



FY2014 2nd Quarter and 1st Half Financial Results

Showa Corporation

October 29, 2013

<http://www.showa1.com>



Showa Corporation Financial Results Presentation

1) Fiscal 2014 2nd Quarter and 1st Half, ended
September 30, 2013

(Consolidated)

2) Fiscal 2014 Financial Forecasts (Consolidated)

Generalization

by Yoichi Hojo, Representative Director and President

Summary Presentation

by Tetsuro Aoyama, Managing Officer and Director

COO, Business Management and Support Operations



FY2014 2nd Quarter and 1st Half Consolidated Financial Results

Generalization

SHOWA FY2014 1st Half Financial Results (Consolidated)

Business Environment Conditions

【Economic conditions】

Underlying strength is seen although recovery with weak business condition continues.

- JPN: Recovering gently
- N America: Gentle recovery tendency continuing
- ASIA:CHINA Expansion tempo stabilizing
ASEAN Gently improving
- EUR: Stop declining

※source : Cabinet Office, Government of Japan, and others

【Automotive markets】

Production and sale of the 1st Half exceed the previous year.

1. Motorcycles and scooters

JPN: Yr-on-Yr, Production slightly down and sales increased

- N America: In restorative tendency
- S America: In Brazil, production and sale decrease.
- Asia: Demand recovers, production and sales increased in Indonesia

2. Passenger cars ※Excluding trucks

JPN: Y-on-Y, Production and sales decreased

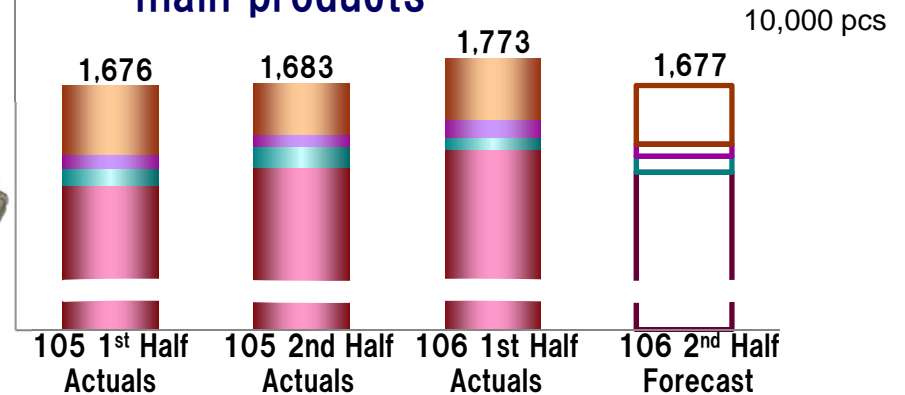
- N America: Promising condition, Y-on-Y increase
- S America: Promising condition, Y-on-Y increase
- Asia: Promising condition, Y-on-Y increase

※source : JAPIA, Fourin, and others

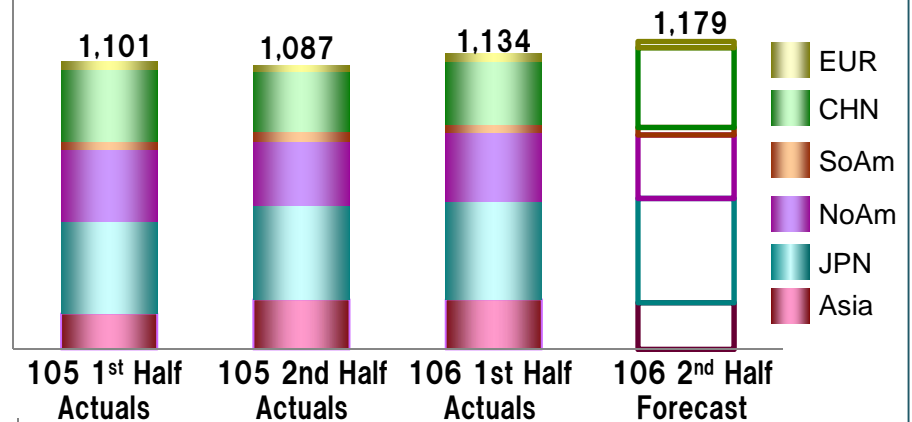
Production quantities of main products

※Excluding affiliated companies counted under equity method

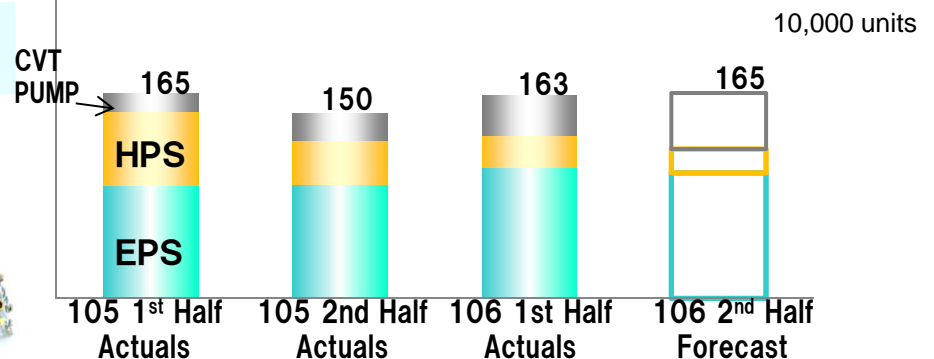
2R SA



4R SA



STRG



SHOWA FY2014 2nd Quarter Financial Results (Consolidated)

Summary of FY2014 2Q Financial Results (three months)

JPY (hundred million)

(Consolidated)	2 nd Quarter Financial Results (Three Months)			
	FY2013 2Q	FY2014 2Q	Change	% of Change
Sales Revenue	591.9	710.9	119.0	20.1%
Operating Income	34.9	58.1	23.2	66.5%
Ordinary Income	32.9	56.2	23.3	70.8%
Net Income	15.7	△14.2	△29.9	—
Net Income per share (JPY)	20.64	△18.67	△39.31	—

FX Rates (JPY)

USD	80	99	19	23.8%
RMB	12.6	16.1	3.5	27.8%

Summary of Ordinary income → Net Income △70.4

Restructuring Costs△36, Product Assurance △26.7, Fixed Assets Sell and Scarp & Impairment Loss △0.6,
Tax Costs △3.8, Minority Shareholders Interests △3.3

(Numbers shown are roundoff at hundred million yen)

SHOWA FY2014 1st Half Financial Results (Consolidated)

Summary of FY2014 1st Half Financial Results (six months) JPY (hundred million)

(Consolidated)	1 st Half Financial Results (Six Months)			
	FY2013 1 st Half	FY2014 1 st Half	Change	% of Change
Sales Revenue	1, 209. 5	1, 381. 7	172. 2	14. 2%
Operating Income	73. 5	108. 2	34. 7	47. 1%
Ordinary Income	74. 1	111. 0	36. 9	49. 9%
Net Income	49. 1	11. 7	△37. 4	△76. 2%

Net Income per share (JPY)	64. 63	15. 36	△49. 27	△76. 2%
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FX Rates (JPY)

