

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 [Japan GAAP]

Name of Company:	The Furukawa Battery Co., Ltd.
Stock Code:	6937
Stock Exchange Listing:	Tokyo Stock Exchange, First Section
URL:	<a href="https://www.furukawadenchi.co.jp">https://www.furukawadenchi.co.jp</a>
Representative	
Title:	President & CEO
Name:	Shinichi Ono
Contact Person	
Title:	Corporate Officer, General Manager of Finance & Accounting Department
Name:	Susumu Meida
Tel:	+81-45-336-5034
Scheduled date of ordinary general meeting of shareholders:	June 25, 2020
Scheduled date for commencement of dividend payment:	June 26, 2020
Scheduled date for filing of securities report:	June 25, 2020
Supplementary documents for financial results:	Yes
Financial results briefing:	Yes (Financial results briefing via video streaming on the Company's website)

(Yen in millions, rounded down)

### 1. Consolidated financial results for the fiscal year ended March 31, 2020 (April 1, 2019 – March 31, 2020)

#### (1) Consolidated operating results

(Percentage figures represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2020	64,486	1.4	3,293	17.5	3,237	20.0	2,238	(1.3)
Fiscal year ended March 31, 2019	63,600	5.1	2,801	(6.0)	2,698	(4.0)	2,267	6.1

Note: Comprehensive income

Fiscal year ended March 31, 2020:	1,541 million yen [yoy 59.8 %]
Fiscal year ended March 31, 2019:	964 million yen [yoy (56.3) %]

	Earnings per share (basic)	Earnings per share (diluted)	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2020	68.31	—	8.7	6.0	5.1
Fiscal year ended March 31, 2019	69.18	—	9.4	4.9	4.4

Reference: Equity in earnings (losses) of affiliates

Fiscal year ended March 31, 2020:	1 million yen
Fiscal year ended March 31, 2019:	(54) million yen

**(2) Consolidated financial position**

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2020	54,035	27,637	49.1	808.59
As of March 31, 2019	54,266	25,758	45.7	756.91

Reference: Equity

As of March 31, 2020: 26,504 million yen

As of March 31, 2019: 24,809 million yen

**(3) Consolidated cash flows**

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2020	3,339	(2,438)	(1,732)	4,295
Fiscal year ended March 31, 2019	4,936	(1,936)	(2,197)	4,968

**2. Dividends**

	Annual dividends per share					Total dividends (annual)	Payout ratio (Consolidated)	Dividends/to net assets (Consolidated)
	End of Q1	End of Q2	End of Q3	End of Q4	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2019	—	—	—	11.00	11.00	360	15.9	1.5
Fiscal year ended March 31, 2020	—	—	—	13.00	13.00	426	19.0	1.7
Fiscal year ending March 31, 2021 (forecast)	—	—	—	—	—		—	

Note: The dividends forecast for the year ending March 31, 2021 has not yet been determined as it is difficult at this stage to rationally estimate the impact of the spread of novel coronavirus disease (COVID-19).

**3. Forecast of consolidated financial results for the fiscal year ending March 31, 2021 (April 1, 2020 – March 31, 2021)**

The consolidated financial results forecasts for the year ending March 31, 2021 have not yet been determined as it is difficult at this stage to rationally estimate the impact of COVID-19. The forecasts will be disclosed promptly once it is possible to do so.

**Notes:**

- (1) Changes in significant subsidiaries during the fiscal year ended March 31, 2020 (Changes in specific subsidiaries accompanied by changes in the scope of consolidation): Newly included: None Excluded: None
- (2) Changes in accounting policies, changes in accounting estimates, and retrospective restatements:
  - (a) Changes in accounting policies accompanying revisions in accounting standards: None
  - (b) Changes other than in (a): None
  - (c) Changes in accounting estimates: None
  - (d) Retrospective restatements: None
- (3) Number of shares outstanding (common stock)
  - (a) Shares outstanding (including treasury shares)

As of March 31, 2020: 32,800,000 shares As of March 31, 2019: 32,800,000 shares
  - (b) Treasury shares

As of March 31, 2020: 22,059 shares As of March 31, 2019: 22,059 shares
  - (c) Average number of shares outstanding during the period

Fiscal year ended March 31, 2020: 32,777,941 shares Fiscal year ended March 31, 2019: 32,777,942 shares

**(For reference) Non-consolidated financial results**

**1. Financial results for the fiscal year ended March 31, 2020 (April 1, 2019 – March 31, 2020)**

(1) Non-consolidated operating results

(Percentage figures represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2020	42,548	(0.2)	2,166	(3.3)	2,746	(42.1)	1,611	8.5
Fiscal year ended March 31, 2019	42,642	4.5	2,241	17.2	4,745	91.7	1,484	(19.1)

	Earnings per share (basic)	Earnings per share (diluted)
	Yen	Yen
Fiscal year ended March 31, 2020	49.15	—
Fiscal year ended March 31, 2019	45.29	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2020	35,699	16,669	46.7	508.56
As of March 31, 2019	36,348	16,004	44.0	488.27

Reference: Equity

As of March 31, 2020: 16,669 million yen

As of March 31, 2019: 16,004 million yen

<Reasons for differences between non-consolidated financial results and the actual values of the previous fiscal year>

The differences between the actual values of the previous fiscal year and the actual values of the fiscal year under review are due to a decrease in dividend income from consolidated subsidiaries in the fiscal year under review compared to the previous fiscal year.

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

\* Appropriate use of performance forecasts and other special items:

(Disclaimer on forward-looking statements, etc.)

The performance forecasts are not stated because it is difficult to reasonably calculate at this point in time. For the future outlook, please refer to “1. Overview of Operating Results and Others, (4) Future Outlook” on page 5 of the Attachment.

