

2022

Annual Report

For the Fiscal Year Ended March 31, 2022

Consolidated Financial Overview

	2021 68th term (April 1, 2020~ March 31, 2021)	2022 69th term (April 1, 2021~ March 31, 2022)
Revenue (Millions of yen)	157,231	164,230
Profit before tax (Millions of yen)	6,110	11,907
Profit (Millions of yen)	226	6,406
Profit attributable to owners of parent (Millions of yen)	666	5,154
Comprehensive income (Millions of yen)	5,583	12,250
Equity attributable to owners of parent (Millions of yen)	52,663	62,583
Total assets (Millions of yen)	126,448	143,279
Equity attributable to owners of parent per share (Yen)	2,199.82	2,614.22
Basic earnings per share (Yen)	27.77	215.28
Diluted earnings per share (Yen)	—	—
Equity attributable to owners of parent to total assets ratio (%)	41.6	43.7
Profit to equity attributable to owners of parent ratio (%)	1.3	8.9
Price earnings ratio (Times)	23.0	3.3
Cash flows from operating activities (Millions of yen)	8,889	12,839
Cash flows from investing activities (Millions of yen)	(7,337)	(5,334)
Cash flows from financing activities (Millions of yen)	(6,589)	144
Cash and cash equivalents at end of period (Millions of yen)	21,738	32,253
Number of employees [Average number of temporary employees outside the above] (Persons)	6,819 [1,047]	6,662 [1,088]

- (Notes) 1. The Company has prepared its consolidated financial statements based on the International Financial Reporting Standards (hereinafter "IFRS").
2. The amounts are rounded to the nearest million yen.
3. Diluted earnings per share is not stated due to the absence of dilutive shares.
4. Price earnings ratio for the 66th and 67th terms is not listed because the Company recorded a loss for the respective terms.
5. The number of employees indicated here denotes the number of persons currently employed.
6. At the Board of Directors meeting in the 65th term held on December 18, 2017, it was decided to transfer the vehicle production business to Honda Motor Co., Ltd. A share transfer agreement was concluded on the same day, at which point the business was reclassified as a discontinued operation.

1. Analysis of Results of Operations

(1) Analysis for Results for the Current Fiscal Year

The economic situation in Japan in the current fiscal year is still severely affected by the COVID-19 pandemic, but capital investment has continued to pick up. In overseas markets, the American and Asian economies continued their recovery trend, and the Chinese economy continued its gradual recovery, although there are concerns regarding the spread of COVID-19 and fluctuations in financial and capital markets.

Under these circumstances, the Group has positioned the three years from April 2020 as "Rebuilding a foundation for further growth" in the 14th Mid-term (20-22 mid-term) in order to achieve the Vision 2030, and has determined to stabilize its production foundation and global operations to solidify the foundation for the businesses. We have been promoting our business with five company-wide priority measures.

In "Strengthening competitiveness and manufacturing evolution", we promoted the development of specifications that meet customer needs and take into account the future market potential of sunroofs, fuel tanks, and plastic products, and we continued to establish competitive technologies and product features. In sunroof products, we strove to further expand our sunroof lineup by developing glass roofs without opening/closing mechanisms. In China, we took part in the Guangzhou International Automobile Exhibition and secured orders for roll sunshades from local automobile manufacturers. In plastic products, we promoted the development of plastic backdoors that meet customer cost demands and began deliberating new module products for future launch. In the plastic molding field, we received orders for new models of outboard motor covers for use in small boats and began production. In CFRP products, our CFRP ROOF for the Honda S660, which were launched in June 2019, have continued to perform well, and we increased our production capacity for the product. Furthermore, we also advanced in our development of CFRP RR HOOD for future inclusion in our lineup. We continued to develop a wide range of specifications of hydrogen storage tank for fuel cell vehicles, including products for use in vehicles, which we have been promoting for some time. In the area of plastic fuel tanks, we implemented measures aimed at improving our competitiveness from a manufacturing vantage, such as establishing technologies for manufacturing products while maintaining consistent quality levels. In order to expand new sales channels, we actively conducted product presentations for automobile manufacturers.

In "Making a solid business basis", we strove to improve our production characteristics by making dramatic efficiency improvements at production sites, reducing the cost ratio. On our plastic fuel tank production lines, we reviewed and revised our production processes to flexibly accommodate work processes, which vary by model. In the Americas, we implemented a variety of initiatives with the aim of further stabilizing production. As a result of these efforts, we succeeded in raising production facility operation rates by appropriately allocating personnel, lowering defect ratios in production processes, and increasing overall productivity. We also began manufacturing sunroof and fuel tank components in-house and carrying out cost reduction measures. In the indirect field, we conducted RPA(*1) activities and began deliberations regarding DX(*2) in order to further promote operational efficiency. In addition, in the

planning of the new models, we were able to meet our cost targets by strengthening our promotion systems for individual models. In the current fiscal year, there were factors to reduce profits, including a decrease in orders received due mainly to the semiconductor supply shortage, and the soaring costs of raw materials. However, we promoted measures for solidifying our business foundation, and our business results surpassed our initial plans, with both revenue and profits rising.

