

Summary of consolidated financial results as of December 31, 2020

12-Feb-21

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 Date for holding shareholders' meeting: March 25, 2021
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 Preparation of Supplementary Explanations of Financial Results: Yes
 Financial Results Presentation to Be Held: Yes (Institutional Investor, Analyst)

(Figures under million yen rounded down)

1. Summary of financial results as of December 31, 2020 (January 1, 2020 ~ December 31, 2020)

(1) Consolidated operating results (Percentages(%) shows fluctuation to the previous.)

	Net sales		Operating income		Ordinary income		Net income attributable to the shareholder parent	
	million yen	%	million yen	%	million yen	%	million yen	%
31-Dec-20	113,859	△ 14.4	2,468	△ 61.7	5,048	△ 31.4	2,857	△ 45.2
31-Dec-19	133,053	△ 5.4	6,440	△ 28.5	7,363	△ 24.0	5,214	△ 46.5

(Note) Comprehensive income:
 Dec 31,2020 △ 482 million yen (- %) Dec 31,2019 6,152 million yen (△15.2%)

	Net income per share	Net income per share including assuming diluted stocks	Net income / Shareholders' equity	Ordinary income / Total assets	Operating income / Net sales
	yen	yen	%	%	%
31-Dec-20	29.73	-	6.5	4.6	2.2
31-Dec-19	54.26	-	12.6	6.9	4.8

(Reference) Investment gains / losses on equity method :
 Dec 31,2020 445 million yen Dec 31,2019 825 million yen

(2) Consolidated financial conditions

	Total assets	Net assets	Ratio of shareholders' equity	Net assets per share
	million yen	million yen	%	yen
31-Dec-20	109,634	44,544	39.7	453.15
31-Dec-19	109,813	45,405	40.3	460.23

(Reference) Shareholders' equity:
 Dec 31,2020 43,559 million yen Dec 31,2019 44,240 million yen

(3) Consolidated cash flow

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end
	million yen	million yen	million yen	million yen
31-Dec-20	11,219	△10,955	△2,917	5,426
31-Dec-19	16,122	△16,724	△1,409	8,196

2. Dividends

	Dividend per share					Total payment (Full year)	Dividends payout	Total payment / Shareholders' equity
	1Q	2Q	3Q	4Q	Full Year			
	yen	yen	yen	yen	yen	million yen	%	%
31-Dec-19	-	3.50	-	3.50	7.00	672	12.9	1.6
31-Dec-20	-	1.00	-	2.50	3.50	336	11.8	0.8
31-Dec-21 (forecast)	-	3.50	-	3.50	7.00		16.0	

3. Consolidated earnings forecasts for the year ending December 31, 2021 (January 1, 2021 ~ December 31, 2021)
(Percentages(%) shows fluctuation to the previous respectively.)

	Net sales		Operating income		Ordinary income		Net income attributable to the shareholder parent company		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
First half	64,000	23.8	2,800	-	3,000	-	1,900	-	19.77
Full year	130,000	14.2	6,200	151.2	6,600	30.7	4,200	47.0	43.69

※ Note

- (1) Principal affiliates' transfer in this fiscal term (in accordance with the change of consolidation scope) No
- | | | |
|----------|---|------------------|
| Added | 0 | (Corporate name) |
| Excluded | 0 | (Corporate name) |

- (2) Changes in accounting policies, changes in accounting estimates, and restatement

- ① Changes in accounting policies due to revisions to accounting standard: No
 ② Changes in accounting policies due to other reasons: No
 ③ Changes in accounting estimates: No
 ④ Restatement: No

- (3) Number of issued stocks (Common stocks)

- ① Number of issued stocks at the end (including treasury stocks)
- | | | | |
|-----------|------------|-----------|------------|
| 31-Dec-20 | 96,292,401 | 31-Dec-19 | 96,292,401 |
|-----------|------------|-----------|------------|
- ② Number of treasury stocks at the end
- | | | | |
|-----------|---------|-----------|---------|
| 31-Dec-20 | 165,198 | 31-Dec-19 | 164,996 |
|-----------|---------|-----------|---------|
- ③ Average shares outstanding over period (cumulative; consolidated)
- | | | | |
|-----------|------------|-----------|------------|
| 31-Dec-20 | 96,127,269 | 31-Dec-19 | 96,112,044 |
|-----------|------------|-----------|------------|