(Obtaining the supplementary documents for financial results and the financial results briefing)

The Company plans to stream the financial results briefing via video for institutional investors and analysts on Friday, May 29, 2020.

The video and the supplementary documents for financial results will be posted on the Company’s website.

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## 1. Overview of Operating Results and Others

### (1) Overview of Operating Results

#### (Business Environment)

During the fiscal year ended March 31, 2020, the global economy was on a path of moderate recovery until February, but from March onwards it deteriorated rapidly due to the global outbreak of novel coronavirus disease (COVID-19), and the situation is now extremely serious.

Looking ahead, we assume that business conditions will worsen further due to the impact of the infectious disease.

In the Japanese economy, consumption had already been stagnating as a result of the increase in the consumption tax, and weakness was increasingly evident, primarily in manufacturing industry. It was on top of this that people began to refrain from going out in March, leading to a sudden change for the worse in business conditions.

Looking forward, we expect that business conditions will deteriorate further in the same way as the global economy was affected by the infectious disease.

In the storage batteries industry, the market for lead-acid storage batteries for use in the automotive field is expected to remain strong over the long term, centered on emerging countries, while in developed countries the shift to lithium-ion batteries is projected to make progress.

In the industrial field as well, long-term demand is expected to remain firm in such areas as data centers.

On the other hand, in the short and medium term, the prevalence of the infectious disease will have an impact on supply chains, and we project that both automobiles and industry will face difficult conditions.

The Furukawa Battery Co., Ltd. (the "Company") and its group companies (the "Group") will move ahead with efforts to achieve the "Mid-term Vision 2021 (2019-2021)," pursuing stable growth at overseas units, the generation of new business through the development of new products, including next-generation batteries, increased profitability in the core business of lead-acid storage batteries, and the accumulation of innovative capability through the development of human resources. With regard to the infectious disease, our highest priority is the safety of our employees and other related persons, and we are working to prevent the spread of infection while taking prompt action to deal with the severe conditions that are expected going forward.

#### (Operating Results)

The Group recorded 64,486 million yen of consolidated net sales for the fiscal year ended March 31, 2020, an increase of 885 million yen (1.4%), year on year. This was due primarily to steady sales of industrial products bound for new and upgraded facilities. Overseas sales were 23,834 million yen and accounted for 37.0% of total sales.

Operating profit increased by 491 million yen year on year to 3,293 million yen (compared with operating profit of 2,801 million yen in the fiscal year ended March 31, 2019). This was mainly because the Company's subsidiary in Thailand performed well, and the Indonesia subsidiary fared better than in the previous fiscal year. Ordinary profit increased by 538 million yen year on year to 3,237 million yen (compared with ordinary profit of 2,698 million yen in the fiscal year ended March 31, 2019).

Profit attributable to owners of parent came to 2,238 million yen, decreasing 28 million yen year on year (compared with profit attributable to owners of parent of 2,267 million yen in the fiscal year ended March 31, 2019), due to recording a loss on valuation of investment securities, and other factors.

Business segment performance was as follows.

Segment sales include intersegment internal sales or transfers totaling 2,732 million yen and the figures for segment profit are given on an operating profit (pre-goodwill amortization) basis.

In the automotive segment, sales were 47,246 million yen, an increase of 387 million yen (0.8%) year on year, and segment profit was 1,993 million yen, an increase of 271 million yen (15.8%). This was mainly driven by declines in the price of lead, the primary raw material, and the effects of cost reductions.

In the industrial segment, sales were 18,864 million yen, an increase of 966 million yen (5.4%) year on year. Segment profit was 1,123 million yen, an increase of 221 million yen (24.5%). This was due mainly to steady sales of

products for use in new and upgraded facilities.

In the real estate segment, sales were 337 million yen, a decrease of 15 million yen (4.3%) year on year and segment profit was 135 million yen, a decrease of 23 million yen (14.9%).

In the others segment, sales were 770 million yen, an increase of 22 million yen (3.1%) year on year, while segment profit was 43 million yen, an increase of 26 million yen (166.0%).

## (2) Overview of Financial Position

Total assets were 54,035 million yen as of March 31, 2020, which is 231 million yen less than at the end of the previous fiscal year. Current assets increased by 180 million yen from the end of the previous fiscal year to 25,139 million yen, while non-current assets decreased by 411 million yen to 28,896 million yen.

The main factor leading to the increase in current assets was an increase in notes and accounts receivable - trade.

There was a 598 million yen increase in property, plant and equipment to 24,453 million yen. The main factor leading to the increase was investments in manufacturing equipment by the Company and by the subsidiary in Thailand.

Investments and other assets decreased by 995 million yen to 4,307 million yen.

Total liabilities as of March 31, 2020 decreased by 2,110 million yen to 26,398 million yen.

Current liabilities decreased by 990 million yen to 14,854 million yen, and non-current liabilities decreased by 1,120 million yen to 11,543 million yen.

Interest-bearing debt, which is the sum of short-term borrowings and long-term borrowings, decreased by 1,812 million yen to 6,729 million yen.

Equity increased by 1,694 million yen to 26,504 million yen, resulting in an increase in the equity ratio from 45.7% at the end of the previous fiscal year to 49.1% at the end of the fiscal year under review.

## (3) Overview of Cash Flows

### a) Cash flows

Net cash provided by operating activities during the fiscal year under review was 3,339 million yen as a whole. Major sources of cash were profit before income taxes of 2,767 million yen, depreciation of 2,716 million yen, and there was a 1,549 million yen payment of interest and income taxes.

Net cash used in investing activities was 2,438 million yen due to purchase of property, plant and equipment amounting to 2,860 million yen.

