

2020

Annual Report

For the Fiscal Year Ended March 31, 2020

Consolidated Financial Overview

	2019 66th term (April 1, 2018~ March 31, 2019)	2020 67th term (April 1, 2019~ March 31, 2020)
Revenue [Continuing operations] (Millions of yen)	161,160	154,629
Profit before tax [Continuing operations] (Millions of yen)	928	807
Profit (loss) [All businesses] (Millions of yen)	(1,697)	(1,838)
Profit (loss) attributable to owners of parent [All businesses] (Millions of yen)	(4,335)	(3,169)
Comprehensive income [All businesses] (Millions of yen)	(2,521)	(4,810)
Equity attributable to owners of parent (Millions of yen)	53,157	47,386
Total assets (Millions of yen)	118,832	117,219
Equity attributable to owners of parent per share (Yen)	2,213.64	1,973.31
Basic earnings (loss) per share (Yen)	(180.51)	(131.97)
Diluted earnings per share (Yen)	–	–
Equity attributable to owners of parent to total assets ratio (%)	44.7	40.4
Profit to equity attributable to owners of parent ratio (%)	(7.7)	(6.3)
Price earnings ratio (Times)	–	–
Cash flows from operating activities (Millions of yen)	13,581	12,844
Cash flows from investing activities (Millions of yen)	(8,962)	(11,465)
Cash flows from financing activities (Millions of yen)	(3,197)	4,601
Cash and cash equivalents at end of period (Millions of yen)	20,470	25,121
Number of employees [Average number of temporary employees outside the above] (Persons)	7,237 [1,351]	7,169 [1,239]

(Notes) 1. The Company has prepared its consolidated financial statements based on the International Financial Reporting Standards (hereinafter "IFRS").

2. Revenue does not include consumption taxes.

3. The amounts are rounded to the nearest million yen.

4. Diluted earnings per share is not stated due to the absence of dilutive shares.

5. Price earnings ratio for the 66th and 67th term is not listed because the Company recorded a loss for this fiscal year.

6. The number of employees indicated here denotes the number of persons currently employed.

7. At the Board of Directors meeting held on December 18, 2017 during the 65th term, it was resolved to transfer our vehicle production business to Honda Motor Co., Ltd. Because of entering a share transfer agreement on the same date, the said business has been classified under discontinued operations, and for the 64th term, the figures shown are after reclassification. For the 63rd terms, the figures shown include the figures of the discontinued operation.

1. Analysis of Results of Operations

(1) Analysis of Results for the Current Fiscal Year

During the fiscal year that ended March 31, 2020, the recovery of Japanese economy continued at a moderate pace, as weakness of capital expenditures and exports remain whereas individual consumption recovery is moderate. In overseas economies, the United States and Asian countries show certain signs of weakness, but continue moderate recoveries. On the other hand, China showed a gradual slowdown due to concerns over trade issues with the United States and financial markets, including excessive debts. Amid such circumstances, the global spread of COVID-19 constrained economic activities, which lead to a rapid deceleration of economic recovery for the current consolidated fiscal year.

In light of these circumstances, the Yachiyo Group has formulated a new three-year Mid-Term Company-wide Policy that started from April 2018 (2018 to 2020 Mid-Term) in order to achieve its 2020 Vision: "To become a true worldwide player with superior technologies and distinctive products." We have worked towards our goals: "Autonomy and self-reliance of each business", the "Realization of the world's best or first ever technologies and products", and "drastic improvements in the power of the actual site through working style reforms" based on the "Yachiyo Corporate Philosophy" and "safe production activities and stable quality and deliveries" with a view to "Actualize the competitiveness of global top-class technologies and products."

We have driven the following five priority measures set out in the 2018-2020 mid-term policy.

One of priority measures is "Manufacturing/ Monozukuri evolution in anticipation of customers' need". For that reason, we have acquired a considerable amount of information necessary to anticipate customers' needs. With this obtained information, we have established an environment that allows internal sharing. We will continue to make the best use of the collected information for developing our future technologies and products.

In addition, we introduced a highly efficient process flow, ranging from planning to selling our products for our new product development, which is called "front-loading" in the area of manufacturing/ Monozukuri evolution.

In "Establishment and implementation of global operations", officers are assigned to be responsible for each region where manufacturing facilities are located as the global bases in order to clarify roles and responsibilities. In addition, we established a support structure by enforcing the Mother Plant function in Japan. Technicians and engineers will be dispatched to provide each regional business operation with their support. This gives us a good outlook of standardization of various production characteristic levels across the plants.

As for "Drastic improvement of quality assurance system", we dug deeper into critical quality problems, executed countermeasures, and took preventive measures. In particular, we stepped up our efforts to review quality assurance standards, on the production floors and enhanced training programs to make associates compliant with standards. Through stronger collaborations with R&D and Manufacturing departments, we have improved quality characteristics to make production processes easier and maintain consistency. Moving forward, we will continue our efforts and reliably implement to contain any defects.

