

**Consolidated Financial Results**  
**for the Fiscal Year Ended March 31, 2019**  
**[Japanese GAAP]**



May 10, 2019

Company name: Shibaura Electronics Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Code number: 6957

URL: <http://www.shibaura-e.co.jp>

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Scheduled date for the Ordinary General Meeting of Shareholders: June 27, 2019

Scheduled date for commencing dividend payments: June 28, 2019

Scheduled date for filing securities report: June 28, 2019

Availability of supplementary briefing material on financial results: Yes

Schedule of financial results briefing session: Yes (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

**1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (April 1, 2018 to March 31, 2019)**

(1) Consolidated operating results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2019	27,121	7.2	2,787	(8.5)	2,863	(6.8)	2,055	(9.9)
March 31, 2018	25,289	14.6	3,045	27.2	3,071	24.7	2,280	25.4

(Note) Comprehensive income: Fiscal year ended March 31, 2019: ¥1,794 million [(32.2)%]

Fiscal year ended March 31, 2018: ¥2,647 million [81.4%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary income to total assets	Operating income margin
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2019	266.66	—	9.3	8.8	10.3
March 31, 2018	295.96	—	11.2	10.6	12.0

(Reference) Equity in earnings (losses) of affiliated companies:

Fiscal year ended March 31, 2019: ¥— million

Fiscal year ended March 31, 2018: ¥— million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2019	34,676	22,678	65.3	2,936.91
As of March 31, 2018	30,732	21,468	69.7	2,780.42

(Reference) Equity: As of March 31, 2019: ¥22,632 million

As of March 31, 2018: ¥21,427 million

(3) Consolidated cash flows

	Net cash flow provided by (used in) operating activities	Net cash flow provided by (used in) investing activities	Net cash flow provided by (used in) financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2019	3,521	(4,241)	1,144	7,170
March 31, 2018	2,701	(1,931)	(4)	6,828

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2018	—	0.00	—	75.00	75.00
Fiscal year ended March 31, 2019	—	0.00	—	75.00	75.00
Fiscal year ending March 31, 2020 (Forecast)	—	0.00	—	75.00	75.00

	Total dividends paid	Payout ratio (Consolidated)	Dividend on net assets (Consolidated)
	Million yen	%	%
Fiscal year ended March 31, 2018	583	25.3	2.8
Fiscal year ended March 31, 2019	582	28.1	2.6
Fiscal year ending March 31, 2020 (Forecast)		31.8	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2020 (April 1, 2019 to March 31, 2020)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	13,500	(0.9)	1,100	(29.3)	1,110	(28.9)	810	(26.3)	105.11
Full year	27,500	1.4	2,500	(10.3)	2,500	(12.7)	1,820	(11.4)	236.17

Notes:

- (1) Changes in significant subsidiaries during the period under review: No  
(Changes in specified subsidiaries resulting in changes in scope of consolidation)  
Newly included: — Excluded: —
- (2) Changes in accounting policies, changes in accounting estimates and restatement
  - 1) Changes in accounting policies due to the revision of accounting standards: No
  - 2) Changes in accounting policies other than 1) above: No
  - 3) Changes in accounting estimates: No
  - 4) Restatement: No

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2019: 7,779,865 shares

March 31, 2018: 7,779,865 shares

2) Total number of treasury shares at the end of the period:

March 31, 2019: 73,513 shares

March 31, 2018: 73,262 shares

3) Average number of shares during the period:

Fiscal year ended March 31, 2019: 7,706,451 shares

Fiscal year ended March 31, 2018: 7,706,324 shares

Note: The Company has introduced the Board Incentive Plan (BIP Trust). Shares of the Company held in the Trust are included in treasury shares to be deducted for the calculation of the “total number of treasury shares at the end of the period” and the “average number of shares during the period.”

