

(Reference Translation)



June 17, 2020

## Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 <under Japanese GAAP>

Company name: **MIKUNI CORPORATION**  
Listing: First Section of Tokyo Stock Exchange  
Securities code: 7247  
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Scheduled date of Ordinary General Meeting of Shareholders: June 26, 2020  
Scheduled date to commence dividend payments: June 29, 2020  
Scheduled date to file the Annual Securities Report: July 20, 2020  
Preparation of supplementary material on financial results: Yes  
Holding of financial results presentation meeting: None

(Millions of yen with fractional amounts discarded, unless otherwise noted)

### 1. Consolidated financial results for the fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

#### (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, 2020	110,499	(9.3)	2,410	(45.3)	1,858	(57.6)	(4,014)	—
March 31, 2019	121,803	17.4	4,403	6.9	4,381	7.7	2,262	(11.2)

Note: Comprehensive income Fiscal year ended March 31, 2020: (5,706) million yen [— %]  
Fiscal year ended March 31, 2019: 337 million yen [(90.7) %]

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, 2020	(119.30)	—	(13.9)	2.0	2.2
March 31, 2019	67.26	—	7.0	4.7	3.6

Reference: Share of income (loss) of entities accounted for using equity method  
Fiscal year ended March 31, 2020: (141) million yen  
Fiscal year ended March 31, 2019: (35) 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, 2020	90,396	26,726	28.6	767.72
March 31, 2019	96,768	32,955	33.1	952.60

Reference: Equity As of March 31, 2020: 25,841 million yen  
As of March 31, 2019: 32,036 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, 2020	2,389	(6,997)	3,022	4,672
March 31, 2019	5,121	(6,607)	2,770	6,046

## 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, 2019	–	5.00	–	10.00	15.00	507	22.3	1.6
Fiscal year ended March 31, 2020	–	5.00	–	5.00	10.00	338	–	1.2
Fiscal year ending March 31, 2021 (Forecast)	–	–	–	–	–		–	

Note: Dividends for the fiscal year ending March 31, 2021 have not yet been determined as it is difficult at this stage to rationally calculate the earnings forecasts due to the impact of the spread of novel coronavirus disease (COVID-19).

## 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

The consolidated earnings forecasts for the fiscal year ending March 31, 2021 have not yet been determined as it is difficult at this stage to rationally estimate the impact of the spread of COVID-19. The Company will disclose the forecasts once it is possible to make a calculation.

**\* 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, 2020	34,049,423 shares
As of March 31, 2019	34,049,423 shares

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

As of March 31, 2020	389,592 shares
As of March 31, 2019	418,249 shares

- c. Average number of shares during the period

Fiscal year ended March 31, 2020	33,651,641 shares
Fiscal year ended March 31, 2019	33,631,565 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 (204,280 shares as of March 31, 2020 and 233,500 shares as of March 31, 2019).

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. (212,808 shares in the fiscal year ended March 31, 2020 and 233,500 shares in the fiscal year ended March 31, 2019)

(Reference) Summary of non-consolidated financial results

**Non-consolidated financial results for the fiscal year ended March 31, 2020  
(from April 1, 2019 to March 31, 2020)**

**(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, 2020	75,458	(12.5)	(1,032)	–	1,930	44.6	(2,851)	–
March 31, 2019	86,248	25.1	244	(19.0)	1,335	(33.3)	670	(62.1)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	yen	yen
March 31, 2020	(84.73)	–
March 31, 2019	19.95	–

**(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, 2020	62,365	17,750	28.5	527.34
March 31, 2019	67,837	22,449	33.1	667.51

Reference: Equity As of March 31, 2020: 17,750 million yen  
As of March 31, 2019: 22,449 million yen

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

\* Disclaimer regarding forward-looking statements

1. The consolidated earnings forecasts for the fiscal year ending March 31, 2021 have not yet been determined as it is difficult at this stage to rationally estimate the impact of the spread of COVID-19. The Company will disclose the forecasts once it is possible to make a calculation.
2. 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, 2019 to March 31, 2020), the Japanese economy continued its moderate recovery, due to a pick-up in personal consumption reflecting improved employment situation. As for overseas, in addition to the aspect of rising tensions concerning issues over trade, economic activity in China gradually slowed. Furthermore, since January, the global spread of COVID-19 has greatly reduced economic activity in Japan and overseas.

