

Consolidated Financial Statements

Consolidated Balance Sheet

(Millions of yen)

ASSETS	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
As of March 31, 2018			
Current assets:			
Cash and cash equivalents	¥ 169,918	¥ 144,693	\$ 1,603,000
Time deposits	3,410	9,353	32,170
Marketable securities	29,029	36,760	273,858
Notes and accounts receivable:			
Trade notes and accounts	104,030	92,182	981,415
Other	12,498	12,652	117,906
Allowance for doubtful accounts	(124)	(868)	(1,170)
Total	116,404	103,966	1,098,151
Inventories	130,817	119,082	1,234,123
Deferred tax assets	16,538	19,691	156,019
Prepaid expenses and other current assets	6,357	4,719	59,971
Total current assets	472,473	438,264	4,457,292
Property, plant and equipment:			
Land	27,672	27,128	261,057
Buildings and structures	174,612	160,751	1,647,283
Machinery and equipment	451,894	406,079	4,263,151
Construction in progress	36,722	32,728	346,434
Total	690,900	626,686	6,517,925
Accumulated depreciation	(420,799)	(397,579)	(3,969,802)
Net property, plant and equipment	270,101	229,107	2,548,123
Investments and other assets:			
Investment securities	54,682	53,264	515,868
Investments in unconsolidated subsidiaries and associated companies	19,967	19,263	188,368
Intangible assets	3,659	2,962	34,519
Net defined benefit assets	7,816	6,925	73,736
Deferred tax assets	4,574	6,545	43,151
Other assets	3,063	3,104	28,896
Total investments and other assets	93,761	92,063	884,538
Total	¥ 836,335	¥ 759,434	\$ 7,889,953

(Millions of yen)

LIABILITIES AND EQUITY

As of March 31, 2018

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Current liabilities:			
Short-term borrowings	¥ 5,970	¥ 6,017	\$ 56,321
Current portion of long-term debt	10,572	6,973	99,736
Notes and accounts payable:			
Trade notes and accounts	45,697	38,147	431,103
Other	18,231	22,586	171,991
Total	63,928	60,733	603,094
Accrued expenses	19,408	16,429	183,094
Provision for NAS battery safety measures	2,561	3,650	24,160
Provision for loss related to competition law	1,175	9,168	11,085
Income taxes payable	16,510	21,057	155,755
Other current liabilities	6,782	4,413	63,981
Total current liabilities	126,906	128,440	1,197,226
Long-term liabilities:			
Long-term debt	195,032	161,160	1,839,925
Net defined benefit liability	20,910	20,927	197,264
Provision for product warranties	2,837	1,654	26,764
Deferred tax liabilities	11,655	15,201	109,953
Other long-term liabilities	6,132	4,459	57,849
Total long-term liabilities	236,566	203,401	2,231,755
Contingent liabilities			
Equity:			
Common stock			
Authorized—735,030 thousand shares	69,849	69,849	658,953
Issued—327,560 thousand shares at March 31, 2018 and 2017			
Capital surplus	71,948	72,055	678,755
Stock acquisition rights	858	899	8,094
Retained earnings	322,622	289,996	3,043,604
Treasury stock—at cost: 5,794 thousand shares and 5,915 thousand shares at March 31, 2018 and 2017, respectively	(12,153)	(12,408)	(114,651)
Accumulated other comprehensive income			
Unrealized gain on available-for-sale securities	24,659	23,458	232,632
Deferred loss on derivatives under hedge accounting	(31)	(21)	(292)
Foreign currency translation adjustments	(7,991)	(15,474)	(75,387)
Defined retirement benefit plans	(7,920)	(10,714)	(74,717)
Total	461,841	417,640	4,356,991
Non-controlling interests	11,022	9,953	103,981
Total equity	472,863	427,593	4,460,972
Total	¥ 836,335	¥ 759,434	\$ 7,889,953

Consolidated Financial Statements

Consolidated Statement of Income

(Millions of yen)