USD	80	96	16	20. 0%
RMB	12. 7	15. 5	2. 8	22. 0%

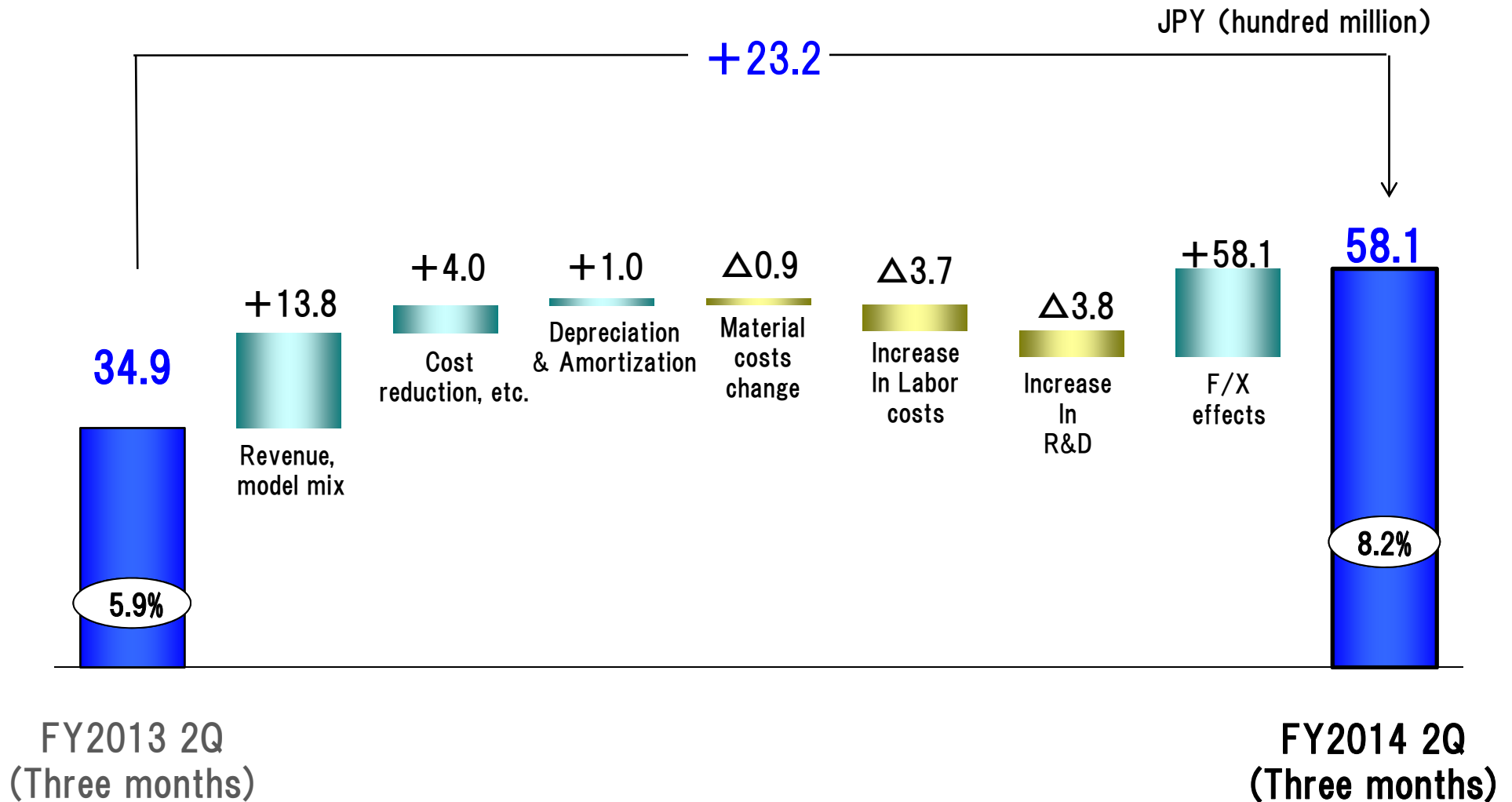
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SHOWA FY2014 2nd Quarter Financial Results (Consolidated)

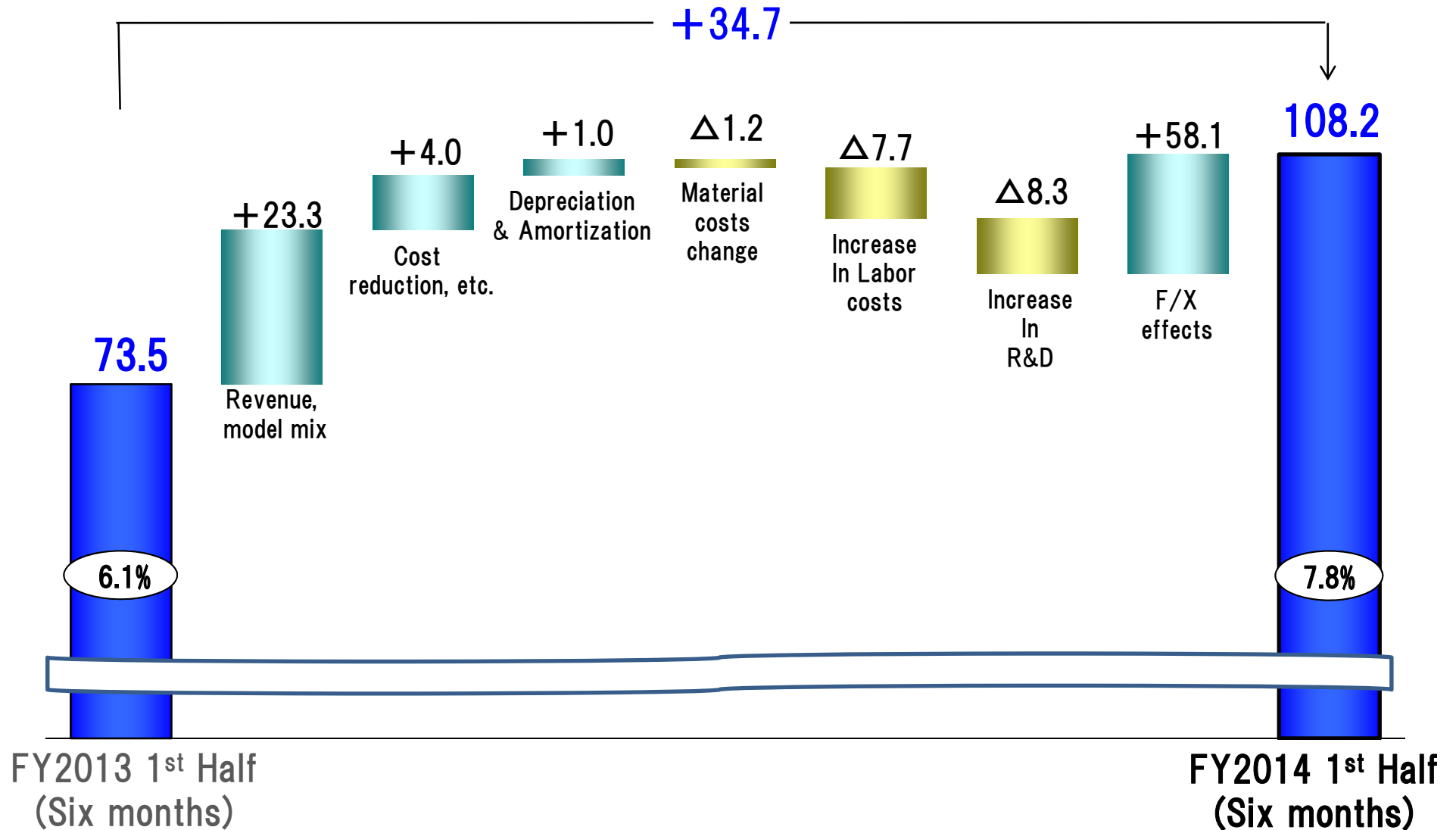
FY2014 2Q Changes in Operating Income by factors