(Reference) Summary of Non-consolidated financial results as of December 31, 2020

1. Summary of financial results as of December 31, 2020 (January 1, 2020 ~ December 31, 2020)

- (1) Operating results (Percentages(%) shows fluctuation to the previous.)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
31-Dec-20	89,288	△ 12.7	3,032	△ 40.6	5,323	△ 1.7	3,189	△ 9.8
31-Dec-19	102,250	△ 6.8	5,108	△ 22.4	5,413	△ 28.7	3,522	△ 57.8

	Net income per share	Net income per share including assuming diluted stocks
	yen	yen
31-Dec-20	33.18	-
31-Dec-19	36.65	-

- (2) Financial conditions

	Total assets	Net assets	Ratio of shareholders' equity	Net assets per share
	million yen	million yen	%	yen
31-Dec-20	90,102	37,930	42.1	394.59
31-Dec-19	88,360	36,980	41.9	384.71

- (Reference) Shareholders' equity:

Dec 31,2020	37,930 million yen	Dec 31,2019	36,980 million yen
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* Indication for status of an audit

This is not subject of an audit based on Financial Instruments and Exchange Act, and the audit is not finished when this is released.

* Appropriate use of business forecast; other special items:

Those prospects have been made on the basis of the information available as of today. Accordingly, actual financial results may materially differ from those prospects due to various factors and events that may occur hereafter.

1. Summary of Financial Results

(1) Summary of Financial Results of this fiscal year

The Japanese economy for this consolidated fiscal year was stagnant due to the effect of the spread of Coronavirus Disease (COVID-19) infection such as announcement of a state of emergency but showed some signs of a recovery since the second half of the year. As for the global economy, production and investment in China showed a moderate recovery trend relatively early and in the USA and ASEAN, economy was unpredictable due to the effect of restriction of movement and lockdown but it improved since the second half of the year though there was a difference among regions.

As for automotive market to which the company group belongs, the volume of domestic car production significantly decreased in the first half of the year especially due to the drop in the second quarter but decrease of the second half of the year got smaller and it turned to a positive in the fourth quarter compared to the same period of last year. The total car production volume of the three countries in ASEAN (Thailand, Indonesia and Malaysia) significantly decreased in the first half of the year due to the effect of lock down, etc. but it entered a recovery trend in the second half of the year. The car production volume of Indonesia decreased also in the fourth quarter compared to the same period of last year though decrease got smaller, and car production volume turned to increase from the third quarter in Malaysia and the fourth quarter in Thailand. The car production volume of China continued to increase compared to the same period of last year since the second quarter.

Under those circumstances, for the consolidated fiscal year, in Japan which is mainstay, decrease of sales was smaller than the automotive production market and it turned positive compared to the same period of last year in the fourth quarter. Decrease of sales in ASEAN remained smaller than market level by compensating for the decrease in Indonesia with the effect of new car production in Thailand.

As a result, sales was 113,859 million yen (14.4% decrease compared to the same period of last year), operating income was 2,468 million yen (61.7% decrease compared to the same period of last year) as a consequence of thorough reduction of cost such as implementation of the Early Retirement Systems in Japan and overseas and ordinary income was 5,048 million yen (31.4% decrease compared to the same period of last year) due to the contribution from the 2,090 million yen gain on sales of investment securities. Net income attributable to shareholders of the parent company was 2,857 million yen (45.2% decrease compared to the same period of last year) due to record of an extraordinary loss such as the business structure improvement costs and impairment loss.

Results by each segment are as follows:

1. Auto-Components business

In Japan which is mainstay, decrease of sales was smaller than the automotive production market and it turned positive compared to the same period of last year in the fourth quarter. Decrease of sales in ASEAN remained smaller than market level by compensating for the decrease in Indonesia with the effect of new car production in Thailand.