(Reference) Summary of Non-Consolidated Operating Results

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(1) Non-consolidated operating results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2019	21,669	5.8	829	(5.9)	1,057	(3.3)	766	(6.1)
March 31, 2018	20,475	9.5	881	32.2	1,094	26.1	816	30.2

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Fiscal year ended March 31, 2019	99.42		—	
March 31, 2018	105.94		—	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2019	23,876	10,701	44.8	1,388.64
As of March 31, 2018	23,107	10,517	45.5	1,364.71

(Reference) Equity: As of March 31, 2019: ¥10,701 million

As of March 31, 2018: ¥10,517 million

\* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

\* Explanation of the proper use of the financial results forecast and other notes

- The earnings forecasts and other forward-looking statements herein are based on certain information available to the Company as of the date of publication of this document and on certain assumptions deemed reasonable. As such, it is not a commitment made by the Company to achieve them and actual results may differ significantly from these forecasts due to a wide range of factors. For the assumptions used as the basis for the financial results forecast and notes on the use of the forecast, please refer to “(4) Future Outlook” on page 4 of the appendix to this report.
- The Company plans to hold a financial results briefing session for institutional investors and analysts on May 24, 2019. The explanatory materials used on that day will be posted on the Company’s website promptly after the session.

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## 1. Overview of Operating Results, etc.

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

Looking at the global economic environment surrounding the Group, consisting of Shibaura Electronics Co., Ltd. (the “Company”) and its subsidiaries (collectively, the “Group”), in the fiscal year ended March 31, 2019, the U.S. economy continued moderate economic growth due to steady growth of consumer spending as well as improvement of employment environment, whereas the European economy also recovered moderately despite the uncertainty due to Brexit, etc. China staved off the slowdown in its economic growth and showed signs of recovery with steady growth of exports in the first half of the year, however, in the second half, China’s economy strongly decelerated by slowdown of capital investments and decrease in exports due to trade friction between the U.S. and China.

On the other hand, the Japanese economy continued to be on a moderate recovery track owing to the steady employment environment and increases in capital investment and improvements in corporate performance.

Under these circumstances, from a production perspective, the Group expanded the production lines of thermistor elements at Fukushima Shibaura Electronics Co., Ltd. to meet steadily expanding demand for thermistor elements. In order to secure further production space, the Group started construction of additional plant building (No. 10 Building) in October 2018, which will be completed in May 2019. Also, the Group developed the production systems due to increasing demand for thermistor sensors for automobiles. Furthermore, in order to meet increasing demand for thermistor sensors for air conditioning, construction of the Shingburi Plant’s No. 6 Building of Thai Shibaura Denshi Co., Ltd. was completed in June 2018, and the new plant has been operating successfully since August 2018. From a sales perspective, the Group continued to conduct aggressive marketing activities targeting automotive manufacturers as well as domestic and overseas energy-saving and green-oriented manufacturers. As a result, the consolidated net sales of its thermistor sensors by application resulted in ¥6,023 million (an increase of 19.2% year on year) for air conditioning, ¥3,950 million (an increase of 4.8% year on year) for home appliances, ¥3,075 million (an increase of 17.7% year on year) for automobiles, ¥2,329 million (a decrease of 1.1% year on year) for household equipment, ¥2,070 million (an increase of 0.4% year on year) for OA equipment and ¥1,682 million (an increase of 10.3% year on year) for industrial equipment. Meanwhile, net sales of thermistor elements increased 3.6% to ¥7,355 million, of which those for automobiles increased by 1.7% to ¥4,959 million.

As a result, consolidated net sales for the fiscal year ended March 31, 2019, increased by 7.2% year on year to ¥27,121 million. In terms of profit, consolidated operating income decreased by 8.5% to ¥2,787 million, consolidated ordinary income decreased by 6.8% to ¥2,863 million and net income attributable to owners of parent decreased by 9.9% to ¥2,055 million.

Financial results by reportable segment are as follows.

#### (i) Japan

Net sales increased by 5.8% year on year to ¥21,668 million owing to increased demand for thermistor sensors for automobiles, thermistor sensors for home appliances and thermistor sensors for air conditioning. Despite higher sales, operating income decreased by 14.1% year on year to ¥2,654 million as a result of increasing expenses such as depreciation, etc.

#### (ii) Asia

Net sales increased by 10.4% year on year to ¥15,381 million as the demand for thermistor sensors for air conditioning and thermistor elements for China increased. Operating income increased by 37.9% year on year to ¥963 million as a result of higher sales.

#### (iii) Europe

Net sales decreased by 5.1% year on year to ¥863 million due to decreased demand for thermistor elements for automobiles. Operating income decreased by 15.9% year on year to ¥47 million as a result of lower sales.

#### (iv) America

Net sales increased by 67.0% year on year to ¥534 million due to increased demand for thermistor elements for automobiles. Operating income increased by 836.1% year on year to ¥18 million as a result of higher sales.