Net cash used in financial activities was 1,732 million yen due to repayments of long-term borrowings of 2,624 million yen.

As a result, cash and cash equivalents at end of period decreased 672 million yen from the previous year to 4,295 million yen.

### b) Trends of performance indicators associated with cash flows

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Equity ratio (%)	36.5	37.5	42.4	45.7	49.1
Market value basis equity ratio (%)	41.5	45.4	58.9	42.2	33.1
Cash flow/interest-bearing debt ratio (years)	4.2	3.6	4.4	1.7	2.0
Interest coverage ratio (x)	10.2	5.1	4.6	11.7	8.6

\*Equity ratio: equity/total assets

Market value basis equity ratio: market capitalization/total assets

Cash flow/interest-bearing debt ratio: interest-bearing debt/cash flows

Interest coverage ratio: cash flow/paid interest

Notes: 1. All figures are calculated based on consolidated financial data.

2. Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of issued shares as of the end of the period.

3. Cash flows are Cash flows from operating activities as shown in the consolidated statements of cash flows.

4. Interest-bearing liabilities are the sum of borrowings shown on the consolidated balance sheets. Interest expenses are interest expenses as shown in the consolidated statements of cash flows.

#### (4) Future Outlook

Because it is extremely difficult to read the outlook, including the impact of the spread of COVID-19 and the timing of the resolution of the crisis, the consolidated forecast for the fiscal year ending March 31, 2021 has not been decided. Going forward, at the point at which it becomes possible to perform the calculations for the consolidated forecast, we intend to make prompt disclosure.

#### (5) Basic Policy for Profit Distributions and Dividends for Current and Next Fiscal Years

Our basic policies as to profit distributions are to pay stable and ongoing return to shareholders and to invest in enhancing our facilities in Japan and overseas and in strengthening research and development, etc. that lead to improved corporate value, and are designed to achieve sustainable growth and improved profitability in the future. For the dividend, the policy is to determine these payments based on the operating results and the strengthening of our financial soundness and we believe we must consider the per-share dividend and payout ratio in a balanced way to express our appreciation to shareholders for their support.

We plan to increase the year-end dividend by 2 yen per share from the previous year to 13 yen per share for the fiscal year ended March 31, 2020 to express our appreciation to the shareholders for their support. Because the impact of the spread of COVID-19 makes it difficult to perform a reasonable calculation at this point, the dividend for next fiscal year has not been decided, but in accordance with the above policy, we will work to meet the expectations of shareholders.

Furthermore, at the point at which it becomes possible to perform the calculations for the consolidated forecast going forward, we intend to make prompt disclosure.



## 2. Corporate Group

The corporate group consists of the Company, its parent company, nine consolidated subsidiaries, five non-consolidated subsidiaries and one affiliated company accounted for by the equity method, and two affiliated companies not accounted for by the equity method. The primary business activities are the manufacture and sale of storage batteries and associated activities. The roles of the group companies concerning these activities are as follows.

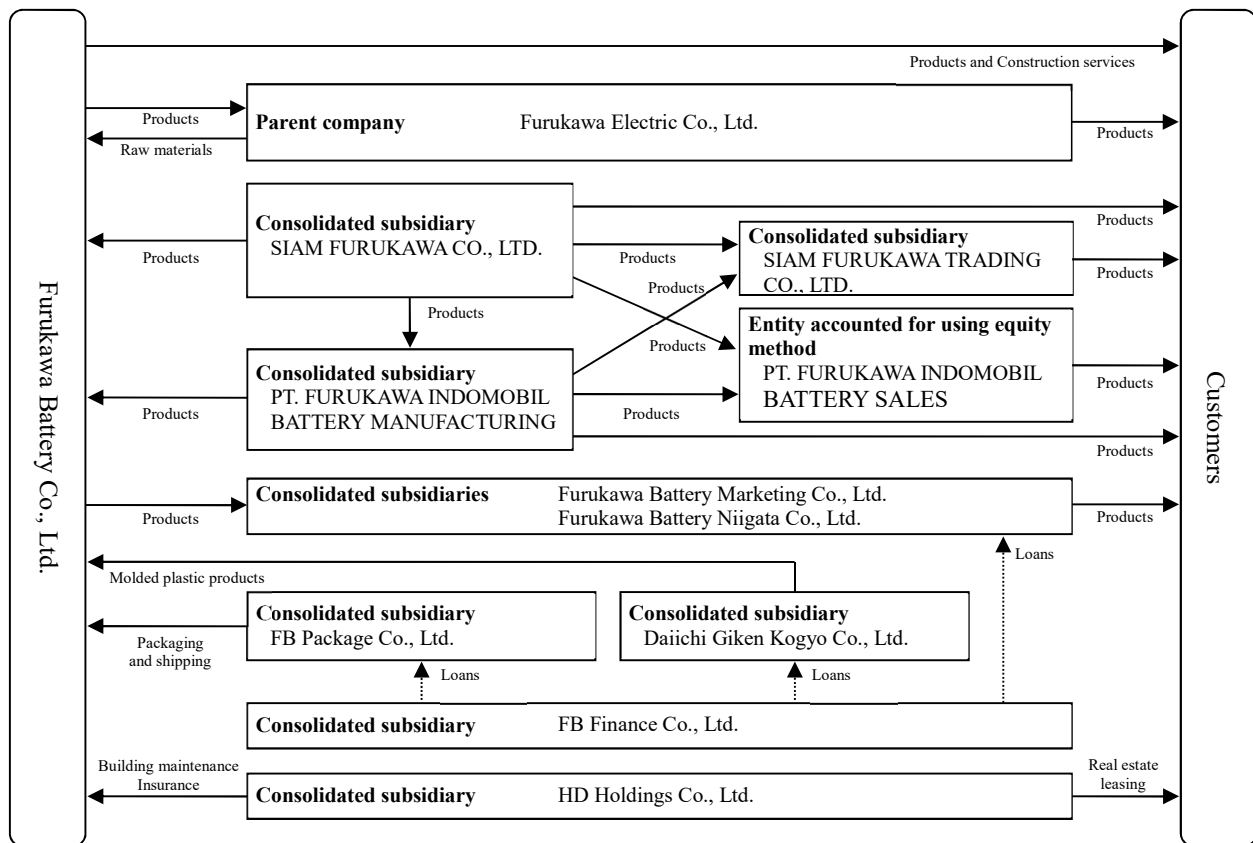
The Company manufactures and sells lead-acid storage batteries, alkaline storage batteries, and rectifiers and other power supply devices and performs installations and inspections for these batteries. Consolidated subsidiaries Siam Furukawa Co., Ltd., and PT. Furukawa Indomobil Battery Manufacturing, with the technical support of the Company, manufacture lead-acid storage batteries.