In "prior development and optimal allocation of human resources that will be our company's future", we have rolled out measures for the revitalization of human resources and working style reforms in order to maximize manufacturing floor capabilities. In human resource development, we launched new activities such as forming a team with various expertly skilled associates in order to review company mid- and

long-term directions on the assumption of future business structure. This made it possible for us to set up a mechanism enabling cross-functional team activities for operations.

In terms of “Expansion of sustainability for improving the company value”, we have achieved our initial environment targets and are compliant with environmental regulations. We have actively engaged in community-based activities that contribute to society through our technologies and products and in the promotion of disabled athlete’s activities. In doing so, we have strengthened Governance, Risk and Compliance for sound corporate activities.

Revenue in the fiscal year ended March 31, 2020 decreased 6,531 million (4.1%) year over year, to 154,629 million yen, due to a decrease in orders in Japan, the Americas and Asia as well as impacts from foreign currency translation adjustment and COVID-19 global pandemic, despite an increase in orders received in China. In terms of profits, operating profit stands at 992 million yen due to a decrease in orders and impairment losses in Japan. With the decline in additional expenses for maintaining stable production, supplementing products from other plants, recall related expenses, and impairment losses at US Yachiyo, Inc. (U.S.A) in the Americas, there is an increase of 291 million yen (41.4%) compared to the same period a year ago. Profit before tax decreased 121 million yen (13.1%) year over year, to 807 million yen due to the impact of foreign currency translation adjustment. Although losses attributable to owners of the parent was 3,169 million yen, an improvement of 1,166 million yen year over year was made.

Business results by segment are as follows:

(Japan)

In Japan, revenue totaled 23,297 million yen, a decrease of 4,622 million yen or 16.6%, compared with the previous fiscal year because of various factors including a decrease in orders received for automotive and motorcycle parts. Loss before tax totaled 7,345 million yen, a decrease of 5,917 million yen, compared with the previous fiscal year during which the Company recorded an impairment loss on a non-consolidated basis primarily due to a decrease in orders received and the COVID-19 pandemic.

(The Americas)

The Americas revenue decreased by 3,119 million yen (8.0%) year over year to 36,092 million yen. This is because of factors which include a decrease in orders received for automotive parts in U.S., the COVID-19 pandemic and the effects of foreign currency translation adjustment, despite the recovery of the sales decline in orders received in Yachiyo Mexico Manufacturing S.A. de C.V. (Mexico) because of the production suspension at key customers due to flooding in the previous year. Profit before tax decreased to 2,157 million yen due to a drop in orders received and COVID-19 pandemic impacts. However, we saw the positive effects of cost improvements in expenses, 6,023 million yen, for stabilizing production, which had issues derived from aging equipment at US Yachiyo, Inc. (U.S.A), for supplementing products from other facilities to ensure product supply to customers, and recall-related expenses due to defects in some fuel

tanks and impairment loss.

We will continue our efforts toward the maintenance of machinery and ensure new equipment introduction at US Yachiyo, Inc. (U.S.A) in order to strengthen the production systems.

(China)

In China, revenue totaled 36,930 million yen, an increase of 3,592 million yen or 10.8%, compared with the previous fiscal year, in spite of production suspension due to the impact of the spread of the COVID-19. Because of an increase in orders received at the Company's consolidated subsidiaries, Yachiyo Wuhan Manufacturing Co., Ltd. Profit before tax increased 1,994 million yen (53%) year on year, to 5,758 million yen, mainly due to an increase in orders received, an increase in expenses from supporting different model mix/ lineups and the positive effects of cost improvements.

(Asia)

In Asia, revenue decreased 2,381 million yen (3.9%) year over year, to 58,309 million yen, due to a decrease in orders of motorcycle parts received. Profit before tax decreased 2,221 million yen (33.5%) year over year, to 4,408 million yen, mainly due to a decrease in orders received, changes in the model lineup, and increased volume related expenses from a new customer.

(2) Analysis of Financial Position

Total assets at the end of the fiscal year, which ended March 31, 2020, totaled 117,219 million yen, representing a decrease of 1,613 million yen compared to the previous fiscal year. The decrease was mainly attributable to a decrease in trade and other receivables, despite an increase in cash and cash equivalents, and fiscal assets.

Total liabilities amounted to 56,323 million yen, representing an increase of 4,968 million yen compared to the previous fiscal year. The increase was mainly attributable to an increase of loans, despite a decrease in trade and other payables.

Total equity amounted to 60,896 million yen, representing a decrease of 6,581 million yen compared to the previous fiscal year. This was mainly due to a decrease in retained earnings.