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

Total assets at the end of the fiscal year under review increased by ¥3,943 million, or 12.8%, from the end of the previous fiscal year to ¥34,676 million. Current assets increased by ¥1,465 million, or 7.0%, to ¥22,512 million, and noncurrent assets increased by ¥2,478 million, or 25.6%, to ¥12,163 million.

The main cause of the growth in current assets was an increase in inventories for products, etc. by ¥915 million as well as an increase in cash and deposits due to increase in sales.

The main cause of the growth in noncurrent assets was an increase in property, plant and equipment, etc. mainly due to the extension of plant and the introduction of machineries to expand production capacity of thermistor elements at Fukushima Shibaura Electronics Co., Ltd., and the extension of plant and the introduction of machineries to increase production at Thai Shibaura Denshi Co., Ltd.

Total liabilities at the end of the fiscal year under review increased by ¥2,733 million, or 29.5%, from the end of the previous fiscal year to ¥11,997 million. Current liabilities increased by ¥1,263 million, or 16.3%, to ¥9,024 million, and noncurrent liabilities increased by ¥1,470 million, or 97.8%, to ¥2,973 million.

The main cause of the growth in current liabilities was an increase of ¥513 million in accounts payable included in other under current liabilities due to the purchase of noncurrent assets, etc. and an increase of ¥527 million in notes and accounts payable—trade.

The main cause of the increase in noncurrent liabilities was an increase in long-term loans payable.

Net assets at the end of the fiscal year under review increased by ¥1,210 million, or 5.6%, from the end of the previous fiscal year to ¥22,678 million.

The main cause of the growth in net assets was an increase in retained earnings.

As a result, the Group's equity ratio decreased from 69.7% at the end of the previous fiscal year to 65.3%. Net assets per share based on the total number of issued shares at the end of the fiscal year under review increased from ¥2,780.42 at the end of the previous fiscal year to ¥2,936.91.

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

The Group's consolidated cash and cash equivalents ("cash") as of the end of the fiscal year under review amounted to ¥7,170 million, an increase of ¥342 million from the end of the previous fiscal year. The status of cash flows from operating, investing and financing activities and major contributing factors were as follows.

Cash flows from operating activities

Net cash provided by operating activities was ¥3,521 million compared with ¥2,701 million provided in the previous fiscal year. This was mainly because the cash increase primarily due to income before income taxes of ¥2,806 million and depreciation of ¥1,685 million considerably exceeded the cash decrease caused chiefly by an increase of ¥981 million in inventories and income taxes paid of ¥809 million.

Cash flows from investing activities

Net cash used in investing activities was ¥4,241 million compared with ¥1,931 million used in the previous fiscal year. This was primarily due to ¥4,159 million in the purchase of property, plant and equipment, etc. for the extension of plant and the introduction of machineries to expand production capacity of thermistor elements at Fukushima Shibaura Electronics Co., Ltd., and for the extension of plant and the introduction of machineries to increase production at Thai Shibaura Denshi Co., Ltd.

Cash flows from financing activities

Net cash provided by financing activities was ¥1,144 million compared with ¥4 million used in the previous fiscal year. This was primarily because the cash increase caused by proceeds from long-term loans payable of ¥2,400 million exceeded the cash decrease primarily due to the repayments of long-term loans payable of ¥671 million and the cash dividends paid amounting to ¥582 million.

(4) Future Outlook

The global economy has many uncertain factors such as trade friction between the U.S. and China, Brexit, intensifying trade friction due to protectionism, etc. Its future outlook is increasingly uncertain and unpredictable.

In Japan, on the other hand, while the employment environment continues to improve firmly and corporate performance showed steady improvement, the impact of consumption tax hike, exchange rate fluctuations and the trade issue with the U.S., etc. is unpredictable.

Despite such circumstances, the demand for thermistor elements and thermistor sensors currently continues to grow moderately and the Group will reinforce its R&D systems to address the development of next-generation products and promote aggressive business activities to gain higher market shares in the temperature sensor field. Specifically, we will stimulate needs and seeds in existing markets, expand sales in overseas markets, including the U.S., European and Chinese markets, and enter new markets by continually promoting technology-sales-integrated marketing activities, including use on environment-friendly vehicles (hybrid and EV), etc. In addition, to promote cost reduction on a Group-wide basis such as further reduction in material costs and rationalization as well as efficiency improvement of overall manufacturing, we will dedicate all our strength to increasing operating performance by proactively undertaking investments in the automation of manufacturing processes and capital investment in machinery equipment in an effort to cope with a future increase in orders especially of thermistor elements and thermistor sensors for air conditioning and automobiles.