As a result, sales was 106,130 million yen (14.7% decrease compared to the same period of last year) and operating income was 2,282 million yen (63.8% decrease compared to the same period of last year).

2. After-Market business

As for after-market business, the sales was 8,056 million yen (7.3% decrease compared to the same period of last year) because of decrease in sales of after-market due to the effect of COVID-19, but operating income was 230 million yen (10.1% increase compared to the same period of last year) thanks to cost reduction and elimination of temporary cost of previous year

3. Other business

As for other business, sales was 1,817 million yen (6.3% increase compared to the same period of last year) and operating loss was 71 million yen (Operating loss was 82 million yen in the same period of last year).

(2) Future Outlooks

As for the performance forecast for the next fiscal year ending December 2021, though market trends of automotive production remains unpredictable because of the spread of the COVID-19 and effect of tight supply-demand balance of semiconductor on the supply chain, sales in ASEAN are expected to increase including recovery of production and sales in Japan are also expected to increase mainly thanks to lamps based on present recovery trend. In addition, due to recent effort of cost reduction and production improvement, the performance forecast is 130,000 million yen in sales, 6,200 million yen in operating income, 6,600 million yen in ordinary income and 4,200 million yen in net income attributable to shareholders of the parent company.

The company considers both of the below as the important issues for the management to achieve.

(1) Improve the corporate value by Research and Development and capital investment utilizing internal reserves

(2) Improve the profit return to shareholders

As for dividend of FY2020, distribution of midterm dividends was 1 yen per share from the perspective of continuous dividend payout to shareholders, and the year-end dividend is 2.5 yen per share comprehensively taking into consideration the brisk demand for fund for technological development to secure the competitiveness in a highly competitive environment, and the annual dividend becomes 3.5 yen.

As for dividend of FY2021, the annual dividend will be 7 yen per share, the same level with FY2019, since the company expects an increase in both sales and income and intends to improve payout ratio.

3. Consolidated Financial Statement

(1) Consolidated Balance Sheets

(Millions of yen)

	Previous Year End (As of December 31, 2019)	Current Year End (As of December 31, 2020)
Assets		
Current assets		
Cash and deposits	8,196	5,426
Notes and accounts receivable-trade	20,118	21,050
Electronically recorded monetary claims-operating	1,541	1,838
Merchandise and finished goods	4,878	4,308
Work in progress	647	625
Raw materials and supplies	3,795	3,316
Short-term loans	5,888	9,145
Other	1,277	1,267
Allowance for doubtful accounts	(89)	(44)
Total current assets	46,255	46,934
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	29,312	30,118
Accumulated depreciation	(16,960)	(17,628)
Buildings and structures, net	12,351	12,489
Machinery, equipment and vehicles	40,779	44,181
Accumulated depreciation	(26,956)	(28,052)
Machinery, equipment and vehicles, net	13,823	16,128
Tools, furniture and fixtures	17,080	19,838
Accumulated depreciation	(12,031)	(14,112)
Tools, furniture and fixtures, net	5,049	5,725
Land	3,398	3,241
Lease assets	10,362	5,013
Accumulated depreciation	(8,811)	(4,035)
Lease assets, net	1,551	978
Construction in progress	6,587	7,419
Total property, plant and equipment	42,760	45,983
Intangible assets		
goodwill	135	-
Other	1,151	1,080
Total intangible assets	1,287	1,080
Investments and other assets		
Investment securities	5,042	268
Long-term loans receivable	909	833
Investment in affiliates	7,510	8,150
Net defined benefit asset	1,021	19
Deferred tax assets	3,956	5,283
Other	1,077	1,087
Allowance for doubtful accounts	(8)	(7)
Total investments and other assets	19,510	15,636
Total noncurrent assets	63,558	62,700
Total assets	109,813	109,634

(Millions of yen)

