

Consolidated Financial Summary

| Years Ended March 31 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---------|---------|---------|---------|---------|
| (Billion yen) | | | | | |
| For the year: | | | | | |
| Net sales | 3,033.9 | 3,406.6 | 3,214.4 | 3,474.0 | 3,564.7 |
| Domestic | 617.4 | 660.9 | 587.0 | 631.2 | 693.6 |
| Overseas | 2,416.5 | 2,745.7 | 2,627.4 | 2,842.8 | 2,871.1 |
| Cost of sales | 2,247.7 | 2,567.5 | 2,448.2 | 2,653.6 | 2,772.0 |
| Selling, general and administrative expenses | 583.3 | 612.4 | 640.5 | 674.0 | 709.7 |
| Operating income | 202.9 | 226.8 | 125.7 | 146.4 | 83.0 |
| Ordinary income | 212.6 | 223.6 | 139.5 | 172.1 | 116.8 |
| Income before income taxes | 209.3 | 167.0 | 128.4 | 157.5 | 108.3 |
| Net income attributable to owners of the parent | 158.8 | 134.4 | 93.8 | 112.1 | 63.5 |
| Capital expenditures | 131.0 | 89.2 | 94.4 | 104.1 | 119.7 |
| Depreciation and amortization | 68.9 | 79.0 | 82.4 | 87.0 | 88.4 |
| R&D cost | 108.4 | 116.6 | 126.9 | 136.0 | 134.7 |
| Cash flows from operating activities | 204.5 | 262.8 | 161.1 | 207.8 | 146.7 |
| Cash flows from investing activities | (95.5) | (108.1) | (63.8) | (160.0) | (131.6) |
| Cash flows from financing activities | (62.8) | (94.1) | (149.9) | 30.5 | 83.4 |
| At the year-end: | | | | | |
| Total assets | 2,473.3 | 2,548.4 | 2,524.6 | 2,724.1 | 2,871.0 |
| Net assets | 891.3 | 976.7 | 1,064.0 | 1,219.5 | 1,248.9 |
| Financial debt | 701.0 | 617.1 | 491.4 | 497.9 | 607.1 |
| Net cash | (171.9) | (48.4) | 35.4 | 107.0 | 94.6 |
| (Yen) | | | | | |
| Amounts per share of common stock: | | | | | |
| Net income | 266 | 225 | 157 | 183 | 101 |
| Cash dividends applicable to the year | 10 | 30 | 35 | 35 | 35 |
| Net assets | 1,455 | 1,596 | 1,739 | 1,894 | 1,935 |
| (%) | | | | | |
| Operating income to sales | 6.7 | 6.7 | 3.9 | 4.2 | 2.3 |
| Return on equity | 20.8 | 14.7 | 9.4 | 10.0 | 5.3 |
| Equity ratio | 35.2 | 37.4 | 41.2 | 43.8 | 42.4 |

*1 Some data may be without continuity due to changes in accounting standards, etc. For the contents of changes in accounting standards, etc., please see our consolidated financial results posted on IR Library page.

*2 The amounts of equity used in the calculation of equity per share exclude minority interests and stock acquisition rights.

*3 We consolidated five shares into one share as of August 1, 2014. The amounts per share of common stock for the year ended March 2015 are calculated as if shares were consolidated at the beginning of the prior fiscal year.

Consolidated Balance Sheets

(in millions of yen)

