

Consolidated Balance Sheet

Consolidated Financial Statements

ASSETS As of March 31, 2020	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
Current assets:			
Cash and cash equivalents	¥ 94,691	¥ 123,984	\$ 868,727
Time deposits	1,869	4,149	17,145
Marketable securities	14,617	36,029	134,099
Notes and accounts receivable:			
Trade notes and accounts	101,378	106,414	930,073
Other	15,101	14,052	138,543
Allowance for doubtful accounts	(153)	(125)	(1,407)
Total	116,326	120,341	1,067,209
Inventories	157,390	148,032	1,443,943
Prepaid expenses and other current assets	13,482	10,835	123,693
Total current assets	398,375	443,370	3,654,816
Property, plant and equipment:			
Land	29,451	30,919	270,194
Buildings and structures	213,221	197,447	1,956,152
Machinery and equipment	527,626	480,933	4,840,606
Construction in progress	45,376	58,145	416,290
Other	2,286	–	20,974
Total	817,960	767,444	7,504,216
Accumulated depreciation	(458,552)	(441,382)	(4,206,897)
Net property, plant and equipment	359,408	326,062	3,297,319
Investments and other assets:			
Investment securities	33,971	48,751	311,658
Investments in unconsolidated subsidiaries and associated companies	16,026	21,109	147,025
Intangible assets	3,460	3,701	31,747
Net defined benefit assets	6,387	7,468	58,594
Deferred tax assets	12,766	10,442	117,122
Other assets	2,693	2,733	24,707
Total investments and other assets	75,303	94,204	690,853
Total	¥ 833,086	¥ 863,636	\$ 7,642,988

LIABILITIES AND EQUITY As of March 31, 2020	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
Current liabilities:			
Short-term borrowings	¥ 6,407	¥ 4,231	\$ 58,782
Current portion of long-term debt	9,219	29,198	84,576
Notes and accounts payable:			
Trade notes and accounts	42,690	51,032	391,652
Other	16,775	22,180	153,895
Total	59,465	73,212	545,547
Accrued expenses	19,836	21,492	181,986
Provision for NAS Battery safety measures	1,657	2,029	15,203
Provision for loss related to competition law	1,146	1,178	10,512
Income taxes payable	12,226	11,731	112,163
Other current liabilities	4,334	4,716	39,759
Total current liabilities	114,290	147,787	1,048,528
Long-term liabilities:			
Long-term debt	218,774	195,994	2,007,100
Net defined benefit liability	21,012	20,935	192,774
Provision for product warranties	899	1,632	8,245
Deferred tax liabilities	1,998	1,869	18,330
Other long-term liabilities	6,994	6,174	64,170
Total long-term liabilities	249,677	226,604	2,290,619
Contingent liabilities			
Equity:			
Common stock:			
Authorized — 735,030 thousand shares			
Issued — 322,212 thousand shares and 327,560 thousand shares at March 31, 2020 and 2019, respectively	69,849	69,849	640,818
Capital surplus	70,199	71,978	644,032
Stock acquisition rights	829	923	7,605
Retained earnings	345,689	343,324	3,171,457
Treasury stock — at cost: 5,668 thousand shares and 5,780 thousand shares at March 31, 2020 and 2019, respectively	(11,264)	(12,122)	(103,341)
Accumulated other comprehensive income			
Unrealized gain on available-for-sale securities	11,337	21,260	104,006
Deferred loss on derivatives under hedge accounting	(462)	(136)	(4,238)
Foreign currency translation adjustments	(21,390)	(11,057)	(196,240)
Defined retirement benefit plans	(5,406)	(5,580)	(49,597)
Total	459,381	478,439	4,214,502
Non-controlling interests	9,738	10,806	89,339
Total equity	469,119	489,245	4,303,841
Total	¥ 833,086	¥ 863,636	\$ 7,642,988