	Previous Year End (As of December 31, 2019)	Current Year End (As of December 31, 2020)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	29,549	29,839
Short-term loans payable	1,012	-
Current portion of long-term loans payable	1,129	2,045
Lease obligations	730	227
Income taxes payable	1,080	2,087
Accrued expenses	3,525	3,289
Accounts payable	1,578	3,541
Provision for bonuses	1,004	1,087
Provision for directors' bonuses	25	33
Provision for product warranties	1,739	1,612
Notes payable-facilities	469	178
Other	3,975	4,836
Total current liabilities	45,821	48,779
Noncurrent liabilities		
Long-term loans payable	8,974	6,928
Lease obligations	490	720
Deferred tax liabilities	182	169
Retirement benefits	8,718	8,244
Asset retirement obligations	170	158
Provision for environmental measures	8	-
Other	40	87
Total noncurrent liabilities	18,586	16,310
Total liabilities	64,407	65,090
Net assets		
Shareholders' equity		
Capital stock	8,986	8,986
Capital surplus	2,505	2,505
Retained earnings	34,267	36,692
Treasury stock	(45)	(45)
Total shareholders' equity	45,713	48,138
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,899	70
Foreign currency translation adjustment	(2,905)	(3,052)
Adjustment retirement benefits	(467)	(1,597)
Total accumulated other comprehensive income	(1,473)	(4,578)
Minority interests	1,165	984
Total net assets	45,405	44,544
Total liabilities and net assets	109,813	109,634

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

Consolidated Statements of Income

(Millions of yen)

	Previous FY (January 1, 2019 ~ December 31, 2019)	Current FY (January 1, 2020 ~ December 31, 2020)
Net sales	133,053	113,859
Cost of sales	105,482	91,611
Gross profit	27,570	22,247
Selling, general and administrative expenses	21,130	19,779
Operating income (loss)	6,440	2,468
Non-operating income		
Interest income	89	95
Dividends income	239	176
Gain on securities sold	173	2,090
Equity in earnings of affiliates	825	445
Other	122	54
Total non-operating income	1,450	2,862
Non-operating expenses		
Interest expenses	160	83
Commission fee	22	3
Foreign exchange losses	250	125
Other	93	69
Total non-operating expenses	527	281
Ordinary income	7,363	5,048
Extraordinary income		
Gain on disposal of noncurrent assets	0	6
Total extraordinary income	0	6
Extraordinary loss		
Loss on disposal of noncurrent assets	240	101
Business structure improvement expenses	-	600
Impairment loss	-	347
Total extraordinary losses	240	1,050
Income before income taxes and minority interests	7,123	4,005
Income taxes-current	2,109	1,398
Income taxes-deferred	(172)	(87)
Total income taxes	1,937	1,311
Income before minority interests	5,185	2,693
Minority interests in income	(29)	(163)
Net income	5,214	2,857

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Previous FY (January 1, 2019 ~ December 31, 2019)	Current FY (January 1, 2020 ~ December 31, 2020)
Income before minority interests	5,185	2,693
Other comprehensive income		
Valuation difference on available-for-sale securities	476	(1,829)
Foreign currency translation adjustment	85	(250)
Remeasurements of defined benefit plans.	580	(1,130)
Share of other comprehensive income of associates accounted for using equity method	(175)	87
Total other comprehensive income	966	(3,122)
Comprehensive income	6,152	(428)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	6,183	(248)
Comprehensive income attributable to minority interests	(30)	(180)

(3) Consolidated Statements of Change in Net Assets

(Millions of yen)

