

(Reference Translation)



May 10, 2019

## Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 <under Japanese GAAP>

Company name: **MIKUNI CORPORATION**  
Listing: First Section of Tokyo Stock Exchange  
Securities code: 7247  
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Representative: Hisataka Ikuta, President, CEO & COO  
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Scheduled date of Ordinary General Meeting of Shareholders: June 26, 2019  
Scheduled date to commence dividend payments: June 27, 2019  
Scheduled date to file the Annual Securities Report: June 26, 2019  
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, 2019 (from April 1, 2018 to March 31, 2019)

#### (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, 2019	121,803	17.4	4,403	6.9	4,381	7.7	2,262	(11.2)
March 31, 2018	103,772	9.5	4,117	19.2	4,070	17.3	2,547	(5.1)

Note: Comprehensive income Fiscal year ended March 31, 2019: 337 million yen [(90.7) %]  
Fiscal year ended March 31, 2018: 3,616 million yen [21.9 %]

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, 2019	67.26	—	7.0	4.7	3.6
March 31, 2018	75.77	—	8.3	4.5	4.0

Reference: Share of income (loss) of entities accounted for using equity method  
Fiscal year ended March 31, 2019: (35) million yen  
Fiscal year ended March 31, 2018: 24 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, 2019	96,768	32,955	33.1	952.60
March 31, 2018	89,744	33,195	36.0	959.95

Reference: Equity As of March 31, 2019: 32,036 million yen  
As of March 31, 2018: 32,285 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, 2019	5,121	(6,607)	2,770	6,046
March 31, 2018	9,423	(3,812)	(5,624)	4,979

**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, 2018	–	5.00	–	10.00	15.00	507	19.8	1.6
Fiscal year ended March 31, 2019	–	5.00	–	10.00	15.00	507	22.3	1.6
Fiscal year ending March 31, 2020 (Forecast)	–	5.00	–	10.00	15.00		24.0	

**3. Consolidated earnings forecasts for the fiscal year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)**

(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, 2019	55,000	(7.3)	1,200	(38.6)	1,000	(41.0)	300	(71.3)	8.92
Fiscal year ending March 31, 2020	116,000	(4.8)	3,800	(13.7)	3,700	(15.6)	2,100	(7.2)	62.44

**\* 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
- a. Changes in accounting policies due to revisions to accounting standards and other regulations: None
  - b. Changes in accounting policies due to other reasons: None
  - c. Changes in accounting estimates: None
  - d. 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, 2019	34,049,423 shares
As of March 31, 2018	34,049,423 shares

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

As of March 31, 2019	418,249 shares
As of March 31, 2018	417,473 shares

- c. Average number of shares during the period

Fiscal year ended March 31, 2019	33,631,565 shares
Fiscal year ended March 31, 2018	33,629,260 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, 2019 and 233,500 shares as of March 31, 2018).

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. (233,500 shares in the fiscal year ended March 31, 2019 and 236,715 shares in the fiscal year ended March 31, 2018)

(Reference) Summary of non-consolidated financial results

**Non-consolidated financial results for the fiscal year ended March 31, 2019  
(from April 1, 2018 to March 31, 2019)**

**(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, 2019	86,248	25.1	244	(19.0)	1,335	(33.3)	670	(62.1)
March 31, 2018	68,933	4.3	301	(17.3)	2,002	4.0	1,772	(16.9)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	yen	yen
March 31, 2019	19.95	—
March 31, 2018	52.70	—

**(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, 2019	67,837	22,449	33.1	667.51
March 31, 2018	64,522	23,131	35.8	687.77

Reference: Equity As of March 31, 2019: 22,449 million yen  
As of March 31, 2018: 23,131 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]**

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## 1. Overview of Operating Results and Others

### (1) Overview of operating results for the fiscal year

In the current fiscal year (from April 1, 2018 to March 31, 2019), as for the Japanese economy, the employment situation improved and capital investment increased, so the economic recovery trend continued. As for overseas, the economy slowed moderately in China partly due to a sense of uncertainty regarding trade policies.