(3) Cash Flow Status

Cash and cash equivalents (hereinafter referred to as "Funds") at the end of the fiscal year, which ended March 31, 2020 increased by 4,652 million yen compared to the end of the previous fiscal year, to 25,121 million yen. This was mainly due to profit before tax of 807 million yen, depreciation and amortization of 7,525 million yen, and an 8,000 million yen increase in long-term loan payables, despite the purchase of

property, plant and equipment of 11,092 million yen and income tax payments of 4,066 million yen.

The status of cash flow for the fiscal year, which ended March 31, 2020, and factors related to increase and decrease from the previous fiscal year are as follows:

(Cash flows from operating activities)

Funds produced by operating activities decreased by 737 million yen compared to the previous fiscal year, to 12,844 million yen (13,581 million yen of Funds provided in the previous fiscal year). This was primarily due to a decrease in trade and other payables of 4,976 million yen and income taxes paid of 4,066 million yen, despite profit before tax of 807 million yen, depreciation and amortization of 7,525 million yen, and a decrease in trade and other receivables of 4,976 million yen.

(Cash flows from investing activities)

Funds used in investing activities decreased by 2,503 million yen compared to the previous fiscal year, when we had proceeds from a transfer of business of 6,745 million yen, to 11,465 million yen (8,962 million of Funds used in the previous fiscal year), despite the purchase of property, plant and equipment of 11,092 million yen.

(Cash flows from financing activities)

Funds used in financing activities increased by 7,798 million yen compared to the previous fiscal year, to 4,601 million yen (3,197 million of Funds used in the previous fiscal year). This was primarily due to a net increase in income from long-term loan payables of 8,000 million yen, despite repayment of long-term loan payables of 2,498 million yen, and cash dividends paid out of 1,772 million yen.

2. Fundamental Policy Concerning Earnings Distributions and Dividend for the Fiscal Year Under Review

The Company considers returning profits to its shareholders as one of the paramount issues of management. It has been striving to enhance its corporate value by developing business activities with a global viewpoint.

In determining earnings distribution, the Company gives comprehensive considerations including the outlook for demand for future funds. As for dividend payouts, the Company has made it a policy to determine payouts on a long-term basis considering results of operations on a consolidated basis.

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 body for these dividends is the Board of Directors for the interim dividend and the General Shareholders' Meeting for the year-end dividend.

By utilizing retained earnings for investments and contributions for the sake of future business expansion, the Company strives to improve business performance and strengthen its financial standing.

Regarding the year-end dividend for the fiscal year under review, the Company sincerely regret to announce that a dividend will not be paid at the end of the year. (Making the annual dividend 8 yen per share, along with the interim dividend of 8 yen per share.) In addition to a decline in the orders received because of key customer's suspensions of production due to the spread of COVID-19, we had impairment losses in the consolidated and non-consolidated bases year-end income resulting in a decrease in earnings forecast, which was substantially below the initial forecasts. As a result, the dividend to equity attributable to owners of the consolidated parent company ratio for the fiscal year under review was 0.4%.

3. Management Policy, Business Environment and Issues to be addressed

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

(1) Basic Management Policy

Yachiyo sincerely fulfills our responsibilities as a Monozukuri Company to provide products and technologies that are vital to the 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 company'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 Yachiyo to "aim to become a company that is recognized and valued by society", our employees understand "Yachiyo Corporate Philosophy" well, so they will be prepared for meeting the ever-changing requirements of society.

As part of our perpetual practice of "Yachiyo Corporate Philosophy", we set our desired situation as our future vision for 10 years. Therefore, we are pushing forward with our business activities to achieve each milestone set to every three years. We created the Vision 2030, which started in April 2020 as the 14th midterm (20-22 mid-term) and identified this phase as "Rebuilding a foundation for further growth".

(2) Target Management Indicators

The Yachiyo group considers 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

With regard to the economic outlook, economic activities have become restricted due to the COVID-19 spread and the economy has rapidly declined. The automotive industry, which we are part of, predict the new vehicle sales will tentatively decrease.

The volume of long-term vehicle sales is likely to have a gradual decrease due to the decline in the population in Japan as a result of the low birthrate and aging population, with aging car owners. While the global market is driven by two major markets, the U.S. and China, demand is increasing in certain Asian countries, and future automotive production and sales volume are expected to grow at high levels. However, the economic outlook is expected to remain uncertain, and it is necessary to monitor development in the market.

As the global market expands, there are increasing needs for new value-added automobiles, such as CASE : Connected, Autonomous, Shared and Electric as well as MaaS : Mobility as a Service. In particular, many automobile manufacturers are rapidly adapting to the need for electrification while consumers are shifting their interest to hybrid cars and electric vehicles with heightened awareness of environmental preservation. While automobile manufacturers advance with investing resources into the embodiment of these new values, they are increasingly procuring parts from suppliers that possess planning and development capabilities for making original proposals and 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.

