

2021

Annual Report

For the Fiscal Year Ended March 31, 2021

Consolidated Financial Overview

	2020 67th term (April 1, 2019~ March 31, 2020)	2021 68th term (April 1, 2020~ March 31, 2021)
Revenue (Millions of yen)	154,629	157,231
Profit before tax (Millions of yen)	807	6,110
Profit (loss) (Millions of yen)	(1,838)	226
Profit (loss) attributable to owners of parent (Millions of yen)	(3,169)	666
Comprehensive income (Millions of yen)	(4,810)	5,583
Equity attributable to owners of parent (Millions of yen)	47,386	52,663
Total assets (Millions of yen)	117,219	126,448
Equity attributable to owners of parent per share (Yen)	1,973.31	2,199.82
Basic earnings (loss) per share (Yen)	(131.97)	27.77
Diluted earnings per share (Yen)	—	—
Equity attributable to owners of parent to total assets ratio (%)	40.4	41.6
Profit to equity attributable to owners of parent ratio (%)	(6.3)	1.3
Price earnings ratio (Times)	—	23.0
Cash flows from operating activities (Millions of yen)	12,844	8,889
Cash flows from investing activities (Millions of yen)	(11,465)	(7,337)
Cash flows from financing activities (Millions of yen)	4,601	(6,589)
Cash and cash equivalents at end of period (Millions of yen)	25,121	21,738
Number of employees [Average number of temporary employees outside the above] (Persons)	7,169 [1,239]	6,819 [1,047]

(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 67th term is not listed because the Company recorded a loss.

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

1. Analysis of Results of Operations

(1) Analysis of Results for the Current Fiscal Year

The economic situation in Japan in the consolidated fiscal year is still severely affected by the COVID-19 pandemic, and the capital investment has picked up although consumer spending is weak. The overseas markets, the American and Chinese economies, have recovered moderately, although fears have risen over the worldwide COVID-19 spread and the fluctuations in financial and capital markets. The Asian economies stopped declining, although they were in a severe situation.

Under these circumstances, the Group has positioned the three years from April 2020 as "Creating the basis for development" 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 take into account the future market potential of fuel tanks and sunroofs, and our customers recognized competitive technologies and product features. In plastic products, the development of plastic backdoors has been completed, and the specifications and prices that can be proposed to customers have been realized. In order to expand new sales channels, we have developed products with specifications that meet customer needs, and achieved target prices. At the plant, we accepted customer audits and got high ratings for potential new orders. In addition, we received orders for new plastic parts from Daihatsu Motor Co., Ltd. and automobile parts suppliers, which realized stable mass production launches. In the evolution of manufacturing; Monozukuri, we examined major efficiency improvement measures in the fuel tank manufacturing processes, and started introducing them with a view to horizontal deployment to all our bases.

In "Making a solid business basis", we promoted production stability in the Americas, and at the production sites, we improved the production characteristics in terms of improving efficiency and reducing the cost ratio. In the plastics business, we introduced injection mold machines for future developments. We created an environment that can meet new demands for plastic module products and larger bumpers. In the service parts business, we introduced large-scale press machines that support the molding of high-tensile-strength steel plates, which are increasingly used in automotive parts. On the other hand, in the indirect field, the company has promoted further efficiency in its operations, thereby strengthening its overall competitiveness. In addition, in the planning of the new model programs, we have established cost targets linked to the business and strengthened the system to ensure that we can promote activities for mass production start-ups.

In "Reinforcing the global QD structure", we have used reflection and the lessons learned about critical quality defects that occurred in the past to design products that are free of defects and easy to produce, and promoted the enhancement of quality maturation ranging from development to production preparation stage. In addition, countermeasures to address these issues are being continuously examined, and measures added for newly identified problems and issues, and preventive measures taken instead of corrective actions.

Furthermore, the improvement in quality training has resulted in a significant reduction in the number of defects.

In "Revitalization of human and organization & human resource enhancement", we have made more opportunities for dialog between management and employees than ever before to improve the working environment from a variety of perspectives in order to enhance the appeal of our company. We have also implemented measures to promote vitality among employees in their work. In addition, in order to improve our organizational capabilities, we have implemented measures to continue activities that would be in line with our corporate philosophy, and to reform and revitalize the management levels. Moreover, we have actively implemented "remote work" to prevent the spread of the COVID-19, and have established a system that can flexibly support new ways of working.