Consolidated subsidiary Furukawa Battery Marketing Co., Ltd. sells some of the lead-acid storage batteries and alkaline storage batteries manufactured by the Company.

Consolidated subsidiary FB Package Co., Ltd. performs packaging and shipping operations as well as on-site transport services for the Company. Consolidated subsidiary FB Finance Co., Ltd. extends loans to consolidated subsidiaries and affiliated companies.

Some products are sold to parent company Furukawa Electric Co., Ltd. In addition, the Company purchases some raw materials and other items from Furukawa Electric.

A flowchart of these business activities is shown below.



### 3. Management Policy

#### (1) Basic Management Policy

The Group conducts its management in accordance with the Corporate Philosophy formed from the following Guiding Principle and the Credo.

##### Guiding Principle

In order to meet the expectations of our diverse stakeholders, including our shareholders, employees, customers and local communities, Furukawa Battery will implement continuous innovation based on the technological capabilities we have fostered over many years, under a slogan of “always seeking to be challengers” and a corporate motto of “fairness and integrity.” We will contribute to the realization of a truly rich and sustainable society as we seek to achieve sustainable growth and improve our corporate value in the medium to long term.

##### Furukawa Battery Group Credo

We are challengers.

- a) Maintain high ethical standards, and value honesty and integrity above all.
- b) Continually improve, innovate, and lead, in every area of endeavor.
- c) Take a hands-on approach that addresses the reality of every situation - in the office, at the factory, and on site.
- d) Be proactive - take the initiative and work with others, persevering until a solution is found.
- e) Maintain open channels of communication between departments and divisions so that we can share ideas and help each other grow.

#### (2) Targeted Performance Indicators

The Group has been moving its business forward to achieve the objectives of the “Mid-term Vision 2021 (2019-2021)” medium-term management plan, but the spread of COVID-19 is expected to have a significant impact on the business, and we have therefore decided to once again review the medium-term management plan. An announcement regarding the targeted performance indicators will be made as soon as the review has been completed.

#### (3) Medium to Long-term Strategies and Pending Issues

##### 1. Medium-term management plan

The Group has been moving its business forward to achieve the objectives of the new “Mid-term Vision 2021 (2019-2021)” medium-term management plan, but the spread of COVID-19 is expected to have a significant impact on the business, and we have therefore decided to once again review the medium-term management plan. An announcement regarding the plan will be made as soon as the review has been completed.

##### 2. Long-term management vision

We are formulating a long-term vision that will set goals for 2030, and express what we want Furukawa Battery to be in 2030, based on the current state of the company and recent changes in society. This will replace “Dynamic Innovation 2020,” which has been our long-term management vision since FY2011. As for the content, we will make a careful and detailed investigation into the impact on the business of the spread of COVID-19, and make an announcement as soon as everything is in place.

##### 3. Pending issues

With regard to the outlook going forward, in the short term we foresee the COVID-19 pandemic having an impact on all aspects of procurement, production, supply, and demand, and we project that the environment in which the Group operates will remain difficult. For some time we have treated the strengthening of risk management in relation to natural disasters, etc. as a pending issue, but now we will work to reinforce it even further. In the longer term, we also forecast that for existing businesses such as lead-acid storage batteries, the rate of growth in the domestic market will slow, while the importance of emerging markets overseas will increase further. In this kind of environment, we perceive the expansion of the overseas business and the development of human resources for research and

development to be important issues, and will implement various measures to address these.

The pending issues by business are shown below.

For the automotive business, although motorization is proceeding in emerging markets, we forecast that developed markets such as Japan will see the advance of structural changes in the industry along the themes of electrification, automation and servitization. In this kind of environment, we perceive the issues for emerging countries and developed countries to be the development of products that realize competitive quality and cost as well as new functionality, and the strengthening of marketing capabilities to drive their growth in the market.

In the industrial business, we predict that while demand for such markets as data centers and smart grid will expand, price competition will intensify further. In an environment such as this, we perceive the issues to be striving to expand the lithium-ion battery business, which has a track record that includes products used in space applications, and also utilizing external resources, such as universities, to develop and commercialize competitive lead-acid storage batteries and the storage batteries of the next generation, and will address these accordingly.

Through these initiatives, the Furukawa Battery Group will maximize the capabilities it possesses, expanding into new business domains that transcend the framework of existing products, and supporting, through partnerships, inclusive, safe, robust and sustainable lifestyles for people. In doing so, we aim to become a company whose presence is even more familiar, and deemed even more necessary to society.

#### 4. Basic Views on the Selection of Accounting Standards

The policy of the Group for the time being is to prepare its consolidated financial statements using Japan GAAP, taking into consideration the fact that this allows the consolidated financial statements to be compared between periods and compared between companies.

