)	(160)	(888)	—	(888)
Operating profit	8,559	11,163	19,722	844	20,566	320	20,885
Finance income and costs (net)							(4)
Profit before taxes							20,881
Depreciation and amortization	10,936	5,230	16,166	828	16,994	(6)	16,988
Impairment loss	301	57	358	25	383	—	383
Increases of non current-assets (Note 4)	14,114	5,489	19,603	1,402	21,005	(48)	20,956

Notes: 1. "Others" includes "Special-purpose Vehicles", "Aircraft Components" and "System Products and Electronic Equipment" that are not included in the two of reportable segment.

2. ¥320 million of adjustment of segment profit is the elimination of intersegment transactions.

3. Segment profit is calculated by deducting cost of sales and selling, general and administrative expenses from sales.

4. Non current-assets don't include investments accounted for using the equity method, other non-current financial assets and deferred tax assets.

\*With regard to the changes of reportable segment

In this fiscal year, due to the change in the management method of some domestic affiliated companies,

we reexamined the "Electronic Equipment" business, etc which had been included in "Hydraulic components" and "Others".

And we disclose part of it into "Automotive components" and "Hydraulic components".

Financial information for the previous fiscal year has been revised to reflect this change.

**FY2017 Financial Results Supplementary Information**

**1. FOREX Rate**

Average FOREX Rate	FY2016				FY2017			
	Apr-Jun 2016	Apr-Sep 2016	Apr-Dec 2016	Full year	Apr-Jun 2017	Apr-Sep 2017	Apr-Dec 2017	Full year
JPY/USD	108.16	105.29	106.63	108.38	111.10	111.07	111.70	110.85
JPY/EUR	122.03	118.15	118.03	118.79	122.18	126.28	128.52	129.70
JPY/CNY	16.53	15.94	15.95	16.10	16.21	16.42	16.64	16.74
JPY/THB	3.06	3.00	3.03	3.08	3.24	3.28	3.33	3.35
JPY/RUB	1.64	1.61	1.65	1.72	1.94	1.91	1.92	1.91

FOREX Rate prevailing at the end of quarter	FY2016				FY2017			
	30 Jun 2016	30 Sep 2016	31 Dec 2016	31 Mar 2017	30 Jun 2017	30 Sep 2017	31 Dec 2017	31 Mar 2018
JPY/USD	102.96	101.12	116.53	112.20	112.00	112.74	113.05	106.27
JPY/EUR	114.36	113.29	122.73	119.78	127.95	132.81	134.95	130.58
JPY/CNY	15.46	15.15	16.76	16.29	16.49	16.96	17.30	16.92
JPY/THB	2.93	2.91	3.25	3.26	3.30	3.38	3.46	3.40
JPY/RUB	1.61	1.60	1.93	2.00	1.89	1.94	1.96	1.86

**2. Segment sales**

	FY2016				FY2017			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Automotive Components	59,540	55,635	56,176	59,674	59,445	59,631	60,735	62,749
Hydraulic Components	22,112	23,040	24,465	26,711	28,189	29,217	32,300	32,897
Other (*1)	6,124	6,478	7,439	7,922	5,879	6,531	6,374	8,447
Total	87,776	85,153	88,080	94,307	93,513	95,379	99,408	104,093

	FY2016			FY2017		
	1st Half	2nd Half	Full year	1st Half	2nd Half	Full year
Automotive Components	115,175	115,850	231,025	119,076	123,484	242,560
Hydraulic Components	45,152	51,175	96,327	57,406	65,197	122,603
Other (*1)	12,603	15,362	27,964	12,410	14,821	27,231
Total	172,929	182,387	355,316	188,892	203,502	392,394

**3. Segment operating income (\*2)**

	FY2016				FY2017			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Automotive Components	4,200	1,959	1,403	3,482	3,021	1,708	2,323	2,402
Hydraulic Components	595	951	2,318	2,770	2,844	2,376	2,967	2,933
Other (*1)	32	113	575	226	156	36	289	545
Total	4,826	3,023	4,297	6,478	6,022	4,121	5,579	5,879

	FY2016			FY2017		
	1st Half	2nd Half	Full year	1st Half	2nd Half	Full year
Automotive Components	6,158	4,885	11,043	4,729	4,725	9,454
Hydraulic Components	1,546	5,088	6,634	5,221	5,900	11,121
Other (*1)	145	801	947	193	834	1,026
Total	7,850	10,775	18,624	10,142	11,458	21,600

**4. Capital Expenditure, Depreciation**

	FY2016				FY2017			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Capital Expenditure	3,932	4,908	4,240	5,120	3,445	5,274	4,182	5,587
Depreciation Expenses	3,905	3,845	4,044	4,127	4,035	4,148	4,413	4,392

	FY2016			FY2017		
	1st Half	2nd Half	Full year	1st Half	2nd Half	Full year
Capital Expenditure	8,840	9,360	18,200	8,719	9,769	18,488
Depreciation Expenses	7,751	8,172	15,922	8,183	8,804	16,988

**5. R&D Expenses**

	FY2016				FY2017			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
R&D Expenses	1,763	1,975	1,765	2,118	1,699	1,703	2,367	2,334

	FY2016			FY2017		
	1st Half	2nd Half	Full year	1st Half	2nd Half	Full year
R&D Expenses	3,739	3,882	7,621	3,401	4,700	8,102

**6. Foreign Exchange gain or loss (\*3)**

	FY2016				FY2017			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Other Income / Other Expenses	Δ 1,532	Δ 434	1,728	Δ 561	244	317	143	Δ 441
Finance Income / Finance Costs	142	46	Δ 196	122	63	20	35	311
Total	Δ 1,390	Δ 388	1,531	Δ 439	307	336	178	Δ 129

	FY2016			FY2017		
	1st Half	2nd Half	Full year	1st Half	2nd Half	Full year
Other Income / Other Expenses	Δ 1,966	1,166	Δ 799	561	Δ 298	262
Finance Income / Finance Costs	188	Δ 74	114	82	347	429
Total	Δ 1,778	1,092	Δ 685	643	49	692

(\*1) "Other" includes "special-purpose vehicles", "Hydraulic equipment for aircraft" and "System Products and Electronic Equipment" that are not included in the two reportable segments.

(\*2) "Segment operating income", which is described above, is different from "Segment profits (losses)" which is described in "Segment Information" section in the Flash Report. "Segment operating income" amount includes "Adjustment" amount, which is described in the Flash Report".

(\*3) "Foreign Exchange Gain and Loss", which is described above, comes from the amount of foreign exchange gain and loss in "Other income", "Other expense", "Finance income" and "Finance costs" in the Consolidated Statements of Income. Foreign exchange gain is written as plus and foreign exchange loss is written as minus.