SHOWA FY2014 1st Half Financial Results (Consolidated)

FY2014 1st Half Changes in Operating Income by factors

JPY (hundred million)



SHOWA FY2014 Financial Results Forecast (Consolidated)

Summary of FY2014 Financial Forecasts

JPY (hundred million)

(Consolidated)	Full year (twelve months)			
	FY2013 Full year	FY2014 Full year	Change	Change (%)
Sales Revenue	2,329.6	2,740.0	410.4	17.6%
Operating Income	127.6	205.0	77.4	60.7%
Ordinary Income	139.2	210.0	70.8	50.9%
Net Income	79.8	80.0	0.2	0.2%

Net Income per share (JPY)	105.10	105.31	0.21	0.2%
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F/X Rates (JPY)

USD	80	96	16	20.0%
CNY	12.7	15.5	2.9	22.8%

Dividend per share (JPY)	Mid Term	End of FY	Fiscal Year
FY2014	14.0 (Forecast)	14.0 (Forecast)	28.0 (Forecast)
FY2013	12.0	14.0	26.0
Change	+2.0	—	+2.0

(Numbers shown are roundoff at hundred million yen)



FY2014 2nd Quarter and 1st Half Consolidated Financial Results

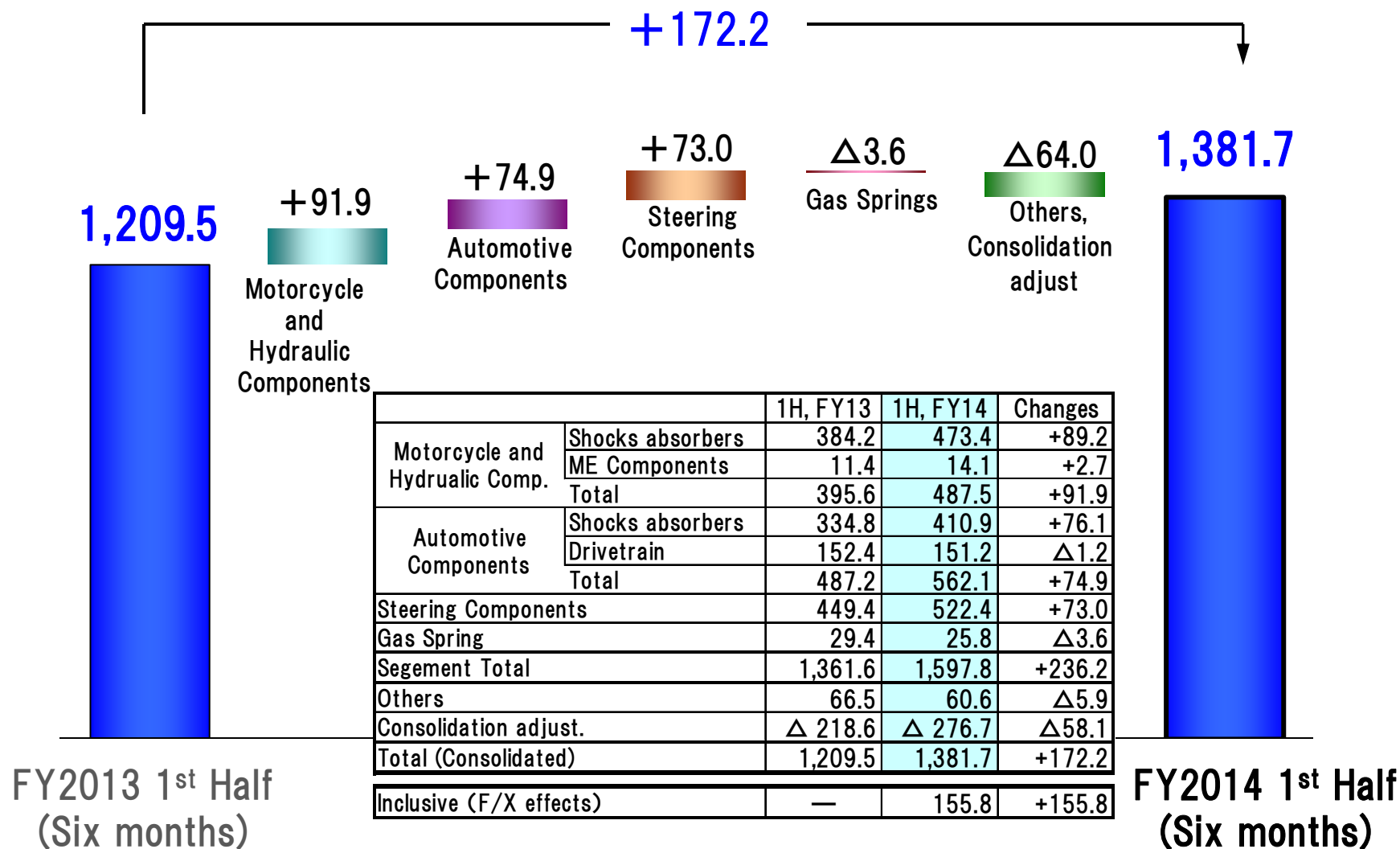
Summary Presentation

SHOWA FY2014 1st Half (6 months) Financial Results

(Consolidated)

FY2014 1st Half Sales revenues by Segment

JPY (hundred million)



SHOWA FY2014 2nd Quarter Financial Results (Consolidated)

Summary of FY2014 2Q Financial Results (three months)

JPY (hundred million)

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(Numbers shown are roundoff at hundred million yen)

SHOWA FY2014 First Half Financial Results (Consolidated)

Summary of FY2014 First Half Financial Results (six months) JPY (hundred million)

(Consolidated)	1 st Half Financial Results (Three Months)			
	FY2013 1 st Half	FY2014 1 st Half	Change	% of Change
Sales Revenue	1, 209. 5	1, 381. 7	172. 2	14. 2%
Operating Income	73. 5	108. 2	34. 7	47. 1%
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SHOWA FY2014 2nd Quarter Financial Results (Consolidated)