Note that the Group will closely monitor the trend related to the introduction of the International Financial Reporting Standards (IFRS) going forward and endeavor to develop systems to appropriately respond.

5. Consolidated Financial Statements and Related Notes  
(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2019	As of March 31, 2020
<b>ASSETS</b>		
Current assets		
Cash and deposits	2,617	2,662
Securities	2,351	1,632
Notes and accounts receivable - trade	11,317	12,255
Electronically recorded monetary claims - operating	800	1,080
Merchandise and finished goods	2,612	2,540
Work in process	3,314	2,856
Raw materials and supplies	1,263	1,363
Other	684	761
Allowance for doubtful accounts	(2)	(13)
Total current assets	24,959	25,139
Non-current assets		
Property, plant and equipment		
Buildings and structures	16,693	17,754
Accumulated depreciation	(10,175)	(10,710)
Buildings and structures, net	6,517	7,044
Machinery, equipment and vehicles	34,191	36,530
Accumulated depreciation	(26,533)	(28,319)
Machinery, equipment and vehicles, net	7,657	8,211
Tools, furniture and fixtures	7,629	7,842
Accumulated depreciation	(6,967)	(7,194)
Tools, furniture and fixtures, net	661	648
Land	7,442	7,372
Leased assets	981	995
Accumulated depreciation	(337)	(371)
Leased assets, net	643	623
Construction in progress	932	553
Total property, plant and equipment	23,855	24,453
Intangible assets		
Leased assets	11	10
Other	138	124
Total intangible assets	149	135
Investments and other assets		
Investment securities	3,515	2,137
Deferred tax assets	1,642	2,026
Other	166	166
Allowance for doubtful accounts	(21)	(23)
Total investments and other assets	5,302	4,307
Total non-current assets	29,307	28,896
Total assets	54,266	54,035

(Million yen)

	As of March 31, 2019	As of March 31, 2020
<b>LIABILITIES</b>		
Current liabilities		
Notes and accounts payable - trade	4,488	3,698
Electronically recorded obligations - operating	2,240	2,360
Short-term borrowings	4,753	4,261
Lease obligations	129	135
Income taxes payable	540	520
Accrued consumption taxes	344	430
Provision for bonuses	649	672
Provision for environmental measures	4	2
Notes payable - facilities	27	17
Electronically recorded obligations - facilities	208	243
Other	2,459	2,510
Total current liabilities	15,845	14,854
Non-current liabilities		
Long-term borrowings	3,788	2,467
Lease obligations	598	568
Deferred tax liabilities	756	795
Provision for environmental measures	9	2
Retirement benefit liability	6,888	7,021
Asset retirement obligations	9	53
Other	612	634
Total non-current liabilities	12,663	11,543
Total liabilities	28,508	26,398
<b>NET ASSETS</b>		
Shareholders' equity		
Share capital	1,640	1,640
Capital surplus	653	653
Retained earnings	20,969	22,847
Treasury shares	(11)	(11)
Total shareholders' equity	23,251	25,130
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,112	578
Deferred gains or losses on hedges	(9)	(71)
Foreign currency translation adjustment	418	949
Remeasurements of defined benefit plans	36	(82)
Total accumulated other comprehensive income	1,558	1,373
Non-controlling interests	948	1,133
Total net assets	25,758	27,637
Total liabilities and net assets	54,266	54,035

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

(Consolidated Statements of Income)

(Million yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net sales	63,600	64,486
Cost of sales	49,423	49,132
Gross profit	14,177	15,354
Selling, general and administrative expenses		
Selling expenses	2,700	2,910
General and administrative expenses	8,675	9,150
Total selling, general and administrative expenses	11,375	12,060
Operating profit	2,801	3,293
Non-operating income		
Interest income	27	28
Dividend income	184	126
Company house rent employee load money income	60	65
Share of profit of entities accounted for using equity method	–	1
Foreign exchange gains	49	–
Subsidy income	52	80
Other	90	86
Total non-operating income	465	389
Non-operating expenses		
Interest expenses	420	382
Loss on sales of investment securities	–	9
Share of loss of entities accounted for using equity method	54	–
Foreign exchange losses	–	2
Other	93	51
Total non-operating expenses	568	445
Ordinary profit	2,698	3,237
Extraordinary income		
Gain on sales of non-current assets	0	0
Gain on sales of investment securities	–	259
Total extraordinary income	0	259
Extraordinary losses		
Loss on disposal of non-current assets	1	3
Impairment loss	–	153
Loss on disaster	–	54
Loss on valuation of investment securities	–	516
Total extraordinary losses	1	729
Profit before income taxes	2,697	2,767
Income taxes - current	1,288	1,134
Income taxes - deferred	(153)	(49)
Total income taxes	1,134	1,084
Profit	1,562	1,682
Loss attributable to non-controlling interests	(704)	(556)
Profit attributable to owners of parent	2,267	2,238

## (Consolidated Statements of Comprehensive Income)

(Million yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Profit	1,562	1,682
Other comprehensive income		
Valuation difference on available-for-sale securities	(287)	(540)
Deferred gains or losses on hedges	33	(61)
Foreign currency translation adjustment	(398)	579
Remeasurements of defined benefit plans, net of tax	48	(119)
Share of other comprehensive income of entities accounted for using equity method	5	1
Total other comprehensive income	(597)	(141)
Comprehensive income	964	1,541
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,818	2,054
Comprehensive income attributable to non-controlling interests	(853)	(513)