Our forecast for the fiscal year ending March 31, 2020, is net sales of ¥27.5 billion (a year on year increase of 1.4%), operating income of ¥2.5 billion (a 10.3% decrease), ordinary income of ¥2.5 billion (a 12.7% decrease) and net income attributable to owners of parent of ¥1.82 billion (a 11.4% decrease).

2. Basic Concept on Adoption of Accounting Standards

The Group currently applies the Japanese GAAP primarily taking into account the comparability of the accounting periods and other factors and has no intention of changing this selection in the immediate future.

### 3. Consolidated Financial Statements and Primary Notes

#### (1) Consolidated Balance Sheets

(Thousand yen)

	As of March 31, 2018	As of March 31, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	7,130,929	7,480,311
Notes and accounts receivable—trade	6,429,852	6,300,843
Electronically recorded monetary claims—operating	943,367	1,077,076
Merchandise and finished goods	1,483,249	1,860,350
Work in process	2,851,605	3,289,219
Raw materials and supplies	1,364,276	1,464,618
Accounts receivable—other	712,704	874,310
Other	132,016	166,578
Allowance for doubtful accounts	(340)	(423)
Total current assets	21,047,662	22,512,884
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	8,258,697	9,297,949
Accumulated depreciation	(4,726,260)	(5,002,816)
Buildings and structures, net	3,532,437	4,295,133
Machinery, equipment and vehicles	13,132,270	15,093,164
Accumulated depreciation	(10,297,842)	(11,154,217)
Machinery, equipment and vehicles, net	2,834,428	3,938,947
Land	877,640	873,748
Construction in progress	991,980	1,497,710
Other	1,659,112	1,705,886
Accumulated depreciation	(1,418,105)	(1,415,848)
Other, net	241,006	290,038
Total property, plant and equipment	8,477,492	10,895,578
Intangible assets	132,190	125,065
Investments and other assets		
Investment securities	357,397	366,104
Net defined benefit asset	286,454	367,178
Deferred tax assets	223,856	212,139
Other	207,078	197,079
Total investments and other assets	1,074,786	1,142,501
Total noncurrent assets	9,684,469	12,163,146
Total assets	30,732,132	34,676,030



(Thousand yen)

	As of March 31, 2018	As of March 31, 2019
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable—trade	3,749,075	4,276,392
Short-term loans payable	831,240	1,124,409
Income taxes payable	433,103	350,621
Accrued consumption taxes	46,408	87,985
Provision for bonuses	413,624	448,283
Provision for directors' bonuses	70,000	70,000
Other	2,217,192	2,666,539
<b>Total current liabilities</b>	<b>7,760,644</b>	<b>9,024,231</b>
<b>Noncurrent liabilities</b>		
Long-term loans payable	1,167,740	2,596,355
Deferred tax liabilities	89	16,291
Provision for BIP Trust	32,411	46,960
Net defined benefit liability	161,715	179,065
Asset retirement obligations	11,781	12,051
Other	129,596	122,832
<b>Total noncurrent liabilities</b>	<b>1,503,334</b>	<b>2,973,557</b>
<b>Total liabilities</b>	<b>9,263,979</b>	<b>11,997,788</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	2,144,612	2,144,612
Capital surplus	2,090,704	2,090,704
Retained earnings	16,068,576	17,540,578
Treasury shares	(129,313)	(130,498)
<b>Total shareholders' equity</b>	<b>20,174,580</b>	<b>21,645,397</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	194,692	196,800
Foreign currency translation adjustment	1,073,877	831,216
Remeasurements of defined benefit plans	(15,580)	(40,553)
<b>Total accumulated other comprehensive income</b>	<b>1,252,990</b>	<b>987,462</b>
Non-controlling interests	40,582	45,381
<b>Total net assets</b>	<b>21,468,153</b>	<b>22,678,241</b>
<b>Total liabilities and net assets</b>	<b>30,732,132</b>	<b>34,676,030</b>

