

(Reference Translation)



May 10, 2018

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 <under Japanese GAAP>

Company name: **MIKUNI CORPORATION**
Listing: First Section of Tokyo Stock Exchange
Securities code: 7247
URL: <http://www.mikuni.co.jp/>
Representative: Hisataka Ikuta, President, CEO & COO
Inquiries: Hisashi Shibata, General Manager Accounting Dept. Corporate Division
TEL: +81-3-6895-0038

Scheduled date of Ordinary General Meeting of Shareholders: June 27, 2018
Scheduled date to commence dividend payments: June 28, 2018
Scheduled date to file the Annual Securities Report: June 27, 2018
Preparation of supplementary material on financial results: Yes
Holding of financial results presentation meeting: Yes (for institutional investors and analysts)

(Millions of yen with fractional amounts discarded, 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 year-on-year changes. Figures in parentheses are negative figures.)

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2018	103,772	9.5	4,117	19.2	4,070	17.3	2,547	(5.1)
March 31, 2017	94,787	(3.2)	3,453	11.6	3,469	13.9	2,685	111.5

Note: Comprehensive income Fiscal year ended March 31, 2018: 3,616 million yen [21.9 %]
Fiscal year ended March 31, 2017: 2,966 million yen [- %]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	yen	yen	%	%	%
March 31, 2018	75.77	—	8.3	4.5	4.0
March 31, 2017	79.87	—	9.6	4.0	3.6

Reference: Share of income (loss) of entities accounted for using equity method

Fiscal year ended March 31, 2018: 24 million yen

Fiscal year ended March 31, 2017: 32 million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	yen
March 31, 2018	90,150	33,195	35.8	959.95
March 31, 2017	89,181	30,058	32.8	868.69

Reference: Equity As of March 31, 2018: 32,285 million yen
As of March 31, 2017: 29,207 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2018	9,423	(3,812)	(5,624)	4,979
March 31, 2017	5,185	(5,270)	426	4,945

2. Dividends

	Annual dividends					Total dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	yen	yen	yen	yen	yen	Millions of yen	%	%
Fiscal year ended March 31, 2017	–	5.00	–	7.00	12.00	406	15.0	1.4
Fiscal year ended March 31, 2018	–	5.00	–	10.00	15.00	507	19.8	1.6
Fiscal year ending March 31, 2019 (Forecast)	–	5.00	–	10.00	15.00		19.8	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

(Percentages indicate year-on-year changes. Figures in parentheses are negative figures.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	
Six months ending September 30, 2018	57,000	15.7	1,500	(9.7)	1,400	(16.9)	800	(20.7)	23.79
Fiscal year ending March 31, 2019	116,200	12.0	4,300	4.4	4,100	0.7	2,550	0.1	75.82

*** Notes**

- (1) Changes in significant subsidiaries during the fiscal year under review (changes in specified subsidiaries resulting in changes in the scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
- Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - Changes in accounting policies due to other reasons: None
 - Changes in accounting estimates: None
 - Restatement of prior period financial statements after error corrections: None

(3) Number of issued shares (common shares)

- a. Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2018	34,049,423 shares
As of March 31, 2017	34,049,423 shares

- b. Number of treasury shares at the end of the period

As of March 31, 2018	417,473 shares
As of March 31, 2017	427,492 shares

- c. Average number of shares during the period

Fiscal year ended March 31, 2018	33,629,260 shares
Fiscal year ended March 31, 2017	33,622,381 shares

(Note) The Company's shares held by the "Management Board Incentive Plan (BIP) Trust" are included in the number of treasury shares at the end of the period (233,500 shares as of March 31, 2018 and 244,500 shares as of March 31, 2017).

In addition, the Company's shares held by the "Management Board Incentive Plan (BIP) Trust" are included in treasury shares, which are deducted in calculating the average number of shares during the period. (236,715 shares in the fiscal year ended March 31, 2018 and 244,500 shares in the fiscal year ended March 31, 2017)

(Reference) Summary of non-consolidated financial results

**Non-consolidated financial results for the fiscal year ended March 31, 2018
(from April 1, 2017 to March 31, 2018)**

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes)

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2018	68,933	4.3	301	(17.3)	2,002	4.0	1,772	(16.9)
March 31, 2017	66,076	(4.3)	364	(21.2)	1,925	56.1	2,131	255.2

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	yen	yen
March 31, 2018	52.70	—
March 31, 2017	63.39	—

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
March 31, 2018	64,918	23,131	35.6	687.77
March 31, 2017	64,199	21,169	33.0	629.62

Reference: Equity As of March 31, 2018: 23,131 million yen
As of March 31, 2017: 21,169 million yen

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Disclaimer regarding forward-looking statements

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company at the time of the release of these materials. Actual results may differ from the forecasts due to various factors.