(3) Consolidated Statements of Changes in Equity  
 Previous fiscal year (From April 1, 2018 to March 31, 2019)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,640	630	19,029	(11)	21,288
Changes during period					
Dividends of surplus			(327)		(327)
Profit attributable to owners of parent			2,267		2,267
Purchase of treasury shares				(0)	(0)
Acquisition of additional shares of subsidiaries		23			23
Net changes in items other than shareholders' equity					
Total changes during period	—	23	1,939	(0)	1,963
Balance at end of period	1,640	653	20,969	(11)	23,251

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,396	(42)	663	(10)	2,007	1,861	25,156
Changes during period							
Dividends of surplus							(327)
Profit attributable to owners of parent							2,267
Purchase of treasury shares							(0)
Acquisition of additional shares of subsidiaries							23
Net changes in items other than shareholders' equity	(284)	33	(244)	46	(449)	(912)	(1,362)
Total changes during period	(284)	33	(244)	46	(449)	(912)	601
Balance at end of period	1,112	(9)	418	36	1,558	948	25,758



Current fiscal year (From April 1, 2019 to March 31, 2020)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,640	653	20,969	(11)	23,251
Changes during period					
Dividends of surplus			(360)		(360)
Profit attributable to owners of parent			2,238		2,238
Net changes in items other than shareholders' equity					
Total changes during period	—	—	1,878	—	1,878
Balance at end of period	1,640	653	22,847	(11)	25,130

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,112	(9)	418	36	1,558	948	25,758
Changes during period							
Dividends of surplus							(360)
Profit attributable to owners of parent							2,238
Net changes in items other than shareholders' equity	(534)	(61)	530	(118)	(184)	185	1
Total changes during period	(534)	(61)	530	(118)	(184)	185	1,879
Balance at end of period	578	(71)	949	(82)	1,373	1,133	27,637

## (4) Consolidated Statements of Cash Flows

(Million yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
<b>Cash flows from operating activities</b>		
Profit before income taxes	2,697	2,767
Depreciation	2,587	2,716
Impairment loss	–	153
Loss on disaster	–	54
Increase (decrease) in allowance for doubtful accounts	0	13
Interest and dividend income	(211)	(155)
Interest expenses	420	382
Share of loss (profit) of entities accounted for using equity method	54	(1)
Subsidy income	(52)	(80)
Loss (gain) on sales of investment securities	–	(249)
Loss (gain) on valuation of investment securities	–	516
Loss on retirement of property, plant and equipment	1	3
Loss (gain) on sales of property, plant and equipment	(0)	(0)
Decrease (increase) in trade receivables	203	(1,143)
Decrease (increase) in inventories	(147)	554
Increase (decrease) in trade payables	525	(752)
Increase (decrease) in provision for bonuses	16	23
Increase (decrease) in provision for environmental measures	(15)	(8)
Increase (decrease) in retirement benefit liability	(156)	32
Increase (decrease) in accrued consumption taxes	45	89
Other, net	307	(139)
<b>Subtotal</b>	<b>6,276</b>	<b>4,778</b>
Interest and dividends received	211	155
Interest paid	(420)	(387)
Income taxes paid	(1,131)	(1,161)
Payments associated with disaster loss	–	(45)
<b>Net cash provided by (used in) operating activities</b>	<b>4,936</b>	<b>3,339</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,788)	(2,860)
Purchase of intangible assets	(11)	(12)
Purchase of investment securities	(29)	(35)
Proceeds from sales of investment securities	–	345
Purchase of shares of subsidiaries and associates	(179)	–
Subsidies received	52	80
Other, net	19	43
<b>Net cash provided by (used in) investing activities</b>	<b>(1,936)</b>	<b>(2,438)</b>

(Million yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(100)	706
Proceeds from long-term borrowings	100	–
Repayments of long-term borrowings	(1,685)	(2,624)
Repayments of lease obligations	(148)	(153)
Dividends paid	(327)	(360)
Proceeds from share issuance to non-controlling shareholders	–	701
Dividends paid to non-controlling interests	(2)	(2)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(32)	–
Other, net	(0)	–
Net cash provided by (used in) financing activities	(2,197)	(1,732)
Effect of exchange rate change on cash and cash equivalents	(28)	159
Net increase (decrease) in cash and cash equivalents	773	(672)
Cash and cash equivalents at beginning of period	4,194	4,968
Cash and cash equivalents at end of period	4,968	4,295

(5) Notes on Consolidated Financial Statements  
(Going Concern Assumptions)

Not applicable.

(Segment Information)

[Segment information]

1. Description of reportable segments

Reportable segments of the Company are individual units of the Company for which separate financial information is available and that are subject to a periodic review by the Board of Directors for the purposes of evaluating performance and determining the allocation of resources.

The headquarters of business operations are at the Company's head office and there are separate organizational units to oversee operations for specific products and services. Each unit establishes comprehensive strategies for Japan and overseas countries for its products and services and performs operations based on these strategies.

Consequently, business segments of the Company are based on products and services in accordance with these administrative units. Operations are divided into three reportable segments: automobile, industrial and real estate.

The automobile segment manufactures storage batteries for automobiles and motorcycles. The industrial segment manufactures storage batteries for the operation of equipment, uninterruptible power systems and other products. The real estate segment leases space in buildings to tenants.

2. Method of calculating net sales, profit (loss), assets, liabilities and other items for each reportable segment

Accounting methods for reportable segments are largely identical to the descriptions in "Material Matters That Serve as the Basis for the Preparation of Consolidated Financial Statements."

Reportable segment profit represents operating profit before adjustment for amortization of goodwill.

Intersegment internal sales and transfers are based upon actual market prices.

