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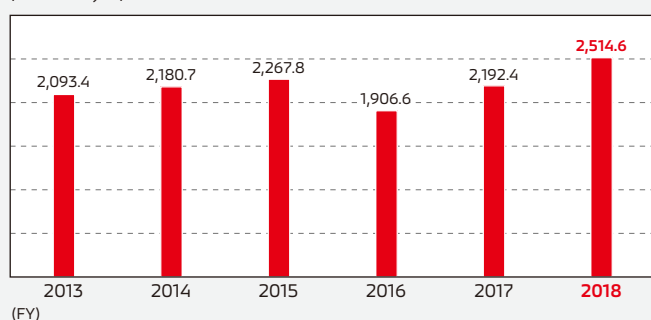
## Consolidated Financial Summary

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
<b>For the year:</b> (In billions of yen)						
Net sales	2,093.4	2,180.7	2,267.8	1,906.6	2,192.4	2,514.6
Operating profit	123.4	135.9	138.4	5.1	98.2	111.8
Ordinary profit	129.5	151.6	141.0	8.9	110.1	119.9
Profit (loss) attributable to owners of the parent	104.7	118.2	72.6	(198.5)	107.6	132.9
Sales volume (retail) (Thousands of units)	1,047	1,090	1,048	926	1,101	1,244
R&D expenses	67.5	74.6	78.7	89.0	102.5	124.3
Capital expenditures	72.2	68.0	69.0	58.1	99.9	137.7
Depreciation	52.7	53.3	53.6	46.2	52.0	61.6
Return on equity (ROE) (%)	23.8	19.7	10.9	(29.2)	14.6	16.1
<b>Per share data:</b> (In yen)						
Earnings per share	156.60	120.16	73.80	(164.11)	72.23	89.26
Diluted earnings per share	104.29	—	—	—	72.20	89.18
Dividends per share	25.00	16.00	16.00	10.00	17.00	20.00
<b>At year-end:</b> (In billions of yen)						
Total assets	1,543.9	1,582.8	1,433.7	1,484.4	1,655.3	2,010.3
Net assets	550.0	670.8	685.3	703.5	796.6	881.2
Cash and deposits	450.1	440.3	453.4	556.8	571.9	500.9
Interest-bearing debt	222.4	144.5	27.1	15.6	26.6	228.7
Equity ratio (%)	35.0	41.6	46.8	46.5	47.2	43.4
Number of shares outstanding (Thousands)	983,661	983,661	983,661	1,490,282	1,490,282	1,490,282

1. For fiscal 2014 and earlier, profit attributable to owners of the parent refers to net income.
2. On August 1, 2013, the Company conducted a 1-for-10 reverse share split on its common stock. Indicated figures for basic net income per share and diluted net income per share are calculated as if this reverse share split had occurred at the beginning of fiscal 2013.
3. Diluted net income per share is not indicated for fiscal 2014, 2015 and 2016 because no dilutive shares existed.
4. Changes in accounting methods have not been retroactively applied to previous fiscal years.

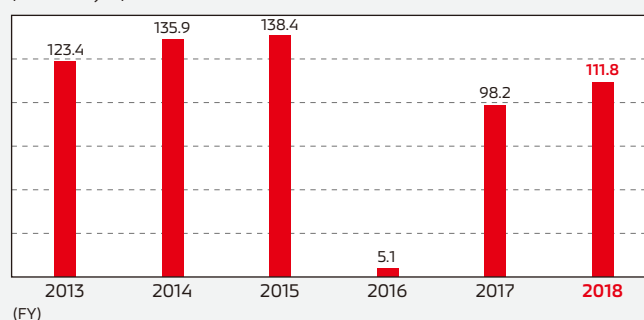
### Net Sales

(Billions of yen)



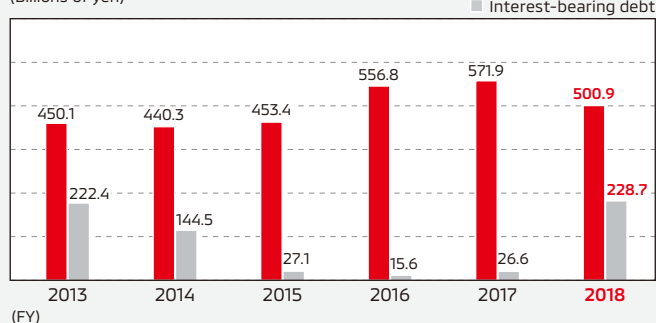
### Operating Profit

(Billions of yen)