Yachiyo Vision 2030

The Yachiyo established “Yachiyo Vision 2030” for the next decade is to achieve sustained business development.

Yachiyo set its desired state as “Becoming the key company in the mobility industry by constant manufacturing evolution” in the “Vision 2030”. This means that we will keep evolving our Monozukuri/ manufacturing craftsmanship to exceed our customer’s expectations, and become a company that is valued and relied on by our customers in the mobility industry including various tools and people’s lives associated with mobility. Our desire is to become a company, which offers products, and technologies that customers want to use and become enriched through.

In accomplishing the Vision 2030 goals, we envision our mid-term desired situations for 14th, 15th and 16th terms. Starting April this year, we have taken each step towards this for further progress.

Vision 2030

Becoming the key company in the mobility industry by constant manufacturing evolution

Mission	To make people all over the world smile with our heartfelt craftsmanship
Core competency	Monozukuri capability × Human power

Yachiyo’s corporate philosophy

Fundamental beliefs	Respect for the Individual	Customer first
Corporate Principles	While maintaining a global viewpoint, we provide superior technologies and distinctive products for the satisfaction of our customers.	

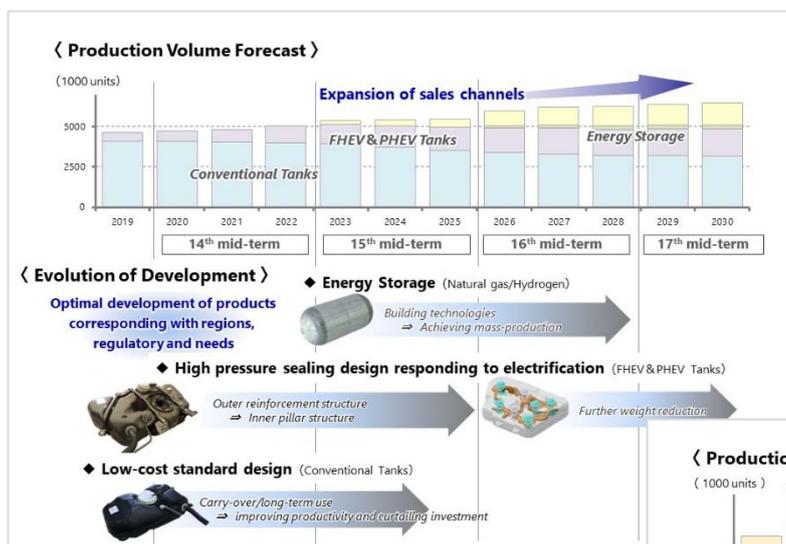


Direction of our core products

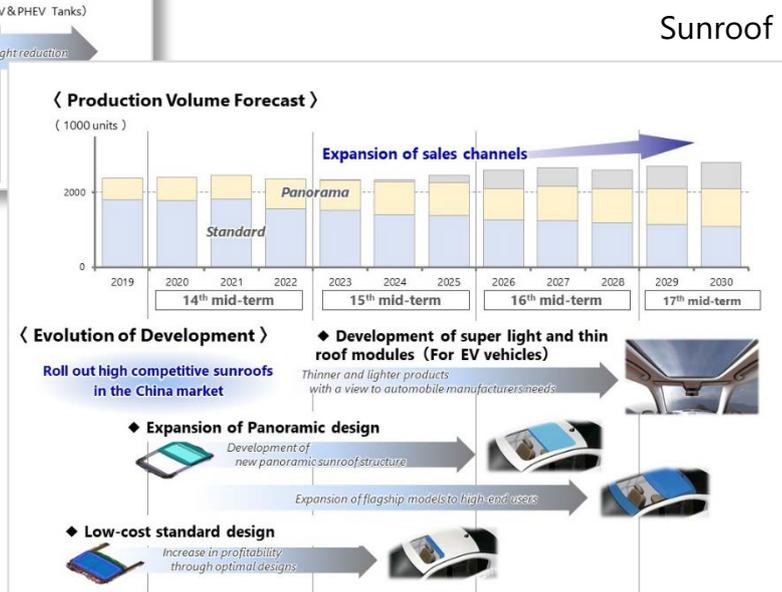
We will make every effort to expand business operations with our core products, plastic fuel tanks and sunroofs through the expansion of sales channels. In addition, we will streamline our production structure by thorough cost cutting efforts through production innovation activities in order to generate steady revenue.

As for our plastic fuel tank products, we will make efforts to increase the production scale and sales channels by meeting high environmental performance levels, low cost standard designs, and proceeding with our R&D activities to meet customer needs region by region. As for our high pressure sealing design tank corresponding to electrification, this tank has been built in the Hybrid cars of GAC Honda since April 2020, so we will aim to expand its application in future electric vehicles. Next, we are working on the design development of energy storage in view of mass-production in response to fuel cell vehicles, which would contribute to the realization of low-carbon society.