In this business environment, sales declined in the Aircraft Component Import and Sales Business, which had seen a significant sales increase in the previous fiscal year, and the Group's net sales amounted to 110,499 million yen (down 9.3% year-on-year). In terms of income, declining demand for products for automobiles, particularly in China and India, led to operating income of 2,410 million yen (down 45.3% year-on-year). Some consolidated subsidiaries in Japan and all overseas consolidated subsidiaries other than India have fiscal years beginning on January 1, 2019 and ending on December 31, 2019, and the impact from the spread of COVID-19 was immaterial. Ordinary income amounted to 1,858 million yen (down 57.6% year-on-year). Net loss attributable to owners of parent stood at 4,014 million yen (net income attributable to owners of parent of 2,262 million yen in the previous fiscal year) partly because of the recording of an impairment loss on non-current assets in extraordinary losses.

Operating results by segment are as follows.

The Turf-maintenance Equipment, etc. Sales Business, which was previously included in Other Businesses, has been presented as a new segment because its quantitative materiality increased.

#### (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, decreased compared with the previous fiscal year. In addition to increased demand for products for outboard motors, products for motorcycles sold well. On the other hand, demand for products for automobiles continued to decline in China and India. In addition to the aforementioned, there was also an impact from the spread of COVID-19 in Japan and India. As a result, net sales in this business amounted to 70,200 million (down 2.7% year-on-year), while operating income was 2,736 million yen (down 34.2% 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. In response to intensified competition in the key market of China, the Group revised its product strategies and restructured its development and production system. As a result, net sales in this business amounted to 5,819 million yen (down 12.2% year-on-year), and there was an operating loss of 345 million yen (operating loss of 348 million yen in the previous fiscal year).

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

Sales of aircraft components decreased from the previous fiscal year. In the previous fiscal year, demand for imported materials, etc. increased significantly accompanying a shift to the mass production of newly developed commercial aircraft. However, in the current fiscal year, the temporary effect of the initial stage of the shift to mass production had reduced. As a result, net sales in this business amounted to 28,733 million yen (down 19.4% year-on-year), and operating income was 346 million yen (down 55.0% year-on-year).

#### (iv) <Turf-maintenance Equipment, etc. Sales Business>

Sales of the Turf-maintenance Equipment, etc. Sales Business declined from the previous fiscal year. This was partly due to the effect of the succession of natural disasters. As a result, net sales in this business amounted to 3,462 million yen (down 22.5% year-on-year), and operating loss was 386 million yen (operating loss of 248 million yen in the previous fiscal year).

## (v) &lt;Other Businesses&gt;

Sales in this segment, which handles the manufacture and sale of vehicle heaters, welfare and care devices and other products, decreased from the previous fiscal year. Net sales in Other Businesses amounted to 2,284 million yen (down 22.4% year-on-year), and operating income was 59 million yen (down 16.1% year-on-year).