In "Reinforcing the global QD structure", we have reflected on and used the lessons we have learned about critical quality defects that occurred in the past to firmly establish measures for improving quality in the areas of development, mass production, and our production characteristics, realizing the quality maturation in our production preparation stage while designing products that are free of defects and easy to produce. Through this, we have further refined and strengthened our defect prevention initiatives. We have further promoted our measures aimed at increasing accuracy in order to better stabilize the quality of our existing products and our measures for better stabilizing the quality of our business partners. In addition, we have provided employees involved in production with thorough quality fundamentals training to create an organization that assures a higher level of quality. Through these measures, we have further reduced the number of defects and our production sites have received commendations from customers in the Americas and China in recognition of their quality and delivery timeliness.

In "Revitalization of human and organization & human resource enhancement", we have made more opportunities for engaging in direct dialogue between management and employees to improve the working environment from a variety of perspectives in order to enhance the appeal of our company. We have also actively shared communications from management in order to increase employees' understanding of the Company. We have begun to reform our corporate culture so that we can flexibly respond to the difficult business environment of the future. We have defined the purposes of this transformation to be "unity" and "taking on new challenges as an evolving organization", and implemented measures in line with these purposes. These measures included holding an idea contest which provided employees with an opportunity to bring forth their own creativity, and refine and realize their ideas. This further motivated each and every employee to take on new challenges. In order to improve our organizational capabilities, we continued our activities aimed at further promoting our corporate philosophy and carried out initiatives for reforming the awareness of the management levels and revitalize them.

In "Sustainability development for corporate value improvement", we have achieved our initial environmental targets for expansion and are compliant with environmental regulations. Our environmental impact reduction efforts included the promotion of the switchover to renewable energy such as solar energy. We also met our CO2 emissions reduction, water usage reduction, and waste reduction targets. We launched a project with an even higher target, achieving carbon neutrality by 2050, and began conducting activities that work towards that target. In our corporate social responsibility activities, we coordinated with a local social welfare corporation to contribute to a mutual assistance project in which employees shared living supplies they had at home as well as donating food and scholarship funds.

Revenue in the current fiscal year increased by 6,999 million yen (4.5%) year on year, to 164,230 million yen, due to an increase in revenue after foreign currency translation, despite factors such as a decline in orders received due to the semiconductor supply shortage. In terms of Profit, operating profit increased by 4,889 million yen (86.9%) from the previous fiscal year, when the company recorded reserves for product warranty, to 10,518 million yen, despite a decline in orders received. Profit before tax increased by 5,797 million yen (94.9%) year on year, to 11,907 million yen, while profit attributable to owners of parent was 5,154 million yen; a profit increase of 4,488 million yen (674.2%) year on year was made.

(*1)RPA

Robotic Process Automation. Using software running on computers or in the cloud to automate activities that previously had been performed on computers by people.

(*2)DX

Digital Transformation. Using digital technologies to transform and improve business and people lives.

Business results by segment are as follows:

(Japan)

In Japan, revenue increased by 2,456 million yen (11.5%) compared to the previous fiscal year, to 23,865 million yen, due primarily to the recovery of the Company's performance from a decrease in orders received because of the spread of COVID-19 infections, in spite of a decrease in orders received due to the shortage in semiconductor supply. Profit before tax totaled 1,159 million yen, an increase of 3,396 million yen compared to the previous fiscal year, due primarily to an increase in orders received, the positive effects of cost improvements, and a decrease in impairment losses.

(The Americas)

In the Americas, revenue decreased by 549 million yen (1.9%) compared to the previous fiscal year, to 28,548 million yen, due primarily to a decrease in orders received because of the shortage in semiconductor supply, in spite of the recovery of the Company's performance from a decrease in orders received because of the spread of COVID-19 infections. Loss before tax was 2,272 million yen, an increase of 3,678 million yen compared to the previous fiscal year when reserve for product warranty was recorded, mainly due to the positive effects of cost improvements, in spite of a decrease in orders received.

(China)

In China, revenue decreased by 4,586 million yen (7.9%) compared to the previous fiscal year, to 53,106 million yen, due primarily to a decrease in orders received because of the shortage in semiconductor supply, in spite of the positive effects of foreign currency translation. Profit before tax totaled 10,174 million yen, a decrease of 2,016 million yen (16.5%) compared to the previous fiscal year, mainly due to a decrease in orders received, in spite of the positive effects of cost improvements.

(Asia)

In Asia, revenue increased by 9,678 million yen (19.7%) compared to the previous fiscal year when there was a significant decrease in orders received, to 58,711 million yen, in spite of remaining impacts of the spread of COVID-19 infections. Profit before tax increased by 699 million yen (33.9%) year on year, to 2,761 million yen, mainly due to an increase in orders received.

(2) Analysis of Financial Position

Total assets as of the end of the current fiscal year, stood at 143,279 million yen, representing an increase of 16,830 million yen compared to the end of the previous fiscal year. There were increases in cash and cash equivalents by 10,515 million yen and inventories by 4,325 million yen, in spite of a decrease in other financial assets by 2,763 million yen.

Total liabilities stood at 66,880 million yen, representing an increase of 5,447 million yen compared to the end of the previous fiscal year. The increase was mainly due to an increase in other financial liabilities by 2,301 million yen and an increase in trade and other payables by 1,917 million yen, despite a decline in provisions by 1,803 million yen.

Total equity stood at 76,399 million yen, representing an increase of 11,383 million yen compared to the end of the previous fiscal year. The increase was mainly due to an increase in other components of equity by 5,003 million yen and an increase in retained earnings by 4,907 million yen.