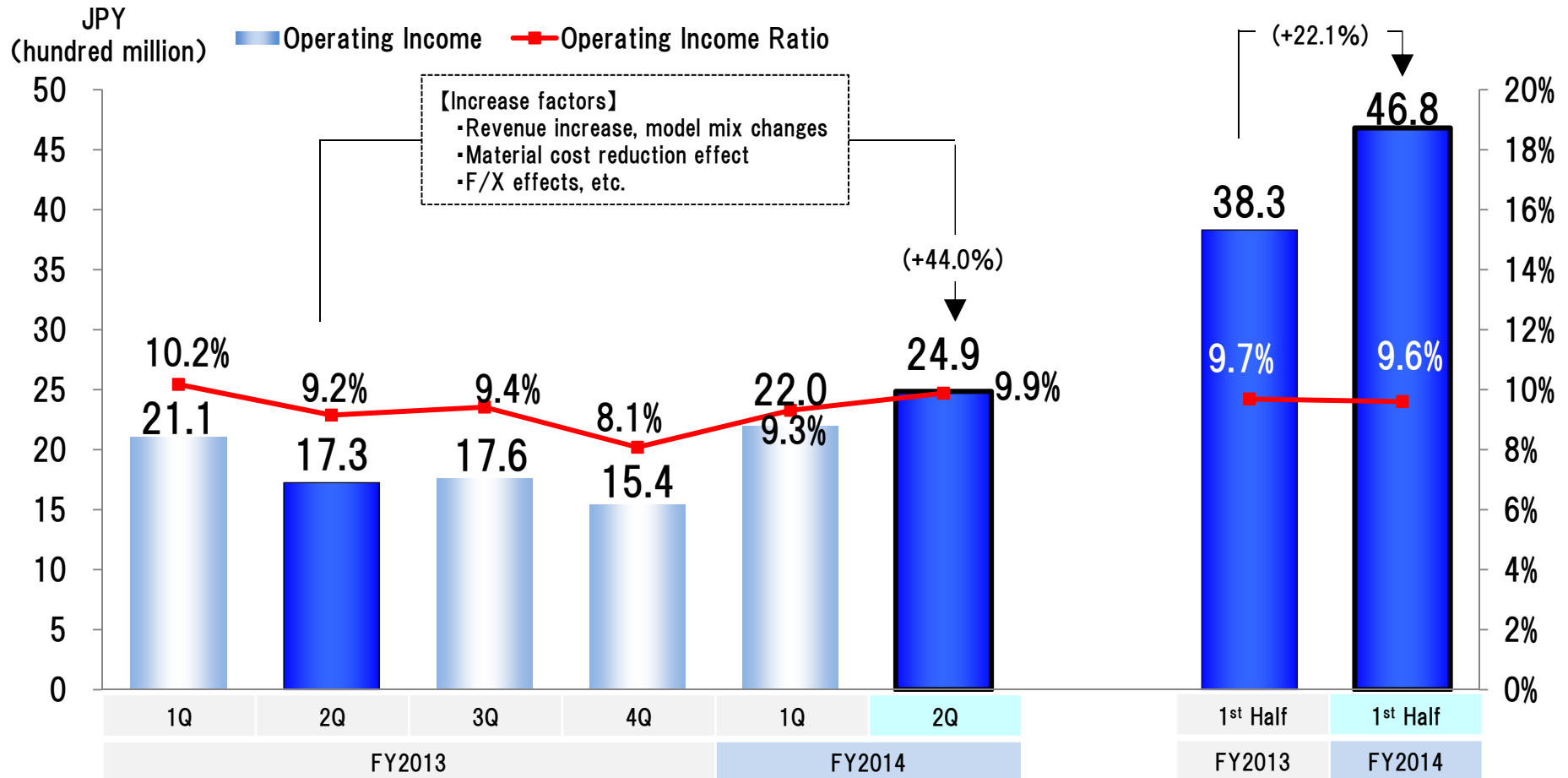
Motorcycle and Hydraulic Components Segment

JPY (hundred million)

	FY2013				FY2014	
	1Q	2Q	3Q	4Q	1Q	2Q
Net Sales	207.0	188.6	186.8	190.9	235.8	251.7

FY2012	FY2014
1 st Half	1 st Half
395.6	487.5

(+23.2%)



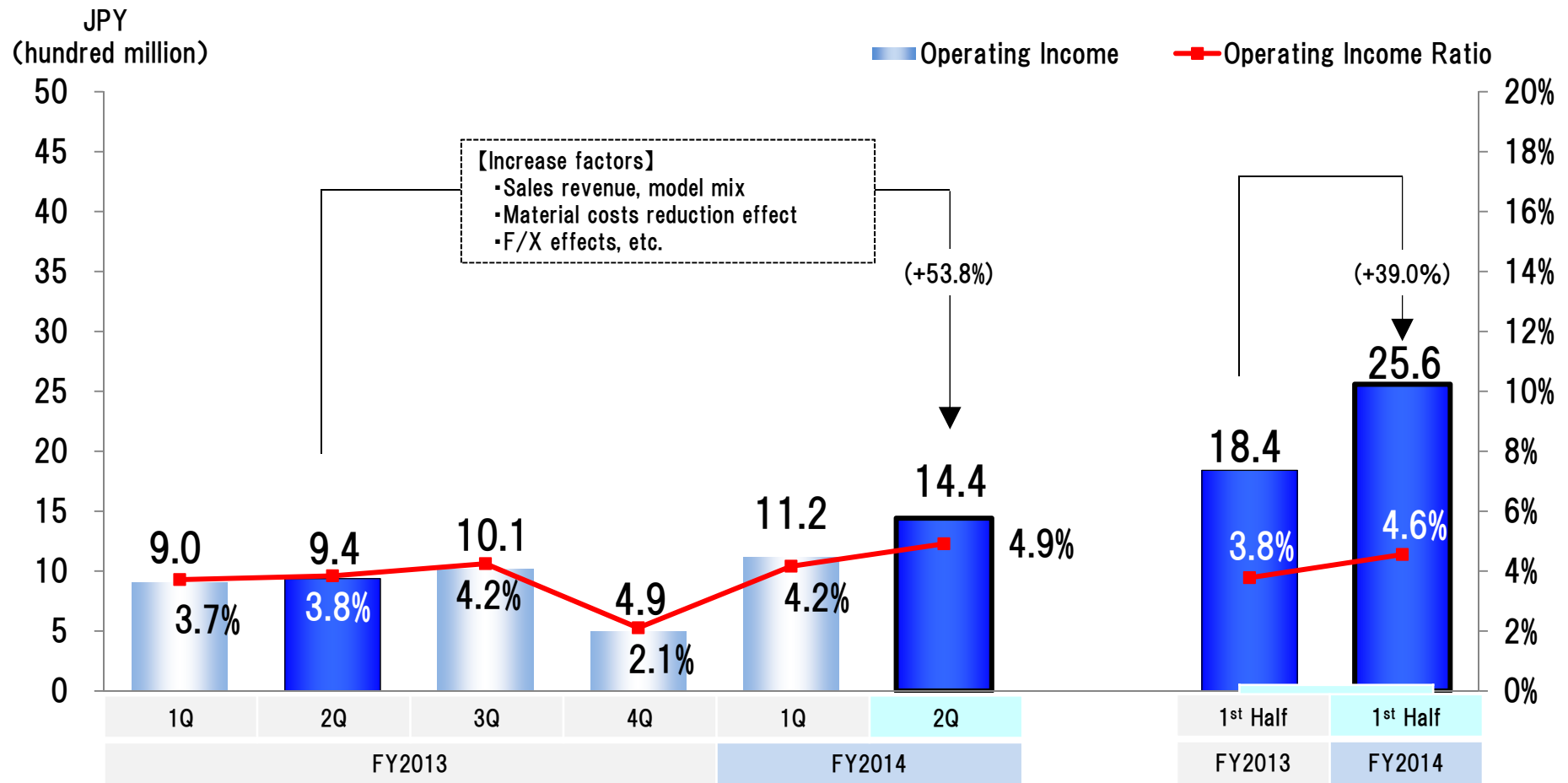
SHOWA FY2014 2nd Quarter Financial Results (Consolidated)