[Attached Material]

Index

1. Overview of Operating Results and Others	2
(1) Overview of operating results for the fiscal year	2
(2) Overview of financial position for the fiscal year	4
(3) Basic policy for distributing incomes, and dividends for the fiscal year under review and next fiscal year	4
2. Status of the Corporate Group	6
3. Basic concept regarding selection of accounting standards	6
4. Consolidated financial statements and significant notes thereto	7
(1) Consolidated balance sheet	7
(2) Consolidated statement of income and consolidated statement of comprehensive income.....	9
(3) Consolidated statement of changes in equity	11
(4) Consolidated statement of cash flows	13
(5) Notes to consolidated financial statements	15
(Notes on premise of going concern)	15
(Significant matters forming the basis of preparing the consolidated financial statements).....	15
(Segment information)	16
(Per share information)	18
(Significant subsequent events)	18

1. Overview of Operating Results and Others

(1) Overview of operating results for the fiscal year

In the current fiscal year (from April 1, 2017 to March 31, 2018), as for the Japanese economy, consumer spending and capital investment remained steady, and a gradual economic recovery continued. In regard to overseas, there was a stable economic recovery in the United States, and a moderate recovery trend continued in Europe. The Chinese economy continued to pick up and economic recoveries continued in emerging countries, so the global economy overall made a moderate recovery.

In this business environment, partly due to motorcycle demand starting to bottom out in emerging markets, the Group's net sales amounted to 103,772 million yen (up 9.5% year-on-year). Due to factors such as an increase in sales of products for motorcycles and increased production efficiency, operating margin improved, and operating income amounted to 4,117 million yen (up 19.2% year-on-year). Partly due to the receipt of dividend income from affiliates, ordinary income stood at 4,070 million yen (up 17.3% year-on-year). Partly because extraordinary income that arose in the previous fiscal year did not arise in the current fiscal year, net income attributable to owners of parent amounted to 2,547 million yen (down 5.1% year-on-year).

Operating results by segment are as follows:

(i) <Automobile-related Products Business>

Sales in this business, which centers on the manufacture and sale of fuel injection systems for automobiles, motorcycles, and general purpose engines and engine-related functional components, increased compared with the previous fiscal year. In regard to products for automobiles, revenue increased partly as the result of robust sales in Japan, ASEAN, and India. As for products for motorcycles, motorcycle demand started to bottom out in emerging markets, and sales of products for outboard motors continued to be robust. As a result, net sales in this business amounted to 67,460 million yen (up 14.3% year-on-year), and operating income was 3,640 million yen (up 47.8% year-on-year).

(ii) <Household Appliances Device Products Business>

Sales in this business, which centers on the manufacture and sale of control systems for gas appliances and water appliances, increased from the previous fiscal year. Although housing starts in Japan remained flat, sales of gas control valves for hot-water heaters were robust in the Chinese market. Meanwhile, the pace of production efficiency improvements in Japan slowed temporarily. As a result, net sales in this business amounted to 7,966 million yen (up 10.4% year-on-year), and operating income was 246 million yen (down 40.3% year-on-year).

(iii) <Aircraft Component Import and Sales Business>

Sales of aircraft components declined from the previous fiscal year. While the aircraft industry is a field in which long-term growth is expected, the current fiscal year was a period in which mass-produced models were being replaced with newly developed products, so a drop in the production of flagship models had an effect on results. This business was also affected by the rapid strengthening of the yen in the fourth quarter since its sales in Japan are mainly on a U.S. dollar basis. As a result, net sales in this business amounted to 20,948 million yen (down 1.5% year-on-year), and operating income was 193 million yen (down 31.6% year-on-year).

(iv) <Other Businesses>

Sales in this segment, which handles the sale of turf-maintenance equipment, etc. and the manufacture and sale of vehicle heaters, welfare and care devices and other products, increased slightly from the previous year. As for turf-maintenance equipment, etc., sales increased due to replacement demand for golf carts and so on. As for vehicle heaters, sales decreased due to a saturation in demand for diesel heavy vehicles, to which emission regulations have been applied. In regard to welfare and care devices, etc., sales increased due to steady expansion of the customer base. As a result, net sales in this business amounted to 7,397 million yen (up 1.5% year-on-year). Meanwhile, partly due to the drop in sales of vehicle heaters, operating income amounted to 38 million yen (down 87.1% year-on-year).

