



Consolidated Financial Results for Fiscal Year Ended March 31, 2022 (Under Japanese GAAP)

05/11/2022

Listed company name:	MITSUBA Corporation	Listing:	Tokyo Stock Exchange
Securities code:	7280	URL	https://www.mitsuba.co.jp
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Scheduled date of the annual general meeting of shareholders:		June 23, 2022	
Scheduled date of securities report filing:		June 23, 2022	
Scheduled date to commence dividend payments:		June 8, 2022	
Preparation of supplementary materials on financial results:	:	Yes	
Holding of financial results briefing:	:	Yes (for analysts)	

(Yen amounts are rounded down to nearest million, unless otherwise noted.)

1. Consolidated financial results for fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 2022	286,482	6.4	7,187	(15.9)	7,529	(13.9)	83	(88.5)
Fiscal year ended March 2021	269,202	(11.5)	8,548	0.2	8,748	26.9	732	-
Note: Comprehensive income			Fiscal year ended March 2022		¥13,244 million		[(1.5)%]	
			Fiscal year ended March 2021		¥13,442 million		[-%]	

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 2022	1.87	1.46	0.1	2.2	2.5
Fiscal year ended March 2021	16.36	14.30	1.7	2.7	3.2

Reference: Share of profit (loss) of entities accounted for using equity method

Fiscal year ended March 2022 ¥69 million
Fiscal year ended March 2021 ¥254 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	342,750	88,201	19.8	1,052.91
As of March 31, 2021	343,136	76,217	17.0	847.31
Reference: Equity	As of March 31, 2022		¥68,024 million	
	As of March 31, 2021		¥58,372 million	

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 2022	11,996	(6,842)	(13,025)	73,267
Fiscal year ended March 2021	15,410	(6,655)	12,816	77,389

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended March 2022	Yen -	Yen 0.00	Yen -	Yen 0.00	Yen 0.00	Millions of yen -	% -	% -
Fiscal year ended March 2021	-	0.00	-	3.00	3.00	134	160.0	0.3
Fiscal year ending March 2023 (Forecast)	-	0.00	-	3.00	3.00		4.3	

Note: "Cash dividends" above presents the status of dividends related to common stocks. Please refer to "Cash dividends of class stock," mentioned later, for the status of dividends related to class stocks (unlisted) that have different rights from common stocks that the Company issues.

3. Consolidated earnings forecast for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Percentages indicate change from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First 6 months	155,000	13.2	2,000	(42.5)	1,200	(65.6)	(1,000)	-	(32.43)
Full year	330,000	15.2	11,000	53.1	9,600	27.5	4,000	-	69.26

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation) : None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- 1) Changes in accounting policies due to revisions to accounting standards and other regulations : Yes
- 2) Changes in accounting policies due to other reasons : None
- 3) Changes in accounting estimates : None
- 4) Restatement : None

(3) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares)	As of March 31, 2022	45,581,809 shares	As of March 31, 2021	45,581,809 shares
2) Number of treasury shares at the end of the period	As of March 31, 2022	825,524 shares	As of March 31, 2021	825,208 shares
3) Average number of shares outstanding during the period (quarterly total)	Fiscal year ended March 2022	44,756,405 shares	Fiscal year ended March 2021	44,756,794 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Non-consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 2022	130,679	3.3	135	-	2,387	302.5	2,768	-
Fiscal year ended March 2021	126,525	(11.8)	(562)	-	593	(79.1)	(1,734)	-

	Basic earnings per share	Diluted earnings per share
Fiscal year ended March 2022	Yen 61.86	Yen 48.09
Fiscal year ended March 2021	(38.76)	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal year ended March 2022	236,069	42,320	17.9	478.60
Fiscal year ended March 2021	245,512	40,507	16.5	448.16

Reference: Equity
 Fiscal year ended March 2022 ¥42,320 million
 Fiscal year ended March 2021 ¥40,507 million

* Financial results reports are exempt from audits conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

Earnings forecasts and other forward-looking statements in this report are based on information currently available to the Company and certain assumptions that the Company deems reasonable. Therefore, actual results and others may differ materially due to a variety of factors.

Please refer to “(4) Future Outlook in 1. Overview of Operating Results” on page 3 of the attachment material for cautionary notes regarding underlying assumptions for and the use of earnings forecasts.

(How to access the supplementary materials on financial results)

The Company plans to hold an online financial results briefing on May 20, 2022. The materials on financial results to be used at this briefing are scheduled to be posted on the Company’s website.

Cash dividends of class stock

The following is the breakdown of dividends per share related to class stocks that have different rights from common stocks.

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Class A stock	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 2021	-	0.00	-	30,000.00	30,000.00
Fiscal year ended March 2022	-	0.00	-	60,085.90	60,085.90
Fiscal year ending March 2023 (Forecast)	-	0.00	-	60,000.00	60,000.00

Note: The dividends for the fiscal year ended March 2022 will be paid out from capital surplus. For details, please refer to “Breakdown of dividends to be paid out from capital surplus” mentioned later.

Breakdown of dividends to be paid out from capital surplus

The following is a breakdown of dividends for the fiscal year ended March 2022 that will be paid out from capital surplus.