Automotive Components Segment

JPY (hundred million)

	FY2013				FY2014	
	1Q	2Q	3Q	4Q	1Q	2Q
Nest Sales	243.4	243.9	238.8	234.3	268.6	293.5
				(+20.4%)		

FY2013	FY2014
1 st Half	1 st Half
487.2	562.1
(+15.4%)	



SHOWA FY2014 2nd Quarter Financial Results (Consolidated)

Steering Components Segment

	FY2013				FY2014	
	1Q	2Q	3Q	4Q	1Q	2Q
Net Sales	223.9	225.6	208.5	214.0	260.7	261.7

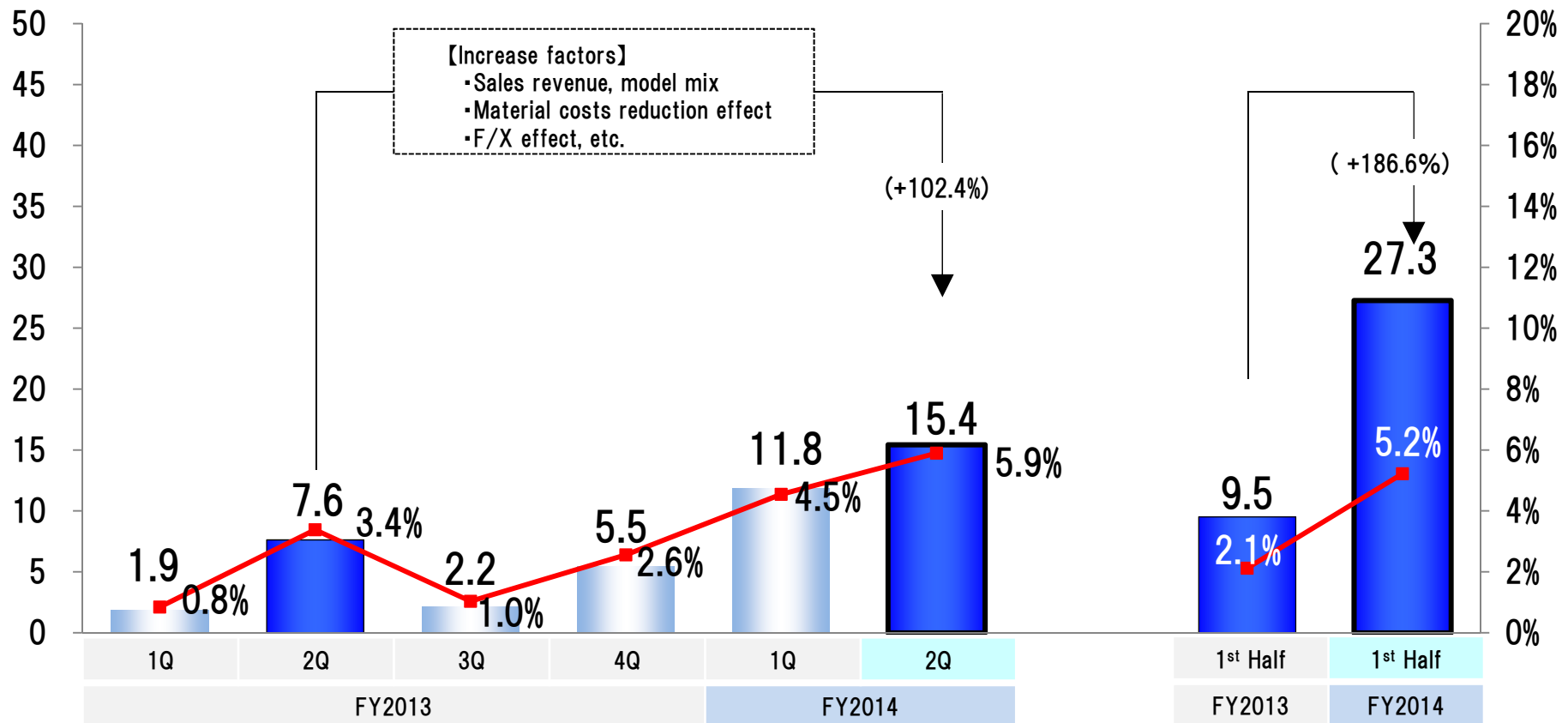
JPY (hundred million)

FY2013	FY2014
1 st Half	1 st Half
449.4	522.4

(+16.2%)

JPY
(hundred million)

Operating Income Operating Income Ratio



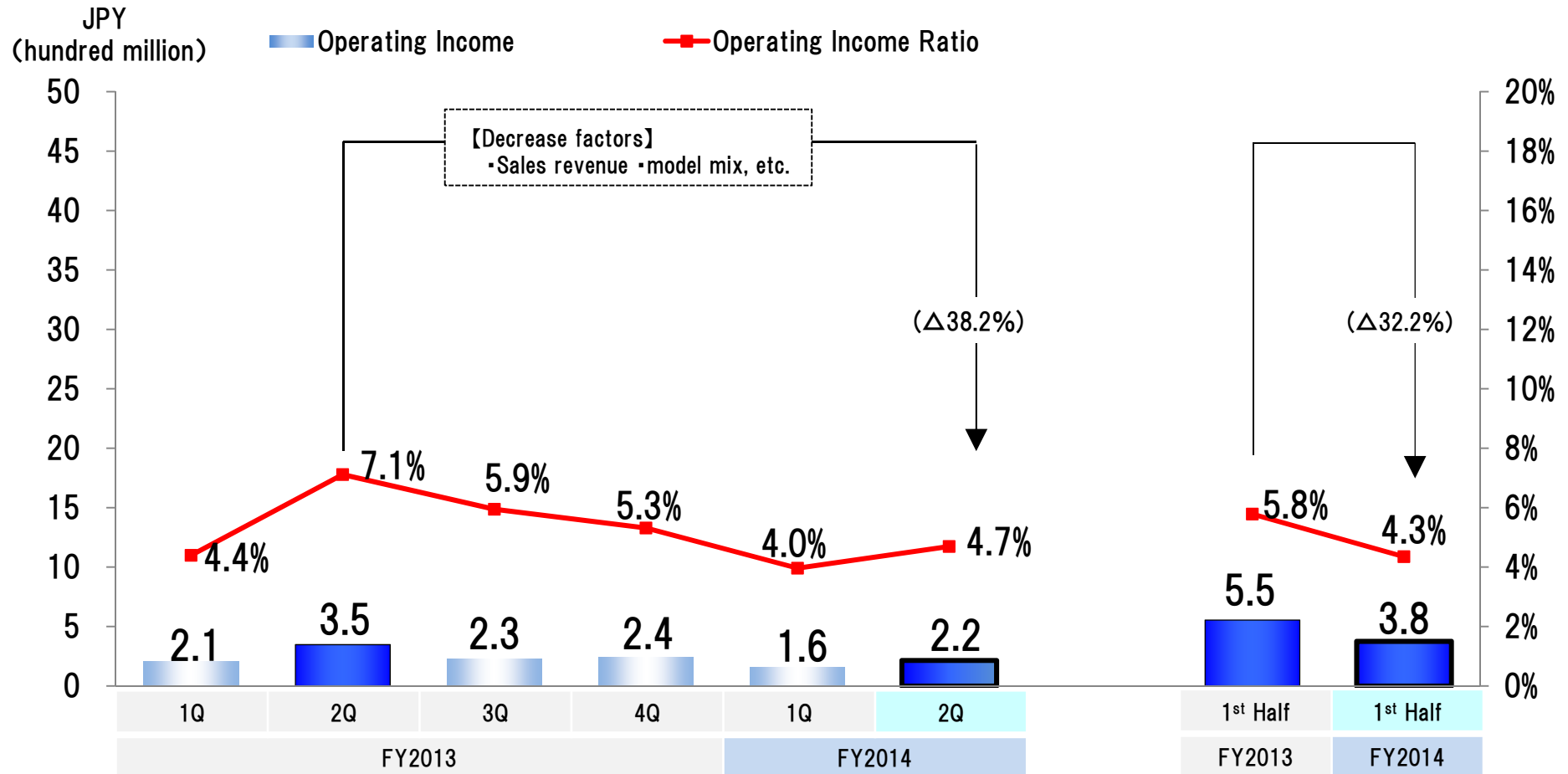
SHOWA FY2014 2nd Quarter Financial Results (Consolidated)