[Comparison table of Operating results by segment]

(Millions of yen)

	Fiscal year ended March 31, 2017		Fiscal year ended March 31, 2018		Change in net sales		Change in operating income	
	Net sales	Operating income	Net sales	Operating income	Amount	Ratio	Amount	Ratio
Automobile-related Products Business	59,011	2,462	67,460	3,640	8,448	14.3%	1,177	47.8%
Household Appliances Device Products Business	7,213	412	7,966	246	753	10.4%	(166)	(40.3)%
Aircraft Component Import and Sales Business	21,272	282	20,948	193	(324)	(1.5)%	(89)	(31.6)%
Other Businesses	7,290	295	7,397	38	106	1.5%	(257)	(87.1)%
Total	94,787	3,453	103,772	4,117	8,984	9.5%	664	19.2%
Reference: exchange rate	1 USD = 108.78 yen		1 USD = 112.16 yen					

(Note) Amounts less than one million yen are discarded.

[Reference] Performance trends for each quarter from the fiscal year ended March 31, 2016 to fiscal year ended March 31, 2018

(Millions of yen)

		Fiscal year ended March 31, 2016				Fiscal year ended March 31, 2017				Fiscal year ended March 31, 2018			
		First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter
Automobile-related Products Business	Net sales	15,044	15,116	14,643	15,260	13,945	13,829	14,798	16,438	15,711	15,822	17,428	18,497
	Operating income	598	386	330	1,222	756	321	476	908	918	575	1,147	999
Household Appliances Device Products Business	Net sales	1,639	1,945	1,919	1,924	1,557	1,777	1,882	1,995	1,701	1,974	2,187	2,103
	Operating income	27	48	60	150	(39)	152	79	219	15	94	102	34
Aircraft Component Import and Sales Business	Net sales	6,282	5,507	5,445	5,752	5,681	5,345	4,928	5,317	5,306	5,062	5,314	5,264
	Operating income	216	89	47	(39)	0	(52)	225	108	56	33	88	14
Other Businesses	Net sales	1,981	1,639	1,724	2,048	1,709	1,773	1,718	2,088	1,906	1,764	1,574	2,151
	Operating income	(6)	(112)	(19)	94	33	102	69	90	(11)	(21)	(49)	120
Total	Net sales	24,947	24,208	23,732	24,986	22,893	22,727	23,328	25,839	24,625	24,624	26,505	28,017
	Operating income	836	412	418	1,427	751	523	850	1,328	978	682	1,288	1,168

- (Notes) 1. The figures inside parentheses in the row presenting operating income indicate the amount of operating loss.
2. Amounts less than one million yen are discarded.

Future outlook

The business environment surrounding the Group is exposed to the influence of not only macroeconomic and political trends in Japan and overseas, but also changes in regulatory structures such as environmental regulations. Responding to these changes in the business environment, the Group aims to be a sustainable and highly profitable company underpinned by our manufacturing expertise.

Although there is a sense of uncertainty due to factors such as the political situation in countries, the Group is expecting the global economy to continue on a moderate recovery. Accordingly, we will continue our research and development with a close eye on the increasingly stricter environmental regulations and strategic investment while striving to make improvements in production efficiency. Based on the current information, our consolidated earnings forecasts for the next fiscal year (ending March 31, 2019) are as follows:

Consolidated earnings forecasts for the fiscal year ending March 31, 2019
(from April 1, 2018 to March 31, 2019)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Basic earnings per share (Yen)
Current Forecast	116,200	4,300	4,100	2,550	75.82
Results for the previous fiscal year	103,772	4,117	4,070	2,547	75.77

(Note) The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and certain assumptions deemed reasonable. Actual results may differ significantly from the forecasts due to various factors.

(2) Overview of financial position for the fiscal year

a. Assets, liabilities and net assets

(Assets)

Total assets at the end of the fiscal year under review amounted to 90,150 million yen, an increase of 969 million yen from the previous fiscal year-end.

Current assets amounted to 41,292 million yen, a decrease of 238 million yen from the previous fiscal year-end. This was mainly due to a decrease of 938 million yen in cash and deposits.

Non-current assets amounted to 48,858 million yen, an increase of 1,208 million yen from the previous fiscal year-end. This was mainly due to an increase of 1,087 million yen in property, plant and equipment resulting from capital investment.

(Liabilities)

Total liabilities at the end of the fiscal year under review amounted to 56,955 million yen, a decrease of 2,167 million yen from the previous fiscal year-end.

