

(Reference Translation)



May 12, 2023

## Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 <under Japanese GAAP>

Company name: **MIKUNI CORPORATION**  
Listing: Prime Market of the Tokyo Stock Exchange  
Securities code: 7247  
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Scheduled date of Ordinary General Meeting of Shareholders: June 28, 2023  
Scheduled date to commence dividend payments: June 29, 2023  
Scheduled date to file the Annual Securities Report: June 28, 2023  
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, 2023 (from April 1, 2022 to March 31, 2023)

#### (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, 2023	93,847	16.2	3,089	(6.9)	2,644	(15.7)	(1,682)	—
March 31, 2022	80,789	(7.1)	3,318	483.0	3,137	425.5	1,318	—

Note: Comprehensive income Fiscal year ended March 31, 2023: 714 million yen [(79.4)%]  
Fiscal year ended March 31, 2022: 3,465 million yen [77.3%]

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, 2023	(50.13)	—	(5.4)	2.7	3.3
March 31, 2022	39.31	—	4.5	3.3	4.1

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

Fiscal year ended March 31, 2023: 7 million yen

Fiscal year ended March 31, 2022: (74) 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, 2023	100,108	32,199	31.4	936.50
March 31, 2022	96,917	31,918	32.1	925.67

Reference: Equity As of March 31, 2023: 31,431 million yen  
As of March 31, 2022: 31,064 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, 2023	4,880	(5,441)	(940)	3,712
March 31, 2022	5,078	(2,371)	(2,474)	5,060

## 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, 2022	–	5.00	–	5.00	10.00	340	25.4	1.1
Fiscal year ended March 31, 2023	–	5.00	–	5.00	10.00	340	–	1.1
Fiscal year ending March 31, 2024 (Forecast)	–	5.00	–	15.00	20.00		42.0	

Year-end dividend for the fiscal year ending March 31, 2024 (Forecast) of 15.00 yen includes a commemorative dividend of 10.00 yen on the 100th anniversary of the Company's founding.

## 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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	%	yen
Fiscal year ending March 31, 2024	99,000	5.5	4,000	29.5	3,300	24.8	1,600	–	47.67

**\* 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: Yes
  - 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
- (Note) For details, please refer to “(5) Notes to consolidated financial statements (Changes in accounting policies)” of “4. Consolidated financial statements and significant notes thereto” of the attached material.

(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, 2023	34,049,423 shares
As of March 31, 2022	34,049,423 shares

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

As of March 31, 2023	486,694 shares
As of March 31, 2022	490,219 shares

- c. Average number of shares during the period

Fiscal year ended March 31, 2023	33,560,925 shares
Fiscal year ended March 31, 2022	33,549,007 shares

- (Note) The Company’s shares held by the “Management Board Incentive Plan (BIP) Trust” and “Employee Stock Ownership Plan (ESOP) Trust” are included in the number of treasury shares at the end of the period (450,580 shares as of March 31, 2023 and 454,380 shares as of March 31, 2022).

In addition, the Company’s shares held by the “Management Board Incentive Plan (BIP) Trust” and “Employee Stock Ownership Plan (ESOP) Trust” are included in treasury shares, which are deducted in calculating the average number of shares during the period. (452,580 shares in the fiscal year ended March 31, 2023 and 464,749 shares in the fiscal year ended March 31, 2022)

(Reference) Summary of non-consolidated financial results

**Non-consolidated financial results for the fiscal year ended March 31, 2023  
(from April 1, 2022 to March 31, 2023)**

**(1) Non-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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	40,999	5.4	(1,603)	–	492	(64.6)	1	(99.9)
March 31, 2022	38,893	(28.7)	(1,072)	–	1,389	–	1,238	–

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	yen	yen
March 31, 2023	0.05	–
March 31, 2022	36.93	–

**(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, 2023	61,628	19,432	31.5	578.98
March 31, 2022	66,231	19,375	29.3	577.36

Reference: Equity As of March 31, 2023: 19,432 million yen  
As of March 31, 2022: 19,375 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.

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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, 2022 to March 31, 2023), the Japanese economy showed a gradual recovery as social activities normalized. On the other hand, the outlook remained uncertain due to rising energy prices and exchange rate fluctuations. In the US and Europe, monetary tightening accelerated, and there were concerns about the impact on the financial system in some areas. In China, there were signs of a recovery from the suppression of economic activity, and the economies of ASEAN countries and India continued to pick up.