(3) Cash Flow Status

The balance of cash and cash equivalents at the end of the current fiscal year (hereinafter referred to as "Funds") was 32,253 million yen. This represents an increase of 10,515 million yen from the end of the previous fiscal year, due to profit before tax of 11,907 million yen and depreciation and amortization of 7,636 million yen, despite purchase of property, plant and equipment of 6,221 million yen and 4,814 million yen for income taxes paid.

The status of cash flow in the current fiscal year and the factors related to increases and decreases compared to the previous fiscal year are described below:

(Cash flows from operating activities)

Funds provided by operating activities increased by 3,950 million yen, compared to the previous fiscal year, to 12,839 million yen (8,889 million yen of funds provided in the previous fiscal year). This was primarily due to profit before tax of 11,907 million yen and depreciation and amortization of 7,636 million yen, despite income taxes paid of 4,814 million yen and an increase in inventories of 3,082 million yen.

(Cash flows from investing activities)

Funds used in investing activities decreased by 2,004 million yen, compared to the previous fiscal year, to 5,334 million yen (7,337 million yen of funds used in the previous fiscal year). This was primarily due to the withdrawal of time deposits of 1,906 million yen, despite purchase of property, plant and equipment of 6,221 million yen.

(Cash flows from financing activities)

Funds provided by financing activities increased by 6,733 million yen, compared to the previous fiscal year, to 144 million yen (6,589 million yen used in the previous fiscal year). This was primarily due to a net increase in short-term borrowings of 3,473 million yen, despite repayments of long-term borrowings of 2,000 million yen and cash dividends paid of 876 million yen.

2. Dividend Policy

The Company's capital policy is based on securing a strong financial base that enables strategic investments including facilities and R&D for sustainable business growth, and providing a stable return of profits to shareholders, in order to enhance its corporate value over the long term.

The Company's basic policy is to pay dividends from surplus twice a year through an interim dividend and a year-end dividend.

The decision-making bodies for these dividends are the Board of Directors for the interim dividend and the General Shareholders' Meeting for the year-end dividend.

The Company has decided a year-end dividend for the current fiscal year of 12 yen per share (18 yen per share as an annual dividend, combined with an interim dividend of 6 yen per share). As a result, the dividends to equity attributable to owners of the consolidated parent company ratio for the current fiscal year will be 0.7%.

3. Management Policy and Business Environment

The future perspective presented below reflects our understanding of our business circumstances as of the date of publication of this document.

(1) Basic Management Policy

The Group sincerely fulfills our responsibilities as a manufacturing company to provide products and technologies that are vital to society based on the "Yachiyo Corporate Philosophy". The "Yachiyo Corporate Philosophy" comprises "Respect for the Individual" and "Customer First" as our Fundamental Beliefs. "Respect for the Individual" means we respect each other's individuality, build mutual trust based on a collegial relationship for realization of our Group's common goals by making sincere efforts and actively participating to realize a sense of fulfillment. "Customer First" means we believe it is our task to satisfy customers with products that exceed their expectations. In order for the Group to "aims to become a company that is recognized and valued by society", our employees understand the "Yachiyo Corporate Philosophy" well, so they will be prepared to meet the ever-changing requirements of society.

(2) Target Management Indicators

The Group positions the consolidated operating income margin as an important management indicator for attaining steady growth in the global market, securing appropriate profits, and improving corporate value.