In terms of our sunroof products, we are aiming to expand the sales channels by increasing variations of sunroofs and standard designs to meet customers' needs. We will make efforts to expand our activities in the Asian region, which we believe is a potential new market when we can achieve cost reduction of certain components. Additionally, our wide opening panoramic sunroof is under development to achieve lower costs and new configurations, which are in high demand in the Chinese market. Once we acquire such competitiveness, we will roll that out to global markets. In addition, we are developing lightweight and thin roof modules in correspondence to electrification, with demand for new roof systems expected to grow in line with the trend.



Fuel Tank



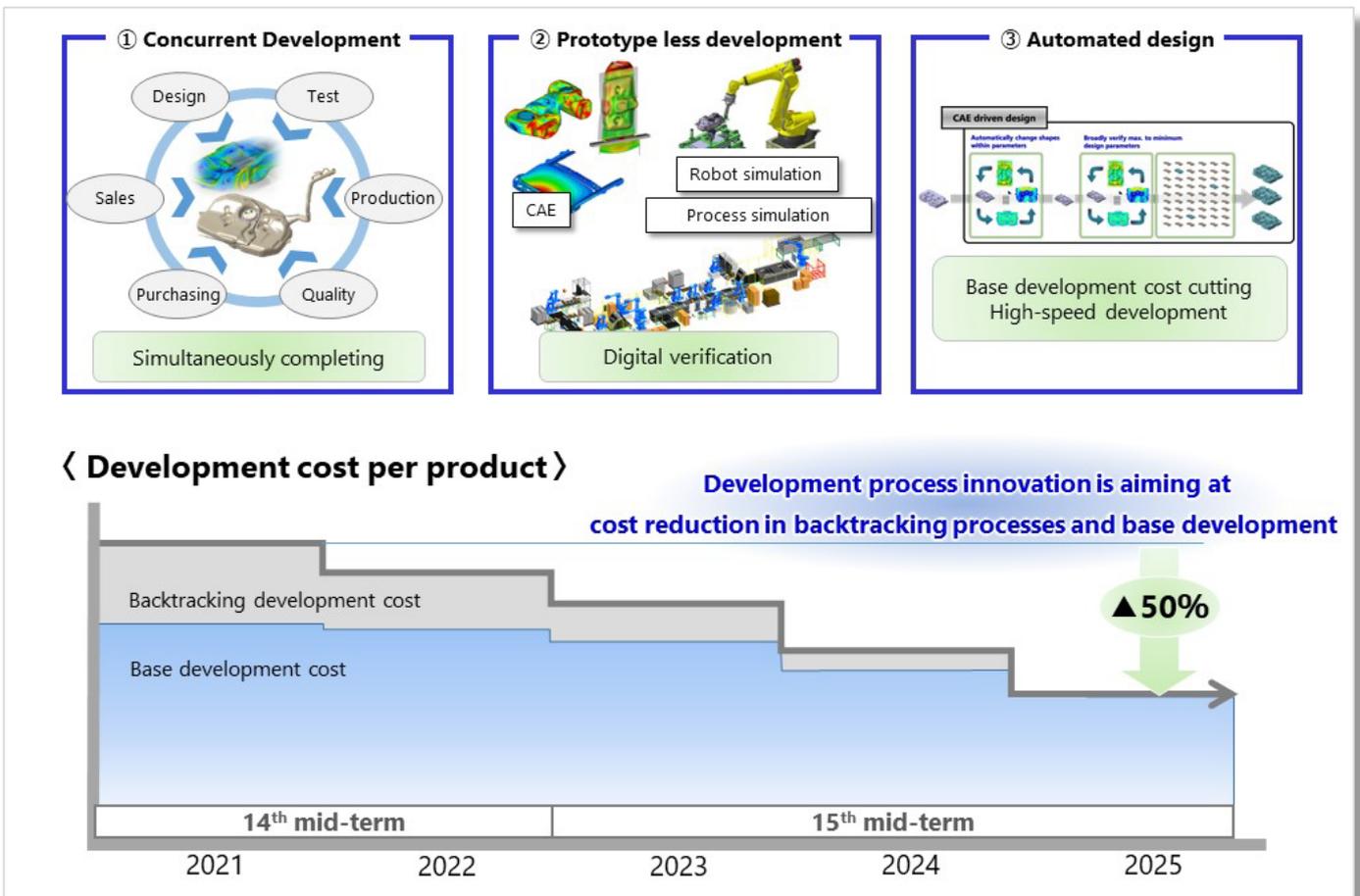
Sunroof

Evolution of Monozukuri /Manufacturing Craftsmanship

In product development, we need to allocate our development resources to new products and technologies moving forward in order to efficiently and promptly carry out business tasks and meet customers' needs as quickly as possible.