Gas Springs Segment, Others

	FY2013				FY2014	
	1Q	2Q	3Q	4Q	1Q	2Q
Net Sales	46.9	49.0	38.4	45.9	40.6	45.9
					(Δ6.3%)	

JPY (hundred million)

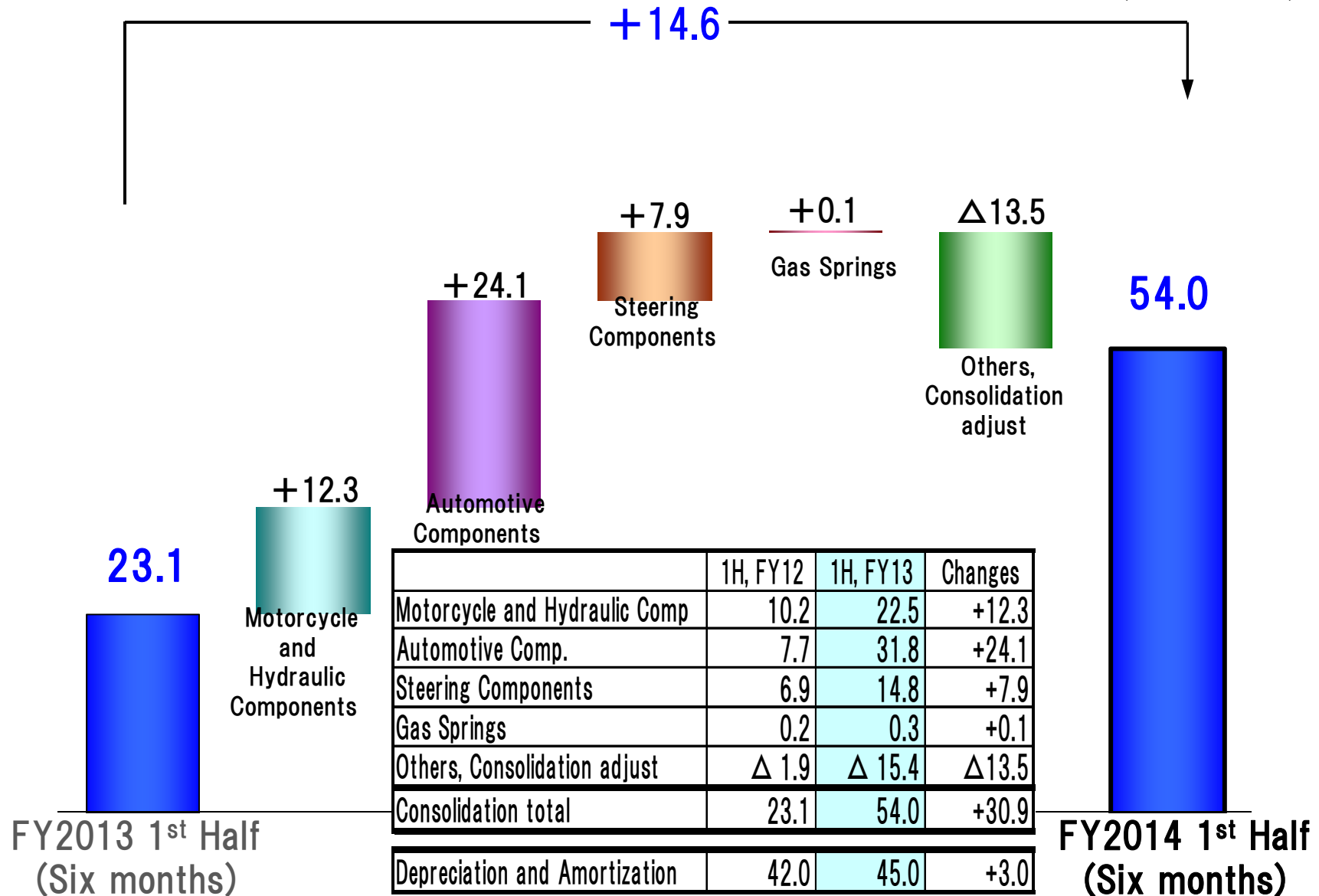
FY2013	FY2014
1st Half	1st Half
95.9	86.4
(Δ9.9%)	



SHOWA FY2014 1st Half Financial Results (Consolidated)