## [Comparison table of operating results by segment]

(Millions of yen)

	Fiscal year ended March 31, 2019		Fiscal year ended March 31, 2020		Change in net sales		Change in operating income	
	Net sales	Operating income	Net sales	Operating income	Amount	Ratio	Amount	Ratio
Automobile-related Products Business	72,137	4,160	70,200	2,736	(1,936)	(2.7)%	(1,423)	(34.2)%
Household Appliances Device Products Business	6,624	(348)	5,819	(345)	(805)	(12.2)%	2	—
Aircraft Component Import and Sales Business	35,632	769	28,733	346	(6,899)	(19.4)%	(423)	(55.0)%
Turf-maintenance Equipment, etc. Sales Business	4,465	(248)	3,462	(386)	(1,003)	(22.5)%	(138)	—
Other Businesses	2,943	70	2,284	59	(659)	(22.4)%	(11)	(16.1)%
Total	121,803	4,403	110,499	2,410	(11,303)	(9.3)%	(1,993)	(45.3)%
Reference: exchange rate	1 USD = 110.44 yen		1 USD = 109.03 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, 2018 to fiscal year ended March 31, 2020

(Millions of yen)

		Fiscal year ended March 31, 2018				Fiscal year ended March 31, 2019				Fiscal year ended March 31, 2020			
		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	15,711	15,822	17,428	18,497	16,954	17,645	18,846	18,690	16,801	16,904	17,399	19,094
	Operating income	918	575	1,147	999	1,065	631	1,365	1,097	639	283	679	1,133
Household Appliances Device Products Business	Net sales	1,701	1,974	2,187	2,103	1,663	1,817	1,685	1,458	1,319	1,458	1,557	1,483
	Operating income	15	94	102	34	(20)	(102)	(63)	(161)	(166)	(118)	(23)	(37)
Aircraft Component Import and Sales Business	Net sales	5,306	5,062	5,314	5,264	8,697	8,980	9,383	8,570	7,473	7,180	6,892	7,186
	Operating income	56	33	88	14	219	299	206	44	139	65	100	40
Turf-maintenance Equipment, etc. Sales Business	Net sales	1,218	1,119	874	1,344	1,053	1,152	988	1,270	1,083	1,098	565	714
	Operating income	(1)	3	(81)	47	(38)	(53)	(120)	(35)	(18)	(58)	(133)	(175)
Other Businesses	Net sales	687	644	700	807	677	665	802	799	574	490	561	658
	Operating income	(10)	(24)	31	73	(27)	(19)	82	36	(38)	(30)	44	84
Total	Net sales	24,625	24,624	26,505	28,017	29,046	30,261	31,706	30,789	27,252	27,132	26,977	29,137
	Operating income	978	682	1,288	1,168	1,197	755	1,469	980	555	140	668	1,045

- (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

Economic activity is expected to be significantly weaker both in Japan and overseas due to the global spread of COVID-19. The future market trend is therefore unclear, which makes it very difficult to rationally calculate consolidated earnings forecasts for the fiscal year ending March 31, 2021. Accordingly, the Company is leaving the earnings forecasts undetermined. The Company will disclose the consolidated earnings forecasts when reasonable calculations can be made.

## **(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 90,396 million yen, a decrease of 6,372 million yen from the previous fiscal year-end.

Current assets amounted to 43,178 million yen, a decrease of 2,925 million yen from the previous fiscal year-end. This was mainly due to a decrease in cash and deposits of 1,373 million yen and a decrease in trade receivables of 900 million yen.

Non-current assets amounted to 47,217 million yen, a decrease of 3,447 million yen from the previous fiscal year-end. This was mainly due to a decrease in investment securities of 1,980 million yen and a decrease in deferred tax assets of 695 million yen.

#### **(Liabilities)**

Total liabilities at the end of the fiscal year under review amounted to 63,669 million yen, a decrease of 143 million yen from the previous fiscal year-end.

Current liabilities amounted to 31,206 million yen, a decrease of 4,365 million yen from the previous fiscal year-end. This was mainly due a decrease in notes and accounts payable - trade of 3,006 million yen and a decrease in accounts payable - other of 904 million yen.

Non-current liabilities amounted to 32,462 million yen, an increase of 4,221 million yen from the previous fiscal year-end. This was mainly due to an increase of 3,802 million yen in long-term borrowings.

