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Consolidated Results for 1st to 3rd Quarter Fiscal 2020: April 1, 2020 – December 31, 2020

(All figures in millions of yen, rounded to the nearest million, unless otherwise specified)

I. Summary of Consolidated Results

1. Operating results (percent change from previous year in brackets)

	Q1–Q3 2020	Q1–Q3 2019
Net sales	1,536,659 [–3.3%]	1,588,532 [+0.1%]
Operating income	129,515 [–7.6%]	140,239 [–10.7%]
Ordinary income	132,297 [–9.2%]	145,678 [–12.1%]
Net income attributable to owners of the parent	79,979 [–23.0%]	103,827 [–10.4%]
Net income per share*	57.64	74.75
Diluted net income per share*	—	—

* Yen

Note:

Comprehensive income was ¥77,642 million during Q1–Q3 2020, and ¥95,778 million during Q1–Q3 2019.

2. Financial position

At end of	December 2020	March 2020
Total assets	2,871,239	2,822,277
Net assets	1,414,074	1,383,460
Net worth/total assets	48.3%	48.2%
Net worth per share*	1,000.45	979.69

* Yen

Notes:

- Net worth consists of shareholders' equity and accumulated other comprehensive income.
- Net worth was ¥1,388,159 million as of December 31, 2020, and ¥1,359,314 million as of March 31, 2020.
- Calculation of total assets as of March 31, 2020, previously based on provisional accounting treatment related to business combinations, has been finalized.

II. Cash Dividends

Fiscal year	Cash dividends per share*				Total annual
	Q1	Q2	Q3	Q4	
2019	—	18.00	—	16.00	34.00
2020	—	17.00	—	—	—
2020 (forecast)	—	—	—	17.00	34.00

* Yen

Note:

No revision of cash dividend forecast was made subsequent to the latest announced forecast.

III. Forecast for Fiscal 2020 (April 1, 2020 – March 31, 2021)

1. Latest forecasts (percent change from results in year-ago period in brackets)

	For the fiscal year
Net sales	2,091,000 [-2.8%]
Operating income	160,000 [-9.7%]
Ordinary income	165,000 [-10.3%]
Net income attributable to owners of the parent	71,000 [-31.7%]
Net income per share*	51.17

* Yen

Notes:

- Performance forecasts are based on the best information available at this time, but actual results may diverge from these forecasts due to a variety of factors which cannot be foreseen.
- The forecast for fiscal 2020 announced on November 6, 2020, has been revised.

IV. Other Information

1. Changes in significant subsidiaries which affected scope of consolidation during the period

Addition of one new subsidiary: Sage Automotive Interiors Germany GmbH

2. Special accounting methods for preparation of the consolidated financial statements

Income tax expenses: A reasonable estimate of the effective tax rate after applying tax-effect accounting for the current fiscal year is made, and quarterly income before income taxes is multiplied by the corresponding effective tax rate.

3. Changes in accounting policies, changes in accounting estimates, and retroactive restatement: None

4. Notable changes in shareholders' equity: None

5. Number of shares outstanding

	Q1-Q3 2020	FY 2019
Number of shares outstanding at end of period	1,393,932,032	1,393,932,032
Number of shares of treasury stock at end of period	6,393,083	6,440,327
Average number of shares outstanding during period	1,387,521,967	1,388,921,459*

* Q1-Q3 2019

V. Consolidated Financial Statements

1. Balance sheets

	At end of March 2020	At end of December 2020
Assets		
Current assets		
Cash and deposits	207,957	248,280
Notes and accounts receivable–trade	330,999	329,203
Merchandise and finished goods	216,463	197,123
Work in process	160,064	172,469
Raw materials and supplies	101,313	110,734
Other	92,153	92,894
Allowance for doubtful accounts	(1,519)	(2,285)
Total current assets	1,107,430	1,148,417
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	563,110	586,007
Accumulated depreciation	(305,259)	(314,693)
Buildings and structures, net	257,851	271,314
Machinery, equipment and vehicles	1,466,958	1,507,240
Accumulated depreciation	(1,243,780)	(1,271,408)
Machinery, equipment and vehicles, net	223,179	235,832
Land	67,024	69,181
Lease assets	9,645	8,966
Accumulated depreciation	(8,964)	(7,987)
Lease assets, net	681	980
Construction in progress	75,487	82,703
Other	172,674	177,352
Accumulated depreciation	(143,210)	(147,361)
Other, net	29,464	29,991
Subtotal	653,686	690,001
Intangible assets		
Goodwill	365,680	342,903
Other	349,566	319,485
Subtotal	715,246	662,389
Investments and other assets		
Investment securities	244,581	269,495
Long-term loans receivable	7,951	7,870
Long-term advance payments–trade	20,467	24,699
Deferred tax assets	44,466	37,384
Other	28,883	31,464
Allowance for doubtful accounts	(435)	(479)
Subtotal	345,914	370,433
Total noncurrent assets	1,714,846	1,722,822
Total assets	2,822,277	2,871,239