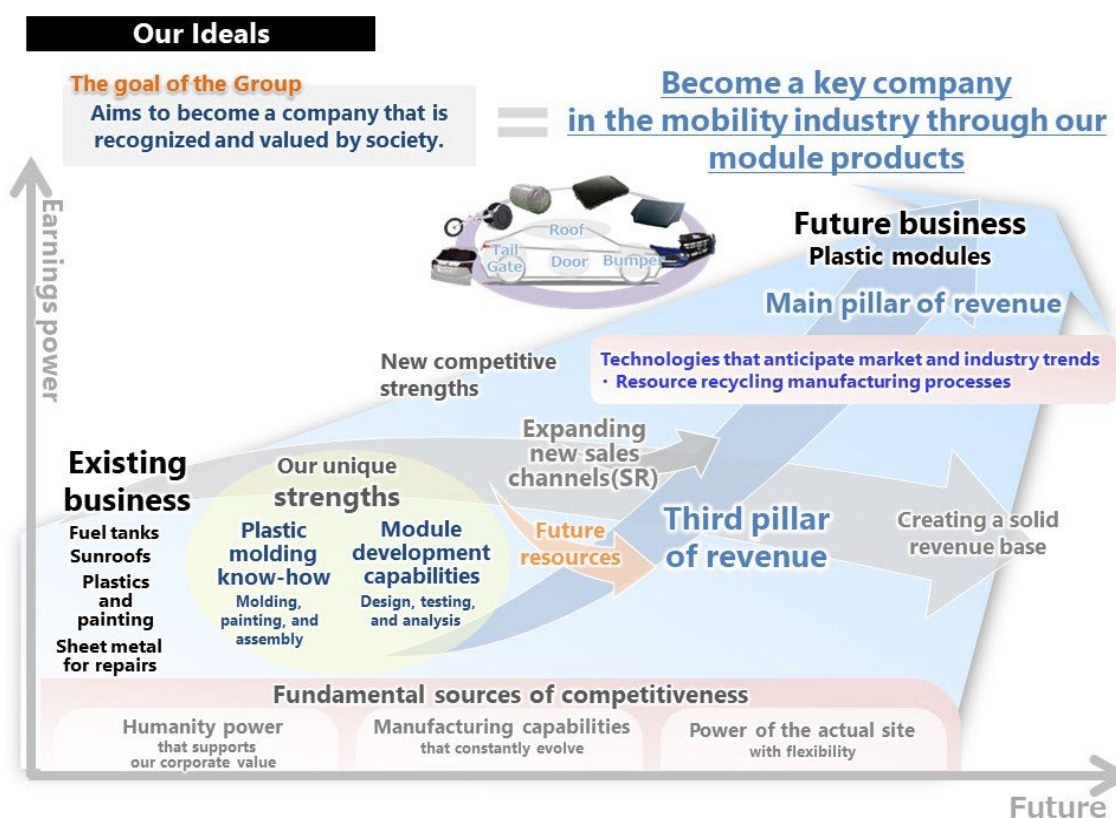
(3) Business Environment

The outlook for the future economic situation both in Japan and overseas is expected to continue recovering gradually. However, in addition to the COVID-19 pandemic, we expect the future outlook to remain unclear due to ongoing supply limitations, the rising price of raw materials, the ongoing risk of an economic downturn due to fluctuations in the financial and capital markets, the situation in Ukraine, and other factors. In the automotive industry, where the Group operates, the semiconductor supply shortage has had a prolonged impact, such as reducing new automobile production, and the outlook remains extremely unclear. There is a growing interest in switching to electrification of automobiles from the standpoint of environmental conservation around the world. Governments and local governments in each country are moving to set a target year for electrification of automobiles, and automobile manufacturers are creating concrete long-term electrification policies and sales plans. Accordingly, steady progress is being made in preparations for dramatic changes to the market environment. As automobile manufacturers advance by investing resources into the automobile electrification, they are increasingly procuring parts from suppliers that possess planning and development capabilities for making original proposals with global level supply capabilities. Furthermore, with this trend, partnerships going beyond the boundaries of the automotive industry are becoming more prevalent as electronic manufacturers, material manufacturers, IT companies, and other companies enter partnerships with automotive-related companies.

To achieve our Vision 2030 ideal of "becoming a key company in the mobility industry by our constant manufacturing evolution", we have defined milestones for each three year period, and are implementing measures for achieving those milestones.

However, the automobile industry environment is rapidly changing. Governments and local governments are setting a target year for electrification of automobiles from the standpoint of environmental conservation around the world, and automobile manufacturers are creating concrete long-term electrification policies.

Given this situation, we aim to expand new sales channels for our sunroof business, one of our existing businesses, and to solidify the revenue base in our fuel tank business. Unfortunately, due to the future carbon neutral frameworks of our customers, fuel tank production volume will decline. This is why we will shift our development resources from fuel tanks to plastics, establishing them as a core business and becoming a key company in the mobility industry through our module products, such as sunroofs and plastics.



Sunroof Business Development

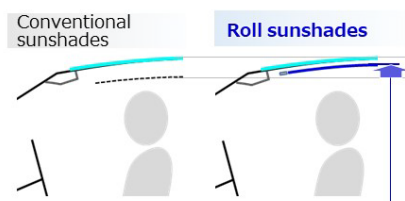
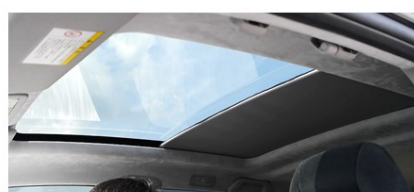
In the sunroof business, we will extend our product lineup and expand new sales channels in order to grow the scale of our business.

Our product lineup extension efforts include the development of a glass top, thin roll sunshade module that uses our sunroof technologies. This product consists of a roll sunshade that is electrically rolled away and a glass roof without opening/closing mechanisms. In addition, this product is roughly 70% thinner than our previous products, creating a more spacious cabin interior. We plan to begin marketing this product to complete vehicle manufacturers in the future.

With regard to expanding new sales channels, since product specifications and cost demands vary by region, we have defined region-specific strategies. We are working to improve our cost competitiveness, such as by expanding our local procurement in Asian markets. In the Chinese market, new complete vehicle manufacturers are also actively adopting sunroofs. To capture those needs, we have continued to conduct proactive sales activities such as exhibiting in motor shows every year. As a result of these efforts, we have received orders for roll sunshades used in glass top, thin roll sunshade modules. We plan to begin production through Yachiyo Zhongshan Manufacturing Co., Ltd. in around spring of 2024. In the North American market, in addition to offering a stable supply of panoramic sunroofs and other products, we are actively marketing our rear slide windows for pickup trucks.