3. Net sales, profit (loss), assets, liabilities and other items for each reportable segment

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

(Million yen)

	Reportable segments				Other (note)	Total
	Automobile	Industrial	Real estate	Total		
Net sales						
Sales to external customers	45,656	17,598	331	63,587	13	63,600
Intersegment internal sales and transfers	1,202	299	20	1,522	734	2,256
Total	46,858	17,898	352	65,109	747	65,857
Segment profit	1,721	902	158	2,783	16	2,799
Other items						
Depreciation and amortization	2,046	509	23	2,579	8	2,587

Notes: 1. The "Other" category is a business segment that is not included in the reportable segments and includes insurance and other activities.

2. Assets are not allocated to business segments.

Current fiscal year (From April 1, 2019 to March 31, 2020)

(Million yen)

	Reportable segments				Other (note)	Total
	Automobile	Industrial	Real estate	Total		
Net sales						
Sales to external customers	45,626	18,531	317	64,474	12	64,486
Intersegment internal sales and transfers	1,620	333	20	1,973	758	2,732
Total	47,246	18,864	337	66,448	770	67,219
Segment profit	1,993	1,123	135	3,252	43	3,295
Other items						
Depreciation and amortization	2,118	556	30	2,705	11	2,716

Notes: 1. The “Other” category is a business segment that is not included in the reportable segments and includes insurance and other activities.

2. Assets are not allocated to business segments.

4. Differences between reportable segment totals and amounts in consolidated financial statements and major components of these differences (adjustments for differences)

(Million yen)

Net sales	Previous fiscal year	Current fiscal year
Reportable segment total	65,109	66,448
Net sales of “Other” category	747	770
Elimination of intersegment transactions	(2,256)	(2,732)
Net sales in consolidated financial statements	63,600	64,486

(Million yen)

Profit	Previous fiscal year	Current fiscal year
Reportable segment total	2,783	3,252
Profit of “Other” category	16	43
Elimination of intersegment transactions	2	(2)
Operating profit in consolidated financial statements	2,801	3,293

Note: Operating expenses are all allocated to each segment.

[Associated information]

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

1. Information for individual products and services

Since the information relating to specific products and services is presented in the same way in [3. Net sales, profit (loss), assets, liabilities and other items for each reportable segment] in [Segment information], it is omitted here.

2. Information for individual regions

(a) Net sales

(Million yen)

Japan	Asia		Other	Total
	Thailand	Other Asian regions		
41,034	15,568	5,991	1,005	63,600

Note: Net sales are based on the locations of customers and categorized in accordance with countries or regions.

(b) Property, plant and equipment

(Million yen)

Japan	Asia		Total
	Thailand	Indonesia	
14,410	4,887	4,557	23,855

3. Information on major customers

Because there is no major external customer who accounts for 10% or more of the net sales on the consolidated statements of income, this information is omitted.

Current fiscal year (From April 1, 2019 to March 31, 2020)

1. Information for individual products and services

Since the information relating to specific products and services is presented in the same way in [3. Net sales, profit (loss), assets, liabilities and other items for each reportable segment] in [Segment information], it is omitted here.

2. Information for individual regions

(a) Net sales

(Million yen)

Japan	Asia		Other	Total
	Thailand	Other Asian regions		
40,652	17,193	5,787	852	64,486

Note: Net sales are based on the locations of customers and categorized in accordance with countries or regions.

(b) Property, plant and equipment

(Million yen)

Japan	Asia		Total
	Thailand	Indonesia	
14,259	5,859	4,350	24,469

3. Information on major customers

Because there is no major external customer who accounts for 10% or more of the net sales on the consolidated statements of income, this information is omitted.

[Segment information for impairment of non-current assets]

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

Not applicable.

Current fiscal year (From April 1, 2019 to March 31, 2020)

Although it has not been allocated to individual reportable segments, an impairment loss of 153 million yen was recorded.

[Segment information for goodwill amortization and remaining goodwill]

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

Not applicable.

Current fiscal year (From April 1, 2019 to March 31, 2020)

Not applicable.

[Segment information for gains from negative goodwill]

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

Not applicable.

Current fiscal year (From April 1, 2019 to March 31, 2020)

Not applicable.



(Per Share Information)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net assets per share	756.91 yen	808.59 yen
Earnings per share	69.18 yen	68.31 yen

Notes: 1. Diluted earnings per share are not shown because there were no common stock equivalents.

2. The basis for calculating earnings per share is as follows.

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Amount of profit attributable to owners of parent (million yen)	2,267	2,238
Amount not attributed to common stockholders	—	—
Amount of profit attributable to owners of parent attributable to common stock (million yen)	2,267	2,238
Average number of outstanding shares of common stock during the fiscal year (hundred shares)	327,779	327,779

(Important Subsequent Events)

Not applicable.

## 6. Other

### (1) Changes in Officers (scheduled to become effective on June 25, 2020)

#### 1. Candidates for election as new Director

Tetsuya Kawai  
(Currently part-time)

Akifumi Nakajima  
(Currently General Manager, Corporate Planning Department, Strategy Division, Furukawa Electric Co., Ltd)

#### 2. Candidates for election as new Outside and Independent Director

Somuku Iimura  
(Currently Natori Law office; External Auditor, YAMADA DENKI CO., LTD.; Outside Director, Maruha Nichiro Corporation)

Tatsuro Sato  
(Currently Professor, Faculty of Art and Design, Tama Art University; Part-Time Lecturer, School of Culture and Creative Studies, Aoyama Gakuin University; Creative Advisor at Odakyu Agency Inc.; Representative, Communication Labo)

#### 3. Candidate for election as new Audit & Supervisory Board Member

Syunji Ishizaki  
(Currently Corporate Officer and Deputy Head of Planning & Strategy Division)

#### 4. Candidates for election as new Outside and Independent Audit & Supervisory Board Member

Yukinobu Ogawa  
(Currently Representative, Certified Public Accountant Yukinobu Ogawa Office; Outside Director, Tea Life Co., Ltd. [Audit & Supervisory Committee Member])

Makiko Kigawa  
(Previously Full-Time Auditor, Shueisha Inc.)