#### **(Net assets)**

Net assets amounted to 26,726 million yen, a decrease of 6,228 million yen from the previous fiscal year-end. This was mainly due to the recording of net loss attributable to owners of parent of 4,014 million yen and a decrease of 1,356 million yen in valuation difference on available-for-sale securities.

### **b. Cash flows**

Cash and cash equivalents (hereinafter, "cash") for the fiscal year under review decreased by 1,373 million yen from the previous fiscal year-end, to 4,672 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 2,389 million yen (5,121 million yen was provided in the previous fiscal year). This was mainly due to the fact that positive factors based on depreciation of 4,621 million yen, exceeded negative factors based on a decrease in trade payables of 3,015 million yen.

#### **(Cash flows from investing activities)**

Net cash used in investing activities in the fiscal year under review amounted to 6,997 million yen (6,607 million yen was used in the previous fiscal year). This was mainly due to 7,457 million yen in the purchase of non-current assets.

#### **(Cash flows from financing activities)**

Net cash provided by financing activities in the fiscal year under review totaled 3,022 million yen (2,770 million yen was provided in the previous fiscal year). This was mainly due to proceeds from a 3,985 million yen net increase in borrowings.

## **(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 98th Ordinary General Meeting of Shareholders, which is scheduled to be held on June 26, 2020, to a regular dividend of 5 yen per share of common shares of the Company.

Regarding projected dividends for the next fiscal year (ending March 31, 2021), the Company has left that forecast undetermined due to the absence of earnings forecasts and forecasts of the financial position.

(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.