Record date	Fiscal year-end	Total
Dividend per share	60,085.90 yen	60,085.90 yen
Total dividends	901 million yen	901 million yen

Note: Ratio of decrease of net assets: 0.022

○ Table of Contents of Attachments

1. Overview of Operating Results	5
(1) Overview of Operating Results for Fiscal Year under Review	5
(2) Overview of Financial Position for Fiscal Year under Review	6
(3) Overview of Cash Flows for Fiscal Year under Review	6
(4) Future Outlook	6
(5) Basic Policy concerning the Allocation of Profits and Dividends for Fiscal Year under Review and Next Fiscal Year	7
2. Basic Approach to Selection of Accounting Standards	7
3. Consolidated Financial Statements and Key Notes	8
(1) Consolidated Balance Sheet	8
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income	10
Consolidated Statement of Income	10
Consolidated Statement of Comprehensive Income	11
(3) Consolidated Statement of Changes in Equity	12
(4) Consolidated Statement of Cash Flows	14
(5) Notes to Consolidated Financial Statements	16
(Notes to assumptions for going concerns)	16
(Significant Accounting Policies for Preparing Consolidated Financial Statements)	16
(Changes in Accounting Policies)	16
(Segment Information)	18
(Matters Related to Revenue Recognition)	19
(Per Share Information)	20
(Important Subsequent Events)	21
4. Others	21
(1) Change of Directors	21

1. Overview of Operating Results

(1) Overview of Operating Results for Fiscal Year under Review

In the consolidated fiscal year under review, the global economy saw the easing of various restrictions and regulations against the spread of COVID-19. In the US and Europe, the economic conditions have picked up with consumption and capital investment increasing moderately. In Asia as well, there are signs of improvement, but the economic recovery has slowed down in China. In Japan, consumption and corporate earnings have started reviving, and economic and social activities are expected to return to normal down the road.

However, the outlook for the global economy is uncertain mainly due to surging prices of crude oil, natural gas and other natural resources, and the impact of economic sanctions that Western countries imposed on Russia with the Russian invasion of Ukraine since the end of the fiscal year under review.

In the automotive industry, the number of four-wheeled vehicles sold globally was 81,306 thousand units in calendar year 2021 (up 4.6% year on year). The U.S. continues to be affected by supply shortages of semiconductors, but has recovered from the impact of COVID-19 infections that spread last year. The number of cars sold there reached 15,079 thousand units in the calendar year (up 3.4% from the previous year), the first year-on-year increase in three years. Europe has recovered from the impact of COVID-19 infections that spread last year. The number of cars sold there reached 11,775 thousand units in the calendar year (up 1.8% from the previous year), the first year-on-year increase in two years. China has recovered from the impact of COVID-19 infections that spread last year. The number of cars sold there reached 26,275 thousand units in the calendar year (up 3.8% from the previous year), the first year-on-year increase in four years. In Japan, the number of cars sold was 4,216 thousand units in FY2021 (down 9.5% from the previous fiscal year), posting a year-on-year decrease for three consecutive years. The number of registrations was 2,661 thousand units (down 8.2% year on year), a year-on-year decrease for five consecutive years. Registrations of mini cars was 1,555 thousand units (down 11.5% year on year), a year-on-year decrease for three consecutive years.

On the other hand, global sales of two-wheeled vehicles was 14,470 thousand units in the calendar year (up 3.7% from the previous year), the first year-on-year increase in three years. The increase was a rebound from a sales decline in India, the largest market, caused by COVID-19 infections that spread last year. Indonesia has recovered from the impact of COVID-19 infections that spread last year. The number sold there reached 5,139 thousand units in the calendar year (up 37.3% from the previous year), the first year-on-year increase in three years.

In Japan, the number sold was 379 thousand units in the calendar year (up 16.2% from the previous year), the first year-on-year increase in eight years. The increase was due to a rise in motorcycle type 1 (50cc or less), motorcycle type 2 (125cc or less) and small-size motorcycle (over 250cc) despite a decline in mini-size motorcycles (250cc or less).

Under these circumstances, the Group has steadily pursued the key policies in its 12th midterm management plan (from FY2020 to FY2024): “Business restructuring,” “Reinforcement of corporate structure,” and “Measures aimed at next-generation businesses.” During the consolidated fiscal year under review, the Company decided to withdraw from the four-wheeled car lamp business as part of the selection and concentration of businesses and closed down the Niigata Plant for the purpose of optimizing its production system. Moreover, the Company decided to relocate the Yokohama R&D Center with the aim of realizing the most effective organization and sold the real property of the center. The Company continues to hold down capital investment and cut expenses on a global basis, and strives to reinforce its corporate structure through measures including the disposal of shares held strategically from the viewpoint of improving assets efficiency.

As a result, consolidated financial results for the consolidated fiscal year under review are as follows: Consolidated net sales increased from the previous year to 286,482 million yen (up 6.4% year on year) mainly due to the lessening impact of COVID-19 infections and an ease in production cutbacks of auto manufacturers caused by supply shortages of semiconductors. However, consolidated operating profit and ordinary profit decreased from the previous year to 7,187 million yen (down 15.9% year on year) and 7,529 million yen (down 13.9% year on year), respectively, primarily because of a rise in materials costs resulting from surging prices of raw materials and an increase in distribution costs caused by disruption in the logistics network. Profit attributable to owners of parent was 83 million yen (down 88.5% year on year) mainly due to the recording of 1,586 million yen, which was expenses incurred in connection with infection prevention measures and lockdowns in Asia, in loss on disaster as well as the posting of provision for business restructuring of 1,420 million yen in extraordinary losses.