In this business environment, partly due to the strong performance of the Automobile-related Products Business and the Aircraft Component Import and Sales Business, the Group's net sales amounted to 121,803 million yen (up 17.4% year-on-year). While the profit ratio of the Automobile-related Products Business improved and sales increased significantly in the Aircraft Component Import and Sales Business, partly due to a drop in sales in the Household Appliances Device Products Business, operating income amounted to 4,403 million yen (up 6.9% year-on-year). As a result, ordinary income amounted to 4,381 million yen (up 7.7% year-on-year). Net income attributable to owners of parent stood at 2,262 million yen (down 11.2% year-on-year) partly because of the recording of litigation expenses in extraordinary losses. In the United States, a class-action lawsuit was brought against Mikuni and the US subsidiary of Mikuni in relation to the sale of some automobile-related products. Although Mikuni and the US subsidiary of Mikuni did not accept responsibility regarding compensation for damages, etc., an agreement in principle was reached, comprehensively taking into consideration the higher expense of prolonged litigation and the effects of this on business, etc. The settlement in question will be formally determined after the process of court approval has been completed.

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 supply systems for automobiles, motorcycles, and general purpose engines and engine-related functional components, increased compared with the previous fiscal year. As for products for automobiles, while the economic slowdown in China had an effect on performance, production continued to be robust in Japan, ASEAN, and India, so sales rose. In regard to products for motorcycles (including products for outboard motors), sales increased due to factors such as robust performance in ASEAN and India and the expansion of demand for products for outboard motors. As a result, net sales in this business amounted to 72,137 million yen (up 6.9% year-on-year), and operating income was 4,160 million yen (up 14.3% 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, decreased from the previous fiscal year. Product strategies were revised due to factors such as delays in the promotion of environmental policies by the Chinese government, and the intensification of competition. As a result, net sales in this business amounted to 6,624 million yen (down 16.8% year-on-year), and there was an operating loss of 348 million yen (246 million yen operating income for the previous year).

#### (iii) <Aircraft Component Import and Sales Business>

Sales of aircraft components increased from the previous fiscal year. Demand for imported materials, etc. increased significantly accompanying a shift to the mass production of newly developed commercial aircraft. As a result, net sales in this business amounted to 35,632 million yen (up 70.1% year-on-year), and operating income was 769 million yen (193 million yen for the previous fiscal 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, remained at the previous year's level. As for turf-maintenance equipment, etc., in spite of natural disasters having some effects on performance, sales were on par with the previous year's level partly due to the cultivation of new customers. Sales of vehicle heaters fell partly due to a saturation in demand for products for tourist buses, etc. As for welfare and care devices, etc., the customer base was

expanded and product lines were enhanced, so sales increased. As a result, net sales in this business amounted to 7,409 million yen (up 0.2% year-on-year). Meanwhile, partly because of a change in the product composition of turf-maintenance equipment, etc., Other Businesses recorded an operating loss of 177 million yen (38 million yen operating income for the previous year).

[Comparison table of Operating results by segment]

(Millions of yen)

	Fiscal year ended March 31, 2018		Fiscal year ended March 31, 2019		Change in net sales		Change in operating income	
	Net sales	Operating income	Net sales	Operating income	Amount	Ratio	Amount	Ratio
Automobile-related Products Business	67,460	3,640	72,137	4,160	4,676	6.9%	519	14.3%
Household Appliances Device Products Business	7,966	246	6,624	(348)	(1,342)	(16.8)%	(594)	—
Aircraft Component Import and Sales Business	20,948	193	35,632	769	14,684	70.1%	576	298.4%
Other Businesses	7,397	38	7,409	(177)	12	0.2%	(215)	—
Total	103,772	4,117	121,803	4,403	18,031	17.4%	285	6.9%
Reference: exchange rate	1 USD = 112.16 yen		1 USD = 110.44 yen		—		—	

- (Notes) 1. The figures inside parentheses in the column presenting operating income indicate the amount of operating loss.  
2. Amounts less than one million yen are discarded.  
3. “—” indicates a negative change in the current fiscal year or the previous fiscal year or both.