In this business environment, the Group's net sales amounted to 93,847 million yen (up 16.2% year-on-year) due to an increase in sales in the mainstay Automobile-related Products Business. However, due to an impact of rising raw-material costs and logistical expenses and other factors, operating income amounted to 3,089 million yen (down 6.9% year-on-year). As a result, ordinary income amounted to 2,644 million yen (down 15.7% year-on-year). On the other hand, net loss attributable to owners of parent stood at 1,682 million yen (net income attributable to owners of parent of 1,318 million yen in the previous fiscal year), due in part to extraordinary losses incurred as a result of the reorganization of production sites globally.

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. Despite the impact of parts shortages in the supply chain, vehicle production was on a recovery track. In addition to rising demand for outboard motors, especially in North America, the Indian market continued to be strong. Partly due to the impact of foreign currency translation, net sales in this business amounted to 77,197 million yen (up 16.5% year-on-year). However, due to an impact of rising raw-material costs, logistical expenses, fuel costs and other factors, operating income amounted to 3,362 million yen (down 5.7% 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, remained at the same level with the same period of the previous fiscal year. In China, although the real estate recession continued and competition intensified, we continued to expand sales and net sales in this business amounted to 6,786 million yen (up 0.5% year-on-year). However, due to an impact of rising raw-material costs and fuel costs, operating loss was 636 million yen (operating loss of 491 million yen in the previous fiscal year).

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

Sales of aircraft components increased from the previous fiscal year. Due to an increase in passenger demand in conjunction with the normalization of social activities, as well as the expansion of products handled, net sales in this business amounted to 2,545 million yen (up 57.6% year-on-year), and operating income amounted to 347 million yen (up 21.5% year-on-year).

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

Sales of the Turf-care Equipment, etc. Sales Business increased from the previous fiscal year. With steady capital investment by customers, especially golf courses, net sales in this business were 4,806 million yen (up 24.0% year-on-year). Operating income was 63 million yen (operating loss of 33 million yen in the previous fiscal year), due in part to an improved product mix from a focus on after-sales service.

#### (v) <Other Businesses>

Sales in this segment, which handles the manufacture and sale of welfare and care devices and other products, increased from the previous fiscal year. Net sales in Other Businesses amounted to 2,509

million yen (up 9.2% year-on-year), buoyed by favorable needs for welfare and care devices. Operating loss was 48 million yen (operating loss of 10 million yen in the previous fiscal year), due to an impact of rising raw-material costs and an increase in import prices as a result of the depreciating yen.

[Comparison table of operating results by segment]

(Millions of yen)

	Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023		Change in net sales		Change in operating income	
	Net sales	Operating income	Net sales	Operating income	Amount	Ratio	Amount	Ratio
Automobile-related Products Business	66,245	3,567	77,197	3,362	10,952	16.5%	(204)	(5.7)%
Household Appliances Device Products Business	6,753	(491)	6,786	(636)	33	0.5%	(144)	–
Aircraft Component Import and Sales Business	1,615	286	2,545	347	930	57.6%	61	21.5%
Turf-care Equipment, etc. Sales Business	3,877	(33)	4,806	63	929	24.0%	96	–
Other Businesses	2,297	(10)	2,509	(48)	212	9.2%	(38)	–
Total	80,789	3,318	93,847	3,089	13,057	16.2%	(229)	(6.9)%
Reference: exchange rate	1 USD = 109.90 yen		1 USD = 131.62 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, 2022 to fiscal year ended March 31, 2023

(Millions of yen)

		Fiscal year ended March 31, 2022				Fiscal year ended March 31, 2023			
		First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter
Automobile-related Products Business	Net sales	15,848	16,627	16,244	17,524	17,233	19,664	19,757	20,542
	Operating income	1,263	804	758	740	468	294	1,025	1,573
Household Appliances Device Products Business	Net sales	1,512	1,755	1,634	1,851	1,389	1,748	2,012	1,635
	Operating income	(75)	(89)	(111)	(215)	(209)	(317)	(46)	(62)
Aircraft Component Import and Sales Business	Net sales	287	332	593	402	554	704	671	615
	Operating income	(22)	17	244	46	138	280	128	(199)
Turf-care Equipment, etc. Sales Business	Net sales	1,017	1,109	903	846	923	1,416	1,081	1,385
	Operating income	8	(0)	4	(45)	16	72	(10)	(15)
Other Businesses	Net sales	516	548	597	634	537	640	638	694
	Operating income	9	(13)	5	(12)	0	(21)	(39)	11
Total	Net sales	19,183	20,373	19,972	21,259	20,637	24,173	24,161	24,874
	Operating income	1,183	719	901	514	415	308	1,057	1,307