Operating results by business segment are presented as follows.

In the Transportation equipment-related operations, although net sales increased year on year to 268,177 million yen (up 7.3% from the previous year), as mentioned before, segment profit decreased from the previous year to 5,405 million yen (down 20.7% year on year) due to a combination of cost-increasing factors.

In the Information service operations, net sales decreased year on year to 15,501 million yen (down 6.8% year on year) mainly due to the postponement of introduction of IT systems by delayed procurement of hardware, resulting from semiconductor shortages in the social and industrial business segment, although sales of IT systems for municipalities in the public works segment remained steady. However, segment profit was 1,426 million yen (down 0.4% year on year), maintaining the level of the previous year primarily due to the effect of expense reduction.

In Other operations, net sales were 6,678 million yen (up 5.6% year on year), and segment profit was 346 million yen (up 19.5% year on year) as products for cars and motorcycles remained strong.

(2) Overview of Financial Position for Fiscal Year under Review

At the end of the consolidated fiscal year under review, total assets were 342,750 million yen (343,136 million yen at the end of the previous consolidated fiscal year), down 386 million yen year on year. Current assets increased by 3,967 million yen to 206,711 million yen, and non-current assets decreased by 4,353 million yen to 136,038 million yen.

The main reasons for the increase in current assets were an increase of 1,161 million yen in merchandise and finished goods, an increase of 332 million yen in work in process, and an increase of 6,354 million yen in raw materials and supplies despite a decrease of 4,191 million yen in cash and deposits.

The decrease in non-current assets was mainly caused by a decrease of 3,389 million yen in machinery, equipment and vehicles and a decrease of 2,238 million yen in investment securities.

At the end of the consolidated fiscal year under review, total liabilities were 254,549 million yen (266,919 million yen at the end of the previous consolidated fiscal year), down 12,370 million yen year on year. Current liabilities decreased by 21,667 million yen to 115,447 million yen, and non-current liabilities increased by 9,297 million yen to 139,101 million yen.

The decrease in current liabilities was mainly caused by a decrease of 2,426 million yen in notes and accounts payable - trade and a decrease of 18,029 million yen in short-term borrowings. The main reason for the increase in non-current liabilities was an increase of 9,675 million yen in long-term borrowings.

At the end of the consolidated fiscal year under review, net assets totaled 88,201 million yen (76,217 million yen at the end of the previous consolidated fiscal year), up 11,983 million yen year on year. The main reason was an increase of 11,243 million yen in foreign currency translation adjustment.

(3) Overview of Cash Flows for Fiscal Year under Review

Cash and cash equivalents on a consolidated basis (hereinafter referred to as "Cash") for the consolidated fiscal year under review were 73,267 million yen at the end of the consolidated fiscal year under review, a decrease of 4,121 million yen from the end of the previous consolidated fiscal year.

Free cash flows for the consolidated fiscal year under review was a negative 441 million yen (a positive 7,151 million yen in the previous fiscal year).

(Cash flows from operating activities)

Cash provided by operating activities was 11,996 million yen (down 22.2% year on year). The main reasons are profit before income taxes of 4,898 million yen and a decrease of 4,855 million yen in trade receivables.

(Cash flows from investing activities)

Cash used by investing activities was 6,842 million yen (6,655 million yen for the previous fiscal year). This was caused mainly by purchase of property, plant and equipment.

(Cash flows from financing activities)

Cash used by financing activities was 13,025 million yen (12,816 million yen provided for the previous fiscal year). This is primarily due to repayments of long-term borrowings.

(4) Future Outlook

Regarding the outlook for the global economy, it has become difficult to predict when economic activities will return to normal or when the economy will start recovering as the impacts of a resurgence of COVID-19 infections, Russia's invasion of Ukraine, and others have considerably affected the real economy with consumer spending stagnating and corporate earnings deteriorating.

The automotive industry too faces the risk of production activity to be restricted due to factors such as limited supply of semiconductors and other components and lockdowns. The outlook remains uncertain since it takes time for production and sales to recover in countries overseas.

In this environment, the Company has made the following full-year consolidated earnings forecast for the fiscal year ending March 2023 (from April 1, 2022 to March 31, 2023). Consolidated net sales of 330,000 million yen (up 15.2% year on year), consolidated operating profit of 11,000 million yen (up 53.1% year on year), consolidated ordinary profit of 9,600 million yen (up 27.5% year on year) and profit attributable to owners of parent of 4,000 million yen (83 million yen for the previous fiscal year).

(5) Basic Policy concerning the Allocation of Profits and Dividends for Fiscal Year under Review and Next Fiscal Year

The Company has a basic policy of returning profit to shareholders stably while reinforcing its management foundation, and will strive to make an appropriate allocation of profits by taking its financial performance, the payout ratio, and circumstances around the Company into account.

Regarding retained earnings, the Company intends to return the favor to shareholders for their support by making better use of retained earnings for R&D, capital expenditure, overseas expansion, new business investment and others while reinforcing its financial structure, thereby connecting such efforts to future growth.

Taking the financial performance of the current fiscal year into consideration, the Company has decided to distribute a term-end dividend of three yen per share for the consolidated fiscal year under review. For Class A stocks, a dividend of the amount prescribed by the Company's articles of incorporation will be distributed.

For the next fiscal year, the Company plans to distribute an annual dividend of three yen per share at the moment.