[Reference] Performance trends for each quarter from the fiscal year ended March 31, 2017 to fiscal year ended March 31, 2019

(Millions of yen)

		Fiscal year ended March 31, 2017				Fiscal year ended March 31, 2018				Fiscal year ended March 31, 2019			
		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	13,945	13,829	14,798	16,438	15,711	15,822	17,428	18,497	16,954	17,645	18,846	18,690
	Operating income	756	321	476	908	918	575	1,147	999	1,065	631	1,365	1,097
Household Appliances Device Products Business	Net sales	1,557	1,777	1,882	1,995	1,701	1,974	2,187	2,103	1,663	1,817	1,685	1,458
	Operating income	(39)	152	79	219	15	94	102	34	(20)	(102)	(63)	(161)
Aircraft Component Import and Sales Business	Net sales	5,681	5,345	4,928	5,317	5,306	5,062	5,314	5,264	8,697	8,980	9,383	8,570
	Operating income	0	(52)	225	108	56	33	88	14	219	299	206	44
Other Businesses	Net sales	1,709	1,773	1,718	2,088	1,906	1,764	1,574	2,151	1,731	1,817	1,790	2,070
	Operating income	33	102	69	90	(11)	(21)	(49)	120	(65)	(73)	(38)	0
Total	Net sales	22,893	22,727	23,328	25,839	24,625	24,624	26,505	28,017	29,046	30,261	31,706	30,789
	Operating income	751	523	850	1,328	978	682	1,288	1,168	1,197	755	1,469	980

- (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 risk of market fluctuations resulting from trade policies and so on, 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, 2020) are as follows:

Consolidated earnings forecasts for the fiscal year ending March 31, 2020  
(from April 1, 2019 to March 31, 2020)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Basic earnings per share (Yen)
Current Forecast	116,000	3,800	3,700	2,100	62.44
Results for the previous fiscal year	121,803	4,403	4,381	2,262	67.26

(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 96,768 million yen, an increase of 7,024 million yen from the previous fiscal year-end.

Current assets amounted to 46,104 million yen, an increase of 5,694 million yen from the previous fiscal year-end. This was mainly due to an increase in inventories of 3,134 million yen and an increase in cash and deposits of 985 million yen.

Non-current assets amounted to 50,664 million yen, an increase of 1,330 million yen from the previous fiscal year-end. This was mainly due to the fact that although investment securities decreased by 1,060 million yen, there was an increase of 2,204 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 63,813 million yen, an increase of 7,264 million yen from the previous fiscal year-end.

Current liabilities amounted to 35,572 million yen, an increase of 299 million yen from the previous fiscal year-end. This was mainly due to the fact that although short-term loans payable decreased by 3,345 million yen, “notes and accounts payable – trade” increased by 1,677 million yen and “accounts payable – other” increased by 1,415 million yen.

Non-current liabilities amounted to 28,240 million yen, an increase of 6,964 million yen from the previous fiscal year-end. This was mainly due to an increase of 6,714 million yen in long-term loans payable.

(Net assets)

Net assets amounted to 32,955 million yen, a decrease of 239 million yen from the previous fiscal year-end. This was mainly due to the fact that although net income attributable to owners of parent of 2,262 million yen was recorded, foreign currency translation adjustment decreased by 1,133 million yen and valuation difference on available-for-sale securities decreased by 866 million yen.

b. Cash flows

Cash and cash equivalents (hereinafter, “cash”) for the fiscal year under review increased by 1,066 million yen from the previous fiscal year-end, to 6,046 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 5,121 million yen (9,423 million yen was provided in the previous fiscal year). This was mainly due to the fact that positive factors based on income before income taxes of 3,852 million yen and based on depreciation of 4,338 million yen, exceeded negative factors based on an increase in inventories of 3,325 million yen.