Our established Monozukuri emerged from the departments of design review, development, manufacturing, engineering, and production. Each functional unit coordinates and prepares tasks for each process flow. Recently, the unification of each functional unit has started to take on design reviews together, to address merchantability, and reflect on issues such as ease of making parts in the production processes in the R&D stages. With this synchronized development, we could minimize backtrack processes and design changes. Beside these benefits, we will make efforts to drive R&D process innovation and efficiency improvements by making the best use of digital verification tools, such as CAE and simulation, in order to avoid prototype fabrication and automated design based on a database with built up internal Know-how and knowledge.

Evolution of Manufacturing Craftsmanship/ Monozukuri



Consolidated Statements of Financial Position

Millions of yen

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and cash equivalents	20,470	25,121
Trade and other receivables	26,335	20,286
Other financial assets	5,137	5,767
Inventories	9,218	9,509
Other current assets	1,987	1,487
Total current assets	63,146	62,171
Non-current assets		
Property, plant and equipment	47,760	46,896
Intangible assets and goodwill	4,423	3,238
Right-of-use assets	—	595
Other financial assets	776	1,918
Deferred tax assets	1,837	1,818
Net defined benefit asset	553	288
Other non-current assets	337	296
Total non-current assets	55,686	55,048
Total assets	118,832	117,219
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	19,914	17,907
Loans payable	12,867	12,913
Other financial liabilities	338	681
Income taxes payable	1,147	1,008
Allowance	1,891	1,450
Other current liabilities	4,466	4,197
Total current liabilities	40,622	38,155
Non-current liabilities		
Loans payable	717	7,000
Other financial liabilities	145	500
Net defined benefit liability	5,614	6,266
Deferred tax liabilities	3,942	4,115
Other non-current liabilities	316	288
Total non-current liabilities	10,734	18,168
Total liabilities	51,355	56,323
Equity		
Capital stock	3,686	3,686
Capital surplus	3,488	3,488
Retained earnings	44,403	40,469
Treasury stock	△25	△25
Other components of equity	1,605	△232
Total equity attributable to owners of parent	53,157	47,386
Non-controlling interests	14,319	13,510
Total equity	67,477	60,896
Total liabilities and equity	118,832	117,219

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

For the years ended March 31
Millions of yen

	2019 66 th term	2020 67 th term
Continuing operations		
Revenue	161,160	154,629
Cost of sales	△143,267	△136,290
Gross profit	17,893	18,338
Selling, general and administrative expenses	△12,917	△13,946
Research and development expenses	△4,282	△3,743
Other income	295	517
Other expenses	△287	△175
Operating profit	701	992
Finance income	388	371
Finance expenses	△162	△557
Profit before tax	928	807
Income tax expense	△3,444	△2,645
Profit (loss) from continuing operations	△2,517	△1,838
Discontinued operations		
Profit from discontinued operations	820	—
Profit (loss)	△1,697	△1,838
Attribution of profit		
Owners of parent	△4,335	△3,169
Non-controlling interests	2,638	1,331
Earnings (loss) per share		
Basic earnings (loss) per share (yen)		
Continuing operations	△214.66	△131.97
Discontinued operations	34.14	—
Total basic earnings (loss) per share	△180.51	△131.97

Consolidated Statements of Comprehensive Income

For the years ended March 31
Millions of yen

	2019 66 th term	2020 67 th term
Profit (loss)	△1,697	△1,838
Other comprehensive income		
Items not recognized in profit or loss		
Remeasurements of defined benefit plans	△696	△442
Net change of financial assets measured at fair value through other comprehensive income	△472	703
Total of items not recognized in profit or loss	△1,168	261
Items that may be recognized in profit or loss		
Translation differences of foreign operations	344	△3,232
Total of items that may be recognized in profit or loss	344	△3,232
Total other comprehensive income	△824	△2,971
Comprehensive income	△2,521	△4,810
Attribution of Comprehensive income		
Owners of parent	△5,275	△5,387
Non-controlling interests	2,754	577

Consolidated Statements of Changes in Equity

Millions of yen

	Equity attributable to owners of parent			
	Capital stock	Capital surplus	Retained earnings	Treasury stock
Balance as of April 1, 2018	3,686	3,488	49,969	△25
Comprehensive income				
Profit (loss)			△4,335	
Other comprehensive income				
Remeasurements of defined benefit plans				
Net change of financial assets measured at fair value through other comprehensive income				
Translation differences of foreign operations				
Total comprehensive income	—	—	△4,335	—
Transactions with owners				
Purchase of treasury stock				△0
Dividends of surplus			△576	
Changes in ownership interest in subsidiaries that do not result in a loss of control		0		
Transfer from other components of equity to retained earnings			△654	
Total transactions with owners	—	0	△1,231	△0
Balance as of March 31, 2019	3,686	3,488	44,403	△25
Comprehensive income				
Profit (loss)			△3,169	
Other comprehensive income				
Remeasurements of defined benefit plans				
Net change of financial assets measured at fair value through other comprehensive income				
Translation differences of foreign operations				
Total comprehensive income	—	—	△3,169	—
Transactions with owners				
Purchase of treasury stock				△0
Dividends of surplus			△384	
Changes in ownership interest in subsidiaries that do not result in a loss of control				
Transfer from other components of equity to retained earnings			△381	
Total transactions with owners	—	—	△765	△0
Balance as of March 31, 2020	3,686	3,488	40,469	△25