2. Basic Approach to Selection of Accounting Standards

The Group prepares consolidated financial statements by applying Japanese GAAP.

Additionally, with the aim of sophisticating business management by unifying accounting standards and enhancing the international comparability of financial information in capital markets, the Group seeks to adopt international accounting standards in the future and is preparing internal manuals and guidelines and considering the timing of the adoption.

3. Consolidated Financial Statements and Key Notes

(1) Consolidated Balance Sheet

(Unit: Millions of yen)

	Previous consolidated fiscal year (as of March 31, 2021)	Consolidated fiscal year under review (as of March 31, 2022)
Assets		
Current assets		
Cash and deposits	78,748	74,556
Notes and accounts receivable - trade	50,751	-
Notes receivable - trade	-	3,741
Accounts receivable - trade	-	47,024
Contract assets	-	149
Merchandise and finished goods	12,953	14,115
Work in process	5,402	5,735
Raw materials and supplies	36,718	43,072
Others	18,186	18,333
Allowance for doubtful accounts	(15)	(17)
Total current assets	202,744	206,711
Non-current assets		
Property, plant and equipment		
Buildings and structures	80,530	81,160
Accumulated depreciation	(47,754)	(48,971)
Buildings and structures, net	32,775	32,188
Machinery, equipment and vehicles	165,338	173,317
Accumulated depreciation	(119,476)	(130,845)
Machinery, equipment and vehicles, net	45,861	42,472
Tools, furniture and fixtures	52,782	52,632
Accumulated depreciation	(47,831)	(47,649)
Tools, furniture and fixtures, net	4,950	4,983
Land	7,989	7,824
Leased assets	8,032	8,970
Accumulated depreciation	(2,876)	(3,694)
Leased assets, net	5,156	5,276
Construction in progress	3,994	6,639
Total property, plant and equipment	100,729	99,385
Intangible assets		
Software	1,528	1,238
Software in progress	171	75
Others	1,859	2,102
Total intangible assets	3,559	3,416
Investments and other assets		
Investment securities	18,120	15,882
Long-term loans receivable	2,354	2,384
Deferred tax assets	1,431	1,377
Long-term prepaid expenses	1,612	1,488
Retirement benefit asset	11,437	11,331
Others	1,147	771
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	36,103	33,236
Total non-current assets	140,392	136,038
Total assets	343,136	342,750

(Unit: Millions of yen)

	Previous consolidated fiscal year (as of March 31, 2021)	Consolidated fiscal year under review (as of March 31, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	27,809	25,382
Short-term borrowings	74,743	56,714
Current portion of bonds payable	30	30
Lease liabilities	2,972	3,285
Accounts payable - other	15,566	14,940
Accrued expenses	2,166	2,266
Income taxes payable	2,599	1,856
Contract liabilities	-	223
Provisions		
Provision for bonuses	3,768	3,392
Provision for bonuses for directors (and other officers)	76	90
Provision for product warranties	1,104	1,312
Provision for loss on orders received	0	36
Provisions for settlement payments	300	300
Provision for business restructuring	2,757	2,420
Total provisions	8,006	7,551
Others	3,218	3,195
Total current liabilities	137,114	115,447
Non-current liabilities		
Bonds payable	1,075	1,045
Long-term borrowings	112,151	121,827
Lease liabilities	5,598	5,186
Long-term accounts payable - other	67	22
Deferred tax liabilities	7,971	7,498
Retirement benefit liability	2,164	2,595
Asset retirement obligations	145	145
Others	631	781
Total non-current liabilities	129,804	139,101
Total liabilities	266,919	254,549
Net assets		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	33,926	33,471
Retained earnings	26,986	27,199
Treasury shares	(603)	(603)
Total shareholders' equity	65,309	65,067
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,212	582
Foreign currency translation adjustment	(6,593)	4,650
Re-measurements of defined benefit plans	(1,555)	(2,276)
Total accumulated other comprehensive income	(6,936)	2,956
Non-controlling interests	17,845	20,177
Total net assets	76,217	88,201
Total liabilities and net assets	343,136	342,750

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

(Consolidated statement of income)

(Unit: Millions of yen)

	Previous consolidated fiscal year (From April 1, 2020 to March 31, 2021)	Consolidated fiscal year under review (From April 1, 2021 to March 31, 2022)
Net sales	269,202	286,482
Cost of sales	231,149	247,573
Gross profit	38,053	38,908
Selling, general and administrative expenses	29,504	31,721
Operating profit	8,548	7,187
Non-operating income		
Interest income	407	562
Dividend income	375	396
Foreign exchange gains	967	1,621
Lease revenue	67	75
Share of profit of entities accounted for using equity method	254	69
Subsidies for employment adjustment	743	52
Others	1,590	1,333
Total non-operating income	4,404	4,112
Non-operating expenses		
Interest expenses	1,960	1,937
Cost of lease revenue	284	204
Foreign withholding tax	763	661
Others	1,196	967
Total non-operating expenses	4,204	3,770
Ordinary profit	8,748	7,529
Extraordinary income		
Gain on sale of non-current assets	49	1,236
Gain on sale of investment securities	150	1,008
Gain on liquidation of subsidiaries	249	-
Others	15	64
Total extraordinary income	464	2,310
Extraordinary losses		
Loss on sale of non-current assets	13	491
Loss on retirement of non-current assets	331	304
Impairment losses	203	22
Provision for product warranties	-	528
Losses related to transaction investigation	15	20
Loss on disaster	382	1,586
Settlement payments	210	-
Provisions for settlement payments	525	-
Business restructuring expenses	480	480
Provision for business restructuring	1,245	1,420
Others	238	86
Total extraordinary losses	3,645	4,941
Profit before income taxes	5,568	4,898
Income taxes - current	2,933	2,809
Income taxes - deferred	187	272
Total income taxes	3,121	3,082
Profit	2,446	1,815
Profit attributable to non-controlling interests	1,714	1,731
Profit attributable to owners of parent	732	83