(Cash flows from investing activities)

Net cash used in investing activities in the fiscal year under review amounted to 6,607 million yen (3,812 million yen was used in the previous fiscal year). This was mainly due to 7,116 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 2,770 million yen (5,624 million yen was provided in the previous fiscal year). This was mainly due to proceeds from a 3,711 million yen net increase in loans payable.



**(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 97th Ordinary General Meeting of Shareholders, which is scheduled to be held on June 26, 2019, 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, 2020), 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.

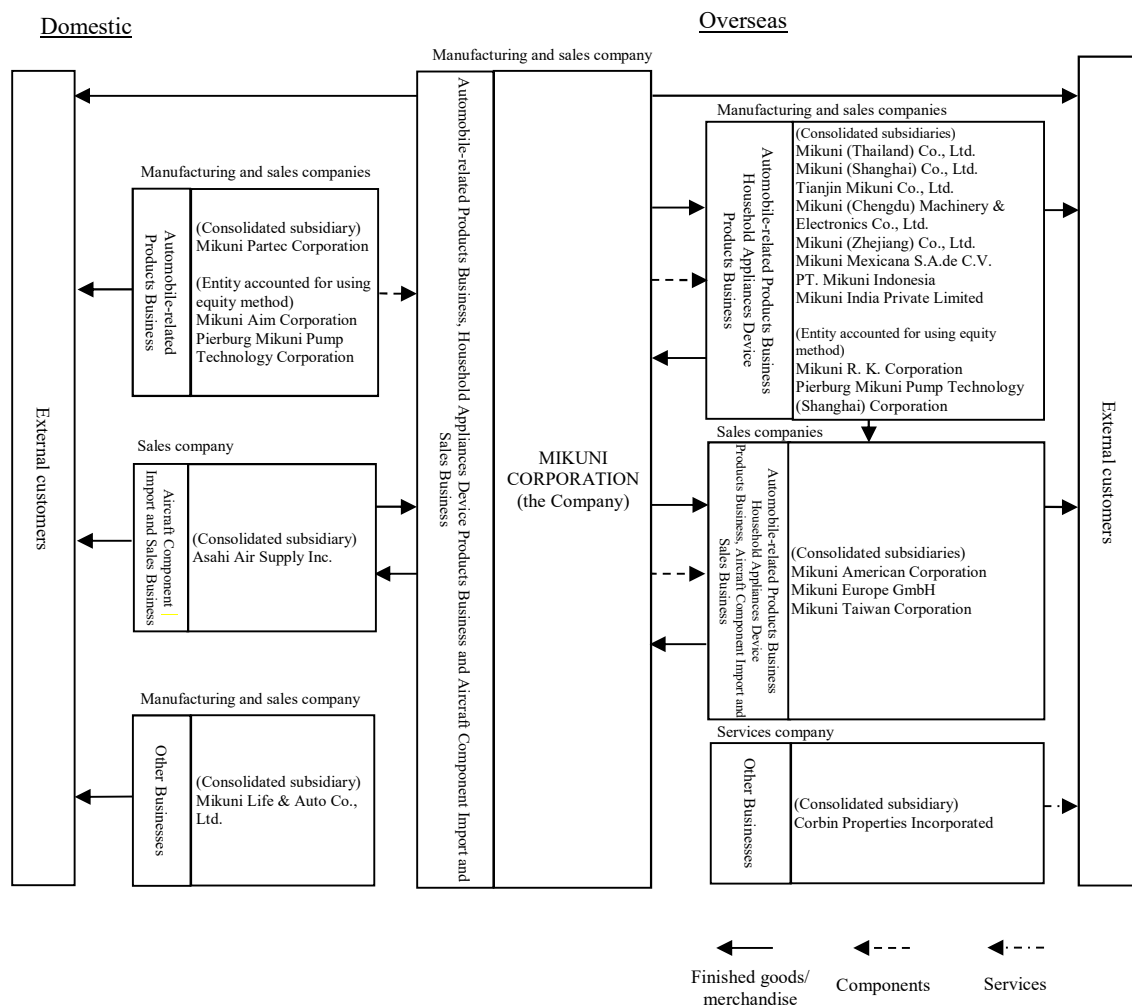
(Note) The forecasts for the next fiscal year contained in these materials are forward-looking statements including risks and uncertainties. Therefore, the actual results may differ from the forecasts stated herein due to changes of various factors.