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

	(Thousand yen)	
	Previous fiscal year (From April 1, 2017 to March 31, 2018)	Current fiscal year (From April 1, 2018 to March 31, 2019)
Net sales	25,289,477	27,121,692
Cost of sales	19,102,851	20,897,066
<b>Gross profit</b>	<b>6,186,625</b>	<b>6,224,625</b>
Selling, general and administrative expenses		
Freightage and packing expenses	272,610	339,006
Advertising expenses	13,800	19,234
Salaries, allowances and bonuses	1,188,804	1,260,584
Provision for bonuses	117,072	122,706
Provision for directors' bonuses	70,000	70,000
Retirement benefit expenses	76,825	77,642
Provision for BIP Trust	18,406	14,548
Legal welfare expenses	182,099	201,154
Traveling and transportation expenses	155,809	168,593
Communication expenses	30,557	30,551
Commission fee	267,875	316,444
Rent expenses	2,061	1,951
Depreciation	83,865	92,748
Provision of allowance for doubtful accounts	435	107
Other	660,956	722,223
Total selling, general and administrative expenses	3,141,179	3,437,498
<b>Operating income</b>	<b>3,045,445</b>	<b>2,787,126</b>
Non-operating income		
Interest income	2,969	3,214
Dividend income	5,324	5,609
Commission fee	17,559	16,784
Land and house rent received	11,648	12,063
Insurance income	2,104	1,113
Subsidy income	13,527	62,354
Insurance premiums refunded cancellation	18,027	—
Other	17,328	13,684
Total non-operating income	88,490	114,822
Non-operating expenses		
Interest expenses	7,203	4,617
Compensation expenses	111	79
Foreign exchange losses	47,010	29,596
Other	8,152	4,249
Total non-operating expenses	62,477	38,543
<b>Ordinary income</b>	<b>3,071,458</b>	<b>2,863,405</b>

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(Thousand yen)		
	Previous fiscal year (From April 1, 2017 to March 31, 2018)	Current fiscal year (From April 1, 2018 to March 31, 2019)
<b>Extraordinary income</b>		
Gain on sales of noncurrent assets	356	—
<b>Total extraordinary income</b>	<b>356</b>	<b>—</b>
<b>Extraordinary losses</b>		
Loss on disposal of noncurrent assets	36,356	56,641
<b>Total extraordinary losses</b>	<b>36,356</b>	<b>56,641</b>
<b>Income before income taxes</b>	<b>3,035,458</b>	<b>2,806,764</b>
Income taxes—current	728,972	715,080
Income taxes—deferred	15,801	31,709
<b>Total income taxes</b>	<b>744,774</b>	<b>746,790</b>
<b>Net income</b>	<b>2,290,684</b>	<b>2,059,973</b>
Net income attributable to non-controlling interests	9,910	4,954
<b>Net income attributable to owners of parent</b>	<b>2,280,774</b>	<b>2,055,019</b>

Consolidated Statements of Comprehensive Income

(Thousand yen)		
	Previous fiscal year (From April 1, 2017 to March 31, 2018)	Current fiscal year (From April 1, 2018 to March 31, 2019)
Net income	2,290,684	2,059,973
Other comprehensive income		
Valuation difference on available-for-sale securities	33,807	2,107
Foreign currency translation adjustment	339,071	(242,661)
Remeasurements of defined benefit plans	(15,659)	(24,973)
Total other comprehensive income	357,219	(265,527)
Comprehensive income	2,647,904	1,794,445
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	2,637,994	1,789,491
Comprehensive income attributable to non-controlling interests	9,910	4,954

(3) Consolidated Statements of Changes in Equity

Previous fiscal year (From April 1, 2017 to March 31, 2018)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	2,144,612	2,070,421	14,254,242	(129,911)	18,339,364
Changes of items during the period					
Dividends of surplus			(466,439)		(466,439)
Net income attributable to owners of parent			2,280,774		2,280,774
Purchase of treasury shares				(1,801)	(1,801)
Disposal of treasury shares				2,399	2,399
Change in ownership interest of parent due to transactions with non-controlling interests		20,283			20,283
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	20,283	1,814,334	598	1,835,215
Balance at the end of current period	2,144,612	2,090,704	16,068,576	(129,313)	20,174,580

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	160,885	734,805	78	895,770	108,267	19,343,402
Changes of items during the period						
Dividends of surplus						(466,439)
Net income attributable to owners of parent						2,280,774
Purchase of treasury shares						(1,801)
Disposal of treasury shares						2,399
Change in ownership interest of parent due to transactions with non-controlling interests						20,283
Net changes of items other than shareholders' equity	33,807	339,071	(15,659)	357,219	(67,685)	289,534
Total changes of items during the period	33,807	339,071	(15,659)	357,219	(67,685)	2,124,750
Balance at the end of current period	194,692	1,073,877	(15,580)	1,252,990	40,582	21,468,153