In "Sustainability development for corporate value improvement", we have achieved our initial environment targets for expansion and are compliant with environmental regulations. We have actively engaged in limited community-based activities due to the COVID-19 that contribute to society through our technologies and products and disabled athlete's promotional activities. In addition, volunteers from the subsidiary, Goshi Giken Co., Ltd., helped restore the disaster areas in Kumagawa River basin in Kumamoto Prefecture that occurred in July last year. From the perspective of the SDGs, we cooperated with Saitama Prefecture's efforts to reduce CO² emissions through "Zero Carbon Saitama," and donated CO² credits to Saitama Prefecture, which were obtained through our business activities to reduce CO² emissions.

Revenue in the fiscal year increased ¥ 2,602 million (1.7%) year on year, to ¥ 157,231 million, due to an increase in orders received in China, in spite of a decrease in orders received in Japan, the Americas and Asia because of the COVID-19. In terms of Profit, operating profit increased ¥4,637 million (467.4%) from the previous fiscal year to ¥ 5,629 million due to the increase in orders received and decreased impairment losses, although reserves for product warranty were recorded at the US Yachiyo, Inc. (U.S.A.). Profit before tax increased ¥ 5,303 million (657.5%) year on year, to ¥ 6,110 million, while profit attributable to owners of parent was ¥ 666 million; a profit increase of ¥ 3,835 million year on year was made.

Business results by segment are as follows:

(Japan)

In Japan, revenue decreased ¥ 1,888 million (8.1%) compared to the previous fiscal year, to ¥ 21,409 million, due to a decrease in orders received because of the spread of COVID-19 infections. Loss before tax totaled ¥ 2,237 million, a decrease of ¥ 5,108 million, compared to the previous year, in spite of decrease in orders received, due primary to a decrease in impairment losses and the positive effects of cost improvements.

(The Americas)

In the Americas, revenue decreased ¥ 6,995 million (19.4%) year over year, to ¥ 29,097 million, due to a decrease in orders received because of the spread of COVID-19 infections. Loss before tax was ¥ 5,949 million, a decrease of ¥ 3,792 million compared with the previous year, due to a decrease in orders received and reserve for product warranty at the US Yachiyo Inc..

(China)

In China, revenue increased ¥ 20,762 million (56.2%), compared with the previous fiscal year, to ¥ 57,693 million, due to an increase in orders received at Yachiyo Zhongshan Manufacturing Co., Ltd. and the Yachiyo Wuhan Manufacturing Co., Ltd. Profit before tax increased ¥ 6,432 million (111.7%), year on year, to ¥12,190 million, mainly due to an increase in orders received and differences in model mix and the positive effects of cost improvements.

(Asia)

In Asia, revenue decreased ¥ 9,276 million (15.9%) year over year, to ¥ 49,033 million, due to a decrease in orders received due to the spread of COVID-19 infections. Profit before tax decreased ¥ 2,345 million (53.2 %) year on year, to ¥ 2,063 million.

(2) Analysis of Financial Position

Total assets at the end of the consolidated fiscal year, stood at ¥ 126,448 million, representing an increase of ¥ 9,229 million compared to the previous fiscal year. There were increase in trade and other receivables by ¥ 9,344 million, and inventories by ¥ 2,823 million, in spite of a decrease in cash and cash equivalents by ¥ 3,383 million.

Total liabilities stood at ¥ 61,433 million, representing an increase of ¥ 5,110 million compared to the previous fiscal year. The increase was mainly due to an increase in trade and other payables by ¥ 5,262 million and a rise in provisions by ¥ 2,532 million, despite a decrease in borrowings of ¥ 4,579 million.

Total equity stood at ¥ 65,015 million, representing an increase of ¥ 4,120 million, compared to the previous fiscal year. The increase was mainly due to an increase in other components of equity ¥ 3,329 million and an increase in retained earnings of ¥ 1,980 million, despite a decrease in non-controlling interests by ¥1,157 million.