## 2. Status of the Corporate Group

The Group (the Company and its affiliates) consists of the Company (MIKUNI CORPORATION), 21 subsidiaries, and four 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, 2019 (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, 2018	As of March 31, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	5,060	6,046
Notes and accounts receivable - trade	19,742	18,924
Electronically recorded monetary claims - operating	1,786	1,731
Merchandise and finished goods	6,105	9,425
Work in process	4,137	3,855
Raw materials and supplies	1,593	1,689
Other	2,072	4,496
Allowance for doubtful accounts	(87)	(65)
Total current assets	40,410	46,104
Non-current assets		
Property, plant and equipment		
Buildings and structures	31,779	32,112
Accumulated depreciation	(21,587)	(22,156)
Buildings and structures, net	10,191	9,956
Machinery, equipment and vehicles	46,247	47,758
Accumulated depreciation	(35,394)	(35,891)
Machinery, equipment and vehicles, net	10,853	11,866
Tools, furniture and fixtures	18,273	19,074
Accumulated depreciation	(16,175)	(16,757)
Tools, furniture and fixtures, net	2,097	2,316
Land	11,918	11,880
Construction in progress	2,486	3,732
Total property, plant and equipment	37,548	39,752
Intangible assets		
Goodwill	142	77
Other	858	898
Total intangible assets	1,001	976
Investments and other assets		
Investment securities	7,328	6,268
Long-term loans receivable	27	33
Deferred tax assets	1,254	1,432
Other	2,336	2,377
Allowance for doubtful accounts	(162)	(176)
Total investments and other assets	10,784	9,936
Total non-current assets	49,334	50,664
Total assets	89,744	96,768

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	13,434	15,111
Short-term loans payable	8,993	5,647
Current portion of long-term loans payable	4,835	5,087
Lease obligations	286	309
Accounts payable - other	1,998	3,414
Income taxes payable	445	567
Accrued expenses	2,792	2,666
Provision for bonuses	1,619	1,669
Provision for product warranties	190	278
Other	676	817
Total current liabilities	35,272	35,572
Non-current liabilities		
Long-term loans payable	12,576	19,291
Lease obligations	303	496
Deferred tax liabilities	1,081	1,293
Deferred tax liabilities for land revaluation	2,258	2,249
Provision for management board incentive plan trust	44	60
Net defined benefit liability	3,523	3,472
Other	1,486	1,377
Total non-current liabilities	21,276	28,240
<b>Total liabilities</b>	<b>56,548</b>	<b>63,813</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	2,215	2,215
Capital surplus	1,937	1,923
Retained earnings	18,617	20,371
Treasury shares	(181)	(181)
Total shareholders' equity	22,588	24,328
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,419	2,553
Deferred gains or losses on hedges	(14)	(3)
Revaluation reserve for land	5,273	5,282
Foreign currency translation adjustment	1,445	311
Remeasurements of defined benefit plans	(427)	(436)
Total accumulated other comprehensive income	9,696	7,708
Non-controlling interests	910	918
<b>Total net assets</b>	<b>33,195</b>	<b>32,955</b>
<b>Total liabilities and net assets</b>	<b>89,744</b>	<b>96,768</b>