For the year ended March 31, 2018

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Net sales	¥ 451,125	¥ 401,267	\$ 4,255,896
Cost of sales	312,107	272,435	2,944,405
Gross profit	139,018	128,832	1,311,491
Selling, general and administrative expenses	68,991	65,619	650,859
Operating income	70,027	63,213	660,632
Other income (expenses):			
Interest and dividends income	2,223	1,742	20,972
Interest expense	(2,418)	(2,052)	(22,811)
Loss on sales of and disposals of property, plant and equipment—net	(319)	(202)	(3,009)
Equity in earnings of unconsolidated subsidiary and associated company	1,280	1,791	12,075
Reversal of allowance for doubtful accounts	750	28	7,075
Foreign exchange loss	(2,070)	(699)	(19,528)
Gain on sales of investment securities—net	1,236	5,249	11,660
Impairment loss on fixed assets	(3,769)	(4,161)	(35,557)
Provision of reserve for loss related to competition law	(2,146)	(6,314)	(20,245)
Loss on abolishment of retirement benefit plan of a subsidiary	—	(1,774)	—
Loss on liquidation of subsidiaries	(1,804)	—	(17,019)
Other—net	2,782	701	26,246
Other expenses—net	(4,255)	(5,691)	(40,141)
Income before income taxes	65,772	57,522	620,491
Income taxes			
Current	18,773	18,012	177,104
Prior periods	—	11,213	—
Deferred	664	(8,067)	6,264
Total income taxes	19,437	21,158	183,368
Net income	46,335	36,364	437,123
Net income (loss) attributable to non-controlling interests	521	(15)	4,915
Net income attributable to owners of the parent	¥ 45,814	¥ 36,379	\$ 432,208
	Yen		U.S. dollars
Per share of common stock			
Basic net income	¥ 142.42	¥ 112.71	\$ 1.344
Diluted net income	142.18	112.51	1.341
Cash dividends applicable to the year	44.00	40.00	0.415

Consolidated Statement of Comprehensive Income

(Millions of yen)

For the year ended March 31, 2018

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Net income	¥ 46,335	¥ 36,364	\$ 437,123
Other comprehensive income (loss)			
Unrealized gain on available-for-sale securities	1,195	2,646	11,274
Deferred loss on derivatives under hedge accounting	(13)	(23)	(123)
Foreign currency translation adjustments	7,731	(9,828)	72,934
Share of other comprehensive income in associated companies	97	382	915
Defined retirement benefit plans	2,809	4,437	26,500
Total other comprehensive income (loss)	11,819	(2,386)	111,500
Comprehensive income	¥ 58,154	¥ 33,978	\$ 548,623
Total comprehensive income (loss) attributable to:			
Owners of parent	¥ 57,284	¥ 34,042	\$ 540,415
Non-controlling interests	870	(64)	8,208

Consolidated Financial Statements

Consolidated Statement of Changes in Equity

(Millions of yen)

For the year ended March 31, 2018

	Thousands	Millions of yen				
	Outstanding number of common stock	Common stock	Capital surplus	Stock acquisition rights	Retained earnings	Treasury stock
Balance at April 1, 2016	326,579	¥ 69,849	¥ 72,092	¥ 876	¥ 266,581	¥ (1,364)
Net income attributable to owners of the parent	-	-	-	-	36,379	-
Cash dividends, ¥40 per share	-	-	-	-	(12,964)	-
Purchase of treasury stock	(5,003)	-	-	-	-	(11,182)
Disposal of treasury stock	69	-	(37)	-	-	138
Net change in the year	-	-	-	23	-	-
Balance at March 31, 2017	321,645	69,849	72,055	899	289,996	(12,408)
Net income attributable to owners of the parent	-	-	-	-	45,814	-
Cash dividends, ¥41 per share	-	-	-	-	(13,188)	-
Purchase of treasury stock	(1)	-	-	-	-	(4)
Disposal of treasury stock	122	-	(107)	-	-	259
Net change in the year	-	-	-	(41)	-	-
Balance at March 31, 2018	321,766	¥ 69,849	¥ 71,948	¥ 858	¥ 322,622	¥ (12,153)

	Millions of yen						
	Accumulated other comprehensive income				Total	Non-controlling interests	Total equity
	Unrealized gain on available-for-sale securities	Deferred loss on derivatives under hedge accounting	Foreign currency translation adjustments	Defined retirement benefit plans			
Balance at April 1, 2016	¥ 20,833	¥ -	¥ (5,888)	¥ (15,359)	¥ 407,620	¥ 10,353	¥ 417,973
Net income attributable to owners of the parent	-	-	-	-	36,379	-	36,379
Cash dividends, ¥40 per share	-	-	-	-	(12,964)	-	(12,964)
Purchase of treasury stock	-	-	-	-	(11,182)	-	(11,182)
Disposal of treasury stock	-	-	-	-	101	-	101
Net change in the year	2,625	(21)	(9,586)	4,645	(2,314)	(400)	(2,714)
Balance at March 31, 2017	23,458	(21)	(15,474)	(10,714)	417,640	9,953	427,593
Net income attributable to owners of the parent	-	-	-	-	45,814	-	45,814
Cash dividends, ¥41 per share	-	-	-	-	(13,188)	-	(13,188)
Purchase of treasury stock	-	-	-	-	(4)	-	(4)
Disposal of treasury stock	-	-	-	-	152	-	152
Net change in the year	1,201	(10)	7,483	2,794	11,427	1,069	12,496
Balance at March 31, 2018	¥ 24,659	¥ (31)	¥ (7,991)	¥ (7,920)	¥ 461,841	¥ 11,022	¥ 472,863