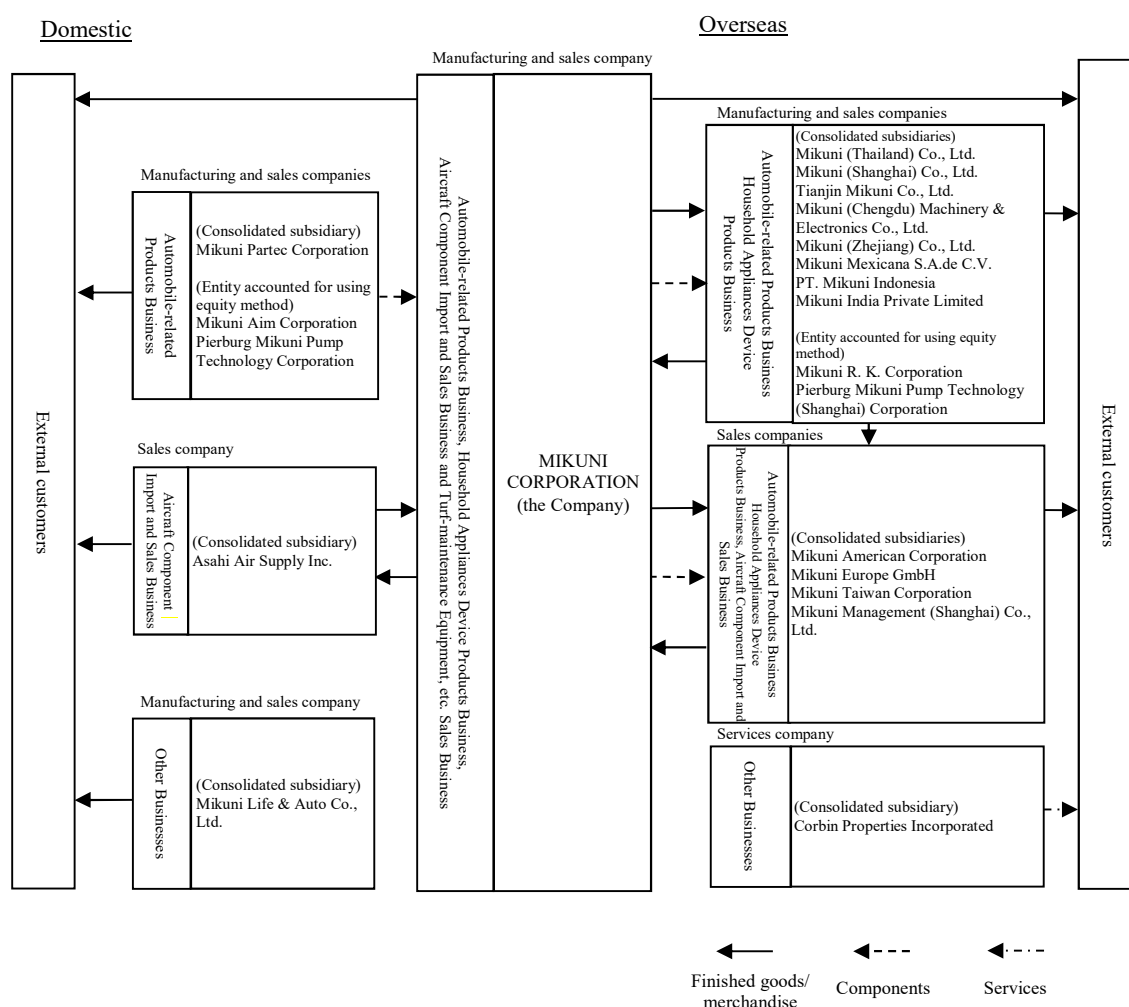


## 2. Status of the corporate group

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, sales of turf-maintenance equipment, etc., and real estate leasing and other services.

Business organization chart

Reportable segments are the Automobile-related Products Business, the Household Appliances Device Products Business, the Aircraft Component Import and Sales Business, and the Turf-maintenance Equipment, etc. Sales Business. The business organization chart of the Group as of March 31, 2020 (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, 2019	As of March 31, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	6,046	4,672
Notes and accounts receivable - trade	18,924	17,875
Electronically recorded monetary claims - operating	1,731	1,881
Merchandise and finished goods	9,425	9,603
Work in process	3,855	4,337
Raw materials and supplies	1,689	2,043
Other	4,496	2,822
Allowance for doubtful accounts	(65)	(56)
<b>Total current assets</b>	<b>46,104</b>	<b>43,178</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	32,112	32,002
Accumulated depreciation	(22,156)	(22,910)
Buildings and structures, net	9,956	9,092
Machinery, equipment and vehicles	47,758	49,533
Accumulated depreciation	(35,891)	(36,839)
Machinery, equipment and vehicles, net	11,866	12,693
Tools, furniture and fixtures	19,074	19,545
Accumulated depreciation	(16,757)	(17,276)
Tools, furniture and fixtures, net	2,316	2,269
Land	11,880	11,838
Construction in progress	3,732	3,758
<b>Total property, plant and equipment</b>	<b>39,752</b>	<b>39,652</b>
Intangible assets		
Goodwill	77	-
Other	898	975
<b>Total intangible assets</b>	<b>976</b>	<b>975</b>
Investments and other assets		
Investment securities	6,268	4,288
Long-term loans receivable	33	39
Deferred tax assets	1,432	737
Other	2,377	1,683
Allowance for doubtful accounts	(176)	(160)
<b>Total investments and other assets</b>	<b>9,936</b>	<b>6,589</b>
<b>Total non-current assets</b>	<b>50,664</b>	<b>47,217</b>
<b>Total assets</b>	<b>96,768</b>	<b>90,396</b>