Product development

We have completed the development of thin, lightweight module products for use in the sunroofs of next-generation vehicles



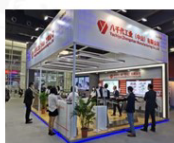
Combining this product with roll sunshades **reduces sunroof thickness by approx. 70% (compared to previous models)**

Deployment of region-specific product range



Highlight

Orders for roll sunshades received from new customers



Exhibition in Auto Guangzhou in November 2021



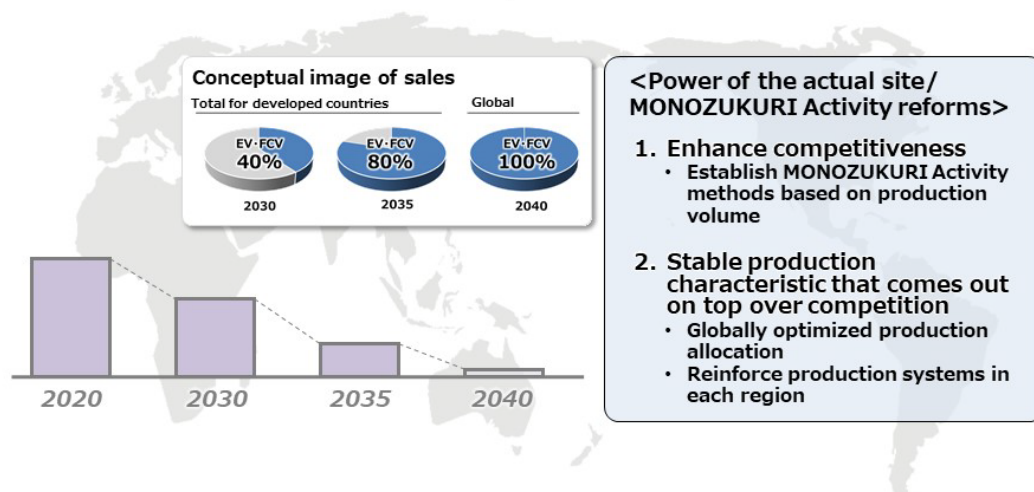
Production plant:
Yachiyo Zhongshan Manufacturing Co., Ltd.
Start of production:
Around spring of 2024

Fuel Tank Business Development

In the fuel tank business, the electrification of automobiles will cause a decline in the production of fuel tanks for gas-powered vehicles, so we will downsize our production facilities. However, we will continue development aimed at improving productivity and promote steadily business operations by supplying products that are superior to those of our competitors until the very end.

Furthermore, with respect to hydrogen storage tanks for fuel cell vehicles, which we are already developing, we predict that long tanks will become the most commonly used type of tank in vehicles, and we are progressing with our development of long tanks. Installing a long hydrogen storage tank in the center of the vehicle ensures a large cabin spaces and contributes to the realization of a long driving range. The hydrogen storage tanks we have developed were exhibited at FC EXPO 2022 in March, where they were well received by the many industry members who saw them. Looking forward, we will seek international certification in 2024 in preparation for mass production of hydrogen storage tanks for fuel cell vehicles, and we will promote the development of even lighter and higher-quality products for the realization of a hydrogen-based future society.

Business downsizing strategy



Plastics Business Development

In the plastics business, we aim to expand our business, making it a new future revenue base. We already manufacture bumpers, spoilers, and similar products. In recent years, we have become highly competitive and capable of handling diverse orders, such as new orders for bumpers from Daihatsu Motor and increased orders for motorcycle parts. Furthermore, we have also made advances with our eyes set on new business fields, expanding into areas other than motorcycle and automobile products. As one example, we have already been a manufacturer of plastic exterior covers for outboard motors, but we have received new orders for engine cases for a new model which began production in November 2021.

In the new technology field, we have established mass production technologies for racing wheelchairs made using carbon material, CFRP ROOF for the S660, and more. The Honda S660 CFRP ROOF is lightweight and sturdy, with an exceptional design. This is why numerous customers enter the lottery every month. A CFRP RR HOOD for the S660 will be added to our product lineup and sold starting October 2022. As for plastic back door, we have begun working on the development of even more highly competitive products as we make transaction proposals to customers. In the future, we will promote deliberation of new module products in order to grow the plastics business into a core business.

Development of hydrogen storage tanks for fuel cell vehicles



Exhibition at FC EXPO 2022



Consolidated Statements of Financial Position

Millions of yen

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and cash equivalents	21,738	32,253
Trade and other receivables	29,630	31,988
Other financial assets	4,066	2,323
Inventories	12,332	16,658
Other current assets	1,339	1,263
Total current assets	69,105	84,486
Non-current assets		
Property, plant and equipment	48,507	49,568
Intangible assets	2,670	3,097
Right-of-use assets	658	761
Other financial assets	1,862	842
Deferred tax assets	1,418	1,825
Retirement benefit asset	1,950	2,422
Other non-current assets	278	278
Total non-current assets	57,344	58,793
Total assets	126,448	143,279
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	23,169	25,086
Borrowings	10,334	13,930
Other financial liabilities	625	775
Income taxes payable	818	1,199
Provisions	3,982	1,239
Other current liabilities	5,096	5,270
Total current liabilities	44,023	47,499
Non-current liabilities		
Borrowings	5,000	3,000
Other financial liabilities	458	2,610
Retirement benefit liability	6,370	6,609
Provisions	–	940
Deferred tax liabilities	5,275	5,730
Other non-current liabilities	307	492
Total non-current liabilities	17,410	19,381
Total liabilities	61,433	66,880
Equity		
Share capital	3,686	3,686
Capital surplus	3,490	3,500
Retained earnings	42,449	47,356
Treasury shares	(60)	(60)
Other components of equity	3,097	8,101
Total equity attributable to owners of parent	52,663	62,583
Non-controlling interests	12,353	13,816
Total equity	65,015	76,399
Total liabilities and equity	126,448	143,279