- (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

As for future global economic trends, while the economy is expected to continue to pick up as social activities normalize, it is expected to fluctuate due to various risks such as rising interest rates in the US and Europe, in addition to high energy prices and escalating geopolitical risks. In the supply chain, although there are still concerns such as semiconductor supply shortages, the Company will strive to aggressively expand sales. In addition, we will respond to cost increases by appropriately passing them on to selling prices.

In view of this operating environment, the Group's forecast of consolidated business results for the next period (fiscal year ending March 31, 2024) as of the time of writing is as follows.

### Consolidated earnings forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Basic earnings per share (Yen)
Current Forecast	99,000	4,000	3,300	1,600	47.67
Results for the current fiscal year	93,847	3,089	2,644	(1,682)	(50.13)

(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 100,108 million yen, an increase of 3,191 million yen from the previous fiscal year-end.

Current assets amounted to 53,402 million yen, an increase of 2,391 million yen from the previous fiscal year-end. This was mainly due to an increase in accounts receivable - trade of 1,358 million yen and an increase in inventories of 1,122 million yen.

Non-current assets amounted to 46,705 million yen, an increase of 799 million yen from the previous fiscal year-end. This was mainly due to an increase of 606 million yen in investment securities.

#### (Liabilities)

Total liabilities at the end of the fiscal year under review amounted to 67,909 million yen, an increase of 2,910 million yen from the previous fiscal year-end.

Current liabilities amounted to 37,579 million yen, an increase of 4,025 million yen from the previous fiscal year-end. This was mainly due to an increase of 4,013 million yen in short-term borrowings.

Non-current liabilities amounted to 30,330 million yen, a decrease of 1,114 million yen from the previous fiscal year-end. This was mainly due to a decrease of 1,189 million yen in long-term borrowings.

#### (Net assets)

Net assets amounted to 32,199 million yen, an increase of 280 million yen from the previous fiscal year-end. This was mainly due to an increase of 1,734 million yen in foreign currency translation adjustment despite the recording of 1,682 million yen in net loss attributable to owners of parent.



b. Cash flows

Cash and cash equivalents (hereinafter, “cash”) for the fiscal year under review decreased by 1,347 million yen from the previous fiscal year-end, to 3,712 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 4,880 million yen (5,078 million yen was provided in the previous fiscal year). This was mainly due to the fact that positive factors based on depreciation of 5,149 million yen and production sites reorganization expenses of 2,295 million yen exceeded negative factors based on an increase in trade receivables and contract assets of 858 million yen and income taxes paid of 1,588 million yen.

(Cash flows from investing activities)

Net cash used in investing activities in the fiscal year under review amounted to 5,441 million yen (2,371 million yen was used in the previous fiscal year). This was mainly due to 6,139 million yen in the purchase of non-current assets.

(Cash flows from financing activities)

Net cash used in financing activities in the fiscal year under review totaled 940 million yen (2,474 million yen was used in the previous fiscal year). This was mainly due to dividends paid of 341 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 101st Ordinary General Meeting of Shareholders, which is scheduled to be held on June 28, 2023, to a regular year-end dividend of 5 yen per share of common shares of the Company.

Regarding projected dividends for the next fiscal year (ending March 31, 2024), 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, a regular year-end dividend of 5 yen per share, and a 100th anniversary commemorative dividend of 10 yen, giving projected annual dividends of 20 yen per share.