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	15,111	12,104
Short-term borrowings	5,647	5,683
Current portion of long-term borrowings	5,087	4,850
Lease obligations	309	353
Accounts payable - other	3,414	2,510
Income taxes payable	567	307
Accrued expenses	2,666	2,294
Provision for bonuses	1,669	1,350
Provision for product warranties	278	940
Other	817	810
Total current liabilities	35,572	31,206
Non-current liabilities		
Long-term borrowings	19,291	23,093
Lease obligations	496	551
Deferred tax liabilities	1,293	1,747
Deferred tax liabilities for land revaluation	2,249	2,249
Provision for management board incentive plan trust	60	52
Retirement benefit liability	3,472	3,668
Other	1,377	1,099
Total non-current liabilities	28,240	32,462
Total liabilities	63,813	63,669
Net assets		
Shareholders' equity		
Share capital	2,215	2,215
Capital surplus	1,923	1,923
Retained earnings	20,371	15,862
Treasury shares	(181)	(166)
Total shareholders' equity	24,328	19,835
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,553	1,197
Deferred gains or losses on hedges	(3)	(2)
Revaluation reserve for land	5,282	5,282
Foreign currency translation adjustment	311	114
Remeasurements of defined benefit plans	(436)	(586)
Total accumulated other comprehensive income	7,708	6,005
Non-controlling interests	918	885
Total net assets	32,955	26,726
Total liabilities and net assets	96,768	90,396

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

### Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net sales	121,803	110,499
Cost of sales	105,478	96,419
Gross profit	16,324	14,080
Selling, general and administrative expenses	11,921	11,670
Operating income	4,403	2,410
Non-operating income		
Interest income	100	75
Dividend income	174	195
Foreign exchange gains	2	–
Rental income	209	112
Other	180	156
Total non-operating income	666	539
Non-operating expenses		
Interest expenses	371	425
Share of loss of entities accounted for using equity method	35	141
Rental expenses	145	53
Foreign exchange losses	–	363
Other	136	107
Total non-operating expenses	688	1,091
Ordinary income	4,381	1,858
Extraordinary income		
Gain on sales of non-current assets	8	24
Gain on sales of investment securities	0	0
Gain on sales of shares of subsidiaries and associates	131	–
Reversal of allowance for doubtful accounts	–	8
Other	0	0
Total extraordinary income	141	33
Extraordinary losses		
Loss on sales and retirement of non-current assets	69	76
Impairment loss	24	2,009
Loss on valuation of investment securities	–	30
Provision for product warranties	–	678
Other	575	139
Total extraordinary losses	670	2,934
Income (loss) before income taxes	3,852	(1,042)
Income taxes - current	1,118	1,328
Income taxes - deferred	375	1,604
Total income taxes	1,493	2,933
Net income (loss)	2,358	(3,975)
Net income attributable to non-controlling interests	96	38
Net income (loss) attributable to owners of parent	2,262	(4,014)

## Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net income (loss)	2,358	(3,975)
Other comprehensive income		
Valuation difference on available-for-sale securities	(866)	(1,356)
Deferred gains or losses on hedges	11	0
Revaluation reserve for land	9	–
Foreign currency translation adjustment	(1,105)	(194)
Remeasurements of defined benefit plans, net of tax	(9)	(150)
Share of other comprehensive income of entities accounted for using equity method	(61)	(30)
Total other comprehensive income	(2,020)	(1,730)
Comprehensive income	337	(5,706)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	274	(5,752)
Comprehensive income attributable to non- controlling interests	63	46

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

Fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,215	1,937	18,617	(181)	22,588
Changes 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 in scope of consolidation					-
Net changes in items other than shareholders' equity					-
Total changes during period	-	(13)	1,754	(0)	1,739
Balance at end of 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 period	3,419	(14)	5,273	1,445	(427)	9,696	910	33,195
Changes 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 in scope of consolidation								-
Net changes in items other than shareholders' equity	(866)	11	9	(1,133)	(9)	(1,988)	8	(1,979)
Total changes during period	(866)	11	9	(1,133)	(9)	(1,988)	8	(239)
Balance at end of period	2,553	(3)	5,282	311	(436)	7,708	918	32,955