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

For the years ended March 31
Millions of yen

	2021 68 th term	2021 69 th term
Revenue	157,231	164,230
Cost of sales	(133,619)	(139,639)
Gross profit	23,613	24,591
Selling, general and administrative expenses	(14,580)	(11,622)
Research and development expenses	(3,534)	(2,464)
Other income	423	320
Other expenses	(293)	(307)
Operating profit	5,629	10,518
Finance income	583	1,499
Finance costs	(102)	(110)
Profit before tax	6,110	11,907
Income tax expense	(5,884)	(5,501)
Profit	226	6,406
Profit (loss) attributable to		
Owners of parent	666	5,154
Non-controlling interests	(439)	1,252
Earnings per share		
Basic earnings per share (yen)	27.77	215.28

Consolidated Statements of Comprehensive Income

For the years ended March 31
Millions of yen

	2021 68 th term	2022 69 th term
Profit	226	6,406
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	1,416	425
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	10	(864)
Total of items that will not be reclassified to profit or loss	1,426	(439)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	3,930	6,284
Total of items that may be reclassified to profit or loss	3,930	6,284
Total other comprehensive income	5,356	5,844
Comprehensive income	5,583	12,250
Comprehensive income attributable to		
Owners of parent	5,309	10,247
Non-controlling interests	273	2,003

Consolidated Statements of Changes in Equity

Millions of yen

	Equity attributable to owners of parent			
	Share capital	Capital surplus	Retained earnings	Treasury shares
Balance as of March 31, 2020	3,686	3,488	40,469	(25)
Comprehensive income				
Profit (loss)			666	
Other comprehensive income				
Remeasurements of defined benefit plans				
Net change of financial assets measured at fair value through other comprehensive income				
Foreign currency translation adjustments				
Total comprehensive income	—	—	666	—
Transactions with owners				
Purchase of treasury shares				(35)
Dividends of surplus				
Changes in ownership interest in subsidiaries		(5)		
Share-based payment transactions		8		
Transfer from other components of equity to retained earnings			1,314	
Total transactions with owners	—	2	1,314	(35)
Balance as of March 31, 2021	3,686	3,490	42,449	(60)
Comprehensive income				
Profit (loss)			5,154	
Other comprehensive income				
Remeasurements of defined benefit plans				
Net change of financial assets measured at fair value through other comprehensive income				
Foreign currency translation adjustments				
Total comprehensive income	—	—	5,154	—
Transactions with owners				
Purchase of treasury shares				(0)
Dividends of surplus			(336)	
Changes in ownership interest in subsidiaries				
Share-based payment transactions		10		
Transfer from other components of equity to retained earnings			90	
Total transactions with owners	—	10	(246)	(0)
Balance as of March 31, 2022	3,686	3,500	47,356	(60)