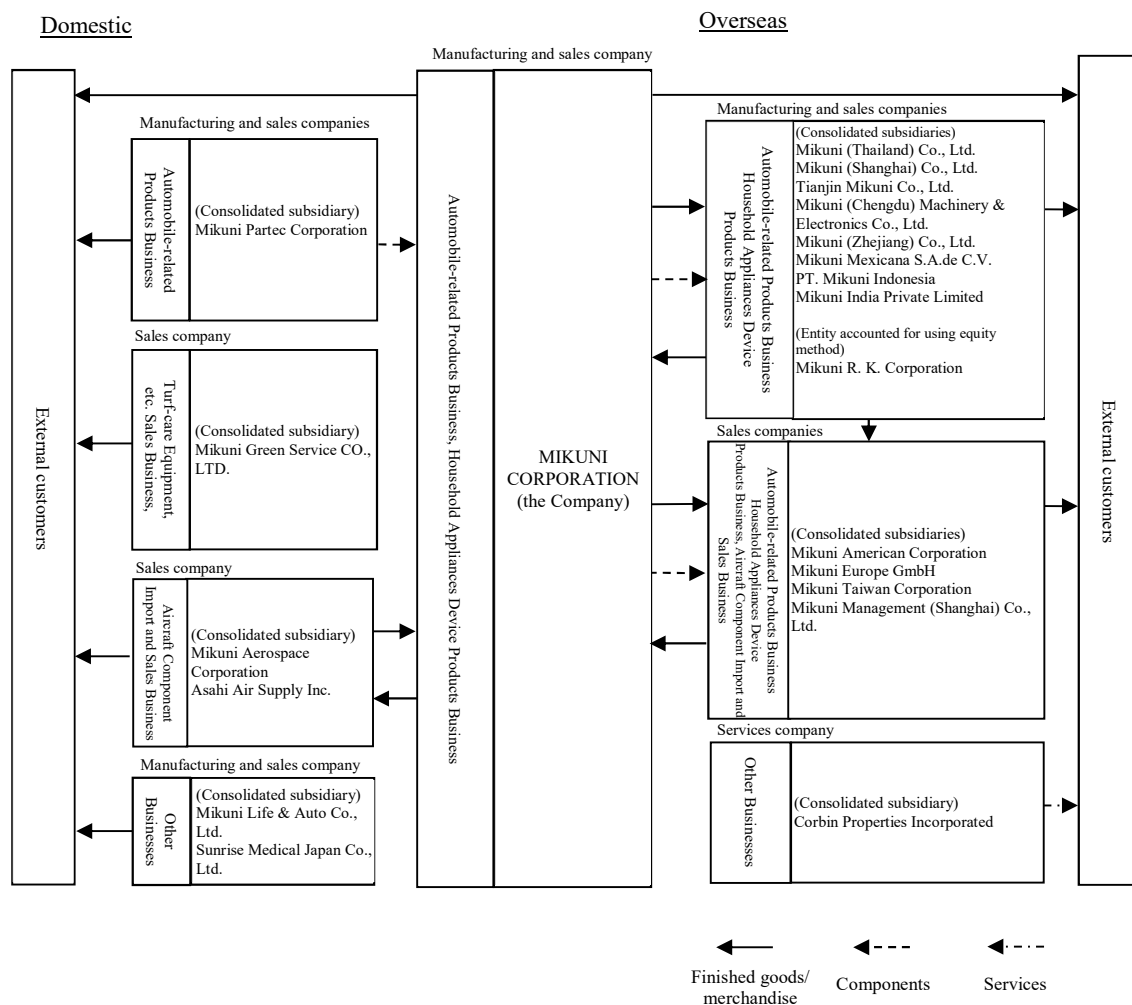
(Note) The forecasts for the next fiscal year contained in these materials are forward-looking statements including risks and uncertainties. Therefore, the actual results may differ from the forecasts stated herein due to changes of various factors.