| As of March 31 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|------------------|------------------|------------------|------------------|------------------|
| Assets | | | | | |
| Current Assets: | | | | | |
| Cash and deposits | 377,923 | 457,655 | 398,101 | 395,863 | 469,952 |
| Trade notes and accounts receivable | 215,161 | 198,894 | 215,788 | 221,532 | 192,701 |
| Securities | 151,364 | 141,200 | 128,900 | 219,300 | 232,700 |
| Inventories | 379,502 | 383,515 | 376,951 | 399,787 | 427,918 |
| Deferred tax assets | 76,758 | 105,653 | 109,398 | - | - |
| Other | 114,483 | 107,471 | 114,051 | 125,956 | 143,283 |
| Allowance for doubtful receivables | (763) | (681) | (818) | (1,028) | (1,052) |
| Total current assets | 1,314,428 | 1,393,707 | 1,342,371 | 1,361,410 | 1,465,502 |
| Non-current Assets: | | | | | |
| Property, plant and equipment: | | | | | |
| Buildings and structures (net) | 170,480 | 175,073 | 184,607 | 196,806 | 195,486 |
| Machinery, equipment and vehicles (net) | 234,773 | 248,455 | 259,008 | 268,861 | 278,153 |
| Tools, furniture, and fixtures (net) | 66,121 | 63,931 | 59,428 | 46,830 | 67,177 |
| Land | 414,347 | 410,195 | 409,894 | 406,117 | 404,808 |
| Leased assets (net) | 4,364 | 4,686 | 5,254 | 5,752 | 6,613 |
| Construction in progress | 52,939 | 35,180 | 41,134 | 47,056 | 58,319 |
| Total property, plant and equipment | 943,024 | 937,520 | 959,325 | 971,422 | 1,010,556 |
| Intangible assets: | | | | | |
| Software | 27,177 | 28,617 | 31,063 | 33,317 | 33,711 |
| Other | 2,184 | 2,121 | 2,179 | 2,545 | 2,515 |
| Total intangible assets | 29,361 | 30,738 | 33,242 | 35,862 | 36,226 |
| Investments and other assets: | | | | | |
| Investment securities | 134,225 | 136,063 | 147,438 | 210,605 | 216,328 |
| Long-term loans receivable | 6,036 | 4,309 | 3,599 | 1,433 | 5,351 |
| Asset for retirement benefits | 3,323 | 2,887 | 3,629 | 3,798 | 3,945 |
| Deferred tax assets | 25,784 | 22,256 | 15,491 | 111,318 | 100,923 |
| Other | 20,325 | 23,870 | 22,322 | 28,914 | 32,718 |
| Allowance for doubtful receivables | (2,970) | (2,949) | (2,865) | (670) | (531) |
| Investment valuation allowance | (249) | - | - | - | - |
| Total investments and other assets | 186,474 | 186,436 | 189,614 | 355,398 | 358,734 |
| Total non-current assets | 1,158,859 | 1,154,694 | 1,182,181 | 1,362,682 | 1,405,516 |
| Total Assets | 2,473,287 | 2,548,401 | 2,524,552 | 2,724,092 | 2,871,018 |

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Consolidated Balance Sheets

(in millions of yen)

| As of March 31 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|-----------|-----------|-----------|-----------|-----------|
| Liabilities | | | | | |
| Current Liabilities: | | | | | |
| Trade notes and accounts payable | 379,358 | 374,637 | 388,880 | 417,589 | 432,669 |
| Short-term loans payable | 116,677 | 117,143 | 124,454 | 101,844 | 124,484 |
| Bonds due within one year | 20,100 | 350 | - | - | 20,000 |
| Long-term loans payable due within one year | 74,313 | 140,798 | 89,997 | 74,121 | 28,359 |
| Lease obligations | 1,719 | 1,896 | 2,125 | 2,420 | 2,744 |
| Income taxes payable | 16,398 | 31,784 | 13,450 | 15,567 | 9,877 |
| Other accounts payable | 41,019 | 35,360 | 30,659 | 35,986 | 31,386 |
| Accrued expenses | 173,992 | 168,799 | 189,249 | 203,396 | 213,608 |
| Reserve for warranty expenses | 45,763 | 104,723 | 123,455 | 104,435 | 98,267 |
| Other | 34,720 | 30,980 | 33,760 | 40,906 | 40,731 |
| Total current liabilities | 904,059 | 1,006,470 | 996,029 | 996,264 | 1,002,125 |
| Non-current Liabilities: | | | | | |
| Bonds | 20,350 | 20,000 | 20,000 | 50,000 | 30,000 |
| Long-term loans payable | 464,597 | 333,661 | 251,248 | 265,653 | 397,065 |
| Lease obligations | 3,263 | 3,284 | 3,610 | 3,855 | 4,399 |
| Deferred tax liability related to land revaluation | 68,134 | 64,719 | 64,715 | 64,553 | 64,553 |
| Reserve for loss on business of subsidiaries and affiliates | 8,955 | 7,326 | 529 | 821 | 949 |
| Reserve for environmental measures | 1,090 | 677 | 677 | 529 | - |
| Liability for retirement benefits | 62,669 | 85,916 | 72,888 | 67,287 | 69,691 |
| Other | 48,844 | 49,625 | 50,818 | 55,660 | 53,321 |
| Total non-current liabilities | 677,902 | 565,208 | 464,485 | 508,358 | 619,978 |
| Total Liabilities | 1,581,961 | 1,571,678 | 1,460,514 | 1,504,622 | 1,622,103 |
| Net Assets | | | | | |
| Capital and Retained Earnings: | | | | | |
| Common stock | 258,957 | 258,957 | 258,957 | 283,957 | 283,957 |
| Capital surplus | 242,650 | 243,048 | 239,909 | 264,910 | 264,913 |
| Retained earnings | 248,094 | 367,601 | 445,353 | 536,856 | 577,836 |
| Treasury stock | (2,222) | (2,228) | (2,231) | (2,230) | (2,215) |
| Total capital and retained earnings | 747,479 | 867,378 | 941,988 | 1,083,493 | 1,124,491 |
| Accumulated Other Comprehensive Income/(Loss): | | | | | |
| Net unrealized gain/(loss) on available-for-sale securities | 3,681 | 3,721 | 3,913 | 8,786 | 4,008 |
| Deferred gains/(losses) on hedges | 668 | (600) | 1,188 | 305 | 804 |
| Land revaluation | 142,586 | 145,952 | 145,944 | 145,574 | 145,574 |
| Foreign currency translation adjustment | (21,376) | (36,877) | (33,812) | (28,576) | (34,220) |
| Accumulated adjustments for retirement benefits | (3,443) | (25,558) | (19,800) | (16,657) | (21,921) |
| Total accumulated other comprehensive income/(loss) | 122,116 | 86,638 | 97,433 | 109,432 | 94,245 |
| Stock Acquisition Rights | - | - | 91 | 183 | 255 |
| Non-controlling Interests | 21,731 | 22,707 | 24,526 | 26,362 | 29,924 |
| Total Net Assets | 891,326 | 976,723 | 1,064,038 | 1,219,470 | 1,248,915 |
| Total Liabilities and Net Assets | 2,473,287 | 2,548,401 | 2,524,552 | 2,724,092 | 2,871,018 |