(3) Cash Flow Status

The balance of cash and cash equivalents at the end of the consolidated fiscal year (hereinafter referred to as "Funds") was ¥ 21,738 million. This represents a decrease of ¥ 3,383 million from the previous fiscal year, due to an increase in trade and other receivables of ¥ 7,711 million, purchase of property, plants and equipment of ¥ 7,455 million and ¥ 4,030 million for income taxes paid, despite profit before tax of ¥ 6,110 million, depreciation and amortization of ¥ 7,295 million, and an increase in trade and other payables of ¥ 3,564 million.

The status of cash flow in the current consolidated 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 decreased by ¥ 3,956 million, compared to the previous fiscal year, to ¥ 8,889 million. (¥ 12,844 million of funds provided in previous fiscal year) this was primary due to an increase in trade and other receivables of ¥ 7,711 million and income taxes paid of ¥ 4,030 million, despite profit before tax of ¥ 6,110 million, depreciation and amortization of ¥ 7,295 million, and an increase in trade and other payable of ¥ 3,564 million.

(Cash flows from investing activities)

Funds used in investing activities decreased by ¥ 4,128 million compared to the previous fiscal year to ¥ 7,337 million (¥ 11,465 million of funds used in the previous fiscal year). This was mainly due to the purchase of property, plant and equipment of ¥ 7,455 million.

(Cash flows from financing activities)

Funds used in financing activities increased by ¥ 11,190 million compared to the previous fiscal year, to ¥ 6,589 million (¥ 4,601 million of funds provided in the previous fiscal year). This was primarily due to a net decrease in short-term borrowings of ¥ 2,837 million, repayments of long-term borrowings of ¥ 1,717 million, and cash dividends paid to non-controlling interests of ¥ 849 million.

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

The Company regards returning profits to its shareholders as one of the paramount issues of management. It has been endeavoring 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 future funds demand. 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 bodies for these dividends are 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 endeavors to improve business performance and strengthen its financial standing.

The annual dividend for the fiscal year under review, the company has decided it will be at 8 yen per share. (8 yen per share as a year-end dividend). As a result, the dividends to equity attributable to owners of the consolidated parent company ratio for the fiscal year under review will be 0.4%.

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

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

Yachiyo sincerely fulfills our responsibilities as a Monozukuri 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 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 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 recover gradually despite the severe situation due to the impact of the COVID-19. However, careful attention should be paid to the uncertain situation, such as economic downturn due to the resurgence of infectious disease and fluctuations in the financial and capital markets. In the automotive industry, where the Group operates, sales of new vehicles have almost recovered except in some regions. However, production volume will be affected by the re-emergence of infectious diseases and the shortage in semiconductor supply, so we need to keep a close eye on future trends.

As the global market expands, automobiles include CASE: Connected, Autonomous, Shared, Electric, and MaaS: Mobility as a Service. A new value called is required. In particular, with regard to electrification, due to growing interest in 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 also proceeding with the response at a rapid pace. While automobile manufacturers advance by investing resources into the realization of these new values, 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.

