

We are aiming to achieve sustained growth together with society as a “company that shapes the future of people, automobiles and the Environment”.

**Naohiro Takao**, President Chief Executive Officer



### Review of financial results for FY2018 (Eighth fiscal year)

For the fiscal year ended March 31, 2018, we have been actively pursuing three innovations: “technology”, “sales” and “human resources”, and working as a group to increase productivity. Owing to these efforts, we have been successful in achieving new records for net sales of ¥255.6 billion, operating income of ¥16.8 billion and ordinary income of ¥17.4 billion. We would like to take this opportunity to thank all of our stakeholders for their continued support.

Looking back at each region, we were able to exceed the previous fiscal year’s sales in all regions due to the steady growth in sales

to our major customers as well as significant growth in sales to other companies. We believe that the expansion of sales to companies other than our major customers stabilizes our operations and represents a pillar of our growth strategy.

In the fiscal year under review, we were able to make steady progress toward achieving our management targets of ¥300 billion yen in net sales and ¥20 billion yen in operating income.

(Hundred million yen)

	FY2016 (actual)	FY2017 (actual)	FY2018 (actual)
Net sales	2,061	2,198	2,556
Operating income	144	143	168
Ordinary income	144	146	174
Net income attributable to owners of parent	97	115	105

## Meaning of G-TEKT's existence and future direction

The earth we live on today is approaching a crisis of survival, facing unprecedented climate changes including global warming. Carbon dioxide (CO<sub>2</sub>), which is a component of automobile exhaust, is also said to be one of the reasons, and the reduction of exhaust emissions by improving fuel efficiency through weight reduction is recognized to be one of the most important issues that should be tackled by the automobile industry.

On the other hand, the automobile industry itself, which we are engaged in, is experiencing a wave of automatic driving and electrification of cars called CASE, and the industrial structure is about to undergo major changes. In order to overcome this once-in-a-century transition period and continue to grow sustainably together with society, G-TEKT must change itself, or we will have no future.

In this business environment, we recognize that G-TEKT has a responsibility to fulfill its vision with innovative technologies,

based on our corporate slogan, “we are shaping the future of people, automobiles and the Environment”. As a specialized manufacturer of auto body frame components, by further advancing the weight reduction technology of car body frames we have so far cultivated, and by acquiring engineering ability to design entire car body frames, we can become a car body frame development partner for car manufacturers. The participation in the automobile development from the early stages will bring the “lightweight and high-rigidity auto body”, which G-TEKT considers to be ideal, into reality by effectively applying the Company's weight reduction technology, including hot stamping processing. We believe that the realization of lightweight and safe cars is the direction that G-TEKT is aiming for, and that this is the meaning of our existence.

In order to shape a better future for all people, G-TEKT will continue to innovate and achieve sustained growth.

## Relationship between CSR activities and the enhancement of corporate value

G-TEKT recognizes that CSR is one of the most important management issues, and holds annual global CSR conferences, where management participates. In addition to environmental management in Japan and overseas and verification of the status of social contribution activities, we also discuss issues and directions to be addressed going forward.

At the conference held in March this year, opinions were also exchanged about ESG (environment/society/governance), which is

attracting attentions in recent years. While the value of a company varies from one stakeholder to another, we consider soundness to be the most important corporate value. This involves not only complying with laws and regulations, but also maintaining harmony with the global environment and local communities, and continuing to grow into the future through appropriate business operations. We believe a company that strives for such practice has a value. In other words, we believe that CSR itself is our company's business.

## Contribution to SDGs

Activities based on the Sustainable Development Goals (SDGs) adopted by the United Nations in September 2015 are being carried out in various fields and regions of the world toward the goal of 2030.

In Japan too, various initiatives have been led by the government. Among them especially, the Tokyo 2020 Olympic and Paralympic Games are gaining huge attention, being referred to by some as the SDG Olympics for including “sustainability” as one of the concepts of the games.

Having SDGs in mind from the early stages of our CSR activities, we have studied in depth the relationship between our business activities and the 17 goals. As described in last year's CSR

Report 2018, we are accelerating initiatives across the entire Group led by Japan, through efforts such as clarifying the targets that are closely related to our business activities.

In order for a company to continue to develop into the future, firstly the earth and society we live in must continue to exist sustainably. We will continue to work hard to solve environmental and social problems in order to realize a sustainable society.

We believe that if each and every one of us face the issues with a sense of ownership and work together, we can make what we thought was impossible possible.

## To our stakeholders

We are currently building a vision for the future by launching the 2030 Vision Project centered on young managers. We have listed the four important elements, “talent”, “technological innovation”, “structural transformation” and “social contribution”, which we plan to announce on our website around autumn time.

In order for a company to grow into the future, we believe that “talent” is the most important element above all. In addition, “technological innovation” is also indispensable to us as a manufacturer. And, we want to create the opportunities that exploit the full potential of “people” and “technology” by advancing “structural transformation”, and improve our quality as a company.

However, no matter how much we improve the quality of our company, if society is not sustained, we will have no future. In other words, we believe that companies have a responsibility to actively address social issues.

In 10 years and beyond, G-TEKT will continue its “social contribution” in many ways through its core business and will continue to achieve sustainable growth together with society.

We would like to ask for the continued support of all our stakeholders for our future endeavors.