## 2. Status of the corporate group

The Group (the Company and its affiliates) consists of the Company (MIKUNI CORPORATION), 23 subsidiaries, and an associate. 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-care 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-care Equipment, etc. Sales Business. The business organization chart of the Group as of March 31, 2023 (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, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	5,060	3,712
Notes receivable - trade	221	134
Accounts receivable - trade	18,572	19,930
Contract assets	26	109
Electronically recorded monetary claims - operating	1,766	2,090
Merchandise and finished goods	11,666	12,752
Work in process	6,571	6,441
Raw materials and supplies	3,134	3,300
Other	4,067	5,072
Allowance for doubtful accounts	(76)	(143)
Total current assets	51,010	53,402
Non-current assets		
Property, plant and equipment		
Buildings and structures	33,042	33,865
Accumulated depreciation	(24,674)	(25,430)
Buildings and structures, net	8,367	8,435
Machinery, equipment and vehicles	53,094	54,713
Accumulated depreciation	(40,231)	(42,864)
Machinery, equipment and vehicles, net	12,862	11,849
Tools, furniture and fixtures	19,921	21,207
Accumulated depreciation	(18,038)	(18,934)
Tools, furniture and fixtures, net	1,883	2,273
Land	11,820	11,701
Construction in progress	2,432	3,490
Total property, plant and equipment	37,365	37,749
Intangible assets		
Goodwill	1	-
Other	809	797
Total intangible assets	810	797
Investments and other assets		
Investment securities	5,846	6,453
Long-term loans receivable	34	53
Deferred tax assets	803	733
Other	1,202	1,076
Allowance for doubtful accounts	(156)	(157)
Total investments and other assets	7,729	8,158
Total non-current assets	45,906	46,705
Total assets	96,917	100,108

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	11,000	10,174
Electronically recorded obligations - operating	887	1,929
Contract liabilities	399	770
Short-term borrowings	6,794	10,808
Current portion of long-term borrowings	6,553	4,101
Lease liabilities	336	366
Accounts payable - other	2,095	1,835
Income taxes payable	349	417
Accrued expenses	2,452	2,703
Provision for bonuses	1,394	1,444
Provision for product warranties	218	284
Provision for production sites reorganization	–	1,418
Other	1,071	1,324
Total current liabilities	33,553	37,579
Non-current liabilities		
Long-term borrowings	22,015	20,825
Lease liabilities	454	598
Deferred tax liabilities	2,673	2,875
Deferred tax liabilities for land revaluation	2,249	2,249
Provision for management board incentive plan trust	66	76
Provision for share awards	23	31
Retirement benefit liability	3,106	2,979
Other	856	694
Total non-current liabilities	31,444	30,330
Total liabilities	64,998	67,909
Net assets		
Shareholders' equity		
Share capital	2,215	2,215
Capital surplus	1,908	1,954
Retained earnings	16,886	14,863
Treasury shares	(181)	(180)
Total shareholders' equity	20,827	18,852
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,709	3,117
Deferred gains or losses on hedges	13	73
Revaluation reserve for land	5,282	5,282
Foreign currency translation adjustment	2,096	3,831
Remeasurements of defined benefit plans	133	273
Total accumulated other comprehensive income	10,236	12,579
Non-controlling interests	854	767
Total net assets	31,918	32,199
Total liabilities and net assets	96,917	100,108

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

### Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	80,789	93,847
Cost of sales	66,426	78,577
Gross profit	14,362	15,269
Selling, general and administrative expenses	11,044	12,180
Operating income	3,318	3,089
Non-operating income		
Interest income	30	26
Dividend income	165	170
Share of income of entities accounted for using equity method	–	7
Foreign exchange gains	122	–
Rental income	120	125
Subsidy income	46	24
Other	114	162
Total non-operating income	601	515
Non-operating expenses		
Interest expenses	599	740
Share of loss of entities accounted for using equity method	74	–
Foreign exchange losses	–	96
Rental expenses	59	67
Other	47	56
Total non-operating expenses	782	960
Ordinary income	3,137	2,644
Extraordinary income		
Gain on sale of non-current assets	55	137
Gain on sale of investment securities	166	10
Gain on forgiveness of debts	102	–
Other	–	3
Total extraordinary income	324	151
Extraordinary losses		
Loss on sale and retirement of non-current assets	69	193
Impairment losses	184	67
Loss on sale of shares of subsidiaries and associates	53	–
Production sites reorganization expenses	–	2,295
Other	50	33
Total extraordinary losses	358	2,589
Income before income taxes	3,103	207
Income taxes - current	1,589	1,755
Income taxes - deferred	147	138
Total income taxes	1,737	1,893
Net income (loss)	1,365	(1,686)
Net income (loss) attributable to non-controlling interests	47	(4)
Net income (loss) attributable to owners of parent	1,318	(1,682)

## Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net income (loss)	1,365	(1,686)
Other comprehensive income		
Valuation difference on available-for-sale securities	(399)	407
Deferred gains or losses on hedges	(11)	59
Foreign currency translation adjustment	2,218	1,765
Remeasurements of defined benefit plans, net of tax	273	140
Share of other comprehensive income of entities accounted for using equity method	17	26
Total other comprehensive income	2,099	2,400
Comprehensive income	3,465	714
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,369	659
Comprehensive income attributable to non-controlling interests	96	54