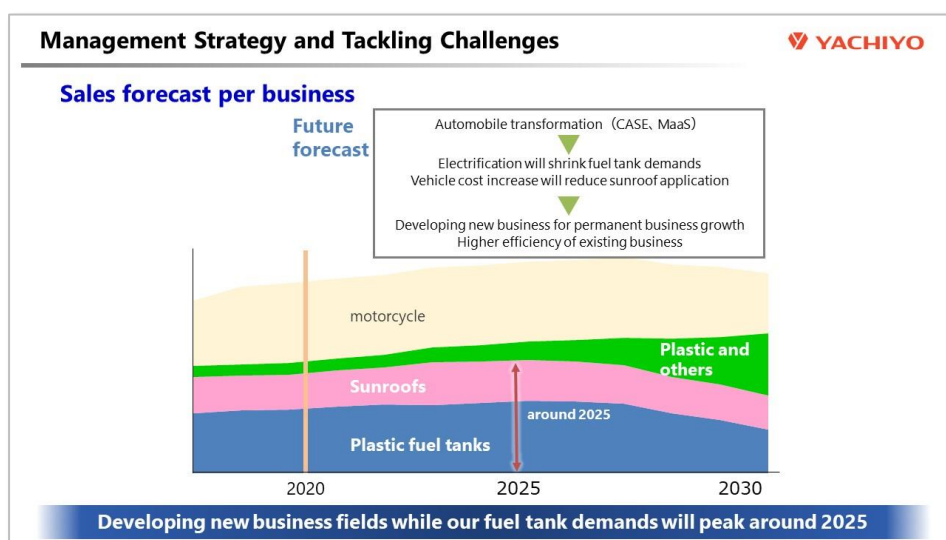
Response to electrification

As the world becomes increasingly concerned about environmental conservation, governments and local governments are increasingly moving toward clearly defining the year to as the target for electrification. In contrast, automobile manufacturers have announced their own promotional targets, such as gradually increasing the sales ratio of electric vehicles over the next 20 years or so.

Under these circumstances, we are taking steps to respond to the shift to electrification, such as making efficient use of our resources based on assumption that demand for fuel tanks, our current core business, will peak around 2025, and we are making strong efforts to reallocate development resources to build a new revenue base. Among them, we are accelerating research and development of lightweight technologies, such as using plastic parts instead of steel parts, which we believe will contribute to the needs of improving energy efficiency and extending the cruising range.

In addition, for fuel cell vehicles that use hydrogen as their energy source, we have already established basic technology for storage containers for vehicles and on-board and ground equipment.

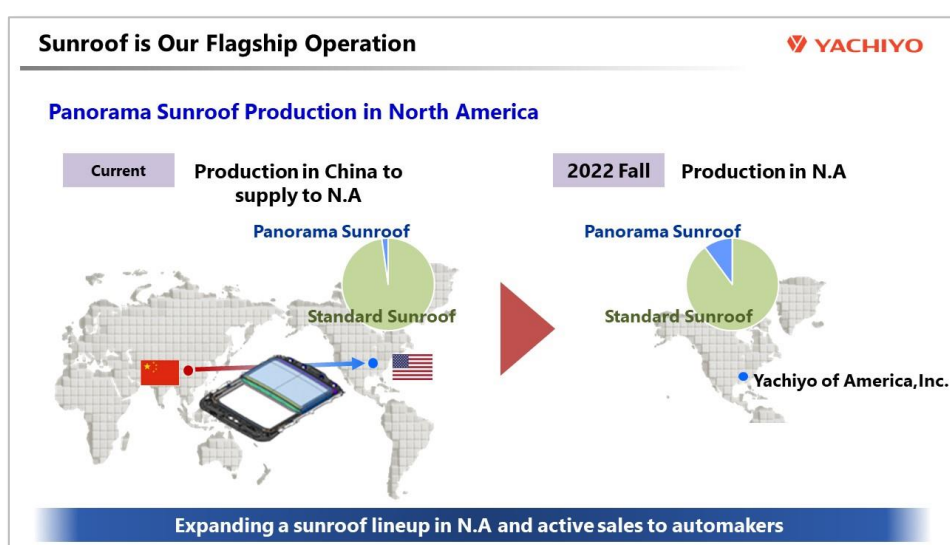
In the future, we will further enhance the competitiveness of our products so that we can surely receive orders of fuel tanks from automobile manufacturers, which is our existing business.



Sunroof Business Development

In our flagship Sunroof business, the panorama sunroof has been manufactured in China and exported to the North American market. In recent years, demand has increased in the North American market. As a result, we are preparing for local production and are planning to start mass production around the fall of 2022. We will continue to enhance our sunroof lineups in the North American market and actively promote sales to automakers, aiming to expand new sales channels in addition to existing customers.

In addition, we have developed a horizontal opening and closing structure for the windows located behind the rear seats of the pickup truck, based on the sunroof technology we have cultivated so far. This rear slide window, which slides electrically and boasts a high-quality, integrated design and a large opening area, is expanding its sales activities so that it can be used in pickup trucks, which boast a large market share in the North American automobile market.



Strengthening of plastics business

In the plastics business, we have introduced molding machines at two bases and are strengthening our competitiveness in production.

First, In Siam Yachiyo Co., Ltd., (Thailand), we introduced a 1600-ton injection molding machine to start production, aiming to expand orders for plastic parts for motorcycles. Currently, we manufacture high-level-design outer-plate parts for motorcycles, including fenders and side covers for three models. With the new model change, orders will be expanded in the future.