(Consolidated statement of comprehensive income)

(Unit: Millions of yen)

	Previous consolidated fiscal year (From April 1, 2020 to March 31, 2021)	Consolidated fiscal year under review (From April 1, 2021 to March 31, 2022)
Profit	2,446	1,815
Other comprehensive income		
Valuation difference on available-for-sale securities	3,336	(654)
Foreign currency translation adjustment	6,733	12,765
Re-measurements of defined benefit plans, net of tax	1,100	(791)
Share of other comprehensive income of entities accounted for using the equity method	(175)	109
Total other comprehensive income	10,995	11,429
Comprehensive income	13,442	13,244
Comprehensive income attributable to		
Owners of parent	10,390	9,977
Non-controlling interests	3,052	3,266

(3) Consolidated Statement of Changes in Equity

Previous consolidated fiscal year (from April 1, 2020 to March 31, 2021)

(Unit: Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,885	15,407	20,735	(603)	45,425
Changes during period					
Issuance of new shares	10,000	10,000			20,000
Capital reduction	(14,885)	14,885			-
Deficit disposition		(5,912)	5,912		-
Profit attributable to owners of parent			732		732
Purchase of treasury shares				(0)	(0)
Change in scope of consolidation			(393)		(393)
Capital increase of consolidated subsidiaries		(454)			(454)
Net changes in items other than shareholders' equity					
Total changes during period	(4,885)	18,519	6,250	(0)	19,883
Balance at end of period	5,000	33,926	26,986	(603)	65,309

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Re-measurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	(2,096)	(12,019)	(2,478)	(16,595)	15,526	44,357
Changes during period						
Issuance of new shares						20,000
Capital reduction						-
Deficit disposition						-
Profit attributable to owners of parent						732
Purchase of treasury shares						(0)
Change in scope of consolidation						(393)
Capital increase of consolidated subsidiaries						(454)
Net changes in items other than shareholders' equity	3,309	5,425	923	9,658	2,318	11,976
Total changes during period	3,309	5,425	923	9,658	2,318	31,860
Balance at end of period	1,212	(6,593)	(1,555)	(6,936)	17,845	76,217

Consolidated fiscal year under review (from April 1, 2021 to March 31, 2022)

(Unit: Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,000	33,926	26,986	(603)	65,309
Cumulative effects of changes in accounting policies			(49)		(49)
Restated balance	5,000	33,926	26,936	(603)	65,260
Changes during period					
Dividends of surplus		(450)			(450)
Profit attributable to owners of parent			83		83
Purchase of treasury shares				(0)	(0)
Change in scope of consolidation			179		179
Change in ownership interest of parent due to transactions with non-controlling interests		(5)			(5)
Net changes in items other than shareholders' equity					
Total changes during period	-	(455)	262	(0)	(192)
Balance at end of period	5,000	33,471	27,199	(603)	65,067

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Re-measurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,212	(6,593)	(1,555)	(6,936)	17,845	76,217
Cumulative effects of changes in accounting policies						(49)
Restated balance	1,212	(6,593)	(1,555)	(6,936)	17,845	76,168
Changes during period						
Dividends of surplus						(450)
Profit attributable to owners of parent						83
Purchase of treasury shares						(0)
Change in scope of consolidation						179
Change in ownership interest of parent due to transactions with non-controlling interests						(5)
Net changes in items other than shareholders' equity	(629)	11,243	(720)	9,893	2,332	12,225
Total changes during period	(629)	11,243	(720)	9,893	2,332	12,033
Balance at end of period	582	4,650	(2,276)	2,956	20,177	88,201

(4) Consolidated Statement of Cash Flows

(Unit: Millions of yen)

	Previous consolidated fiscal year (From April 1, 2020 to March 31, 2021)	Consolidated fiscal year under review (From April 1, 2021 to March 31, 2022)
Cash flows from operating activities		
Profit before income taxes	5,568	4,898
Depreciation	16,555	16,491
Impairment losses	203	22
Loss on retirement of non-current assets	331	304
Loss (gain) on sale of investment securities	(149)	(970)
Amortization of goodwill	13	13
Share of loss (profit) of entities accounted for using equity method	(254)	(69)
Increase (decrease) in allowance for doubtful accounts	(24)	(0)
Increase (decrease) in retirement benefit liability	214	202
Increase (decrease) in provision for bonuses	1,199	(396)
Increase (decrease) in provision for product warranties	(577)	137
Increase (decrease) in provision for settlement payments	(525)	-
Increase (decrease) in provision for business restructuring	(2,947)	(336)
Interest and dividend income	(782)	(958)
Interest expenses	1,960	1,937
Loss (gain) on sale of non-current assets	(35)	(744)
Decrease (increase) in trade receivables	(4,310)	4,855
Decrease (increase) in inventories	(2,831)	(2,446)
Decrease (increase) in retirement benefit asset	(1,149)	(685)
Decrease (increase) in other assets	2,646	(393)
Increase (decrease) in trade payables	2,519	(6,298)
Increase (decrease) in accounts payable - other	937	(1,014)
Increase (decrease) in accrued consumption taxes	1,122	(63)
Increase (decrease) in other liabilities	434	2,038
Subtotal	20,115	16,521
Interest and dividends received	880	1,092
Interest paid	(1,988)	(1,890)
Settlement paid	(1,263)	-
Income taxes paid	(2,332)	(3,727)
Cash flows from operating activities	15,410	11,996