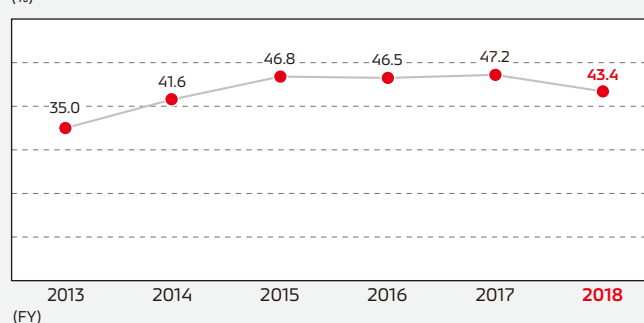
### Cash and Deposits/Interest-Bearing Debt

(Billions of yen)



### Equity Ratio

(%)



## Operational Review

### Results of Operations

Since the end of 2018, the earnings environment has become increasingly adverse, including an emergent slowdown in the global economy due to the impact of trade friction between the U.S. and China. In this situation, the Company has made a concerted effort to promote sales of its new vehicles, the *XPANDER* and the *Eclipse Cross* along with the new model *Delica D:5*, aiming to achieve the targets of the DRIVE FOR GROWTH mid-term business plan.

As a result, global sales volume for the current fiscal year increased 143,000 units year on year, or up 13% year on year. In the ASEAN region, sales of *XPANDER* increased 17% to 318,000 units from the previous fiscal year, with sales expanding from the launch market of Indonesia to the Philippines, Thailand, and Vietnam. In Japan, sales of the new *Delica D:5* and those of MMC's global strategic models *Eclipse Cross* and *Outlander PHEV* helped lift volumes by 7% to 105,000 units, maintaining a recovery trend. In addition, in March 2019, we launched new Keicars, the *eK Wagon* and the *eK X*. In addition, sales volume exceeded that of the previous fiscal year in all areas, including the main Oceania area and focus areas such as North America, China, and other areas.

In the year ended March 31, 2019, net sales amounted to ¥2,514.6 billion, up 14.7% year on year. Operating profit grew from ¥98.2 billion to ¥111.8 billion, resulting in an operating profit margin of 4.4%. Profit attributable to owners of the parent was ¥132.9 billion.

### Financial position

Total assets as of March 31, 2019 amounted to ¥2,010.3 billion. Cash and deposits amounted to ¥500.9 billion. Total liabilities amounted to ¥1,129.1 billion. Of total liabilities, the interest bearing debt balance was ¥228.7 billion. Net assets as of March 31, 2019 amounted to ¥881.2 billion.

### Cash flow

In the year ended March 31, 2019, net cash provided by operating activities amounted to ¥146.1 billion. (In the previous year, these activities provided ¥119.6 billion.) Net cash used in investing activities was ¥144.9 billion (net cash of ¥97.1 billion used in the preceding term), and net cash used in financing activities amounted to ¥75.0 billion (net cash of ¥23.2 billion used in the previous year). As a result, cash and cash equivalents on March 31, 2019, stood at ¥489.5 billion, compared with ¥559.0 billion one year earlier.

### Overview of Cash Flow

(FY)	2014	2015	2016	2017	2018
Shareholders' equity ratio (%) <sup>*1</sup>	41.6	46.8	46.5	47.2	43.4
Shareholders' equity ratio (fair value basis) <sup>*2</sup>	67.4	57.8	67.2	68.5	43.5
Cash flows/Interest-bearing debt ratio <sup>*3</sup>	0.8	0.1	(0.3)	0.2	1.6
Interest coverage ratio <sup>*4</sup>	41.0	120.2	(38.7)	34.1	38.9

\*1 The shareholders' equity ratio is shareholders' equity divided by total assets.

\*2 The shareholders' equity ratio (fair value basis) is market capitalization divided by total assets.

\*3 The cash flows/interest-bearing debt ratio is interest-bearing debt divided by cash flow.