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,215	1,923	20,371	(181)	24,328
Changes during period					
Dividends of surplus			(507)		(507)
Net loss attributable to owners of parent			(4,014)		(4,014)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				15	15
Change in ownership interest of parent due to transactions with non-controlling interests					-
Change in scope of consolidation			14		14
Net changes in items other than shareholders' equity					-
Total changes during period	-	-	(4,508)	15	(4,493)
Balance at end of period	2,215	1,923	15,862	(166)	19,835

	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 period	2,553	(3)	5,282	311	(436)	7,708	918	32,955
Changes during period								
Dividends of surplus								(507)
Net loss attributable to owners of parent								(4,014)
Purchase of treasury shares								(0)
Disposal of treasury shares								15
Change in ownership interest of parent due to transactions with non-controlling interests								-
Change in scope of consolidation								14
Net changes in items other than shareholders' equity	(1,356)	0	-	(197)	(150)	(1,702)	(33)	(1,735)
Total changes during period	(1,356)	0	-	(197)	(150)	(1,702)	(33)	(6,228)
Balance at end of period	1,197	(2)	5,282	114	(586)	6,005	885	26,726

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

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
<b>Cash flows from operating activities</b>		
Income (loss) before income taxes	3,852	(1,042)
Depreciation	4,338	4,621
Amortization of goodwill	65	77
Impairment loss	24	2,009
Interest and dividend income	(275)	(271)
Interest expenses	371	425
Loss (gain) on sales and retirement of non-current assets	61	52
Share of loss (income) of entities accounted for using equity method	35	141
Increase (decrease) in retirement benefit liability	(38)	169
Increase (decrease) in provision for product warranties	94	664
Increase (decrease) in provision for bonuses	54	(320)
Increase (decrease) in allowance for doubtful accounts	(4)	(24)
Decrease (increase) in trade receivables	278	853
Decrease (increase) in inventories	(3,325)	(1,009)
Decrease (increase) in accounts receivable - other	330	177
Increase (decrease) in trade payables	2,086	(3,015)
Increase (decrease) in accounts payable - other	902	(871)
Other, net	(2,551)	1,281
Subtotal	6,302	3,918
Interest and dividends received	277	267
Interest paid	(352)	(429)
Income taxes paid	(1,105)	(1,367)
Net cash provided by (used in) operating activities	5,121	2,389
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(6,830)	(7,143)
Proceeds from sales of property, plant and equipment	490	476
Purchase of intangible assets	(285)	(314)
Purchase of investment securities	(207)	(7)
Proceeds from sales of investment securities	2	0
Purchase of shares of subsidiaries and associates	(1)	–
Proceeds from sales of shares of subsidiaries and associates	158	–
Loan advances	(25)	(49)
Collection of loans receivable	14	36
Other, net	77	4
Net cash provided by (used in) investing activities	(6,607)	(6,997)



(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(3,224)	195
Proceeds from long-term borrowings	11,423	9,414
Repayments of long-term borrowings	(4,487)	(5,624)
Purchase of treasury shares	(0)	(0)
Dividends paid	(506)	(507)
Dividends paid to non-controlling interests	(66)	(77)
Other, net	(366)	(378)
Net cash provided by (used in) financing activities	2,770	3,022
Effect of exchange rate change on cash and cash equivalents	(218)	89
Net increase (decrease) in cash and cash equivalents	1,066	(1,496)
Cash and cash equivalents at beginning of period	4,979	6,046
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	-	122
Cash and cash equivalents at end of period	6,046	4,672

**(5) Notes to consolidated financial statements**

(Notes on premise of going concern)

Not applicable.

(Change in presentation)

1. Consolidated statement of income

“Litigation settlement-related expenses,” which was presented separately under “Extraordinary losses” in the previous fiscal year is included in “Other” in the current fiscal year due to its decreased materiality. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, 544 million yen that was presented as “Litigation settlement-related expenses” under “Extraordinary losses” in the consolidated statement of income for the previous fiscal year has been reclassified as “Other.”