Current fiscal year (From April 1, 2018 to March 31, 2019)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	2,144,612	2,090,704	16,068,576	(129,313)	20,174,580
Changes of items during the period					
Dividends of surplus			(583,017)		(583,017)
Net income attributable to owners of parent			2,055,019		2,055,019
Purchase of treasury shares				(1,185)	(1,185)
Disposal of treasury shares					—
Change in ownership interest of parent due to transactions with non-controlling interests					—
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	1,472,002	(1,185)	1,470,817
Balance at the end of current period	2,144,612	2,090,704	17,540,578	(130,498)	21,645,397

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	194,692	1,073,877	(15,580)	1,252,990	40,582	21,468,153
Changes of items during the period						
Dividends of surplus						(583,017)
Net income attributable to owners of parent						2,055,019
Purchase of treasury shares						(1,185)
Disposal of treasury shares						—
Change in ownership interest of parent due to transactions with non-controlling interests						—
Net changes of items other than shareholders' equity	2,107	(242,661)	(24,973)	(265,527)	4,799	(260,728)
Total changes of items during the period	2,107	(242,661)	(24,973)	(265,527)	4,799	1,210,088
Balance at the end of current period	196,800	831,216	(40,553)	987,462	45,381	22,678,241

(4) Consolidated Statements of Cash Flows

	(Thousand yen)	
	Previous fiscal year (From April 1, 2017 to March 31, 2018)	Current fiscal year (From April 1, 2018 to March 31, 2019)
<b>Cash flows from operating activities</b>		
Income before income taxes	3,035,458	2,806,764
Depreciation	1,369,895	1,685,563
Increase (decrease) in allowance for doubtful accounts	(508)	107
Increase (decrease) in provision for bonuses	37,083	34,658
Increase (decrease) in provision for directors' bonuses	10,000	—
Increase (decrease) in net defined benefit liability	(135,406)	(98,299)
Increase (decrease) in provision for BIP Trust	16,006	14,548
Interest and dividend income	(8,293)	(8,823)
Interest expenses	7,203	4,617
Foreign exchange losses (gains)	(642)	3,816
Loss (gain) on disposal of noncurrent assets	35,999	56,641
Decrease (increase) in notes and accounts receivable—trade	(831,615)	(108,146)
Decrease (increase) in inventories	(500,984)	(981,943)
Decrease (increase) in accounts receivable—other	(11,704)	(3,137)
Decrease (increase) in consumption taxes refund receivable	(137,273)	(159,288)
Decrease (increase) in other current assets	(11,328)	(16,348)
Increase (decrease) in notes and accounts payable—trade	450,441	590,583
Increase (decrease) in accrued consumption taxes	(43,649)	(41,577)
Increase (decrease) in other current liabilities	102,993	466,424
Other, net	40,407	(1,347)
Subtotal	3,424,082	4,327,968
Interest and dividend income received	8,224	8,629
Interest expenses paid	(7,531)	(4,742)
Income taxes paid	(724,113)	(809,965)
Income taxes refund	942	—
Net cash provided by (used in) operating activities	2,701,604	3,521,889

(Thousand yen)		
	Previous fiscal year (From April 1, 2017 to March 31, 2018)	Current fiscal year (From April 1, 2018 to March 31, 2019)
<b>Cash flows from investing activities</b>		
Payments into time deposits	(441,770)	(272,019)
Proceeds from withdrawal of time deposits	465,051	261,949
Purchase of property, plant and equipment	(1,905,416)	(4,159,452)
Proceeds from sales of property, plant and equipment	796	370
Purchase of intangible assets	(36,148)	(38,812)
Other, net	(14,049)	(34,024)
Net cash provided by (used in) investing activities	(1,931,538)	(4,241,989)
<b>Cash flows from financing activities</b>		
Increase in short-term loans payable	136,165	139,652
Decrease in short-term loans payable	(236,165)	(139,652)
Proceeds from long-term loans payable	1,200,000	2,400,000
Repayments of long-term loans payable	(581,566)	(671,490)
Purchase of treasury shares	(1,801)	(1,185)
Proceeds from disposal of treasury shares	2,399	—
Cash dividends paid	(465,835)	(582,407)
Dividends paid to non-controlling interests	(401)	(91)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(56,847)	—
Net cash provided by (used in) financing activities	(4,052)	1,144,825
Effect of exchange rate change on cash and cash equivalents	35,313	(82,640)
Net increase (decrease) in cash and cash equivalents	801,326	342,085
Cash and cash equivalents at beginning of period	6,027,381	6,828,707
Cash and cash equivalents at end of period	6,828,707	7,170,792