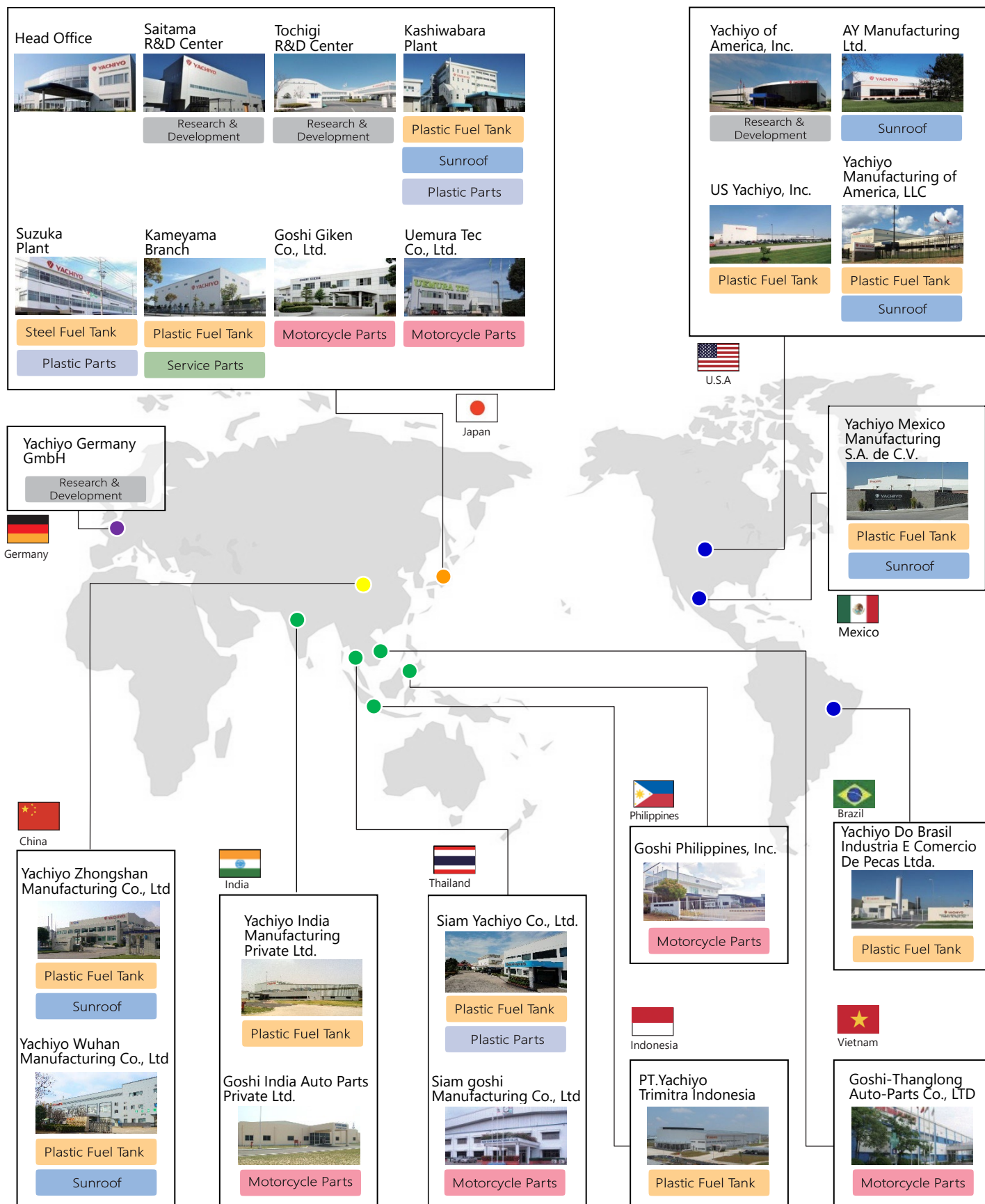
	Equity attributable to owners of parent					Non-controlling interests	Total
	Other components of equity				Total		
	Remeasurements of defined benefit plans	Net change in fair value of equity instruments designated as measured	Exchange differences on translation of foreign operations	Total			
Balance as of March 31, 2020	—	826	(1,058)	(232)	47,386	13,510	60,896
Comprehensive income							
Profit (loss)					666	(439)	226
Other comprehensive income							
Remeasurements of defined benefit plans	1,302			1,302	1,302	114	1,416
Net change of financial assets measured at fair value through other comprehensive income		10		10	10		10
Foreign currency translation adjustments			3,332	3,332	3,332	599	3,930
Total comprehensive income	1,302	10	3,332	4,644	5,309	273	5,583
Transactions with owners							
Purchase of treasury shares					(35)		(35)
Dividends of surplus					—	(849)	(849)
Changes in ownership interest in subsidiaries					(5)	(581)	(586)
Share-based payment transactions					8		8
Transfer from other components of equity to retained earnings	(1,302)	(13)		(1,314)	—		—
Total transactions with owners	(1,302)	(13)	—	(1,314)	(33)	(1,430)	(1,463)
Balance as of March 31, 2021	—	824	2,273	3,097	52,663	12,353	65,015
Comprehensive income							
Profit (loss)					5,154	1,252	6,406
Other comprehensive income							
Remeasurements of defined benefit plans	371			371	371	54	425
Net change of financial assets measured at fair value through other comprehensive income		(864)		(864)	(864)		(864)
Foreign currency translation adjustments			5,586	5,586	5,586	697	6,284
Total comprehensive income	371	(864)	5,586	5,093	10,247	2,003	12,250
Transactions with owners							
Purchase of treasury shares					(0)		(0)
Dividends of surplus					(336)	(540)	(876)
Changes in ownership interest in subsidiaries					—		—
Share-based payment transactions					10		10
Transfer from other components of equity to retained earnings	(371)	281		(90)	—		—
Total transactions with owners	(371)	281	—	(90)	(326)	(540)	(867)
Balance as of March 31, 2022	—	241	7,860	8,101	62,853	13,816	76,399

Consolidated Statements of Cash Flows

For the years ended March 31
Millions of yen

	2021 68th term	2022 69 th term
Cash flows from operating activities		
Profit before tax	6,110	11,907
Depreciation and amortization	7,295	7,636
Impairment losses	1,565	612
Finance income	(583)	(1,499)
Finance costs	102	110
Decrease (increase) in trade and other receivables	(7,711)	426
Decrease (increase) in inventories	(2,336)	(3,082)
Increase (decrease) in trade and other payables	3,564	719
Increase (decrease) in provisions	2,397	(2,043)
Increase (decrease) in retirement benefit liability	135	42
Decrease (increase) in retirement benefit asset	177	(472)
Other	1,975	3,097
Subtotal	12,691	17,454
Interest and dividends received	328	329
Interest paid	(100)	(130)
Income taxes refund (paid)	(4,030)	(4,814)
Net cash provided by (used in) operating activities	8,889	12,839
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,455)	(6,221)
Proceeds from sale of property, plant and equipment	127	70
Purchase of intangible assets	(584)	(1,102)
Payments into or withdrawal of time deposits, net	592	1,906
Other	(18)	14
Net cash provided by (used in) investing activities	(7,337)	(5,334)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,837)	3,473
Repayments of long-term borrowings	(1,717)	(2,000)
Purchase of treasury shares	(35)	(0)
Dividends paid to owners of parent	—	(336)
Dividends paid to non-controlling interests	(849)	(540)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(586)	—
Other	(564)	(453)
Net cash provided by (used in) financing activities	(6,589)	144
Net increase (decrease) in cash and cash equivalents	(5,037)	7,649
Effect of exchange rate changes on cash and cash equivalents	1,654	2,866
Cash and cash equivalents at beginning of period	25,121	21,738
Cash and cash equivalents at end of period	21,738	32,253