	Previous FY (January 1, 2019 ~ December 31, 2019)	Current FY (January 1, 2020 ~ December 31, 2020)
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	8,972	8,986
Issue new shares	14	
Total changes of items during the period	14	
Balance at the end of current period	8,986	8,986
Capital surplus		
Balance at the beginning of current period	2,491	2,505
Issue new shares	14	
Total changes of items during the period	14	
Balance at the end of current period	2,505	2,505
Retained earnings		
Balance at the beginning of current period	29,821	34,267
Net income	5,214	2,857
Dividend of Surplus	(768)	(432)
Total changes of items during the period	4,446	2,424
Balance at the end of current period	34,267	36,692
Treasury stock		
Balance at the beginning of current period	(45)	(45)
Purchase of treasury stock	(0)	(0)
Total changes of items during the period	(0)	(0)
Balance at the end of current period	(45)	(45)
Total shareholders' equity		
Balance at the beginning of current period	41,239	45,713
Net income	5,214	2,857
Issue new shares	28	-
Dividend of Surplus	(768)	(432)
Purchase of treasury stock	(0)	(0)
Total changes of items during the period	4,474	2,424
Balance at the end of current period	45,713	48,138
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	1,423	1,899
Net changes of items other than shareholders' equity	476	(1,829)
Total changes of items during the period	476	(1,829)
Balance at the end of current period	1,899	70
Foreign currency translation adjustment		
Balance at the beginning of current period	(2,817)	(2,905)
Net changes of items other than shareholders' equity	(88)	(146)
Total changes of items during the period	(88)	(146)
Balance at the end of current period	(2,905)	(3,052)
Adjustment retirement benefits		
Balance at the beginning of current period	(1,047)	(467)
Net changes of items other than shareholders' equity	580	(1,130)
Total changes of items during the period	580	(1,130)
Balance at the end of current period	(467)	(1,597)

(3) Consolidated Statements of Change in Net Assets

(Millions of yen)

	Previous FY (January 1, 2019 ~ December 31, 2019)	Current FY (January 1, 2020 ~ December 31, 2020)
Total accumulated other comprehensive income		
Balance at the beginning of current period	(2,441)	(1,473)
Net changes of items other than shareholders' equity	968	(3,105)
Total changes of items during the period	968	(3,105)
Balance at the end of current period	(1,473)	(4,578)
Minority interests		
Balance at the beginning of current period	1,199	1,165
Net changes of items other than shareholders' equity	(34)	(180)
Total changes of items during the period	(34)	(180)
Balance at the end of current period	1,165	984
Total net assets		
Balance at the beginning of current period	39,997	45,405
Net income	5,214	2,857
Issue new shares	28	-
Dividend of Surplus	(768)	(432)
Purchase of treasury stock	(0)	(0)
Net changes of items other than shareholders' equity	933	(3,285)
Total changes of items during the period	5,408	(861)
Balance at the end of current period	45,405	44,544

(4) Consolidated Cash Flows

(Millions of yen)

	Previous FY (January 1, 2019 ~ December 31, 2019)	Current FY (January 1, 2020 ~ December 31, 2020)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	7,123	4,005
Depreciation and amortization	8,104	7,433
Amortization of goodwill	184	137
Increase (decrease) in allowance for doubtful accounts	13	(45)
Increase (decrease) in provision for bonuses	81	84
Increase (decrease) in provision for product warranties	184	(124)
Increase (decrease) in retirement benefits	206	(541)
Interest and dividends income	(328)	(272)
Interest expenses	160	83
Impairment loss	-	347
Equity in (earnings) losses of affiliates	(825)	(445)
Loss (gain) on sales of investment securities	(173)	(2,090)
Loss (gain) on disposal of noncurrent assets	240	95
Decrease (increase) in notes and accounts receivable-trade	3,106	(1,288)
Decrease (increase) in inventories	(1,741)	830
Decrease (increase) in other current assets	(0)	180
Increase (decrease) in notes and accounts payable-trade	3,603	487
Increase (decrease) in other current liabilities	(692)	3,135
Other, net	(562)	(385)
Subtotal	18,686	11,626
Interest and dividends income received	315	336
Interest expenses paid	(165)	(102)
Income taxes paid	(2,714)	(640)
Net cash provided by (used in) operating activities	16,122	11,219
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(11,841)	(11,800)
Proceeds from sales of property, plant and equipment	24	8
Payments acquisition of intangible fixed assets	(298)	(142)
Purchase of investment securities	(19)	(18)
Proceeds from sales of investment securities	-	4,248
Decrease (increase) in short-term loans receivable	(5,888)	(3,239)
Other, net	1,298	(11)
Net cash provided by (used in) investing activities	(16,724)	(10,955)