(5) Notes to Consolidated Financial Statements  
(Notes regarding Going Concern Assumptions)  
Not applicable

(Segment Information)

1. Summary of reportable segments

The reportable segments of the Company are components for which discrete financial information is available and which are subject to regular review by the President in order to make decisions on allocation of management resources and to assess the performance of the respective segments.

The Company mainly engages in production and sales of thermistors. Production and sales in Japan are conducted by the Company, while the same activities overseas are handled by local subsidiaries in Asia (primarily China and Thailand), in Europe and in America. The overseas local subsidiaries are independent business entities, and therefore they plan their own comprehensive strategies on product lines for each region and deploy their own business activities.

Accordingly, the Company consists of geographical segments based on production and sales systems, and the four reportable segments are “Japan,” “Asia,” “Europe” and “America.” Each reportable segment produces and sells thermistors, as well as temperature/humidity sensors and other products.

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

The accounting method for the reportable segments is predominantly identical to the accounting method adopted for preparing Consolidated Financial Statements.

The segment income or loss is based on operating income or loss. The amounts of inter-segment sales and transfers are calculated based on prevailing market prices.

3. Net sales, income or loss, assets, liabilities and other items by reportable segment  
Previous fiscal year (From April 1, 2017 to March 31, 2018)

(Thousand yen)

	Reportable segment				Total
	Japan	Asia	Europe	America	
Net sales					
Net sales to external customers	15,238,787	8,909,427	841,877	299,384	25,289,477
Inter-segment sales or transfers	5,236,268	5,024,936	68,007	20,459	10,349,671
Total	20,475,056	13,934,364	909,884	319,843	35,639,148
Segment income	3,089,684	699,075	56,993	2,023	3,847,777
Segment assets	20,489,197	10,499,538	286,935	97,904	31,373,576
Other items					
Depreciation	919,071	441,458	751	851	1,362,132
Increase in amounts of property, plant and equipment and intangible assets	1,405,310	527,185	1,348	—	1,933,844

Current fiscal year (From April 1, 2018 to March 31, 2019)

(Thousand yen)

	Reportable segment				Total
	Japan	Asia	Europe	America	
Net sales					
Net sales to external customers	16,210,680	9,611,586	781,623	517,801	27,121,692
Inter-segment sales or transfers	5,458,102	5,769,570	82,162	16,422	11,326,257
Total	21,668,783	15,381,157	863,785	534,223	38,447,950
Segment income	2,654,837	963,873	47,907	18,944	3,685,562
Segment assets	24,016,342	11,797,449	309,348	137,609	36,260,750
Other items					
Depreciation	1,189,316	487,397	1,035	838	1,678,587
Increase in amounts of property, plant and equipment and intangible assets	2,575,117	1,614,205	—	—	4,189,323

4. Differences between the total of the reportable segments and the carrying amounts on the consolidated financial statements, as well as the major content of said differences (adjustment of differences)

(Thousand yen)

Net sales	Previous fiscal year	Current fiscal year
Total of the reportable segments	35,639,148	38,447,950
Elimination of inter-segment transactions	(10,349,671)	(11,326,257)
Net sales on the consolidated financial statements	25,289,477	27,121,692

(Thousand yen)

Income	Previous fiscal year	Current fiscal year
Total of the reportable segments	3,847,777	3,685,562
Elimination of inter-segment transactions	(28,566)	(42,120)
Corporate expenses (Note)	(773,764)	(856,315)
Operating income on the consolidated financial statements	3,045,445	2,787,126

Note: Corporate expenses mainly refer to general and administrative expenses that are not distributed to each reportable segment.

(Thousand yen)

Assets	Previous fiscal year	Current fiscal year
Total of the reportable segments	31,373,576	36,260,750
Elimination of inter-segment transactions	(5,508,447)	(5,824,877)
Corporate assets (Note)	4,867,002	4,240,157
Total assets on the consolidated financial statements	30,732,132	34,676,030

Note: Corporate assets consist mainly of surplus funds (cash), long-term investments (investment securities) and certain assets related to corporate administrative departments that are not distributed to each reportable segment.