Global Network



History

Date	Event
August 1953	Established Yachiyo Painting Co., Ltd. to engage in the baking finish of metals Appointed as a designated plant by Honda Motor Co., Ltd.
May 1960	Established Suzuka Plant in Suzuka City in Mie Prefecture to engage in the buffing and painting of motorcycle parts and components
September 1968	Changed company name to Yachiyo Industry Co., Ltd.
August 1972	Established Kashiwabara Plant in Sayama City in Saitama Prefecture and started commissioned production of mini vehicles for Honda Motor Co., Ltd. Accepted an investment from Honda and became its affiliated company
November 1974	Jointly established Goshi Giken Co., Ltd. with Honda Motor Co., Ltd. and Sankei Giken Kogyo Co., Ltd.
February 1976	Started commissioned production of buggies for overseas markets for Honda Motor Co., Ltd.
August 1977	Started production of fuel tanks for vehicles
June 1983	Established Yokkaichi Factory in Yokkaichi City in Mie Prefecture to engage in the pressing and welding of automotive parts
August 1985	Expanded Yokkaichi Factory and started commissioned production of mini trucks for Honda Motor Co., Ltd.
January 1986	Established Tochigi R&D Center in Sakura City in Tochigi Prefecture
June 1986	Started production of sunroofs for vehicles
January 1989	Established first overseas production base in Canada (currently the entire business has been transferred)
October 1994	Registered stock of the Company as over-the-counter stock with the Japan Security Dealers Association
May 1996	Started commissioned production of mini passenger vehicles at Yokkaichi Factory for Honda Motor Co., Ltd.
June 1996	Established Yachiyo Industry (UK) Limited (currently a consolidated subsidiary) in the U.K.
June 1996	Established UYT Ltd. in the U.K. jointly with other local corporations
January 1997	Established Siam Yachiyo Co., Ltd. (currently a consolidated subsidiary) in Thailand
May 1997	Moved head office to Sayama City in Saitama Prefecture
September 1997	Established Yachiyo of America Inc. (currently a consolidated subsidiary) in the U.S.A.
October 1997	Jointly established AY Manufacturing Ltd. (currently a consolidated subsidiary) in the U.S.A. with other local corporations
May 1998	Established Kameyama Branch in Kameyama City in Mie Prefecture as an integrated processing and shipping plant for service parts
January 1999	Established US Yachiyo, Inc. (currently a consolidated subsidiary) in the U.S.A.
September 2000	Established Yachiyo Manufacturing of Alabama, LLC (name changed to Yachiyo Manufacturing of America, LLC (currently a consolidated subsidiary) in October 2014) in the U.S.A.
April 2002	Established Yachiyo Zhongshan Manufacturing Co., Ltd. (currently a consolidated subsidiary) in China
August 2002	Additionally acquired shares in Goshi Giken Co., Ltd. to make it a subsidiary of the Company (currently a consolidated subsidiary) Made also Uemura Tec Co., Ltd., a domestic subsidiary of Goshi Giken Co., Ltd., Siam Goshi Manufacturing Co., Ltd. (Thailand) and Goshi-Thanglong Auto-Parts Co., Ltd. (Vietnam), overseas subsidiaries of Goshi Giken Co., Ltd., subsidiaries of the Company (All three companies are currently consolidated subsidiaries of the Company.)
December 2004	Listed the shares of the Company on the JASDAQ Securities Exchange. (Tokyo Stock Exchange JASDAQ (Standard))
July 2005	Established Yachiyo Wuhan Manufacturing Co., Ltd. (currently a consolidated subsidiary) in China
October 2005	Additionally acquired equity interest in AY Manufacturing Ltd. (U.S.A.) to make it a subsidiary of the Company (currently a consolidated subsidiary) Honda Motor Co., Ltd. became the parent company of the Company by means of a tender offer of the shares in the Company by Honda Motor
December 2006	Honda Motor Co., Ltd. became the parent company of the Company by means of tender offer of the shares in the Company
May 2007	Established Goshi India Auto Parts Private Ltd. (currently a consolidated subsidiary) in India
April 2008	Established Yachiyo India Manufacturing Private Ltd. (currently a consolidated subsidiary) in India
September 2009	Established Yachiyo do Brasil Industria e Comercio de Pecas Ltda. (currently a consolidated subsidiary) in Brazil
February 2012	Established Yachiyo Mexico Manufacturing S.A. de C.V. (currently a consolidated subsidiary) in Mexico
April 2012	Established Saitama R&D center in Sayama City in Saitama Prefecture
May 2012	Established PT. Yachiyo Trimitra Indonesia (currently a consolidated subsidiary) in Indonesia
December 2014	Established Yachiyo Germany GmbH (currently a consolidated subsidiary) in Germany
April 2016	In line with the business transfer of MSD Corporation, Goshi-Tec Co., Ltd. in Koshi City in Kumamoto Prefecture, Goshi Philippines, Inc. (currently a consolidated subsidiary), and Laguna Associe Realty Inc. (currently a consolidated subsidiary) in the Philippines became subsidiaries of the Company
April 2018	Transfer of the finished vehicle business to Honda Motor Co., Ltd., was completed and consignment production of the mini-vehicles was terminated
April 2022	Switched from Tokyo Stock Exchange JASDAQ (Standard) to the new market segment (Standard Market)

Yachiyo Industry Co., Ltd.

HR & Administration Division Administration & Legal Department
393, Kashiwabara, Sayama-shi, Saitama 350-1335
+81-4-2955-1211

<http://www.yachiyo-ind.co.jp/>

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