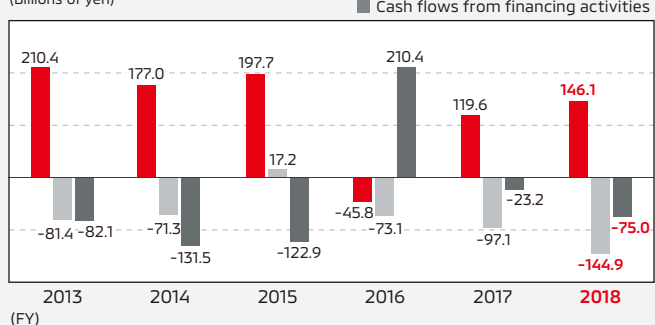
\*4 The interest coverage ratio is cash flow divided by interest paid.

#### Notes:

- Each indicator is calculated from consolidated financial figures.
- Market capitalization is calculated based on the number of issued shares excluding treasury stock.
- Cash flow refers to operating cash flow.
- Interest-bearing debt includes all liabilities recorded on the balance sheet for which interest is paid.

### Cash Flows

(Billions of yen)



### Business-related risks

Risks that may seriously impact the operating results and/or financial position, and the like of the MMC Group are outlined below.

#### Impact of the economic and social situation in Japan and overseas

Overseas sales accounted for around 80% of the MMC Group's consolidated net sales for the previous fiscal year. Changes in the economic and social situation in Japan or in the regions and countries the MMC Group trades with, and in particular the countries of the ASEAN region and other emerging nations that will be central to the MMC Group's regional strategy, may seriously impact the MMC Group's operating results and/or financial position. In addition, conducting business operations in overseas markets exposes the MMC Group to latent risks including, but not limited to, political-economic changes, such as changes in laws and taxes, strengthening of environmental regulations for fuel consumption and gas emissions and tariff increases, as well as deficiencies in infrastructure, difficulties in acquiring skilled personnel, acts of terrorism and other emergencies, and the outbreak of epidemics. In the event risks such as these start to manifest themselves, they may seriously impact the operating results and/or financial position of the MMC Group.

#### Impact of intensifying competition in the automotive industry

Overcapacity in the auto industry and other factors are seeing an intensification of competition on a global basis. Increasing price competition makes sales incentives and effective publicity campaigns indispensable in promoting sales and retaining market share. Such increases in price competition and marketing incentives may seriously impact the operating results and/or financial position of the MMC Group.

Amid intensifying competition in the automotive industry and shorter new product development cycles, MMC may become unable to supply new products appropriately and in a timely manner that respond to customers' needs in terms of price, quality, safety and other factors, or the market may not be sufficiently receptive to MMC's strategic products. Such conditions may seriously impact the operating results and/or financial position of the MMC Group. In addition, the MMC Group may render ineffective its measures to maintain or enhance competitiveness, and as a result, product demand could fall. Such conditions may seriously impact the operating results and/or financial position of the MMC Group.

#### Impact of natural and other disasters

The MMC Group maintains production and other facilities in Japan and many other parts of the world. The occurrence of a major natural or other disaster, including earthquakes, typhoons, floods, fires and epidemics, in these areas may result in the suspension or other serious interruption in the operations of the MMC Group or of its suppliers. The MMC Group has prepared and maintains plans to keep operations going and disaster measures in areas and under situations where such risks are high and where they would have a serious impact on the MMC Group's operations. A disaster occurring on a scale larger than anticipated, however, may seri-

ously impact the operating results and/or financial position of the MMC Group.

#### Impact of laws and regulations, etc.

The MMC Group is subject to various laws and regulations, etc. governing protection of the global environment, product safety and other matters in the countries where it operates. In the event that the MMC Group fails to conform to or is unable to comply with such laws and regulations, or should such failure lead to sanctions against it, then large costs may be incurred for the purpose of conforming to or of complying with any revision, strengthening of or additions to, these laws and regulations and this may seriously impact the operating results and/or financial position of the MMC Group.

Other than the above laws and regulations, the MMC Group's business activities are also subject to a wide range of laws and regulations in Japan and overseas. For example, the business activities are under restrictions by consumer protection regulations, approvals and licenses for businesses and investments, labor regulations, environmental protection regulations, foreign exchange regulations, import-export trade regulations including those for security purposes, various tax laws, anti-monopoly laws, anti-bribery laws and the like. In some cases, the MMC Group's businesses may be conducted based on a legislative foundation that has not been developed sufficiently, or the burden of expenses may increase for responding to lack of comprehensive system of laws and regulations, application and interpretation of inconsistent laws and regulations, unilateral changes made by supervisory authorities in regulatory measures, and others. In addition, any unexpected change may be made in rates of taxes imposed on products or services supplied by these businesses, technical requirements for environmental restrictions, income taxes and tariffs, a broad range of laws and regulations including exchange restrictions on investment principals and dividend reflux, and others.