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Consolidated Statements of Operations and Comprehensive Income

Consolidated Statements of Operations

(in millions of yen)

| For the years ended March 31 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|----------------|----------------|----------------|----------------|----------------|
| Net sales | 3,033,899 | 3,406,603 | 3,214,363 | 3,474,024 | 3,564,696 |
| Cost of sales | 2,247,720 | 2,567,465 | 2,448,184 | 2,653,600 | 2,771,952 |
| Gross profit | 786,179 | 839,138 | 766,179 | 820,424 | 792,744 |
| Selling, general and administrative expenses | 583,291 | 612,363 | 640,492 | 674,003 | 709,731 |
| Operating income | 202,888 | 226,775 | 125,687 | 146,421 | 83,013 |
| Non-operating income | | | | | |
| Interest income | 3,852 | 3,725 | 3,099 | 3,681 | 4,775 |
| Dividend income | 416 | 622 | 441 | 1,395 | 2,352 |
| Rental income | 1,927 | 2,162 | 1,821 | 1,784 | 1,755 |
| Equity in net income of affiliated companies | 17,216 | 21,988 | 30,880 | 32,366 | 30,688 |
| Foreign exchange gain | 432 | - | - | - | 2,524 |
| Other | 4,243 | 3,447 | 3,413 | 3,648 | 3,819 |
| Total | 28,086 | 31,944 | 39,654 | 42,874 | 45,913 |
| Non-operating expenses | | | | | |
| Interest expense | 13,706 | 12,859 | 9,383 | 7,442 | 5,945 |
| Loss on transfer of receivables | 1,091 | 1,814 | 1,501 | 1,807 | 1,855 |
| Foreign exchange loss | - | 16,026 | 7,763 | 3,624 | - |
| Other | 3,611 | 4,457 | 7,182 | 4,289 | 4,338 |
| Total | 18,408 | 35,156 | 25,829 | 17,162 | 12,138 |
| Ordinary income | 212,566 | 223,563 | 139,512 | 172,133 | 116,788 |
| Extraordinary income | | | | | |
| Gain on sales of property, plant and equipment | 308 | 277 | 256 | 904 | 525 |
| Gain on sale of investment securities | - | 211 | 44 | 515 | 1,730 |
| Gain on reversal of reserve for loss on business of subsidiaries and affiliates | 6,131 | - | 394 | - | - |
| State subsidy | - | 160 | - | - | - |
| Compensation for the exercise of eminent domain | 41 | 1 | 17 | - | - |
| Other | - | 11 | - | 74 | 37 |
| Total | 6,480 | 660 | 711 | 1,493 | 2,292 |
| Extraordinary losses | | | | | |
| Loss on sales and retirement of property, plant and equipment | 5,957 | 6,146 | 5,172 | 5,679 | 5,804 |
| Impairment loss | 2,495 | 1,165 | 1,120 | 2,425 | 1,149 |
| Loss on disaster | - | - | - | - | 3,726 |
| Reserve for product warranties | - | 40,708 | - | - | - |
| Loss on business of subsidiaries and affiliates | 1,149 | 1,971 | - | - | - |
| Reserve for loss on business of subsidiaries and affiliates | - | 6,909 | - | 292 | 128 |
| Reserve for environmental measures | 107 | 2 | - | - | - |
| Litigation settlement | - | - | - | 7,539 | - |
| Business structure improvement expenses | - | - | 5,515 | - | - |
| Other | 3 | 336 | 3 | 207 | - |
| Total | 9,711 | 57,237 | 11,810 | 16,142 | 10,807 |
| Income before income taxes | 209,335 | 166,986 | 128,413 | 157,484 | 108,273 |
| Income taxes | | | | | |
| Current | 29,379 | 50,687 | 30,316 | 35,842 | 30,325 |
| Deferred | 18,295 | (21,004) | 351 | 7,074 | 11,174 |
| Total | 47,674 | 29,683 | 30,667 | 42,916 | 41,499 |
| Net income | 161,661 | 137,303 | 97,746 | 114,568 | 66,774 |
| Net income attributable to Non-controlling interests | 2,853 | 2,884 | 3,966 | 2,511 | 3,298 |
| Net income attributable to owners of the parent | 158,808 | 134,419 | 93,780 | 112,057 | 63,476 |