Millions of yen

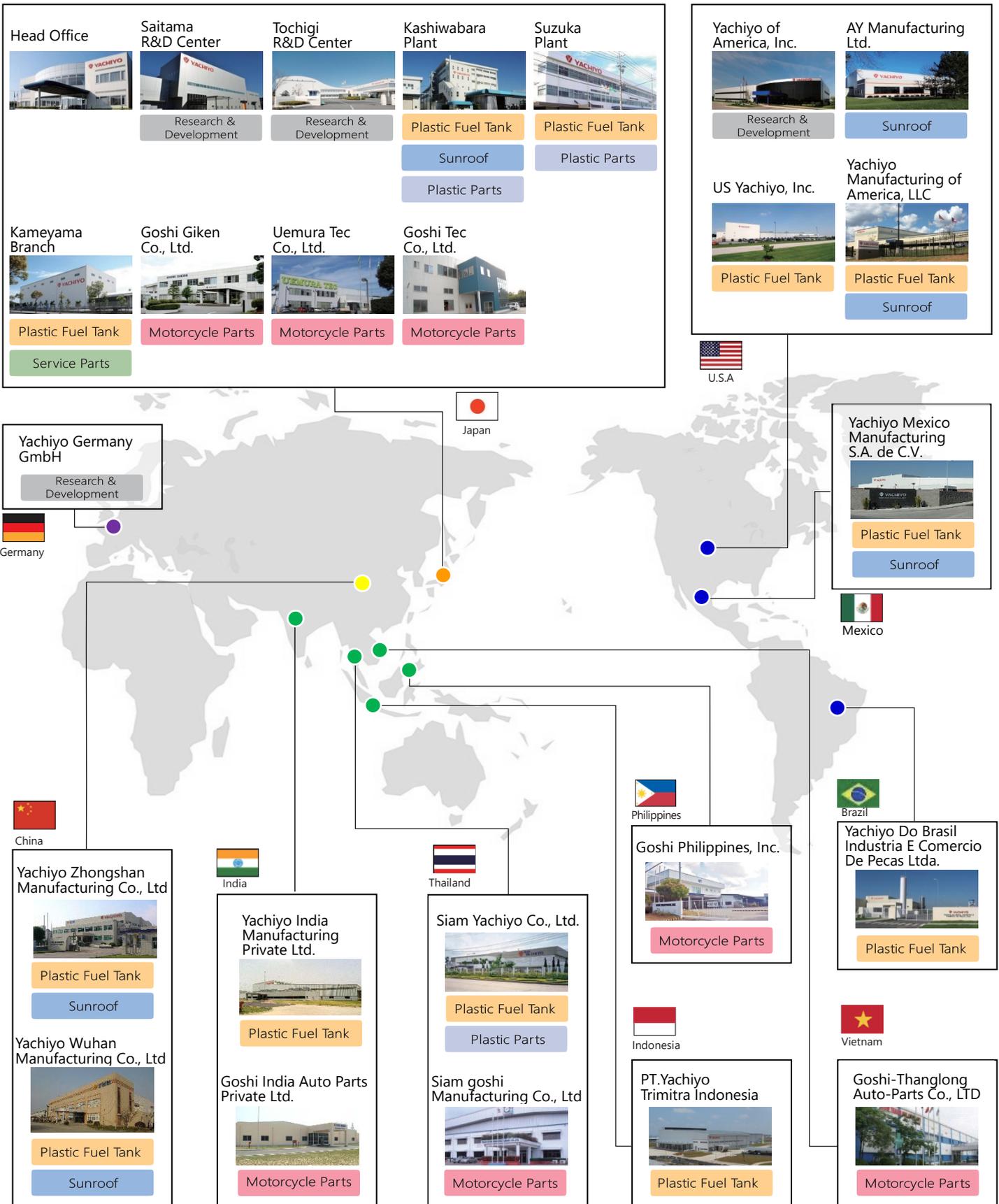
	Equity attributable to owners of parent					Non-controlling interests	Total equity
	Other components of equity				Total		
	Remeasurements of defined benefit plans	Net change of financial assets measured at fair value through other comprehensive income	Translation differences of foreign operations	Total			
Balance as of April 1, 2018	—	596	1,295	1,891	59,008	12,851	71,859
Comprehensive income							
Profit (loss)					△4,335	2,638	△1,697
Other comprehensive income							
Remeasurements of defined benefit plans	△654			△654	△654	△42	△696
Net change of financial assets measured at fair value through other comprehensive income		△472		△472	△472		△472
Translation differences of foreign operations			186	186	186	158	344
Total comprehensive income	△654	△472	186	△940	△5,275	2,754	△2,521
Transactions with owners							
Purchase of treasury stock					△0		△0
Dividends of surplus					△576	△1,286	△1,862
Changes in ownership interest in subsidiaries that do not result in a loss of control			0	0	0	△0	—
Transfer from other components of equity to retained earnings	654			654	—		—
Total transactions with owners	654	—	0	654	△576	△1,286	△1,862
Balance as of March 31, 2019	—	124	1,481	1,605	53,157	14,319	67,477
Comprehensive income							
Profit (loss)					△3,169	1,331	△1,838
Other comprehensive income							
Remeasurements of defined benefit plans	△381			△381	△381	△61	△442
Net change of financial assets measured at fair value through other comprehensive income		703		703	703		703
Translation differences of foreign operations			△2,539	△2,539	△2,539	△692	△3,232
Total comprehensive income	△381	703	△2,539	△2,218	△5,387	577	△4,810
Transactions with owners							
Purchase of treasury stock					△0		△0
Changes in ownership interest in subsidiaries that do not result in a loss of control					△384	△1,387	△1,772
Change in non-controlling interest					—		—
Transfer from other components of equity to retained earnings	381			381	—		—
Total transactions with owners	381	—	—	381	△384	△1,387	△1,772
Balance as of March 31, 2020	—	826	△1,058	△232	47,386	13,510	60,896