	Thousands of U.S. dollars					
	Common stock	Capital surplus	Stock acquisition rights	Retained earnings	Treasury stock	
Balance at March 31, 2017	\$ 658,953	\$ 679,764	\$ 8,481	\$ 2,735,811	\$ (117,057)	
Net income attributable to owners of the parent	-	-	-	432,208	-	
Cash dividends, \$0.39 per share	-	-	-	(124,415)	-	
Purchase of treasury stock	-	-	-	-	(38)	
Disposal of treasury stock	-	(1,009)	-	-	2,444	
Net change in the year	-	-	(387)	-	-	
Balance at March 31, 2018	\$ 658,953	\$ 678,755	\$ 8,094	\$ 3,043,604	\$ (114,651)	

	Thousands of U.S. dollars						
	Accumulated other comprehensive income				Total	Non-controlling interests	Total equity
	Unrealized gain on available-for-sale securities	Deferred loss on derivatives under hedge accounting	Foreign currency translation adjustments	Defined retirement benefit plans			
Balance at March 31, 2017	\$ 221,302	\$ (198)	\$ (145,981)	\$ (101,075)	\$ 3,940,000	\$ 93,896	\$ 4,033,896
Net income attributable to owners of the parent	-	-	-	-	432,208	-	432,208
Cash dividends, \$0.39 per share	-	-	-	-	(124,415)	-	(124,415)
Purchase of treasury stock	-	-	-	-	(38)	-	(38)
Disposal of treasury stock	-	-	-	-	1,435	-	1,435
Net change in the year	11,330	(94)	70,594	26,358	107,801	10,085	117,886
Balance at March 31, 2018	\$ 232,632	\$ (292)	\$ (75,387)	\$ (74,717)	\$ 4,356,991	\$ 103,981	\$ 4,460,972

Consolidated Financial Statements

Consolidated Statement of Cash Flows

(Millions of yen)

For the year ended March 31, 2018

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Operating activities:			
Income before income taxes	¥ 65,772	¥ 57,522	\$ 620,491
Adjustments for:			
Income taxes—paid	(23,306)	(15,235)	(219,868)
Depreciation and amortization	30,316	26,615	286,000
Impairment loss on fixed assets	3,769	4,161	35,557
Decrease of provision for NAS battery safety measures	(1,089)	(1,756)	(10,274)
(Decrease) increase of provision for loss related to competition law	(7,993)	4,860	(75,406)
Equity in earnings of unconsolidated subsidiary and associated company	(1,280)	(1,791)	(12,075)
Gain on sales of investment securities—net	(1,236)	(5,249)	(11,660)
Changes in assets and liabilities:			
(Increase) decrease in notes and accounts receivable—trade	(10,196)	8,623	(96,189)
Increase in inventories	(10,342)	(12,192)	(97,566)
Increase in other current assets	(427)	(2,665)	(4,028)
Decrease in net defined benefit assets	2,691	2,319	25,387
Increase in notes and accounts payable—trade	7,318	3,242	69,038
(Decrease) increase in other current liabilities	(2,856)	9,621	(26,943)
Other—net	(587)	2,097	(5,539)
Total adjustments	(15,218)	22,650	(143,566)
Net cash provided by operating activities	50,554	80,172	476,925
Investing activities:			
Purchases of marketable securities	(57,400)	(46,300)	(541,509)
Proceeds from sales and redemption of marketable securities	55,805	38,766	526,462
Proceeds from sales and redemption of investment securities	12,182	6,920	114,925
Purchases of property, plant and equipment	(67,062)	(59,361)	(632,660)
Decrease in time deposits	6,481	2,786	61,142
Decrease in restricted deposits	—	2,142	—
Other—net	580	(1,406)	5,470
Net cash used in investing activities	(49,414)	(56,453)	(466,170)
Financing activities:			
Increase in short-term borrowings—net	14	1,603	132
Proceeds from long-term debt	42,444	30,122	400,415
Repayments of long-term debt	(6,825)	(19,239)	(64,387)
Purchase of treasury stock	(4)	(11,182)	(38)
Cash dividends	(13,188)	(12,964)	(124,415)
Other—net	105	(1,353)	991
Net cash provided by (used in) financing activities	22,546	(13,013)	212,698
Foreign currency translation adjustments on cash and cash equivalents	1,539	(2,078)	14,519
Net increase in cash and cash equivalents	25,225	8,628	237,972
Cash and cash equivalents, beginning of year	144,693	136,065	1,365,028
Cash and cash equivalents, end of year	¥ 169,918	¥ 144,693	\$ 1,603,000