(Millions of yen)

	Previous FY (January 1, 2019 ~ December 31, 2019)	Current FY (January 1, 2020~ December 31, 2020)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(1,087)	(960)
Proceeds from long-term loans payable	5,500	-
Repayment of long-term loans payable	(1,329)	(1,129)
Dividend receipt	(768)	(432)
Cash dividends paid to minority shareholders	(3)	-
Repayments of lease obligations	(3,719)	(394)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(1,409)	(2,917)
Effect of exchange rate change on cash and cash equivalents	(6)	(117)
Net increase (decrease) in cash and cash equivalents	(2,018)	(2,769)
Cash and cash equivalents at beginning of period	10,215	8,196
Cash and cash equivalents at end of period	8,196	5,426

Segment Information

I . Previous consolidated fiscal year (January 1, 2019 to December 31, 2019)

1. Sales and profits or losses for each reportable segment

(Millions of yen)

	Segments			Other	Total
	Automotive Parts	Automotive Aftermarket	Sub Total		
Net sales					
(1) Sales to Outside Customers	124,399	7,488	131,888	1,165	133,053
(2) Intersegment Sales or Transfers	3	1,199	1,202	544	1,747
TOTAL	124,403	8,687	133,090	1,710	134,800
Segment income	6,305	209	6,515	(82)	6,432
Segment Assets	102,786	5,676	108,462	2,146	110,609
Other items					
Depreciation	7,976	102	8,079	33	8,112
Investment in entities accounted for using equity method	7,400	-	7,400	-	7,400
Increase in property, plant and equipment and intangible assets	11,759	131	11,890	37	11,928

* "Other" shows business segments which is not included in reportable segment. It shows "Sales and production business of electric bulb for automotive in our group".

* "Increase in property, plant and equipment and intangible assets" is not included increase in construction in progress.

2. Total amount for profit and loss in reportable segment and

Details of adjustment in the quarterly consolidated statement (Adjustment amounts and items)

(Millions of yen)

Sales	Amount
Total amount for Segment	133,090
Profit including "Other"	1,710
Elimination for intersegment	(1,747)
Sales in consolidated statement	133,053

(Millions of yen)

Profit	Amount
Total amount for Segment	6,515
Profit including "Other"	(82)
Elimination for intersegment	7
Operating income in consolidated statement	6,440

Segment Information

II . Current consolidated fiscal year (January 1, 2020 to December 31, 2020)

1. Sales and profits or losses for each reportable segment

(Millions of yen)

	Segments			Other	Total
	Automotive Parts	Automotive Aftermarket	Sub Total		
Net sales					
(1) Sales to Outside Customers	106,085	6,900	112,985	873	113,859
(2) Intersegment Sales or Transfers	44	1,156	1,201	948	2,144
TOTAL	106,130	8,056	114,187	1,817	116,004
Segment income	2,282	230	2,513	(71)	2,441
Segment Assets	103,680	5,550	109,230	1,708	110,938
Other items					
Depreciation	7,328	83	7,412	28	7,440
Investment in entities accounted for using equity method	8,041	-	8,041	-	8,041
Increase in property, plant and equipment and intangible assets	11,195	143	11,338	2	11,341

* "Other" shows business segments which is not included in reportable segment. It shows "Sales and production business of electric bulb for automotive in our group".

* "Increase in property, plant and equipment and intangible assets" is not included increase in construction in progress.

2. Total amount for profit and loss in reportable segment and

Details of adjustment in the quarterly consolidated statement (Adjustment amounts and items)

(Millions of yen)

Sales	Amount
Total amount for Segment	114,187
Profit including "Other"	1,817
Elimination for intersegment	(2,144)
Sales in consolidated statement	113,859

(Millions of yen)

Profit	Amount
Total amount for Segment	2,513
Profit including "Other"	(71)
Elimination for intersegment	26
Operating income in consolidated statement	2,468