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

Fiscal year ended March 31, 2022

(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	15,566	(197)	19,507
Cumulative effects of changes in accounting policies			326		326
Restated balance	2,215	1,923	15,893	(197)	19,834
Changes during period					
Dividends of surplus			(340)		(340)
Profit (loss) attributable to owners of parent			1,318		1,318
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		(14)			(14)
Change in scope of consolidation		(1)	14		13
Net changes in items other than shareholders' equity					-
Total changes during period	-	(15)	993	15	993
Balance at end of period	2,215	1,908	16,886	(181)	20,827

	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	3,108	25	5,282	(223)	(140)	8,053	835	28,396
Cumulative effects of changes in accounting policies								326
Restated balance	3,108	25	5,282	(223)	(140)	8,053	835	28,723
Changes during period								
Dividends of surplus								(340)
Profit (loss) attributable to owners of parent								1,318
Purchase of treasury shares								(0)
Disposal of treasury shares								15
Change in ownership interest of parent due to transactions with non-controlling interests								(14)
Change in scope of consolidation								13
Net changes in items other than shareholders' equity	(399)	(11)	-	2,320	273	2,183	18	2,202
Total changes during period	(399)	(11)	-	2,320	273	2,183	18	3,195
Balance at end of period	2,709	13	5,282	2,096	133	10,236	854	31,918

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,215	1,908	16,886	(181)	20,827
Cumulative effects of changes in accounting policies					–
Restated balance	2,215	1,908	16,886	(181)	20,827
Changes during period					
Dividends of surplus			(340)		(340)
Profit (loss) attributable to owners of parent			(1,682)		(1,682)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				1	1
Change in ownership interest of parent due to transactions with non-controlling interests		45			45
Change in scope of consolidation					–
Net changes in items other than shareholders' equity					–
Total changes during period	–	45	(2,022)	0	(1,975)
Balance at end of period	2,215	1,954	14,863	(180)	18,852

	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	2,709	13	5,282	2,096	133	10,236	854	31,918
Cumulative effects of changes in accounting policies								–
Restated balance	2,709	13	5,282	2,096	133	10,236	854	31,918
Changes during period								
Dividends of surplus								(340)
Profit (loss) attributable to owners of parent								(1,682)
Purchase of treasury shares								(0)
Disposal of treasury shares								1
Change in ownership interest of parent due to transactions with non-controlling interests								45
Change in scope of consolidation								–
Net changes in items other than shareholders' equity	407	59	–	1,734	140	2,342	(86)	2,255
Total changes during period	407	59	–	1,734	140	2,342	(86)	280
Balance at end of period	3,117	73	5,282	3,831	273	12,579	767	32,199



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

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
<b>Cash flows from operating activities</b>		
Income before income taxes	3,103	207
Depreciation	4,762	5,149
Amortization of goodwill	1	1
Gain on forgiveness of debt	(102)	–
Impairment losses	184	67
Production sites reorganization expenses	–	2,295
Subsidy income	(46)	(24)
Interest and dividend income	(196)	(196)
Interest expenses	599	740
Loss (gain) on sale and retirement of non-current assets	14	56
Share of loss (income) of entities accounted for using equity method	74	(7)
Increase (decrease) in retirement benefit liability	209	76
Increase (decrease) in provision for product warranties	(67)	57
Increase (decrease) in provision for bonuses	142	41
Increase (decrease) in allowance for doubtful accounts	(10)	54
Decrease (increase) in trade receivables and contract assets	1,361	(858)
Decrease (increase) in inventories	(1,402)	(273)
Decrease (increase) in accounts receivable - other	260	306
Increase (decrease) in trade payables	139	(287)
Increase (decrease) in accounts payable - other	(319)	(163)
Other, net	(2,007)	(165)
Subtotal	6,703	7,076
Interest and dividends received	220	87
Interest paid	(596)	(722)
Subsidies received	55	28
Income taxes paid	(1,304)	(1,588)
Net cash provided by (used in) operating activities	5,078	4,880
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(3,178)	(5,761)
Proceeds from sale of property, plant and equipment	622	713
Purchase of intangible assets	(178)	(378)
Purchase of investment securities	(25)	–
Proceeds from sale of investment securities	194	13
Loan advances	(44)	(57)
Proceeds from sale of shares of subsidiaries and associates	194	–
Proceeds from collection of loans receivable	29	32
Other, net	14	(4)
Net cash provided by (used in) investing activities	(2,371)	(5,441)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
<b>Cash flows from financing activities</b>		
Increase (decrease) in short-term borrowings	(810)	3,831
Proceeds from long-term borrowings	3,982	2,692
Repayments of long-term borrowings	(4,935)	(6,572)
Purchase of treasury shares	(0)	(0)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(21)
Dividends paid	(340)	(341)
Dividends paid to non-controlling interests	(100)	(144)
Other, net	(270)	(385)
Net cash provided by (used in) financing activities	(2,474)	(940)
Effect of exchange rate change on cash and cash equivalents	394	154
Net increase (decrease) in cash and cash equivalents	626	(1,347)
Cash and cash equivalents at beginning of period	4,249	5,060
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	36	–
Increase in cash and cash equivalents resulting from merger	147	–
Cash and cash equivalents at end of period	5,060	3,712