2. Consolidated statement of cash flows

“Litigation settlement-related expenses,” which was presented separately under “Cash flows from operating activities” in the previous fiscal year is included in “Increase (decrease) in accounts payable - other” and “Other, net” in the current fiscal year due to its decreased materiality. To reflect this change in presentation, the consolidated statement of cash flows for the previous fiscal year has been reclassified.

As a result, 544 million yen that was presented as “Litigation settlement-related expenses” under “Cash flows from operating activities” in the consolidated statement of cash flows for the previous fiscal year has been reclassified as 500 million yen in “Increase (decrease) in accounts payable - other” and 44 million yen in “Other, net.”

(Segment information, etc.)

[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 four reportable segments: Automobile Products-related Business, Household Appliances Device Products Business, Aircraft Component Import and Sales Business, and Turf-maintenance Equipment, etc. 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. The Turf-maintenance Equipment, etc. Sales Business mainly sells turf-maintenance equipment, etc.

Effective from the fiscal year under review, the Turf-maintenance Equipment, etc. Sales Business, which was previously included in Other Businesses, was reclassified as a reportable segment because its quantitative materiality increased.

The segment information for the previous fiscal year has been prepared and presented according to the reportable segment classification of the fiscal year under review.

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, in general, the same as that used to prepare 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, 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	Turf-maintenance Equipment, etc. Sales	Total				
Net sales									
To external customers	72,137	6,624	35,632	4,465	118,859	2,943	121,803	–	121,803
Inter-segment sales or transfers	–	–	–	–	–	–	–	–	–
Total	72,137	6,624	35,632	4,465	118,859	2,943	121,803	–	121,803
Segment profit (loss)	4,160	(348)	769	(248)	4,333	70	4,403	–	4,403
Segment assets	74,057	6,928	10,567	2,738	94,291	2,477	96,768	–	96,768
Other items									
Depreciation	3,827	369	56	4	4,258	80	4,338	–	4,338
Amortization of 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	4	7,157	253	7,411	–	7,411

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

Fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(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	Turf-maintenance Equipment, etc. Sales	Total				
Net sales									
To external customers	70,200	5,819	28,733	3,462	108,215	2,284	110,499	–	110,499
Inter-segment sales or transfers	–	–	–	–	–	–	–	–	–
Total	70,200	5,819	28,733	3,462	108,215	2,284	110,499	–	110,499
Segment profit (loss)	2,736	(345)	346	(386)	2,350	59	2,410	–	2,410
Segment assets	71,368	5,758	8,470	2,223	87,820	2,576	90,396	–	90,396
Other items									
Depreciation	4,122	342	80	4	4,550	71	4,621	–	4,621
Amortization of goodwill	–	–	77	–	77	–	77	–	77
Investments in entities accounted for using equity method	664	310	–	–	974	–	974	–	974
Increase in property, plant and equipment and intangible assets	6,862	356	33	3	7,255	108	7,364	–	7,364

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

(Per share information)

Item	Fiscal year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)	Fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)
Net assets per share	952.60 yen	767.72 yen
Basic earnings (loss) per share	67.26 yen	(119.30) yen

(Notes) 1. Diluted earnings per share for the current fiscal year is not presented since a basic loss per share was reported and no potential shares exist. In addition, diluted earnings per share for the previous fiscal year 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 (loss) 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, 2019 233,500 shares

Fiscal year ended March 31, 2020 204,280 shares

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

Fiscal year ended March 31, 2019 233,500 shares

Fiscal year ended March 31, 2020 212,808 shares

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

Item	Fiscal year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)	Fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)
Net income (loss) attributable to owners of parent (million yen)	2,262	(4,014)
Amounts not attributable to common shareholders (million yen)	–	–
Net income (loss) attributable to owners of parent available to common shares (million yen)	2,262	(4,014)
Average number of shares during the period (shares)	33,631,565	33,651,641

(Significant subsequent events)

Not applicable.