FY2014 1st Half Capital Investments by Segment

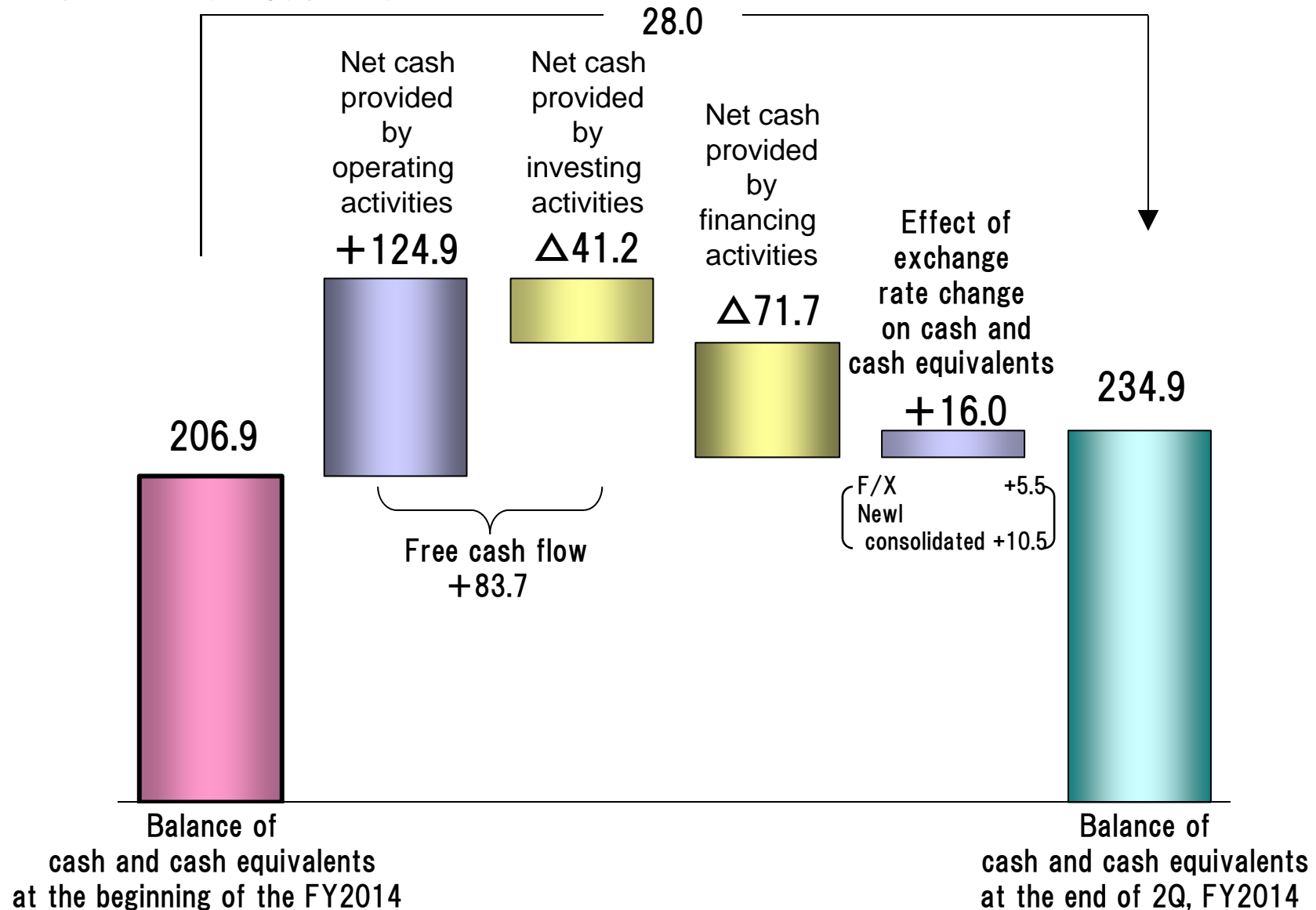
JPY (hundred million)



SHOWA FY2014 1st Half Financial Results (Consolidated)

FY2014 1st Half Cash Flow

JPY (hundred million)



SHOWA

FY2014 Financial Forecasts (Consolidated)

SHOWA FY2014 Financial Results Forecast (Consolidated)

Summary of FY2014 Financial Forecasts

JPY (hundred million)

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F/X Rates (JPY)

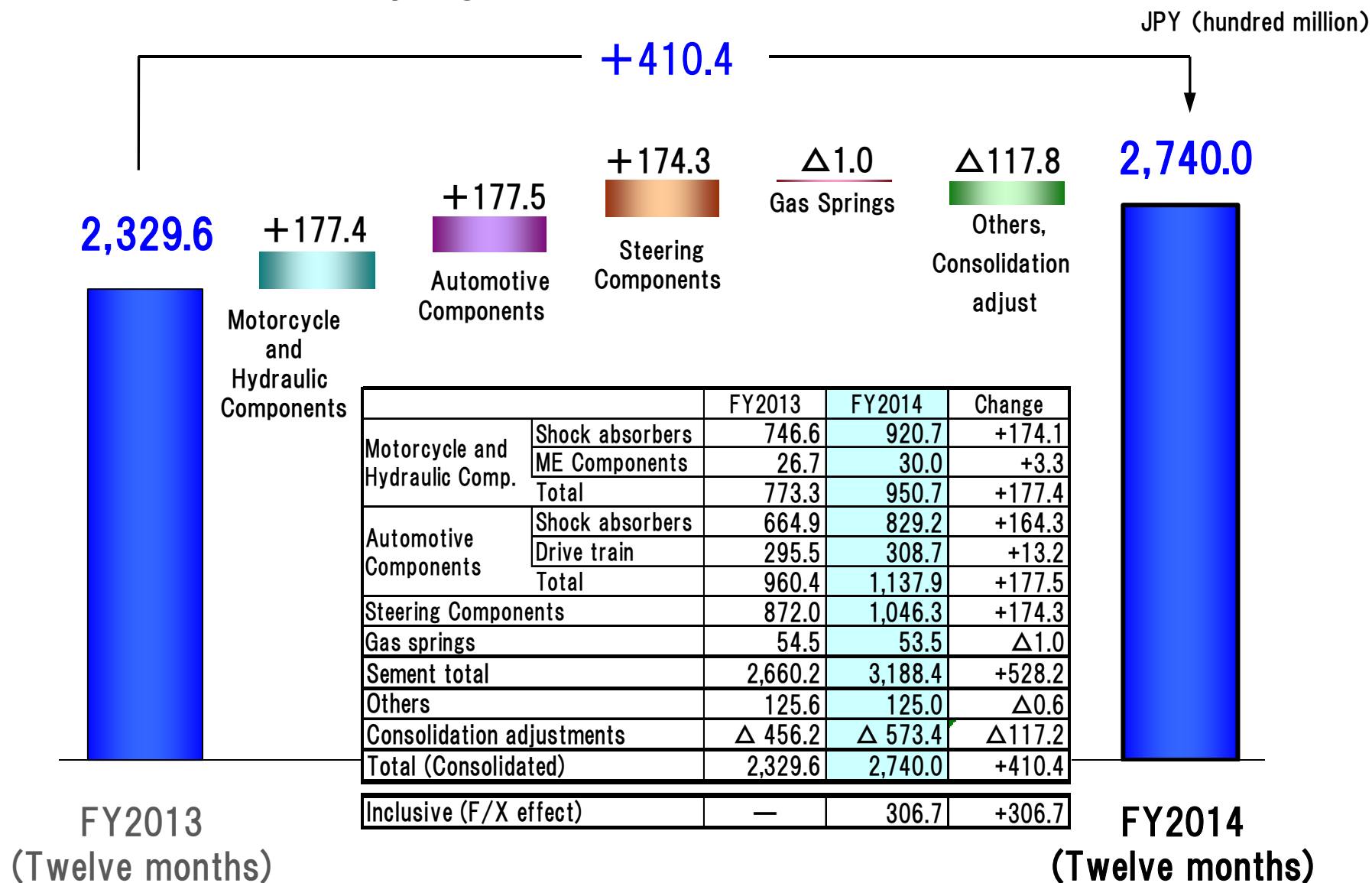
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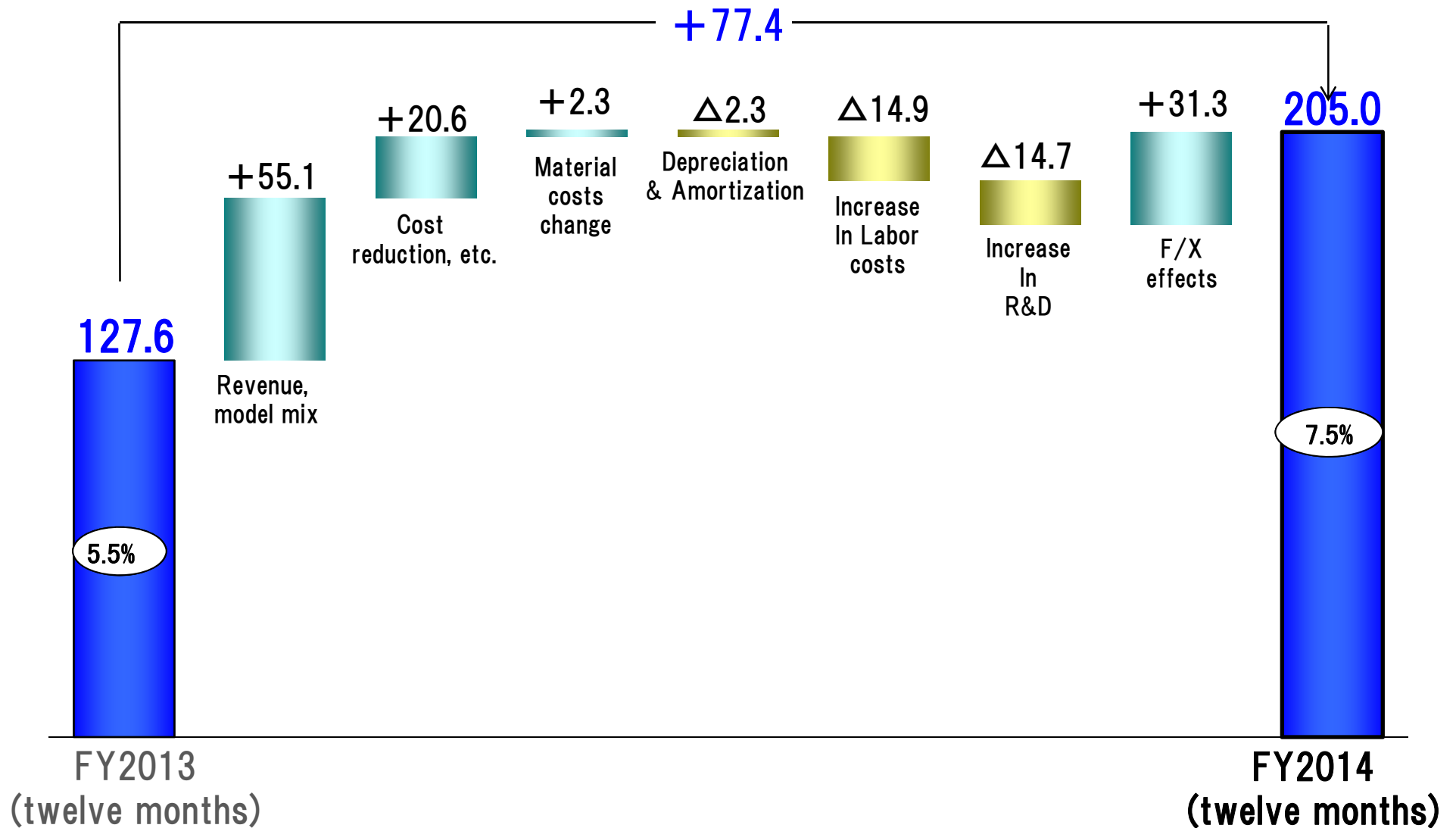
FY2014 Sales revenues by Segment