(Unit: Millions of yen)

	Previous consolidated fiscal year (From April 1, 2020 to March 31, 2021)	Consolidated fiscal year under review (From April 1, 2021 to March 31, 2022)
Cash flows from investing activities		
Payments into time deposits	(84)	(3)
Proceeds from withdrawal of time deposits	614	77
Purchase of property, plant and equipment	(7,379)	(10,919)
Proceeds from sale of property, plant and equipment	394	1,799
Purchase of intangible assets	(233)	(307)
Purchase of investment securities	(659)	(80)
Proceeds from sale of investment securities	358	2,116
Loan advances	(1,882)	(1,723)
Proceeds from collection of loans receivable	2,036	1,857
Others	180	339
Cash flows from investing activities	(6,655)	(6,842)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,357)	1,334
Proceeds from long-term borrowings	20,536	15,240
Repayments of long-term borrowings	(22,799)	(26,446)
Redemption of bonds	(30)	(30)
Proceeds from issuance of shares	19,930	-
Repayments of lease liabilities	(1,818)	(1,912)
Dividends paid	-	(450)
Dividends paid to non-controlling interests	(645)	(760)
Others	(0)	(0)
Cash flows from financing activities	12,816	(13,025)
Effect of exchange rate change on cash and cash equivalents	1,995	3,749
Net increase (decrease) in cash and cash equivalents	23,566	(4,121)
Cash and cash equivalents at beginning of period	53,822	77,389
Cash and cash equivalents at end of period	77,389	73,267

(5) Notes to Consolidated Financial Statements

(Notes to assumptions for going concerns)

There are no applicable matters.

(Significant accounting policies for preparing consolidated financial statements)

1. Matters related to the scope of consolidation

- Consolidated subsidiaries: 43 companies
- Non-consolidated subsidiaries: 3 companies

2. Matters related to the application of the equity method

- Number of affiliated companies accounted for by the equity method: 2 companies
- Number of non-consolidated subsidiaries and affiliated companies not accounted for by the equity method: 5 companies

Regarding non-consolidated subsidiaries and affiliated companies that are not accounted for by the equity method, their profit (loss) and retained earnings are small and do not have a material effect on the consolidated financial statements as a whole.

3. Matters related to the business year of consolidated subsidiaries

Of consolidated subsidiaries, the closing day of Corporacion Mitsuba de Mexico, S.A. de C.V. and nine other companies is December 31.

To prepare consolidated financial statements, employed are financial statements based on provisional settlement of accounts that was carried out as of March 31, which is the consolidated closing date. The last day of the business year of other consolidated subsidiaries is the same as the consolidated closing date.

(Changes in accounting policies)

(Application of accounting standard and other standards for revenue recognition)

The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, issued on March 31, 2020. Hereinafter referred to as "Revenue Standard Accounting Standard") and other standards have been applied since the beginning of the consolidated fiscal year under review. Accordingly, the Company has decided to recognize revenue of the amount that it expects to receive in exchange for promised goods or services upon transfer of control of such products or services to the customer.

Revenue related to the provision of licenses in the Information service operations had followed the method of recognizing revenue at the time of receiving payment. However, with this change, the Company has switched to the method of recognizing revenue over time in the case that the nature of the promise for providing a license to a customer is the right to access the intellectual property during the licensing period, and to the method of recognizing revenue at point in time in the case that the nature of the promise is the right to use the intellectual property at the time of providing the license. Additionally, in a development project related to tailor-made software, the percentage completion method had been employed in the case of being able to recognize the certainty of achievement in the progress of development, and the completed contract method had been employed in the case that the above requirement was not fulfilled. However, the Company has shifted to the method of recognizing revenue over time in proportion to the satisfaction of performance obligations. In the case that it is not possible to make a reasonable estimate of the progress rate in the satisfaction of performance obligations, the cost recovery method is applied. Further, if performance obligations are based on the promise with a customer that the Company shall arrange for another party to provide goods or services to the customer, revenue is recognized in net as an agent.

The application of the Revenue Recognition Accounting Standard and others follows the provisional treatment stipulated in the proviso of paragraph 84 of the Revenue Recognition Accounting Standard. The cumulative effect of the retroactive application of the new accounting policy before the beginning of the consolidated fiscal year under review is added to or deducted from retained earnings at the beginning of the consolidated fiscal year under review, and the new accounting policy is applied from this initial balance. However, the method stipulated in paragraph 86 of the Revenue Recognition Accounting Standard is applied, and the new accounting policy is not applied retroactively to contracts for which nearly all revenue amounts had been recognized in accordance with the previous treatment prior to the beginning of the consolidated fiscal year under review. In addition, after applying the method provided for in paragraph 86 (1) of the Revenue Recognition Accounting Standard, all contract changes have been reflected for contract changes made before the beginning of the consolidated fiscal year under review. Then, based on such contract terms, accounting treatment was made, and the cumulative impact amount is added to or subtracted from retained earnings at the beginning of the consolidated fiscal year under review.