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

(Notes on premise of going concern)

Not applicable.

(Changes in accounting policies)

(Application of Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company has applied the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021) from the beginning of the current fiscal year, and decided to apply the new accounting policies prescribed in the Implementation Guidance on Accounting Standard for Fair Value Measurement prospectively in accordance with the transitional measures provided for in paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement. This change does not affect the financial statements for the current fiscal year.

(Change in presentation)

(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.

(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-care 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-care Equipment, etc. Sales Business mainly sells turf-care equipment, etc.

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, 2022 (April 1, 2021 to March 31, 2022)

(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-care Equipment, etc. Sales	Total				
Net sales									
To external customers	66,245	6,753	1,615	3,877	78,492	2,297	80,789	–	80,789
Inter-segment sales or transfers	–	–	–	–	–	–	–	–	–
Total	66,245	6,753	1,615	3,877	78,492	2,297	80,789	–	80,789
Segment profit (loss)	3,567	(491)	286	(33)	3,328	(10)	3,318	–	3,318
Segment assets	74,694	6,415	8,092	5,311	94,513	2,403	96,917	–	96,917
Other items									
Depreciation	4,330	286	65	31	4,714	48	4,762	–	4,762
Amortization of goodwill	–	–	–	–	–	1	1	–	1
Investments in entities accounted for using equity method	–	315	–	–	315	–	315	–	315
Increase in property, plant and equipment and intangible assets	2,718	310	39	34	3,103	59	3,163	–	3,163

(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, 2023 (April 1, 2022 to March 31, 2023)

(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-care Equipment, etc. Sales	Total				
Net sales									
To external customers	77,197	6,786	2,545	4,806	91,337	2,509	93,847	–	93,847
Inter-segment sales or transfers	–	–	–	–	–	–	–	–	–
Total	77,197	6,786	2,545	4,806	91,337	2,509	93,847	–	93,847
Segment profit (loss)	3,362	(636)	347	63	3,137	(48)	3,089	–	3,089
Segment assets	75,251	7,568	9,960	4,965	97,746	2,362	100,108	–	100,108
Other items									
Depreciation	4,705	312	38	43	5,099	49	5,149	–	5,149
Amortization of goodwill	–	–	–	–	–	1	1	–	1
Investments in entities accounted for using equity method	–	345	–	–	345	–	345	–	345
Increase in property, plant and equipment and intangible assets	5,240	415	74	87	5,817	76	5,893	–	5,893

(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, 2022 (from April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Net assets per share	925.67 yen	936.50 yen
Basic income (loss) per share	39.31 yen	(50.13) 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 income (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 the end of the period deducted in calculating net assets per share

Fiscal year ended March 31, 2022 454,380 shares

Fiscal year ended March 31, 2023 450,580 shares

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

Fiscal year ended March 31, 2022 464,749 shares

Fiscal year ended March 31, 2023 452,580 shares

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

Item	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Net profit (loss) attributable to owners of parent (million yen)	1,318	(1,682)
Amounts not attributable to common shareholders (million yen)	—	—
Net profit (loss) attributable to owners of parent available to common shares (million yen)	1,318	(1,682)
Average number of shares during the period (shares)	33,549,007	33,560,925

(Significant subsequent events)

Not applicable.