The Suzuka Plant installed a 3500-ton injection molding machine. This addition to its existing machine will allow the company to build an efficient production environment and to accommodate the production of bumpers that have become larger in recent years, and to make it possible to mold plastic backdoors that are currently under development. In addition, we have reviewed the painting process to strengthen competitiveness in the production characteristics.

The Suzuka Plant has received orders for two new bumpers with different shapes in the same model from Daihatsu Motor Co., Ltd., and began production in August 2020. On average, production volume per month is over 14,000 units. We received orders for bumpers from Daihatsu Motor Co., Ltd. since 2018, and has received high evaluation for our molding performance, paint quality and stable delivery. We will continue to promote sales development in order to further increase orders.

In addition, automobile manufacturers can adopt the development of plastic backdoors, which has been under way for a long time, has completed with specifications and prices that. The plastic backdoors are increasingly used by automobile manufacturers because they are significantly lighter and can be molded with superior design. At the same time, we believe that there will be more demand for electric vehicles in the future in terms of weight reduction, and we will promote development with the aim of higher rigidity and lighter weight.

Strengthening Plastic Parts Operation

Siam Yachiyo Co., Ltd. (Thailand) implementation on Injection Molding Machine

1600 ton Injection Molding Machine
started operation in Dec, 2020
to support increased motorcycle
plastic parts order volume



Production Parts


Floor Side Cover


Front Fork Cover


Front Fender

For increasing order volume at model changes

Strengthening Plastic Parts Operation



Suzuka Plant implementation on Injection Molding Machine

3500 ton Injection Molding Machine

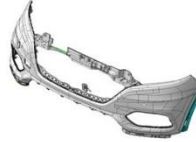
started operation in April, 2021

to support large size bumpers and plastic back doors



Production Parts

Front Bumper



Rear Bumper



Reviewing to strengthen competitiveness in the paint production characteristic area

Strengthening Plastic Parts Operation



Developing plastic back doors to reduce vehicle weights in response to electrification

Building specifications of rigidity, light-weight and prices which meet automobile manufactures' requirements

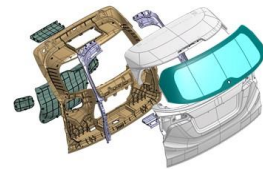
Developing products and gaining Know-how of manufacturing technologies in light of mass-production