	At end of March 2020	At end of December 2020
Liabilities		
Current liabilities		
Notes and accounts payable–trade	131,207	144,153
Short-term loans payable	275,671	123,362
Commercial paper	139,000	135,000
Lease obligations	1,006	977
Accrued expenses	121,520	104,482
Income taxes payable	18,145	11,015
Advances received	73,623	79,232
Provision for grant of shares	78	—
Provision for periodic repairs	4,043	6,275
Provision for product warranties	3,738	3,600
Provision for removal cost of property, plant and equipment	2,640	4,508
Other	71,863	83,286
Total current liabilities	842,531	695,889
Noncurrent liabilities		
Bonds payable	60,000	110,000
Long-term loans payable	229,172	350,418
Lease obligations	3,506	3,087
Deferred tax liabilities	70,600	66,510
Provision for grant of shares	412	422
Provision for periodic repairs	4,560	3,041
Provision for removal cost of property, plant and equipment	5,771	5,814
Net defined benefit liability	174,365	171,655
Long-term guarantee deposits	21,613	21,824
Other	26,287	28,505
Total noncurrent liabilities	596,286	761,276
Total liabilities	1,438,817	1,457,166
Net assets		
Shareholders' equity		
Capital stock	103,389	103,389
Capital surplus	79,641	79,642
Retained earnings	1,125,738	1,159,003
Treasury stock	(5,990)	(5,927)
Total shareholders' equity	1,302,777	1,336,107
Accumulated other comprehensive income		
Net unrealized gain on other securities	67,027	85,000
Deferred gains or losses on hedges	(241)	(91)
Foreign currency translation adjustment	13,027	(13,082)
Remeasurements of defined benefit plans	(23,275)	(19,775)
Total accumulated other comprehensive income	56,538	52,052
Non-controlling interests	24,145	25,915
Total net assets	1,383,460	1,414,074
Total liabilities and net assets	2,822,277	2,871,239

2. Statements of income and statements of comprehensive income

1) Statements of income

	Q1-Q3 2019	Q1-Q3 2020
Net sales	1,588,532	1,536,659
Cost of sales	1,079,247	1,035,982
Gross profit	509,285	500,677
Selling, general and administrative expenses	369,046	371,162
Operating income	140,239	129,515
Non-operating income		
Interest income	2,022	1,465
Dividends income	4,469	3,639
Equity in earnings of affiliates	6,609	1,190
Other	2,600	4,202
Total non-operating income	15,700	10,496
Non-operating expenses		
Interest expense	3,027	2,445
Foreign exchange loss	1,975	206
Other	5,259	5,063
Total non-operating expenses	10,262	7,714
Ordinary income	145,678	132,297
Extraordinary income		
Gain on sales of investment securities	9,022	8,774
Gain on sales of noncurrent assets	1,402	301
Total extraordinary income	10,424	9,075
Extraordinary loss		
Loss on valuation of investment securities	1,157	44
Loss on disposal of noncurrent assets	4,715	6,529
Impairment loss	2,226	208
Loss on disaster	1,497	—
Loss on fire at plant facilities	—	11,612
Business structure improvement expenses	324	4,774
Total extraordinary loss	9,919	23,167
Income before income taxes	146,183	118,205
Total income taxes	41,014	36,456
Net income	105,169	81,749
Net income attributable to non-controlling interests	1,342	1,770
Net income attributable to owners of the parent	103,827	79,979