As a result, in the Information service operations for the consolidated fiscal year under review, net sales increased by 94 million yen, cost of sales increased by 95 million yen, and operating profit, ordinary profit, and profit before income taxes each decreased by 0 million yen. The balance of retained earnings at the beginning of the fiscal year decreased by 49 million yen.

There is no impact on profit (loss) for the consolidated fiscal year under review concerning the Transportation equipment-related operation and Other operations. There is no impact on the balance of retained earnings at the beginning of the fiscal year, either.

Due to the application of the Revenue Recognition Accounting Standard and others, “Notes and accounts receivable - trade,” which were presented under “Current assets” in the consolidated balance sheet of the previous consolidated fiscal year, are presented in “Notes receivable - trades,” “Accounts receivable - trade” and “Contract assets,” and “Other,” which was presented in “Current liabilities,” is presented in “Contract liabilities” and “Other” from the consolidated fiscal year under review. However, in accordance with transitional treatment stipulated in paragraph 89-2 of the Revenue Recognition Accounting Standard, there is no reclassification by the new presentation method concerning the previous consolidated fiscal year. In accordance with transitional treatment stipulated in paragraph 89-3 of the Revenue Recognition Accounting Standard, no note to “Matters related to revenue recognition” concerning the previous consolidated fiscal year is presented.

(Application of accounting standard and other standards for fair value measurement)

The “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, issued on July 4, 2019. Hereinafter referred to as the “Fair Value Measurement Accounting Standard”) and others has been applied since the beginning of the consolidated fiscal year under review. Accordingly, the Company has decided to continue to apply the new accounting policies stipulated in the Fair Value Measurement Accounting Standard and others in accordance with the transitional treatment stipulated in paragraph 19 of the Fair Value Measurement Accounting Standard and paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, issued on July 4, 2019). There is no impact on the consolidated financial statements.

(Segment information)

Segment information

1. Overview of reportable segments

The reportable segments of the Company are components of the Company for which separate financial information is available and which are subject to regular review by the Company's Board of Directors for making decisions on the allocation of management resources and assessing performance.

The Company sets three operations as reportable segments: the "Transportation equipment-related operations, the "Information service operations" and "Other operations."

Main finished goods and services of each segment

Transportation equipment-related operations: Wiper systems, starter motors, fan motors, power window motors, and transportation and warehousing

Information service operations: System integration service, IT system development, and software development

Other operations: Development and sale of automotive parts and accessories, consignment business, money-lending, electrical works, and civil engineering and construction

2. Calculation method of net sales, profit or loss, assets, liabilities, and other items by reportable segment

Accounting treatment methods for reportable segments are almost identical to the explanation of "Significant accounting policies for preparing consolidated financial statements."

Profit in reportable segments is figures based on operating profit.

Inter-segment revenue and transfers are based on market prices.

3. Information on the amounts of net sales, profit or loss, assets, liabilities, and other items by reportable segment

Previous consolidated fiscal year (from April 1, 2020 to March 31, 2021)

(Unit: Millions of yen)

	Reportable segment			Total	Adjustments (Note 1)	Amount reported on consolidated financial statements (Note 2)
	Transportation equipment- related operations	Information service operations	Other operations			
Net sales						
Sales to outside customers	249,496	14,580	5,125	269,202	-	269,202
Inter-segment sales or transfers	529	2,060	1,196	3,786	(3,786)	-
Total	250,025	16,640	6,322	272,988	(3,786)	269,202
Segment profit	6,815	1,432	290	8,537	10	8,548
Segment assets	326,769	16,714	15,904	359,388	(16,251)	343,136
Segment liabilities	260,698	7,137	13,591	281,426	(14,507)	266,919
Other items						
Depreciation	15,753	683	118	16,555	-	16,555
Investments in companies accounted for by equity method	3,286	-	-	3,286	-	3,286
Increase in property, plant and equipment and intangible assets	7,313	375	75	7,764	(7)	7,757

(Note) 1. Adjustments are presented as follows.

(1) The (3,786) million yen adjustment in net sales is an amount in elimination of inter-segment transactions.

(2) The 10 million yen adjustment in segment profit is an amount in elimination of inter-segment transactions.

(3) The (16,251) million yen adjustment in segment assets is an amount in elimination of inter-segment receivables.

(4) The (14,507) million yen adjustment in segment liabilities is an amount in elimination of inter-segment payables.

(5) The (7) million yen adjustment in increases in property, plant and equipment and intangible assets is an amount in elimination of inter-segment transactions.