Product Appearance



Inside



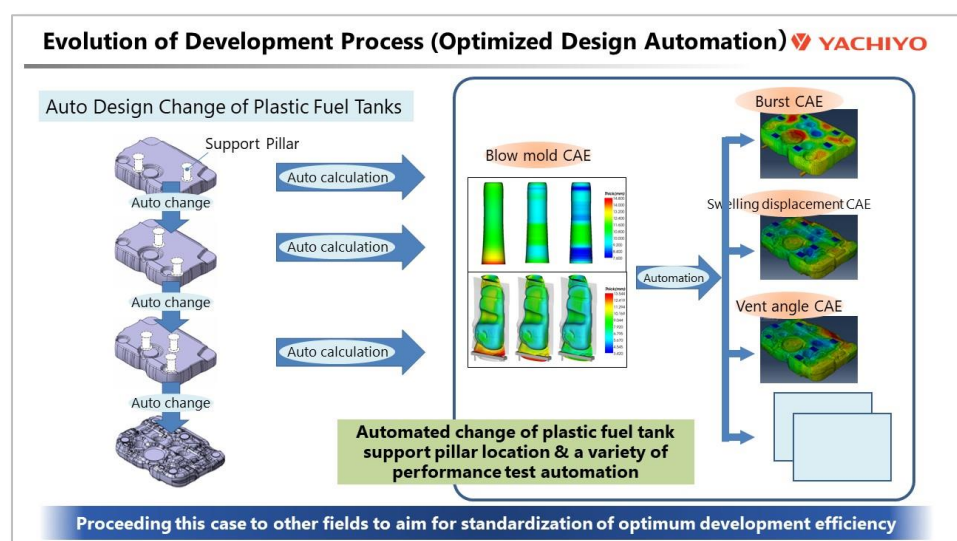
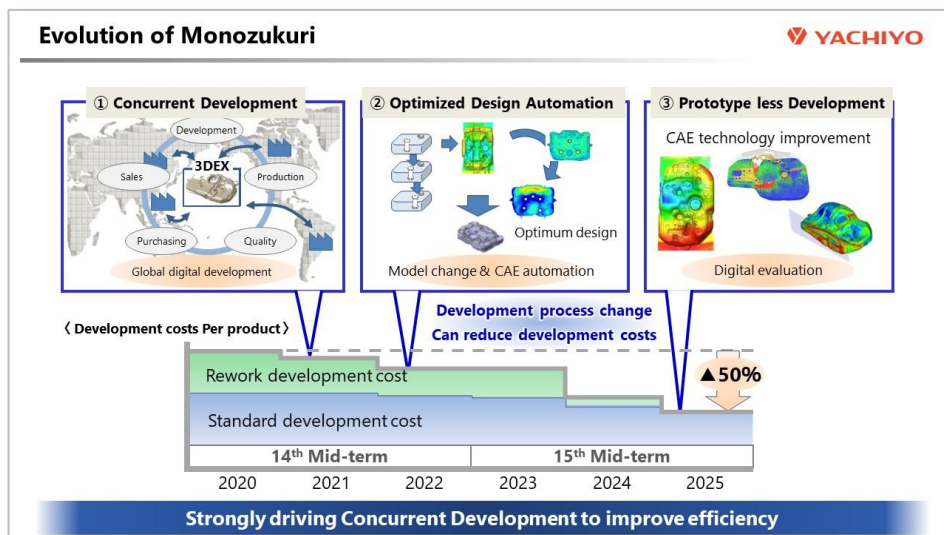
Product Structure

Developing further high rigidity and light-weight in future

Development process evolution

In the development area, it is necessary to advance the manufacturing process and increase the development efficiency of existing products, thereby opening up development resources for new products and technologies for the future. Product development has been a systematic process with specification review, development, manufacturing technology, and production. Although this has been done at each function, future development of new models will strongly promote concurrent development in which each function is combined to conduct specification studies, thereby increasing efficiency.

At the same time, we will continue to optimize specifications through automated design, aiming to reduce development costs for existing products. In the design of the fuel tank, the positioning of the support pillar has been set by the designer to limit deformation caused by pressure changes, and the strength simulation has verified the optimum performance. This design process is now an automation. This significantly reduces human work and development time. We will continue to apply this activity to other product development steps, and promote standardization of optimum development efforts.



Consolidated Statements of Financial Position

Millions of yen

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and cash equivalents	25,121	21,738
Trade and other receivables	20,286	29,630
Other financial assets	5,767	4,066
Inventories	9,509	12,332
Other current assets	1,487	1,339
Total current assets	62,171	69,105
Non-current assets		
Property, plant and equipment	46,896	48,507
Goodwill and intangible assets	3,238	2,670
Right-of-use assets	595	658
Other financial assets	1,918	1,862
Deferred tax assets	1,818	1,418
Retirement benefit asset	288	1,950
Other non-current assets	296	278
Total non-current assets	55,048	57,344
Total assets	117,219	126,448
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	17,907	23,169
Borrowings	12,913	10,334
Other financial liabilities	681	625
Income taxes payable	1,008	818
Provisions	1,450	3,982
Other current liabilities	4,197	5,096
Total current liabilities	38,155	44,023
Non-current liabilities		
Borrowings	7,000	5,000
Other financial liabilities	500	458
Retirement benefit liability	6,266	6,370
Deferred tax liabilities	4,115	5,275
Other non-current liabilities	288	307
Total non-current liabilities	18,168	17,410
Total liabilities	56,323	61,433
Equity		
Share capital	3,686	3,686
Capital surplus	3,488	3,490
Retained earnings	40,469	42,449
Treasury shares	(25)	(60)
Other components of equity	(232)	3,097
Total equity attributable to owners of parent	47,386	52,663
Non-controlling interests	13,510	12,353
Total equity	60,896	65,015
Total liabilities and equity	117,219	126,448