2) Statements of comprehensive income

	Q1-Q3 2019	Q1-Q3 2020
Net income	105,169	81,749
Other comprehensive income		
Net increase (decrease) in unrealized gain on other securities	(2,285)	17,888
Deferred gains or losses on hedges	(257)	150
Foreign currency translation adjustment	(10,790)	(26,455)
Remeasurements of defined benefit plans	3,409	3,482
Share of other comprehensive income of affiliates accounted for using equity method	532	828
Total other comprehensive income	(9,391)	(4,107)
Comprehensive income	95,778	77,642
Comprehensive income attributable to:		
Owners of the parent	94,291	75,494
Non-controlling interests	1,487	2,148

3. Statements of cash flows

	Q1–Q3 2019	Q1–Q3 2020
Cash flows from operating activities		
Income before income taxes	146,183	118,205
Depreciation and amortization	70,758	80,190
Impairment loss	2,226	208
Amortization of goodwill	16,529	18,749
Amortization of negative goodwill	(79)	—
Decrease in provision for grant of shares	(82)	(68)
(Decrease) increase in provision for periodic repairs	(1,678)	713
Increase (decrease) in provision for product warranties	569	(110)
(Decrease) increase in provision for removal cost of property, plant and equipment	(918)	1,912
Decrease in net defined benefit liability	(2,529)	(2,635)
Interest and dividend income	(6,491)	(5,104)
Interest expense	3,027	2,445
Equity in earnings of affiliates	(6,609)	(1,190)
Gain on sales of investment securities	(9,022)	(8,774)
Loss on valuation of investment securities	1,157	44
Gain on sale of property, plant and equipment	(1,402)	(301)
Loss on disposal of noncurrent assets	4,715	6,529
Decrease in notes and accounts receivable–trade	10,032	7,143
(Increase) decrease in inventories	(59,975)	631
(Decrease) increase in notes and accounts payable–trade	(19,615)	7,850
Decrease in accrued expenses	(16,823)	(19,491)
Increase in advances received	9,503	6,247
Other, net	(5,420)	3,422
Subtotal	134,056	216,614
Interest and dividend income, received	8,956	7,117
Interest expense paid	(2,626)	(1,670)
Income taxes paid	(57,820)	(46,709)
Net cash provided by operating activities	82,566	175,352
Cash flows from investing activities		
Payments into time deposits	(1,611)	(1,687)
Proceeds from withdrawal of time deposits	12,845	3,740
Purchase of property, plant and equipment	(97,691)	(86,002)
Proceeds from sales of property, plant and equipment	2,096	417
Purchase of intangible assets	(9,123)	(9,234)
Purchase of investment securities	(5,746)	(4,448)
Proceeds from sales of investment securities	18,093	10,337
Purchase of shares in subsidiaries resulting in change in scope of consolidation	(31,307)	(4,832)
Payments for transfer of business	(1,964)	(17,778)
Payments of loans receivable	(4,917)	(4,787)
Collection of loans receivable	8,477	9,658
Other, net	811	(52)
Net cash used in investing activities	(110,038)	(104,667)

	Q1-Q3 2019	Q1-Q3 2020
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	35,763	(164,728)
Increase (decrease) in commercial paper	72,000	(4,000)
Proceeds from long-term loans payable	818	143,463
Repayment of long-term loans payable	(11,866)	(6,773)
Proceeds from issuance of bonds payable	40,000	50,000
Redemption of bonds	(20,000)	—
Repayments of lease obligations	(790)	(949)
Purchase of treasury stock	(10,013)	(6)
Proceeds from disposal of treasury stock	83	69
Cash dividends paid	(48,723)	(45,800)
Cash dividends paid to non-controlling interests	(933)	(1,165)
Purchase of shares in subsidiaries not resulting in change in scope of consolidation	—	(307)
Other, net	(75)	(48)
Net cash provided by (used in) financing activities	56,264	(30,244)
Effect of exchange rate change on cash and cash equivalents	(724)	102
Net increase in cash and cash equivalents	28,069	40,542
Cash and cash equivalents at beginning of period	180,520	204,771
Increase in cash and cash equivalents resulting from changes in scope of consolidation	85	1,769
Cash and cash equivalents at end of period	208,673	247,082