SHOWA FY2014 Financial Results Forecast (Consolidated)

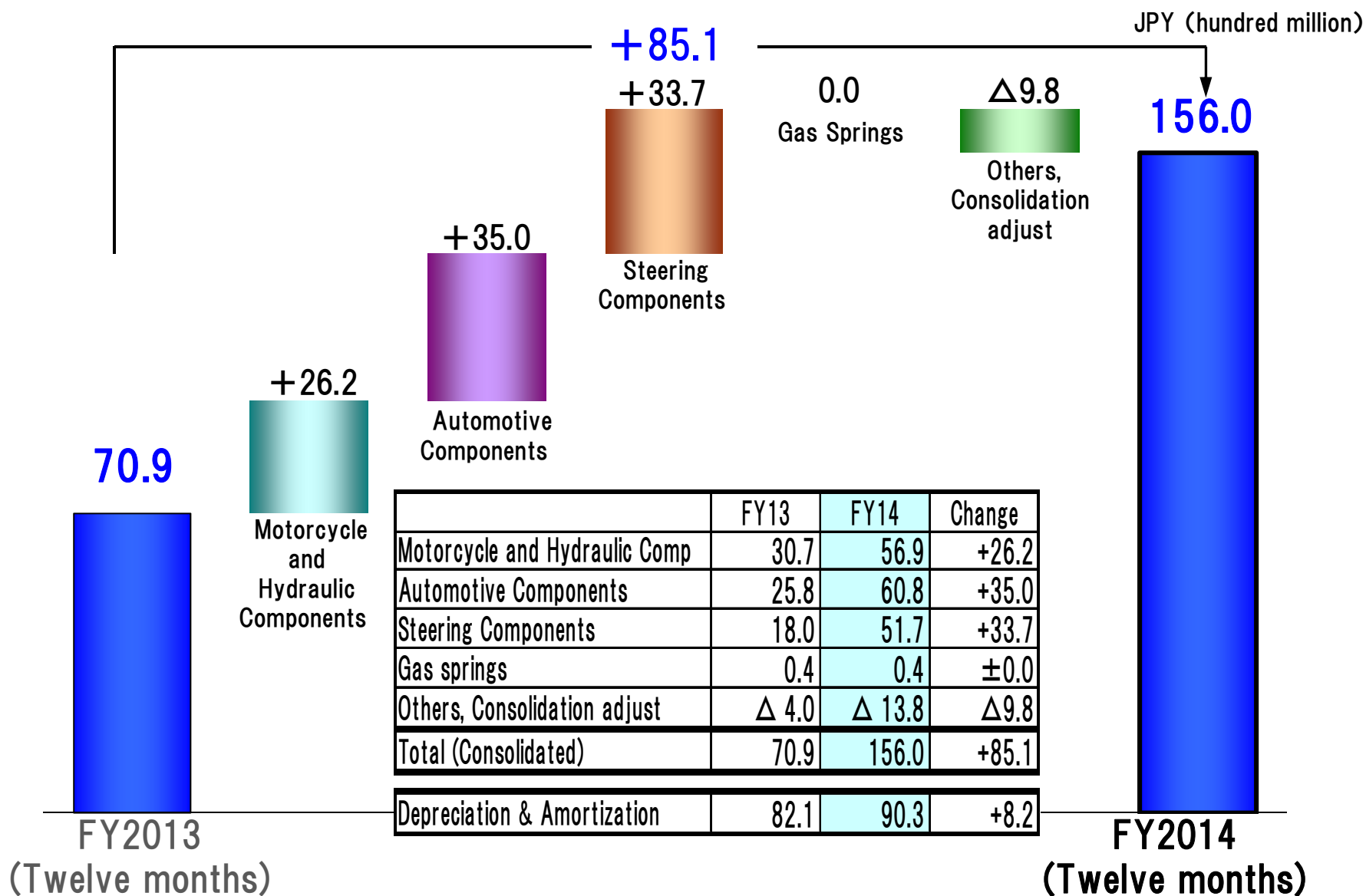
FY2013 Changes in Operating Income by factors (Forecast)

JPY (hundred million)



SHOWA FY2014 Financial Results Forecast (Consolidated)

FY2014 Capital Investments by Segment (Forecast)





FY2014 2nd Quarter and 1st Half Financial Results

END

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