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

For the years ended March 31
Millions of yen

	2020 67 th term	2021 68 th term
Revenue	154,629	157,231
Cost of sales	(136,290)	(133,619)
Gross profit	18,338	23,613
Selling, general and administrative expenses	(13,946)	(14,580)
Research and development expenses	(3,743)	(3,534)
Other income	517	423
Other expenses	(175)	(293)
Operating profit	992	5,629
Finance income	371	583
Finance costs	(557)	(102)
Profit before tax	807	6,110
Income tax expense	(2,645)	(5,884)
Profit (loss)	(1,838)	226
Profit (loss) attributable to		
Owners of parent	(3,169)	666
Non-controlling interests	1,331	(439)
Earnings (loss) per share		
Basic earnings (loss) per share (yen)	(131.97)	27.77

Consolidated Statements of Comprehensive Income

For the years ended March 31
Millions of yen

	2020 67 th term	2021 68 th term
Profit (loss)	(1,838)	226
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(442)	1,416
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	703	10
Total of items that will not be reclassified to profit or loss	261	1,426
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(3,232)	3,930
Total of items that may be reclassified to profit or loss	(3,232)	3,930
Total other comprehensive income	(2,971)	5,356
Comprehensive income	(4,810)	5,583
Comprehensive income attributable to		
Owners of parent	(5,387)	5,309
Non-controlling interests	577	273

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 April 1, 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				
Foreign currency translation adjustments				
Total comprehensive income	—	—	(3,169)	—
Transactions with owners				
Purchase of treasury shares				(0)
Dividends of surplus			(384)	
Changes in ownership interest in subsidiaries				
Share-based payment transactions				
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)
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)

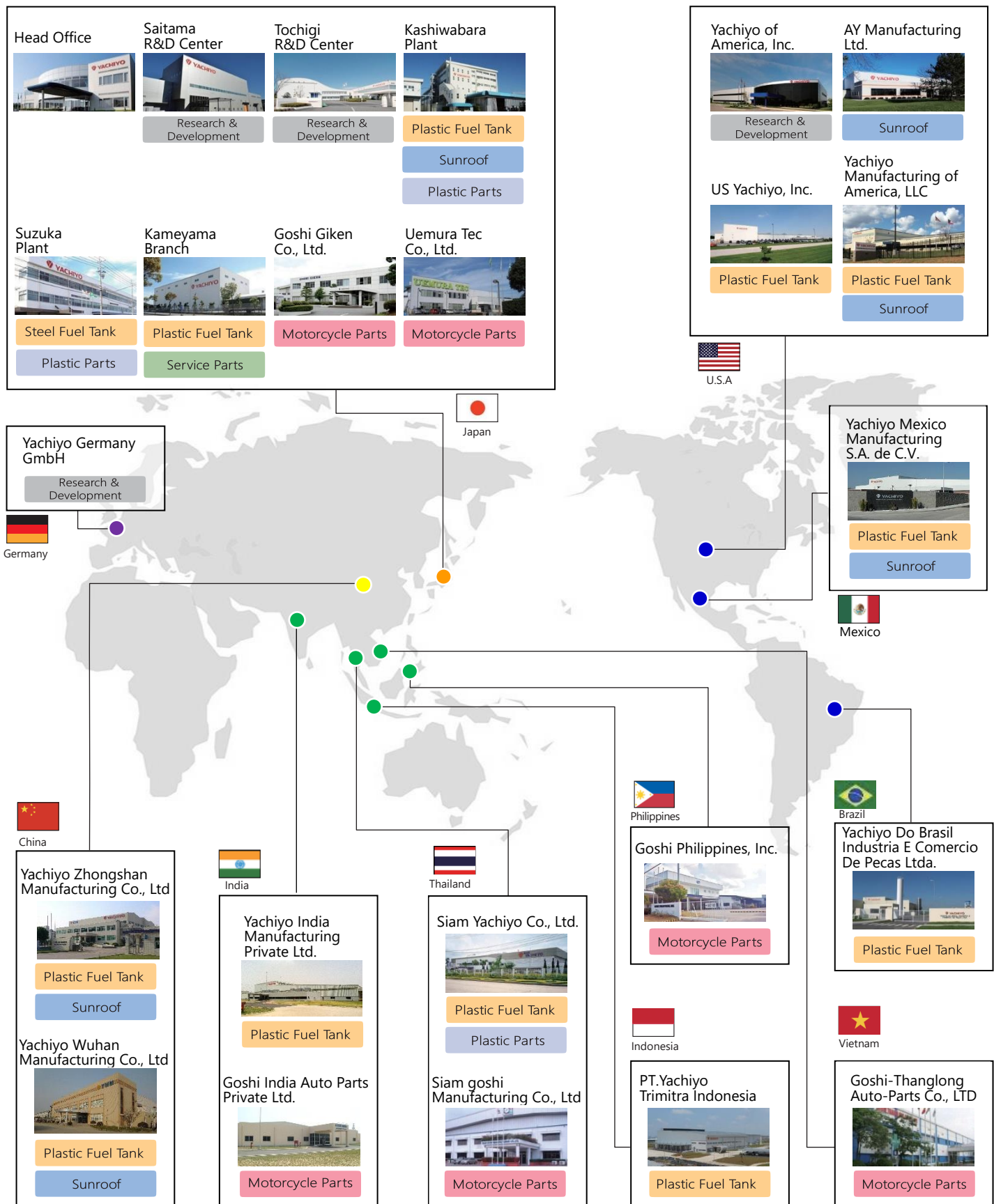
	Equity attributable to owners of parent					Non- controlling interests	Total
	Other components of equity				Total		
	Remeasurements of defined benefit plans	Net change in fair value of equity instruments designated as measured	Exchange differences on translation of foreign operations	Total			
Balance as of April 1, 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
Foreign currency translation adjustments			(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 shares					(0)		(0)
Dividends of surplus					(384)	(1,387)	(1,772)
Changes in ownership interest in subsidiaries					—		—
Share-based payment transactions					—		—
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
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