Consolidated Statement of Income

Consolidated Financial Statements

For the year ended March 31, 2020	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
Net sales	¥ 441,956	¥ 463,505	\$ 4,054,642
Cost of sales	313,459	323,224	2,875,769
Gross profit	128,497	140,281	1,178,873
Selling, general and administrative expenses	73,496	75,575	674,279
Operating income	55,001	64,706	504,594
Other income (expenses):			
Interest and dividends income	1,813	1,942	16,630
Interest expense	(3,025)	(2,763)	(27,752)
Loss on sales of and disposals of property, plant and equipment — net	(230)	(352)	(2,106)
Equity in earnings of unconsolidated subsidiary and associated company	1,352	1,565	12,402
Reversal of provision for product warranties	661	95	6,060
Foreign exchange loss	(3,072)	(736)	(28,181)
Gain on sales of investment securities — net	4,081	676	37,442
Impairment loss on fixed assets	(12,559)	(10,935)	(115,219)
Provision of reserve for loss related to competition law	—	(389)	—
Loss on liquidation of subsidiaries	(352)	(1,425)	(3,226)
Loss on the dissolution of a subsidiary	—	(2,961)	—
Subsidy income	591	—	5,422
Other — net	(425)	1,025	(3,901)
Other expenses — net	(11,165)	(14,258)	(102,429)
Income before income taxes	43,836	50,448	402,165
Income taxes			
Current	15,816	13,824	145,099
Refund	(426)	—	(3,905)
Deferred	1,956	1,013	17,947
Total income taxes	17,346	14,837	159,141
Net income	26,490	35,611	243,024
Net (loss) income attributable to non-controlling interests	(645)	104	(5,921)
Net income attributable to owners of the parent	¥ 27,135	¥ 35,507	\$ 248,945
Per share of common stock	Yen		U.S. dollars
Basic net income	¥ 84.73	¥ 110.35	\$ 0.777
Diluted net income	84.60	110.17	0.776
Cash dividends applicable to the year	50.00	50.00	0.459

Consolidated Statement of Comprehensive Income

For the year ended March 31, 2020	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
Net income	¥ 26,490	¥ 35,611	\$ 243,024
Other comprehensive loss			
Unrealized loss on available-for-sale securities	(9,927)	(3,453)	(91,075)
Deferred loss on derivatives under hedge accounting	(314)	(110)	(2,885)
Foreign currency translation adjustments	(10,505)	(3,046)	(96,376)
Share of other comprehensive income in associated companies	82	106	760
Defined retirement benefit plans	(100)	2,056	(918)
Total other comprehensive loss	(20,764)	(4,447)	(190,494)
Comprehensive income	¥ 5,726	¥ 31,164	\$ 52,530
Total comprehensive income attributable to:			
Owners of parent	¥ 6,727	¥ 31,276	\$ 61,711
Non-controlling interests	(1,001)	(112)	(9,181)

Consolidated Statement of Changes in Equity

Consolidated Financial Statements

For the year ended March 31, 2020

	Thousands	Millions of yen				
	Outstanding number of common stock	Common stock	Capital surplus	Stock acquisition rights	Retained earnings	Treasury stock
Balance at April 1, 2018	321,766	¥69,849	¥71,948	¥858	¥322,622	¥(12,153)
Cumulative effects of accounting change	-	-	-	-	640	-
Net income attributable to owners of the parent	-	-	-	-	35,507	-
Cash dividends, ¥48 per share	-	-	-	-	(15,445)	-
Purchase of treasury stock	(3)	-	-	-	-	(5)
Disposal of treasury stock	18	-	(6)	-	-	36
Change in the parent's ownership interest due to transactions with non-controlling interests	-	-	36	-	-	-
Net change in the year	-	-	-	65	-	-
Balance at March 31, 2019	321,781	69,849	71,978	923	343,324	(12,122)
Cumulative effects of accounting change	-	-	-	-	242	-
Net income attributable to owners of the parent	-	-	-	-	27,135	-
Cash dividends, ¥50 per share	-	-	-	-	(16,090)	-
Purchase of treasury stock	(5,351)	-	-	-	-	(10,004)
Disposal of treasury stock	114	-	(72)	-	-	233
Cancellation of treasury stock	-	-	(1,707)	-	(8,922)	10,629
Net change in the year	-	-	-	(94)	-	-
Balance at March 31, 2020	316,544	¥ 69,849	¥ 70,199	¥ 829	¥ 345,689	¥ (11,264)

	Millions of yen						
	Accumulated other comprehensive income					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	Total		
Balance at April 1, 2018	¥ 24,659	¥ (31)	¥ (7,991)	¥ (7,920)	¥ 461,841	¥ 11,022	¥ 472,863
Cumulative effects of accounting change	-	-	-	-	640	(30)	610
Net income attributable to owners of the parent	-	-	-	-	35,507	-	35,507
Cash dividends, ¥48 per share	-	-	-	-	(15,445)	-	(15,445)
Purchase of treasury stock	-	-	-	-	(5)	-	(5)
Disposal of treasury stock	-	-	-	-	30	-	30
Change in the parent's ownership interest due to transactions with non-controlling interests	-	-	-	-	36	-	36
Net change in the year	(3,399)	(105)	(3,066)	2,340	(4,165)	(186)	(4,351)
Balance at March 31, 2019	21,260	(136)	(11,057)	(5,580)	478,439	10,806	489,245
Cumulative effects of accounting change	-	-	-	-	242	-	242
Net income attributable to owners of the parent	-	-	-	-	27,135	-	27,135
Cash dividends, ¥50 per share	-	-	-	-	(16,090)	-	(16,090)
Purchase of treasury stock	-	-	-	-	(10,004)	-	(10,004)
Disposal of treasury stock	-	-	-	-	161	-	161
Cancellation of treasury stock	-	-	-	-	-	-	-
Net change in the year	(9,923)	(326)	(10,333)	174	(20,502)	(1,068)	(21,570)
Balance at March 31, 2020	¥ 11,337	¥ (462)	¥ (21,390)	¥ (5,406)	¥ 459,381	¥ 9,738	¥ 469,119