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

### Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net sales	103,772	121,803
Cost of sales	87,887	105,478
Gross profit	15,884	16,324
Selling, general and administrative expenses	11,766	11,921
Operating income	4,117	4,403
Non-operating income		
Interest income	60	100
Dividend income	212	174
Share of income of entities accounted for using equity method	24	—
Foreign exchange gains	—	2
Rent income	209	209
Other	160	180
Total non-operating income	667	666
Non-operating expenses		
Interest expenses	353	371
Share of loss of entities accounted for using equity method	—	35
Rent expenses	95	145
Foreign exchange losses	133	—
Other	132	136
Total non-operating expenses	715	688
Ordinary income	4,070	4,381
Extraordinary income		
Gain on sales of non-current assets	3	8
Gain on sales of investment securities	239	0
Gain on sales of shares of subsidiaries and associates	41	131
Gain on liquidation of subsidiaries and associates	66	—
Insurance income	56	—
Other	—	0
Total extraordinary income	407	141
Extraordinary losses		
Loss on sales and retirement of non-current assets	49	69
Impairment loss	16	24
Loss on fire	55	—
Litigation expenses	—	544
Other	2	30
Total extraordinary losses	124	670
Income before income taxes	4,353	3,852
Income taxes - current	1,139	1,118
Income taxes - deferred	568	375
Total income taxes	1,708	1,493
Net income	2,644	2,358
Net income attributable to non-controlling interests	96	96
Net income attributable to owners of parent	2,547	2,262

## Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net income	2,644	2,358
Other comprehensive income		
Valuation difference on available-for-sale securities	606	(866)
Deferred gains or losses on hedges	(15)	11
Revaluation reserve for land	—	9
Foreign currency translation adjustment	270	(1,105)
Remeasurements of defined benefit plans, net of tax	62	(9)
Share of other comprehensive income of entities accounted for using equity method	48	(61)
Total other comprehensive income	972	(2,020)
Comprehensive income	3,616	337
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,492	274
Comprehensive income attributable to non- controlling interests	124	63

### (3) Consolidated statement of changes in equity

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)
Net income attributable to owners of parent			2,547		2,547
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				5	5
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)
Net income attributable to owners of parent								2,547
Purchase of treasury shares								(0)
Disposal of treasury shares								5
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

Fiscal year ended March 31, 2019

(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	18,617	(181)	22,588
Changes of items during period					
Dividends of surplus			(507)		(507)
Net income attributable to owners of parent			2,262		2,262
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares					—
Change in ownership interest of parent due to transactions with non-controlling interests		(13)			(13)
Change of scope of equity method					—
Net changes of items other than shareholders' equity					—
Total changes of items during period	—	(13)	1,754	(0)	1,739
Balance at end of current period	2,215	1,923	20,371	(181)	24,328

	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	3,419	(14)	5,273	1,445	(427)	9,696	910	33,195
Changes of items during period								
Dividends of surplus								(507)
Net income attributable to owners of parent								2,262
Purchase of treasury shares								(0)
Disposal of treasury shares								—
Change in ownership interest of parent due to transactions with non-controlling interests								(13)
Change of scope of equity method								—
Net changes of items other than shareholders' equity	(866)	11	9	(1,133)	(9)	(1,988)	8	(1,979)
Total changes of items during period	(866)	11	9	(1,133)	(9)	(1,988)	8	(239)
Balance at end of current period	2,553	(3)	5,282	311	(436)	7,708	918	32,955



**(4) Consolidated statement of cash flows**

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
<b>Cash flows from operating activities</b>		
Income before income taxes	4,353	3,852
Depreciation	4,387	4,338
Amortization of goodwill	65	65
Impairment loss	16	24
Litigation expenses	—	544
Interest and dividend income	(272)	(275)
Interest expenses	353	371
Loss (gain) on sales and retirement of non-current assets	45	61
Share of loss (income) of entities accounted for using equity method	(24)	35
Increase (decrease) in retirement benefit liability	25	(38)
Increase (decrease) in provision for product warranties	(17)	94
Increase (decrease) in provision for bonuses	228	54
Increase (decrease) in allowance for doubtful accounts	(24)	(4)
Decrease (increase) in notes and accounts receivable - trade	(1,412)	278
Decrease (increase) in inventories	388	(3,325)
Decrease (increase) in accounts receivable - other	363	330
Increase (decrease) in notes and accounts payable - trade	1,502	2,086
Increase (decrease) in accounts payable - other	(296)	401
Other, net	1,067	(2,595)
Subtotal	10,749	6,302
Interest and dividend income received	226	277
Interest expenses paid	(342)	(352)
Income taxes paid	(1,209)	(1,105)
Net cash provided by (used in) operating activities	9,423	5,121
<b>Cash flows from investing activities</b>		
Decrease (increase) in time deposits	1,017	—
Purchase of property, plant and equipment	(5,258)	(6,830)
Proceeds from sales of property, plant and equipment	291	490
Purchase of intangible assets	(257)	(285)
Purchase of investment securities	(7)	(207)
Proceeds from sales of investment securities	346	2
Purchase of shares of subsidiaries and associates	(10)	(1)
Proceeds from sales of shares of subsidiaries and associates	57	158
Proceeds from liquidation of subsidiaries and associates	80	—
Payments of loans receivable	(50)	(25)
Collection of loans receivable	14	14
Other, net	(37)	77
Net cash provided by (used in) investing activities	(3,812)	(6,607)