Consolidated Statements of Cash Flows

For the years ended March 31
Millions of yen

	2020 67 th term	2021 68 th term
Cash flows from operating activities		
Profit before tax	807	6,110
Depreciation and amortization	7,525	7,295
Impairment losses	3,842	1,565
Finance income	(371)	(583)
Finance costs	557	102
Decrease (increase) in trade and other receivables	4,976	(7,711)
Decrease (increase) in inventories	(629)	(2,336)
Increase (decrease) in trade and other payables	(1,339)	3,564
Increase (decrease) in provisions	(441)	2,397
Increase (decrease) in retirement benefit liability	684	135
Decrease (increase) in retirement benefit asset	265	177
Other	860	1,975
Subtotal	16,736	12,691
Interest and dividends received	371	328
Interest paid	(197)	(100)
Income taxes refund (paid)	(4,066)	(4,030)
Net cash provided by (used in) operating activities	12,844	8,889
Cash flows from investing activities		
Purchase of property, plant and equipment	(11,092)	(7,455)
Proceeds from sale of property, plant and equipment	202	127
Purchase of intangible assets	(840)	(584)
Payments into or withdrawal of time deposits, net	275	592
Other	(10)	(18)
Net cash provided by (used in) investing activities	(11,465)	(7,337)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	961	(2,837)
Proceeds from long-term borrowings	8,000	—
Repayments of long-term borrowings	(2,498)	(1,717)
Purchase of treasury shares	(0)	(35)
Dividends paid to owners of parent	(384)	—
Dividends paid to non-controlling interests	(1,387)	(849)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(586)
Other	(90)	(564)
Net cash provided by (used in) financing activities	4,601	(6,589)
Net increase (decrease) in cash and cash equivalents	5,980	(5,037)
Effect of exchange rate changes on cash and cash equivalents	(1,328)	1,654
Cash and cash equivalents at beginning of period	20,470	25,121
Cash and cash equivalents at end of period	25,121	21,738

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	In line with the business transfer of MSD Corporation, Goshi-Tec Co., Ltd. (merged with Goshi-Giken Co., Ltd. in April 2020), Goshi-Tec Corporation of Kumamoto Prefecture, and Goshi-Philippines-affiliated and Laguna Associe Realty-affiliated companies of the Philippines, both of which are currently consolidated 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

Yachiyo Industry Co., Ltd.

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