Consolidated Statements of Cash Flows

For the years ended March 31
Millions of yen

	2019 66 th term	2020 67 th term
Cash flows from operating activities		
Profit before tax	928	807
Profit (loss) before tax from discontinued operations	820	—
Depreciation and amortization	7,242	7,525
Impairment losses	2,423	3,842
Finance income	△388	△371
Finance expenses	162	557
Gain on sales of subsidiaries' stocks	△845	—
Decrease (increase) in trade and other receivables	9,884	4,976
Decrease (increase) in inventories	290	△629
Increase (decrease) in trade and other payables	△4,840	△1,339
Increase (decrease) in allowance	1,891	△441
Increase (decrease) in net defined benefit liability	477	684
Decrease (increase) in net defined benefit asset	578	265
Other, net	△1,135	860
Subtotal	17,487	16,736
Interest and dividends received	373	371
Interest expenses paid	△163	△197
Income taxes (paid) refund	△4,116	△4,066
Net cash provided by (used in) operating activities	13,581	12,844
Cash flows from investing activities		
Purchase of property, plant and equipment	△12,099	△11,092
Proceeds from sale of property, plant and equipment	54	202
Purchase of intangible assets	△1,115	△840
Payments into or withdrawal of time deposits, net	△2,548	275
Proceeds from sale of businesses	6,745	—
Other, net	1	△10
Net cash provided by (used in) investing activities	△8,962	△11,465
Cash flows from financing activities		
Net increase (decrease) in short-term payable	1,889	961
Proceeds from long-term loans payable	—	8,000
Repayments of long-term loans payable	△3,113	△2,498
Cash dividends paid to owners of parent	△576	△384
Cash dividends paid to non-controlling interests	△1,286	△1,387
Other, net	△111	△90
Net cash provided by (used in) financing activities	△3,197	4,601
Net increase (decrease) in cash and cash equivalents	1,422	5,980
Effect of exchange rate changes on cash and cash equivalents	38	△1,328
Cash and cash equivalents at beginning of period	19,010	20,470
Cash and cash equivalents at end of period	20,470	25,121

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 currently the 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.) (currently a consolidated subsidiary) to make it a subsidiary of the Company
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	Following the business transfer of MSD Co., Ltd., Goshi Tec Co., Ltd. in Koshi City, Kumamoto Prefecture, and Goshi Philippines, Inc. and LAGUNA ASSOCIE REALTY INC. in the Philippines, became subsidiaries of the Company. (All three companies are currently consolidated subsidiaries of the Company.)
December 2017	Established Yachiyo Yokkaichi Co., Ltd. as a preparatory company for transferring vehicle production business
March 2018	Yachiyo Yokkaichi Co., Ltd. took over the vehicle production business and started operation
April 2018	Transferred all of the shares of Yachiyo Yokkaichi Co., Ltd. to Honda Motor Co., Ltd. and terminated commissioned production of mini vehicles

Sep. 2020

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