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Consolidated Statements of Comprehensive Income

(in millions of yen)

| For the years ended March 31 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|---------|----------|---------|---------|----------|
| Net income | 161,661 | 137,303 | 97,746 | 114,568 | 66,774 |
| Other comprehensive income/(loss) | | | | | |
| Net unrealized gain/(loss) on available-for-sale securities | 2,523 | 47 | 184 | 4,870 | (4,766) |
| Deferred gains/(losses) on hedges | 1,900 | (1,115) | 1,652 | (950) | 567 |
| Revaluation reserve for land | 7,055 | 3,399 | - | - | - |
| Foreign currency translation adjustment | 4,059 | (10,351) | 7,874 | (248) | (1,123) |
| Adjustments for retirement benefits | 4,643 | (21,838) | 5,762 | 3,053 | (5,271) |
| Share of other comprehensive income/(loss) of affiliates accounted for using equity method | 32,865 | (7,346) | (4,939) | 5,207 | (4,152) |
| Total | 53,045 | (37,204) | 10,533 | 11,932 | (14,745) |
| Comprehensive income/(loss) | 214,706 | 100,099 | 108,279 | 126,500 | 52,029 |
| Comprehensive income/(loss) attributable to: | | | | | |
| Owners of the parent | 209,038 | 98,974 | 104,583 | 124,426 | 48,289 |
| Non-controlling interests | 5,668 | 1,125 | 3,696 | 2,074 | 3,740 |

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Consolidated Statements of Cash Flows

(in millions of yen)