#### 5. Candidate for new Corporate Officer

Tsuyoshi Kawana  
(Currently Deputy General Manager, Industrial Equipment Sales & Marketing Division, Industrial Equipment Group)

#### 6. Retiring Directors

Koichiro Yamamoto  
(Currently Director and Corporate Officer, Deputy General Manager, Corporate Management Division and General Manager, Production Technology Division)  
\*Appointment after retirement: Senior Corporate Officer of the Company

Shinichiro Ota  
(Currently Director and Corporate Officer, Deputy Head, Automotive Battery Group)  
\*Appointment after retirement: Senior Corporate Officer of the Company

Shigenori Moue  
(Currently Director and Corporate Officer, Deputy Head, Automotive Battery Group and Div. General Manager, Automotive Battery Production Division)

\*Appointment after retirement: Managing Corporate Officer of the Company

Yuji Shioda

(Currently Director and Corporate Officer, Deputy Head, Automotive Battery Group)

\*Appointment after retirement: Advisor to the Company

Toshio Yanagi

(Currently Director)

7. Retiring Outside and Independent Director

Kenichi Kobayashi

(Currently Outside and Independent Director)

8. Retiring Audit & Supervisory Board Members

Ryosuke Matsui

(Currently Full-Time Audit & Supervisory Board Member)

\*Appointment after retirement: Advisor to the Company

Masako Tanaka

(Currently Audit & Supervisory Board Member)

9. Retiring Outside and Independent Audit & Supervisory Board Members

Naoyuki Fukasawa

(Currently Outside and Independent Audit & Supervisory Board Member)

Keiichi Tsuda

(Currently Outside and Independent Audit & Supervisory Board Member)

10. Retiring Corporate Officers

Shinobu Kaneko

(Currently Senior Corporate Officer, Deputy Head of Industrial Equipment Group and General Manager, Industrial Equipment Sales & Marketing Division)

\*Appointment after retirement: Advisor to the Company

Syunji Ishizaki

(Currently Corporate Officer and Deputy Head of Planning & Strategy Division)

\*Appointment after retirement: Full-time Audit & Supervisory Member of the Company

11. Promotions

To be decided by the Board of Directors after the General Meeting of Shareholders planned to be held on June 25, 2020

Managing Director & Executive Corporate Officer

Eizo Sakagami

(Currently Director and Corporate Officer, General Manager, Industrial Equipment Group)

Managing Corporate Officers

Shigenori Moue

(Currently Director and Corporate Officer, Deputy Head, Automotive Battery Group and Div. General Manager, Automotive Battery Production Division)

Senior Corporate Officers

Koichiro Yamamoto

(Currently Director and Corporate Officer, Deputy General Manager, Corporate Management Division and General Manager, Production Technology Division)

Shinichiro Ota

(Currently Director and Corporate Officer, Deputy Head, Automotive Battery Group)

Toshiro Yamamoto

(Currently Corporate Officer, Head, Research & Development Institution)

Toru Chiba

(Currently Corporate Officer, President, PT. FURUKAWA INDOMOBIL BATTERY MANUFACTURING and Vice President and Member of the Board, PT. FURUKAWA INDOMOBIL BATTERY SALES)

Hitoshi Taguchi

(Currently Corporate Officer, Head of Sales & Marketing Division, Automotive Battery Group)

12. Retiring Senior Fellow

Jun Furukawa

(Currently Senior Fellow)

\*Appointment after retirement: Advisor to the Company

(2) Trend in Quarterly Consolidated Results

Fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(Million yen)

	Accounting period				Cumulative period		
	Q1	Q2	Q3	Q4	6 months (Apr-Sep)	9 months (Apr-Dec)	Full year
Net sales	13,933	15,434	16,301	18,817	29,367	45,669	64,486
Operating profit (loss)	(40)	727	1,046	1,560	686	1,732	3,293
Ordinary profit (loss)	(54)	721	1,093	1,476	666	1,760	3,237
Profit attributable to owners of parent	33	541	804	859	575	1,379	2,238

Fiscal year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

(Million yen)

	Accounting period				Cumulative period		
	Q1	Q2	Q3	Q4	6 months (Apr-Sep)	9 months (Apr-Dec)	Full year
Net sales	13,320	14,862	17,881	17,536	28,182	46,064	63,600
Operating profit	52	261	1,464	1,022	314	1,779	2,801
Ordinary profit	78	233	1,455	931	312	1,767	2,698
Profit attributable to owners of parent	84	251	1,139	792	335	1,474	2,267

Fiscal year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)

(Million yen)

	Accounting period				Cumulative period		
	Q1	Q2	Q3	Q4	6 months (Apr-Sep)	9 months (Apr-Dec)	Full year
Net sales	12,712	13,534	16,680	17,609	26,247	42,927	60,536
Operating profit	192	226	1,204	1,357	419	1,623	2,980
Ordinary profit	179	37	1,259	1,335	216	1,475	2,810
Profit attributable to owners of parent	155	93	967	920	249	1,216	2,136

Fiscal year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)

(Million yen)

	Accounting period				Cumulative period		
	Q1	Q2	Q3	Q4	6 months (Apr-Sep)	9 months (Apr-Dec)	Full year
Net sales	11,505	12,250	14,104	17,459	23,756	37,861	55,320
Operating profit	226	572	1,009	1,528	798	1,808	3,336
Ordinary profit	102	521	938	1,330	623	1,561	2,892
Profit attributable to owners of parent	113	402	754	1,103	515	1,269	2,373