Current liabilities amounted to 35,273 million yen, a decrease of 4,498 million yen from the previous fiscal year-end. This was mainly due to the fact that although notes and accounts payable-trade increased by 1,621 million yen, short-term loans payable decreased by 4,826 million yen and current portion of long-term loans payable decreased by 2,179 million yen.

Non-current liabilities amounted to 21,682 million yen, an increase of 2,330 million yen from the previous fiscal year-end. This was mainly due to an increase of 2,146 million yen in long-term loans payable.

(Net assets)

Net assets amounted to 33,195 million yen, an increase of 3,137 million yen from the previous fiscal year-end. This was mainly due to the fact that net income attributable to owners of parent of 2,547 million yen was recorded, and the fact that valuation difference on available-for-sale securities increased by 606 million yen.

b. Cash flows

Cash and cash equivalents (hereinafter, "cash") for the fiscal year under review increased by 34 million yen from the previous fiscal year-end, to 4,979 million yen.

The respective cash flow positions for the fiscal year under review are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities in the fiscal year under review was 9,423 million yen (5,185 million yen was provided in the previous fiscal year). This was mainly due to the presence of positive factors based on income before income taxes of 4,353 million yen, depreciation of 4,387 million yen, and decrease in inventories of 388 million yen.

(Cash flows from investing activities)

Net cash used in investing activities in the fiscal year under review amounted to 3,812 million yen (5,270 million yen was used in the previous fiscal year). This was mainly due to 5,516 million yen in the purchase of fixed assets.

(Cash flows from financing activities)

Net cash used in financing activities in the fiscal year under review totaled 5,624 million yen (426 million yen was provided in the previous fiscal year). This was mainly payment with regard to a decrease in loans payable of 4,687 million yen.

(3) Basic policy for distributing incomes, and dividends for the fiscal year under review and next fiscal year

The Company, taking into consideration the operating results of the fiscal year and future business development, has a basic policy regarding dividends from surplus, etc. of carrying out result-based distributions in a stable manner based on a medium- to long-term perspective.

Stable dividends and future business development, etc. were comprehensively examined, and as a result, a plan is in place to submit a proposal at the 96th Ordinary General Meeting of Shareholders, which is scheduled to be held on June 27, 2018, increasing the year-end dividend for the fiscal year by 3 yen from the forecast of 7 yen that has already been announced, to a regular dividend of 10 yen per share of common shares of the Company.

Regarding projected dividends for the next fiscal year (ending March 31, 2019), the Company expects, based on earnings forecasts and current forecasts of the financial position, to pay a regular interim dividend of 5 yen per share of common shares, and a regular year-end dividend of 10 yen per share, giving projected annual dividends of 15 yen per share.