(Thousand yen)

Other items	Total of the reportable segments		Adjustment		Carrying amount on the consolidated financial statements	
	Previous fiscal year	Current fiscal year	Previous fiscal year	Current fiscal year	Previous fiscal year	Current fiscal year
Depreciation	1,362,132	1,678,587	7,762	6,975	1,369,895	1,685,563
Increase in amounts of property, plant and equipment and intangible assets	1,933,844	4,189,323	7,720	8,942	1,941,564	4,198,265

Note: The adjustment for increase in amounts of property, plant and equipment and intangible assets refers to the increase of software, etc., resulting from the improvement of the Company's computer system.

(Per-Share Information)

	Previous fiscal year (From April 1, 2017 to March 31, 2018)	Current fiscal year (From April 1, 2018 to March 31, 2019)
Net assets per share	¥2,780.42	¥2,936.91
Basic earnings per share	¥295.96	¥266.66

Notes:

1. Diluted earnings per share are not provided because the Company had no securities with dilutive effects.
2. The basis for calculation of basic earnings per share is as follows:

	Previous fiscal year (From April 1, 2017 to March 31, 2018)	Current fiscal year (From April 1, 2018 to March 31, 2019)
Basic earnings per share		
Net income attributable to owners of parent (Thousand yen)	2,280,774	2,055,019
Amounts not attributable to common shareholders (Thousand yen)	—	—
Net income attributable to owners of parent regarding common shares (Thousand yen)	2,280,774	2,055,019
Average number of common shares during the fiscal year (Shares)	7,706,324	7,706,451

3. The basis for calculation of net assets per share is as follows:

	Previous fiscal year (As of March 31, 2018)	Current fiscal year (As of March 31, 2019)
Total net assets (Thousand yen)	21,468,153	22,678,241
Amounts deducted from total net assets (Thousand yen)	40,582	45,381
(Non-controlling interests included therein) (Thousand yen)	(40,582)	(45,381)
Net assets regarding common shares at the end of fiscal year (Thousand yen)	21,427,570	22,632,859
Number of common shares at the end of fiscal year used for calculation of net assets per share (Shares)	7,706,603	7,706,352

4. Shares of the Company remaining in the “BIP Trust Account,” which are accounted for as treasury shares in the net assets, are included in the treasury shares to be deducted for the calculation of the average number of shares during the fiscal year under review which is then used to calculate basic earnings per share. These shares are also included in the treasury shares to be deducted for the calculation of the total number of treasury shares at the end of the fiscal year under review which is then used to calculate net assets per share. The average number of such treasury shares during the previous fiscal year and during the fiscal year under review deducted for the calculation of basic earnings per share were 67,443 shares and 66,960 shares, respectively, and the total number of treasury shares at the end of the previous fiscal year and at the end of the fiscal year under review deducted for the calculation of net assets per share were 66,960 shares and 66,960 shares, respectively.

(Significant Subsequent Events)

Not applicable

4. Others

(1) Changes in Corporate Officers

1) Transfer of representative (scheduled for June 27, 2019)

i) New candidate for Representative Director

Mr. Akira Kasai, President (currently Deputy President of the Company)

ii) Retiring Representative Director

Mr. Hiroyuki Hashikura, President (scheduled to assume the position of Chairman of the Company)

(Note) For details, please refer to “Notice Regarding Changes in Representative Directors” announced on March 25, 2019. (Available only in Japanese)

2) Transfers of other Corporate Officers (scheduled for June 27, 2019)

i) New candidate for Director

Mr. Isao Abe, Outside Director (currently Certified Public Accountant, Director, Abe CPA Office, and former Partner, Deloitte Touche Tohmatsu LLC)

ii) New candidate for Audit & Supervisory Board Member

Mr. Kenichi Nakano, Outside Audit & Supervisory Board Member (currently Attorney, Partner, Anderson Mori & Tomotsune)

iii) Retiring Directors

Mr. Toyohide Kudo, Director

Mr. Takeru Yamashita, Director (scheduled to assume the position of Executive Officer)

Mr. Noriyuki Nakayama, Director (scheduled to assume the position of Executive Officer)

Mr. Shozo Saito, Outside Director

iv) Retiring Audit & Supervisory Board Member

Mr. Tetsu Hirowatari, Outside Audit & Supervisory Board Member