2. Segment profit is adjusted to be consistent with operating profit in the consolidated financial statements.

Consolidated fiscal year under review (from April 1, 2021 to March 31, 2022)

(Unit: Millions of yen)

	Reportable segment			Total	Adjustments (Note 1)	Amount reported on consolidated financial statements (Note 2)
	Transportation equipment- related operations	Information service operations	Other operations			
Net sales						
Sales to outside customers	267,411	13,453	5,616	286,482	-	286,482
Inter-segment sales or transfers	766	2,047	1,061	3,874	(3,874)	-
Total	268,177	15,501	6,678	290,357	(3,874)	286,482
Segment profit	5,405	1,426	346	7,179	8	7,187
Segment assets	326,626	16,523	15,171	358,321	(15,570)	342,750
Segment liabilities	249,385	6,260	12,731	268,378	(13,829)	254,549
Other items						
Depreciation	15,705	665	120	16,491	-	16,491
Investments in companies accounted for by equity method	3,054	-	-	3,054	-	3,054
Increase in property, plant and equipment and intangible assets	10,148	1,415	49	11,613	(2)	11,610

(Note) 1. Adjustments are presented as follows.

- (1) The (3,874) million yen adjustment in net sales is an amount in elimination of inter-segment transactions.
 - (2) The 8 million yen adjustment in segment profit is an amount in elimination of inter-segment transactions.
 - (3) The (15,570) million yen adjustment in segment assets is an amount in elimination of inter-segment receivables.
 - (4) The (13,829) million yen adjustment in segment liabilities is an amount in elimination of inter-segment payables.
 - (5) The (2) million yen adjustment in increases in property, plant and equipment and intangible assets is an amount in elimination of inter-segment transactions.
2. Segment profit is adjusted to be consistent with operating profit in the consolidated financial statements.

(Matters related to revenue recognition)

Information on disaggregation of revenue from contracts with customers

Consolidated fiscal year under review (from April 1, 2021 to March 31, 2022)

(Unit: Millions of yen)

	Reportable segment			Total
	Transportation equipment-related operations	Information service operations	Other operations	
Japan	75,959	13,453	5,616	95,030
The Americas	59,398	-	-	59,398
Europe	19,166	-	-	19,166
Asia	50,601	-	-	50,601
China	62,286	-	-	62,286
Revenue from contracts with customers	267,411	13,453	5,616	286,482
Other revenue	-	-	-	-
Sales to outside customers	267,411	13,453	5,616	286,482

(Per share information)

Item	Previous consolidated fiscal year (From April 1, 2020 to March 31, 2021)	Consolidated fiscal year under review (From April 1, 2021 to March 31, 2022)
Net assets per share (yen)	847.31	1,052.91
Basic earnings per share (yen)	16.36	1.87
Diluted earnings per share (yen)	14.30	1.46

(Note) Basic earnings per share and diluted earnings per share were calculated on the following basis.

Item	Previous consolidated fiscal year (From April 1, 2020 to March 31, 2021)	Consolidated fiscal year under review (From April 1, 2021 to March 31, 2022)
Basic earnings per share		
Profit attributable to owners of parent (millions of yen)	732	83
Amount that does not belong to shareholders of common stocks (millions of yen)	-	-
(Of which, preferred dividends (millions of yen))	(-)	(-)
Profit attributable to owners of parent related to common stocks (millions of yen)	732	83
Average number of common stocks during the period (thousands of shares)	44,756	44,756
Diluted earnings per share		
Adjustments in profit attributable to owners of parent (millions of yen)	-	-
(Of which, preferred dividends (millions of yen))	(-)	(-)
Number of increased common stocks (thousands of shares)	6,422	12,810
(Of which, class stocks (thousands of shares))	(6,422)	(12,810)

(Note) Since dividends were paid out from capital surplus to preferential shareholders for the previous consolidated fiscal year and the consolidated fiscal year under review, the amount that is not attributable to shareholders of common stocks is not deducted in the calculation.

(Important subsequent events)

(Transfer of consolidated subsidiaries (transfer of stocks))

The Company concluded a stock transfer agreement to transfer all shares in Oshima Electric Works Co., Ltd., which is its subsidiary (hereinafter referred to as “Oshima Electric”), that the Company held to Murakami Corporation on August 31, 2021, and the stockholding was transferred on April 1, 2022.

With this transfer, Oshima Electric was removed from the scope of consolidation of the Company.

1. Reasons for the transfer

Oshima Electric is engaged in production of door mirrors and automotive lamps and had been in charge of production of finished goods that belonged to the relevant operations of the Group since 1988. On the other hand, the Company held up the policy of “Selection and concentration of four-wheeled vehicle-related operations” in the 12th midterm management plan, announced on July 15, 2020, and considered the domains for allocation of the Group’s management resources in the future. As a result, the Company concluded that it was best to withdraw from the relevant operations since the operations centering on Oshima Electric did not belong to the domains of motors and mechanism control, which are the Company’s core technologies.

2. Ownership before and after the transfer

(1) Ownership before the transfer: 84.2%

(2) Ownership after the transfer: 0.0%

3. Impact on profit (loss)

An estimated loss of 1,641 million yen in association with the transfer was recorded in extraordinary losses as provision for business restructuring in the consolidated fiscal year under review.

4. Others

(1) Change of Directors

1) Change of Representative Director

There are no applicable matters.

2) Change of Other Directors

- Candidate for new Director

Director: Sadami Hino (currently Senior Managing Officer)

- Candidate for new Director who is an Audit & Supervisory Committee Member

External Director: Hiroaki Tanji (currently External Director (Audit & Supervisory Committee Member) of Akebono Brake Industry Co., Ltd.)

External Director: Yoko Nakai (currently Representative of Luce Law Office)

- Director who is an Audit & Supervisory Committee Member scheduled to resign

External Director: Akira Fujiwara

External Director: Takashi Hayama

3) Scheduled date of changes

June 23, 2022