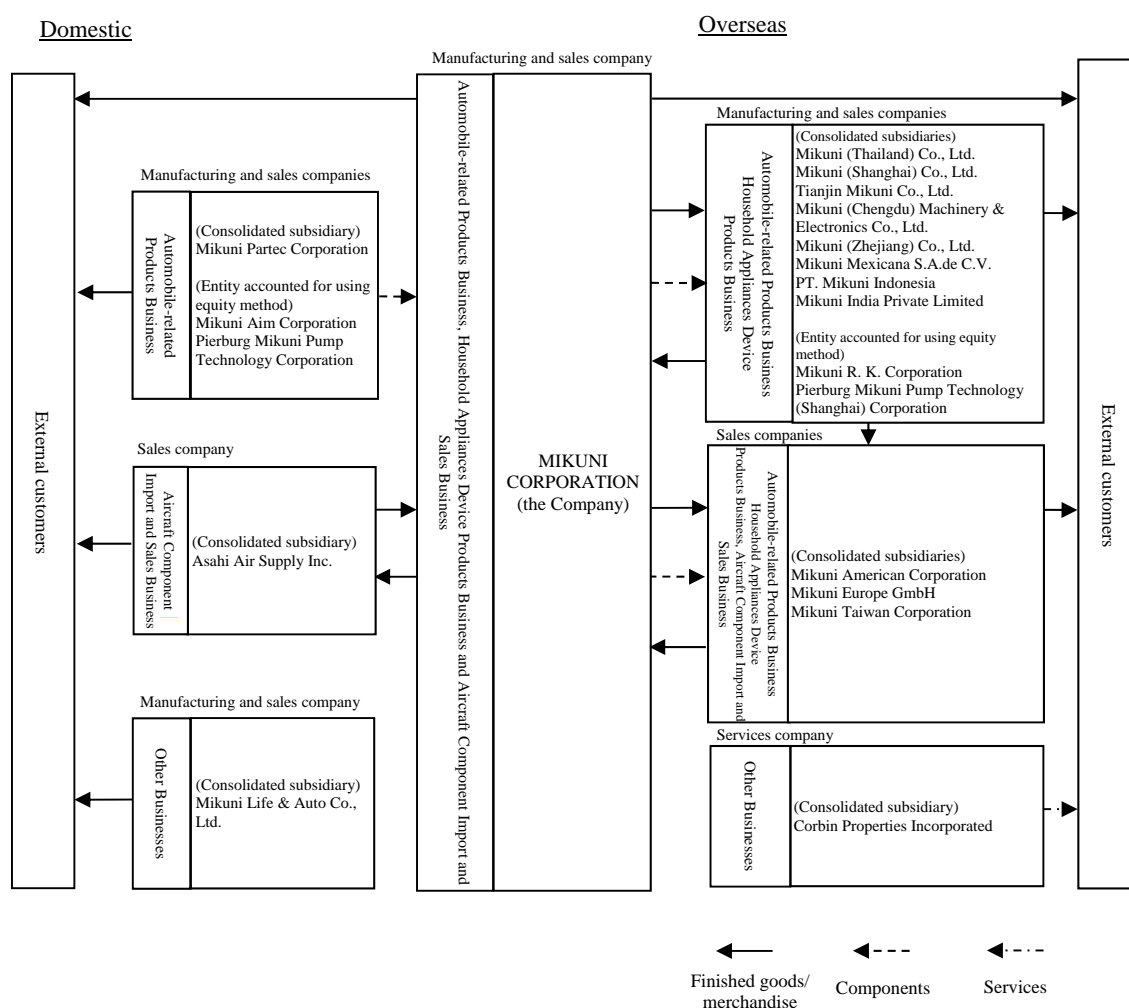
(Note) The forecasts for the next fiscal year contained in these materials are forward-looking statements including risks and uncertainties. Therefore, the actual results may differ from the forecasts stated herein due to changes of various factors.

2. Status of the Corporate Group

The Group (the Company and its affiliates) consists of the Company (MIKUNI CORPORATION), 21 subsidiaries, and five associates. The Group is engaged in manufacturing and sales of fuel injection-related products, carburetors, heaters, pumps, gas control devices, etc., the import and sales of aircraft components, and real estate leasing and other services.

Business organization chart

Reportable segments are the Automobile-related Products Business, the Household Appliances Device Products Business, and the Aircraft Component Import and Sales Business. The business organization chart of the Group as of March 31, 2018 (showing the Company and its main affiliates) is shown below.



3. Basic concept regarding selection of accounting standards

The Group has prepared the consolidated financial statements in accordance with Japanese GAAP, and there is no immediate plan to change its accounting standards. Concerning the policy for the application of IFRS, the Group will respond to this issue appropriately while giving consideration to various circumstances in Japan and overseas.

4. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	5,999	5,060
Notes and accounts receivable - trade	18,508	19,742
Electronically recorded monetary claims - operating	1,309	1,786
Merchandise and finished goods	6,841	6,105
Work in process	3,863	4,137
Raw materials and supplies	1,532	1,593
Deferred tax assets	818	881
Other	2,726	2,072
Allowance for doubtful accounts	(67)	(87)
Total current assets	41,531	41,292
Non-current assets		
Property, plant and equipment		
Buildings and structures	31,011	31,779
Accumulated depreciation	(20,775)	(21,587)
Buildings and structures, net	10,236	10,191
Machinery, equipment and vehicles	44,755	46,247
Accumulated depreciation	(34,649)	(35,394)
Machinery, equipment and vehicles, net	10,106	10,853
Tools, furniture and fixtures	18,127	18,273
Accumulated depreciation	(15,975)	(16,175)
Tools, furniture and fixtures, net	2,151	2,097
Land	11,888	11,918
Construction in progress	2,078	2,486
Total property, plant and equipment	36,460	37,548
Intangible assets		
Goodwill	207	142
Other	775	858
Total intangible assets	983	1,001
Investments and other assets		
Investment securities	6,550	7,328
Long-term loans receivable	16	27
Deferred tax assets	1,092	779
Other	2,752	2,336
Allowance for doubtful accounts	(205)	(162)
Total investments and other assets	10,205	10,309
Total non-current assets	47,650	48,858
Total assets	89,181	90,150