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	(4,732)	(3,224)
Proceeds from long-term loans payable	7,248	11,423
Repayments of long-term loans payable	(7,203)	(4,487)
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(405)	(506)
Dividends paid to non-controlling interests	(54)	(66)
Other, net	(476)	(366)
Net cash provided by (used in) financing activities	(5,624)	2,770
Effect of exchange rate change on cash and cash equivalents	47	(218)
Net increase (decrease) in cash and cash equivalents	34	1,066
Cash and cash equivalents at beginning of period	4,945	4,979
Cash and cash equivalents at end of period	4,979	6,046

**(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 27, 2018), except for the change stated under “change in presentation” below.

(Change in presentation)

*Changes in Accordance with Application of “Partial Amendments to Accounting Standard for Tax Effect Accounting”*

The Group has applied the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) effective from the beginning of the fiscal year ending March 31, 2019. Accordingly, deferred tax assets (if any) were presented under “Investments and other assets” and deferred tax liabilities (if any) were presented under “Non-current liabilities.”

As a result, on the consolidated balance sheet for the fiscal year ended March 31, 2018, “deferred tax assets” under “current assets” decreased by 881 million yen, and “deferred tax assets” under “investments and other assets” increased by 475 million yen. Furthermore, “deferred tax liabilities” under “current liabilities” decreased by 0 million yen, and “deferred tax liabilities” under “non-current liabilities” decreased by 406 million yen.

Deferred tax liabilities are offset by deferred tax assets under the same tax authority, so total assets decreased by 406 million yen relative to before the above-mentioned change.

(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 supply 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, 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	68,780	6,676	9,064	84,521	5,223	89,744	–	89,744
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.

Fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(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	72,137	6,624	35,632	114,394	7,409	121,803	–	121,803
Inter-segment sales or transfers	–	–	–	–	–	–	–	–
Total	72,137	6,624	35,632	114,394	7,409	121,803	–	121,803
Segment profit (loss)	4,160	(348)	769	4,581	(177)	4,403	–	4,403
Segment assets	74,057	6,928	10,567	91,553	5,215	96,768	–	96,768
Other items								
Depreciation	3,827	369	56	4,253	85	4,338	–	4,338
Amortization of goodwill and negative goodwill	–	–	37	37	27	65	–	65
Investments in entities accounted for using equity method	850	311	–	1,162	–	1,162	–	1,162
Increase in property, plant and equipment and intangible assets	6,587	523	42	7,153	257	7,411	–	7,411

(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, 2018 (from April 1, 2017 to March 31, 2018)	Fiscal year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)
Net assets per share	959.95 yen	952.60 yen
Basic earnings per share	75.77 yen	67.26 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, 2018 233,500 shares

Fiscal year ended March 31, 2019 233,500 shares

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

Fiscal year ended March 31, 2018 236,715 shares

Fiscal year ended March 31, 2019 233,500 shares

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

Item	Fiscal year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)	Fiscal year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)
Net income attributable to owners of parent (million yen)	2,547	2,262
Amounts not attributable to common shareholders (million yen)	—	—
Net income attributable to owners of parent available to common shares (million yen)	2,547	2,262
Average number of shares during the period (shares)	33,629,260	33,631,565

(Significant subsequent events)

Not applicable.