	Thousands of U.S. dollars				
	Common stock	Capital surplus	Stock acquisition rights	Retained earnings	Treasury stock
Balance at March 31, 2019	\$ 640,818	\$ 660,353	\$ 8,470	\$ 3,149,759	\$ (111,212)
Cumulative effect of accounting change	-	-	-	2,221	-
Net income attributable to owners of the parent	-	-	-	248,945	-
Cash dividends, \$0.46 per share	-	-	-	(147,617)	-
Purchase of treasury stock	-	-	-	-	(91,782)
Disposal of treasury stock	-	(663)	-	-	2,144
Cancellation of treasury stock	-	(15,658)	-	(81,851)	97,509
Net change in the year	-	-	(865)	-	-
Balance at March 31, 2020	\$ 640,818	\$ 644,032	\$ 7,605	\$ 3,171,457	\$ (103,341)

	Thousands of U.S. dollars						
	Accumulated other comprehensive income					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	Total		
Balance at March 31, 2019	\$ 195,048	\$ (1,251)	\$ (101,435)	\$ (51,197)	\$ 4,389,353	\$ 99,135	\$ 4,488,488
Cumulative effect of accounting change	-	-	-	-	2,221	-	2,221
Net income attributable to owners of the parent	-	-	-	-	248,945	-	248,945
Cash dividends, \$0.46 per share	-	-	-	-	(147,617)	-	(147,617)
Purchase of treasury stock	-	-	-	-	(91,782)	-	(91,782)
Disposal of treasury stock	-	-	-	-	1,481	-	1,481
Cancellation of treasury stock	-	-	-	-	-	-	-
Net change in the year	(91,042)	(2,987)	(94,805)	1,600	(188,099)	(9,796)	(197,895)
Balance at March 31, 2020	\$ 104,006	\$ (4,238)	\$ (196,240)	\$ (49,597)	\$ 4,214,502	\$ 89,339	\$ 4,303,841

Consolidated Statement of Cash Flows

Consolidated Financial Statements

For the year ended March 31, 2020	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
Operating activities:			
Income before income taxes	¥43,836	¥50,448	\$402,165
Adjustments for:			
Income taxes — paid	(15,032)	(18,407)	(137,909)
Depreciation and amortization	39,580	35,729	363,118
Impairment loss on fixed assets	12,559	10,935	115,219
Gain on sales of investment securities — net	(4,081)	(676)	(37,442)
Changes in assets and liabilities:			
Decrease (increase) in notes and accounts receivable — trade	2,520	(3,595)	23,120
Increase in inventories	(13,966)	(18,193)	(128,128)
Increase in other current assets	(2,410)	(6,352)	(22,110)
Decrease in net defined benefit assets	469	1,821	4,302
(Decrease) increase in notes and accounts payable — trade	(6,752)	5,454	(61,942)
(Decrease) increase in other current liabilities	(6,781)	1,996	(62,214)
Other — net	3,259	2,065	29,901
Total adjustments	9,365	10,777	85,915
Net cash provided by operating activities	53,201	61,225	488,080
Investing activities:			
Purchases of marketable securities	(34,749)	(68,000)	(318,798)
Proceeds from sales and redemption of marketable securities	54,532	62,220	500,296
Proceeds from sales and redemption of investment securities	12,662	831	116,164
Purchases of property, plant and equipment	(93,799)	(102,826)	(860,537)
Decrease (increase) in time deposits	2,239	(807)	20,537
Other — net	(1,716)	(1,161)	(15,741)
Net cash used in investing activities	(60,831)	(109,743)	(558,079)
Financing activities:			
Increase (decrease) in short-term borrowings — net	2,409	(1,919)	22,099
Proceeds from long-term debt	34,559	31,853	317,054
Repayments of long-term debt	(28,980)	(10,845)	(265,873)
Purchase of treasury stock	(10,004)	(5)	(91,782)
Cash dividends	(16,090)	(15,445)	(147,617)
Other — net	(690)	(75)	(6,326)
Net cash (used in) provided by financing activities	(18,796)	3,564	(172,445)
Foreign currency translation adjustments on cash and cash equivalents	(2,867)	(980)	(26,299)
Net decrease in cash and cash equivalents	(29,293)	(45,934)	(268,743)
Cash and cash equivalents, beginning of year	123,984	169,918	1,137,470
Cash and cash equivalents, end of year	¥94,691	¥123,984	\$868,727