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,812	13,434
Short-term loans payable	13,819	8,993
Current portion of long-term loans payable	7,014	4,835
Lease obligations	475	286
Accounts payable - other	1,743	1,998
Income taxes payable	440	445
Accrued expenses	2,265	2,792
Provision for bonuses	1,391	1,619
Provision for product warranties	204	190
Other	602	677
Total current liabilities	39,771	35,273
Non-current liabilities		
Long-term loans payable	10,430	12,576
Lease obligations	361	303
Deferred tax liabilities	875	1,487
Deferred tax liabilities for land revaluation	2,258	2,258
Provision for management board incentive plan trust	27	44
Net defined benefit liability	3,591	3,523
Other	1,806	1,486
Total non-current liabilities	19,351	21,682
Total liabilities	59,123	56,955
Net assets		
Shareholders' equity		
Capital stock	2,215	2,215
Capital surplus	1,937	1,937
Retained earnings	16,382	18,617
Treasury shares	(186)	(181)
Total shareholders' equity	20,348	22,588
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,813	3,419
Deferred gains or losses on hedges	1	(14)
Revaluation reserve for land	5,273	5,273
Foreign currency translation adjustment	1,261	1,445
Remeasurements of defined benefit plans	(489)	(427)
Total accumulated other comprehensive income	8,858	9,696
Non-controlling interests	850	910
Total net assets	30,058	33,195
Total liabilities and net assets	89,181	90,150

(2) Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Net sales	94,787	103,772
Cost of sales	80,590	87,887
Gross profit	14,196	15,884
Selling, general and administrative expenses	10,743	11,766
Operating profit	3,453	4,117
Non-operating income		
Interest income	68	60
Dividend income	99	212
Rent income	216	209
Share of profit of entities accounted for using equity method	32	24
Other	216	160
Total non-operating income	633	667
Non-operating expenses		
Interest expenses	359	353
Rent expenses	96	95
Foreign exchange losses	24	133
Other	136	132
Total non-operating expenses	617	715
Ordinary profit	3,469	4,070
Extraordinary income		
Gain on sales of non-current assets	133	3
Gain on sales of investment securities	–	239
Gain on sales of shares of subsidiaries and associates	–	41
Gain on liquidation of subsidiaries and associates	–	66
Gain on abolishment of retirement benefit plan	171	–
Compensation income	619	–
Insurance income	–	56
Other	0	–
Total extraordinary income	924	407
Extraordinary losses		
Loss on sales and retirement of non-current assets	75	49
Loss on valuation of investment securities	27	–
Impairment loss	9	16
Loss on fire	–	55
Other	11	2
Total extraordinary losses	123	124
Profit before income taxes	4,270	4,353
Income taxes - current	1,050	1,139
Income taxes - deferred	378	568
Total income taxes	1,428	1,708
Profit	2,841	2,644
Profit attributable to non-controlling interests	156	96
Profit attributable to owners of parent	2,685	2,547

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Profit	2,841	2,644
Other comprehensive income		
Valuation difference on available-for-sale securities	1,006	606
Deferred gains or losses on hedges	2	(15)
Foreign currency translation adjustment	(1,071)	270
Remeasurements of defined benefit plans, net of tax	205	62
Share of other comprehensive income of entities accounted for using equity method	(18)	48
Total other comprehensive income	124	972
Comprehensive income	2,966	3,616
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,943	3,492
Comprehensive income attributable to non- controlling interests	22	124

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2017

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,215	1,700	14,204	(186)	17,934
Changes of items during period					
Dividends of surplus			(508)		(508)
Profit attributable to owners of parent			2,685		2,685
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares					-
Capital increase of consolidated subsidiaries		(51)			(51)
Change in ownership interest of parent due to transactions with non-controlling interests		289			289
Change of scope of equity method					-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	237	2,177	(0)	2,414
Balance at end of current period	2,215	1,937	16,382	(186)	20,348

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,806	(1)	5,273	2,217	(695)	8,600	1,416	27,950
Changes of items during period								
Dividends of surplus								(508)
Profit attributable to owners of parent								2,685
Purchase of treasury shares								(0)
Disposal of treasury shares								-
Capital increase of consolidated subsidiaries								(51)
Change in ownership interest of parent due to transactions with non-controlling interests								289
Change of scope of equity method								-
Net changes of items other than shareholders' equity	1,006	2	-	(956)	205	258	(565)	(307)
Total changes of items during period	1,006	2	-	(956)	205	258	(565)	2,107
Balance at end of current period	2,813	1	5,273	1,261	(489)	8,858	850	30,058