| For the years ended March 31 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|-----------------|------------------|------------------|------------------|------------------|
| Cash flows from operating activities: | | | | | |
| Income before income taxes | 209,335 | 166,986 | 128,413 | 157,484 | 108,273 |
| Adjustments to reconcile income before income taxes to net cash provided by/(used in) operating activities: | | | | | |
| Depreciation and amortization | 68,872 | 78,972 | 82,416 | 86,954 | 88,443 |
| Impairment loss | 2,495 | 1,165 | 1,120 | 2,425 | 1,149 |
| Increase/(decrease) in allowance for doubtful receivables | (20) | (21) | 334 | 239 | (7) |
| Increase/(decrease) in reserve for warranty expenses | 13,683 | 59,006 | 18,732 | (19,020) | (6,168) |
| Increase/(decrease) in reserve for loss on business of subsidiaries and affiliates | (6,131) | 5,655 | 529 | 292 | 128 |
| Increase/(decrease) in reserve for environmental measures | (484) | (413) | - | - | - |
| Increase/(decrease) in liability for retirement benefits | (2,596) | (6,368) | (4,953) | (2,112) | (4,787) |
| Interest and dividend income | (4,268) | (4,347) | (3,540) | (5,076) | (7,127) |
| Interest expense | 13,706 | 12,859 | 9,383 | 7,442 | 5,945 |
| Equity in net loss/(income) of affiliated companies | (17,216) | (21,988) | (30,880) | (32,366) | (30,688) |
| Loss/(gain) on sales and retirement of property, plant and equipment | 5,608 | 5,868 | 4,899 | 4,775 | 5,249 |
| Loss/(gain) on sales of investment securities | - | - | - | - | (1,730) |
| Decrease/(increase) in trade notes and accounts receivable | (30,252) | 14,561 | (19,220) | (3,941) | 29,875 |
| Decrease/(increase) in inventories | (49,403) | (27,151) | (11,884) | (29,966) | (33,513) |
| Decrease/(increase) in other current assets | - | - | - | - | (12,568) |
| Increase/(decrease) in trade notes and accounts payable | 46,568 | (3,968) | 18,343 | 29,888 | 15,056 |
| Increase/(decrease) in other current liabilities | 24,710 | (8,420) | 19,366 | 26,384 | 9,646 |
| Other | (45,467) | 18,004 | (13,070) | (8,780) | (13,385) |
| Subtotal | 229,140 | 290,400 | 199,988 | 214,622 | 153,791 |
| Interest and dividends received | 4,898 | 15,980 | 17,882 | 34,892 | 37,169 |
| Interest paid | (14,081) | (13,177) | (9,193) | (8,333) | (5,995) |
| Income taxes refunded/(paid) | (15,498) | (30,433) | (47,580) | (33,386) | (38,275) |
| Net cash provided by/(used in) operating activities | 204,459 | 262,770 | 161,097 | 207,795 | 146,690 |
| Cash flows from investing activities: | | | | | |
| Net decrease/(increase) in time deposits | 988 | (27,006) | 26,996 | (10,166) | 9,277 |
| Net decrease/(increase) in securities | - | (3,000) | 3,000 | - | - |
| Purchase of investment securities | (1,907) | (3,242) | (6,480) | (55,698) | (19,504) |
| Proceeds from sales and redemption of investment securities | 40,810 | 3,549 | 581 | 3,450 | 2,722 |
| Acquisition of property, plant and equipment | (123,370) | (78,904) | (78,232) | (87,063) | (110,185) |
| Proceeds from sales of property, plant and equipment | 1,476 | 8,761 | 1,907 | 3,715 | 2,910 |
| Acquisition of intangible assets | (12,758) | (9,175) | (11,475) | (12,120) | (10,468) |
| Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation | - | - | - | 447 | - |
| Net decrease/(increase) in short-term loans receivable | (784) | 71 | 20 | 401 | (110) |
| Payments of long-term loans receivable | (592) | (795) | (428) | (483) | (4,614) |
| Collections of long-term loans receivable | 1,075 | 1,873 | 682 | 281 | 338 |
| Other | (486) | (224) | (322) | (2,753) | (1,977) |
| Net cash provided by/(used in) investing activities | (95,548) | (108,092) | (63,751) | (159,989) | (131,611) |
| Cash flows from financing activities: | | | | | |
| Net increase/(decrease) in short-term loans payable | 11,909 | (50) | 10,399 | (28,283) | 25,486 |
| Proceeds from long-term loans payable | 18,592 | 17,119 | 96,739 | 92,270 | 157,798 |
| Repayments of long-term loans payable | (87,811) | (74,390) | (230,254) | (89,910) | (75,004) |
| Proceeds from issuance of bonds | 19,913 | - | - | 29,863 | - |
| Redemption of bonds | (20,100) | (20,100) | (350) | - | - |
| Proceeds from issuance of common stock | - | - | - | 49,780 | - |
| Proceeds from sale and leaseback transactions | - | - | 146 | 188 | - |
| Repayments of lease obligations | (2,273) | (1,950) | (2,112) | (2,361) | (2,692) |
| Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation | - | - | (6,356) | - | - |
| Proceeds from stock issuance to non-controlling shareholders | - | 297 | - | - | - |
| Cash dividends paid | (2,989) | (14,946) | (17,935) | (20,924) | (22,041) |
| Cash dividends paid to non-controlling interests | - | (36) | (172) | (164) | (154) |
| Net decrease/(increase) in treasury stock | (17) | (6) | (3) | 2 | 18 |
| Net cash provided by/(used in) financing activities | (62,776) | (94,062) | (149,898) | 30,461 | 83,411 |
| Effects of exchange rate fluctuations on cash and cash equivalents | 3,259 | (21,050) | 6,156 | (277) | (1,720) |
| Net increase/(decrease) in cash and cash equivalents | 49,394 | 39,566 | (46,396) | 77,990 | 96,770 |
| Cash and cash equivalents at beginning of the period | 479,754 | 529,148 | 568,714 | 526,864 | 604,854 |
| Increase/(decrease) in cash and cash equivalents resulting from change of scope of consolidation | - | - | 4,546 | - | - |
| Cash and cash equivalents at end of the period | 529,148 | 568,714 | 526,864 | 604,854 | 701,624 |

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