Fiscal year ended March 31, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,215	1,937	16,382	(186)	20,348
Changes of items during period					
Dividends of surplus			(406)		(406)
Profit attributable to owners of parent			2,547		2,547
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				5	5
Capital increase of consolidated subsidiaries					-
Change in ownership interest of parent due to transactions with non-controlling interests					-
Change of scope of equity method			93		93
Net changes of items other than shareholders' equity					-
Total changes of items during period	-	-	2,234	5	2,240
Balance at end of current period	2,215	1,937	18,617	(181)	22,588

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	2,813	1	5,273	1,261	(489)	8,858	850	30,058
Changes of items during period								
Dividends of surplus								(406)
Profit attributable to owners of parent								2,547
Purchase of treasury shares								(0)
Disposal of treasury shares								5
Capital increase of consolidated subsidiaries								-
Change in ownership interest of parent due to transactions with non-controlling interests								-
Change of scope of equity method								93
Net changes of items other than shareholders' equity	606	(15)	-	184	62	837	59	897
Total changes of items during period	606	(15)	-	184	62	837	59	3,137
Balance at end of current period	3,419	(14)	5,273	1,445	(427)	9,696	910	33,195

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Cash flows from operating activities		
Profit before income taxes	4,270	4,353
Depreciation	4,238	4,387
Amortization of goodwill	67	65
Impairment loss	9	16
Compensation income	(619)	–
Interest and dividend income	(167)	(272)
Interest expenses	359	353
Loss (gain) on sales and retirement of non-current assets	(58)	45
Share of loss (profit) of entities accounted for using equity method	(32)	(24)
Increase (decrease) in net defined benefit liability	(1,903)	25
Increase (decrease) in provision for product warranties	(673)	(17)
Increase (decrease) in provision for bonuses	100	228
Increase (decrease) in allowance for doubtful accounts	(14)	(24)
Decrease (increase) in notes and accounts receivable - trade	(1,252)	(1,412)
Decrease (increase) in inventories	(1,088)	388
Decrease (increase) in accounts receivable - other	239	363
Increase (decrease) in notes and accounts payable - trade	1,049	1,502
Increase (decrease) in accounts payable - other	1,460	(296)
Other, net	222	1,067
Subtotal	6,207	10,749
Interest and dividend income received	163	226
Interest expenses paid	(346)	(342)
Extra retirement payments	(17)	–
Income taxes paid	(822)	(1,209)
Net cash provided by (used in) operating activities	5,185	9,423
Cash flows from investing activities		
Decrease (increase) in time deposits	(122)	1,017
Purchase of property, plant and equipment	(5,609)	(5,258)
Proceeds from sales of property, plant and equipment	820	291
Purchase of intangible assets	(224)	(257)
Purchase of investment securities	(7)	(7)
Proceeds from sales of investment securities	–	346
Purchase of shares of subsidiaries and associates	(45)	(10)
Proceeds from sales of shares of subsidiaries and associates	–	57
Proceeds from liquidation of subsidiaries and associates	–	80
Payments of loans receivable	(57)	(50)
Collection of loans receivable	24	14
Other, net	(49)	(37)
Net cash provided by (used in) investing activities	(5,270)	(3,812)

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	(1,081)	(4,732)
Proceeds from long-term loans payable	7,367	7,248
Repayments of long-term loans payable	(4,486)	(7,203)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(341)	–
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(504)	(405)
Dividends paid to non-controlling interests	(63)	(54)
Other, net	(462)	(476)
Net cash provided by (used in) financing activities	426	(5,624)
Effect of exchange rate change on cash and cash equivalents	(139)	47
Net increase (decrease) in cash and cash equivalents	202	34
Cash and cash equivalents at beginning of period	4,743	4,945
Cash and cash equivalents at end of period	4,945	4,979

(5) Notes to consolidated financial statements

(Notes on premise of going concern)

Not applicable.

(Significant matters forming the basis of preparing the consolidated financial statements)

Disclosure omitted because there have been no significant changes from the items stated in the recent Annual Securities Report (filed on June 28, 2017).

(Segment information)

[Segment information]

1. Outline of reportable segments

The reportable segments of the Group are components of the Group that have separate financial information available and are periodically examined to enable the Board of Directors to make decisions on the allocation of management resources and evaluate the results of business performance.

The Company establishes comprehensive domestic and overseas strategies for each product and service, and undertakes business activities in cooperation with group companies.

The Group accordingly consists of segments by product and service, with three reportable segments: Automobile Products-related Business, Household Appliances Device Products Business, and Aircraft Component Import and Sales Business.

The Automobile Products-related Business mainly manufactures and sells fuel injection systems for automobiles, motorcycles, and general purpose engines and engine-related functional components.

The Household Appliances Device Products Business mainly manufactures and sells control systems for gas appliances and water appliances. The Aircraft Component Import and Sales Business mainly imports and sells aircraft components.

2. Calculation method for the amounts of net sales, income/loss, assets and other items by reportable segment

The accounting method for reportable segments is generally the same as the method described in “Significant matters forming the basis of preparing the consolidated financial statements.”

Segment profit (loss) of reportable segments is provided on an operating income (loss) basis.

3. Information regarding the amounts of net sales, income/loss, assets and other items by reportable segment

Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(Millions of yen)

	Reportable segment				Other Businesses (Note)	Total	Adjustments	Amounts reported in the consolidated financial statements
	Automobile Products-related	Household Appliances Device Products	Aircraft Component Import and Sales	Total				
Net sales								
To external customers	59,011	7,213	21,272	87,497	7,290	94,787	–	94,787
Inter-segment sales or transfers	–	–	–	–	–	–	–	–
Total	59,011	7,213	21,272	87,497	7,290	94,787	–	94,787
Segment profit (loss)	2,462	412	282	3,157	295	3,453	–	3,453
Segment assets	67,403	6,376	10,077	83,857	5,324	89,181	–	89,181
Other items								
Depreciation	3,842	230	63	4,137	101	4,238	–	4,238
Amortization of goodwill and negative goodwill	–	–	39	39	27	67	–	67
Investments in entities accounted for using equity method	216	280	–	496	–	496	–	496
Increase in property, plant and equipment and intangible assets	5,367	374	27	5,768	103	5,872	–	5,872

(Note) The “Other Businesses” category refers to a business segment not included in reportable segments including such businesses as sales of turf-maintenance equipment, etc. and manufacturing and sales of vehicle heaters and welfare and care devices, etc.

Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(Millions of yen)

	Reportable segment				Other Businesses (Note)	Total	Adjustments	Amounts reported in the consolidated financial statements
	Automobile Products-related	Household Appliances Device Products	Aircraft Component Import and Sales	Total				
Net sales								
To external customers	67,460	7,966	20,948	96,375	7,397	103,772	–	103,772
Inter-segment sales or transfers	–	–	–	–	–	–	–	–
Total	67,460	7,966	20,948	96,375	7,397	103,772	–	103,772
Segment profit (loss)	3,640	246	193	4,079	38	4,117	–	4,117
Segment assets	69,118	6,698	9,087	84,904	5,246	90,150	–	90,150
Other items								
Depreciation	3,935	282	77	4,296	91	4,387	–	4,387
Amortization of goodwill and negative goodwill	–	–	37	37	27	65	–	65
Investments in entities accounted for using equity method	934	324	–	1,259	–	1,259	–	1,259
Increase in property, plant and equipment and intangible assets	5,162	460	31	5,654	200	5,855	–	5,855

(Note) The “Other Businesses” category refers to a business segment not included in reportable segments including such businesses as sales of turf-maintenance equipment, etc. and manufacturing and sales of vehicle heaters and welfare and care devices, etc.

(Per share information)

Item	Fiscal year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)	Fiscal year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)
Net assets per share	868.69 yen	959.95 yen
Basic earnings per share	79.87 yen	75.77 yen

(Notes) 1. Diluted earnings per share is not presented since no potential shares exist.

2. The shares of the Company that remain in trust and are recorded as treasury shares in shareholders' equity are included in treasury shares that are excluded from the recording of the average number of shares during the period in calculating the amount of basic earnings per share, and are included in the number of treasury shares that are excluded from the total number of issued shares at the end of the period in calculating net assets per share.

Number of treasury shares at end of period deducted in calculating net assets per share

Fiscal year ended March 31, 2017 244,500 shares

Fiscal year ended March 31, 2018 233,500 shares

Average number of treasury shares during period deducted in calculating the basic earnings per share

Fiscal year ended March 31, 2017 244,500 shares

Fiscal year ended March 31, 2018 236,715 shares

3. The basis of the calculation of basic earnings per share is as follows:

Item	Fiscal year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)	Fiscal year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)
Net income attributable to owners of parent (million yen)	2,685	2,547
Amounts not attributable to common shareholders (million yen)	-	-
Net income attributable to owners of parent available to common shares (million yen)	2,685	2,547
Average number of shares during the period (shares)	33,622,381	33,629,260

(Significant subsequent events)

Not applicable.