In order to deal with these legal and regulatory risks, the MMC Group has taken preventive measures with regard to compliance with laws and regulations, etc. Moreover, the MMC Group has also improved a structure to respond promptly when it detects any compliance-related matter to prevent an effect on its social credibility and reputation. However, the possibility that a law violation may be committed in the future is not zero. If there is a fact of law violation, or the content, promptness and others of its response are insufficient, the fact or insufficiency may have a negative impact on the MMC Group's social credibility and reputation, and furthermore, on its operating results and financial position.

#### Impact of changes in manufacturing cost

The MMC Group sources parts and raw materials, etc. from a large number of suppliers to manufacture its products. Any rise in the manufacturing cost of MMC's products due to changes in demand and other market conditions may seriously impact the operating results and/or financial position of the MMC Group.

#### Impact of foreign exchange rate fluctuations

Overseas sales accounted for around 80 percent of the

MMC Group's consolidated net sales for the previous fiscal year. MMC closely monitors the market trend of Thai baht for foreign currency denominated receivables and US dollars and euros for foreign currency denominated payables to take necessary measures in a timely manner, but significant fluctuations in the foreign currency rates may still seriously impact the operating results and/or financial position of the MMC Group.

**Impact of failure to achieve mid-term business plan targets mainly due to differences between the premises on which the plan was drawn up and real-world conditions**

The MMC Group has drawn up a mid-term business plan setting out operational strategy for the medium term. However, in the event that differences arise between the premises on which the plan was drawn up and real-world conditions or should risks other than those described in this section become prominent, the operating results and/or financial position of the MMC Group may be seriously impacted.

**Impact of product quality and safety**

The MMC Group endeavors to improve the quality and assure the safety of the MMC Group's products. However, in the event that MMC has to issue a recall or implement countermeasures, etc. on a large scale due to product defects or failures, or in the event that MMC is pursued in a large-scale product liability action, the large costs incurred and the damage to reputation of MMC's products and consequent drop in demand, etc. for its products may seriously impact the operating results and/or financial position of the MMC Group.

**Impact of lawsuits, etc.**

Any lawsuit brought against the MMC Group by customers, trading partners or other third parties in the course of the MMC Group conducting its business operations may seriously impact the operating results and/or financial position of the MMC Group.

In addition, in the event that decisions, etc. in legal actions, etc. currently under dispute go against the MMC Group's claims or predictions, these may seriously impact the operating results and/or financial position of the MMC Group.

In February 20, 2010, MASRIA Co., Ltd. (hereafter "Plaintiff"), a former MMC distributor in Egypt, filed a lawsuit against MMC for dissolution of a distributor agreement between MMC and the Plaintiff including a 900 million USD claim for damages. The judgments in both the courts of first and second instance found in favor of MMC on October 26, 2010, and July 3, 2012, respectively, based on the reasoning that the case was not within the Egyptian court's legal jurisdiction.

The case is now before the final appellate court after the Plaintiff appealed on July 21, 2012, against the judgment of the court of second instance. The case has been found to not be within the Egyptian court's jurisdiction, and the distributor agreement was spelled out clearly, as indicated above. Furthermore, MMC's notice to terminate the distributor agreement with the Plaintiff followed due legal process and the terms of the agreement, thus making the Plaintiff's claim irrational. For these reasons, at present MMC does not consider this legal case will result in any serious impact on the operating results and/or financial position of the MMC Group.

**Impact of dependence on particular suppliers**

The MMC Group sources raw materials and parts, etc. from a large number of suppliers. The necessity to procure materials and parts characterized by higher quality or more advanced technologies at more competitive prices may bring about a situation in which orders are concentrated upon a specific supplier. There may also be only a limited number of suppliers able to supply parts, etc. for which a specific technology is required. Consequently, the operating results and/or financial position of the MMC Group may be seriously impacted in the event that some unforeseen situation arises and interrupts deliveries from such suppliers or in the event that it is not possible to procure materials and parts at competitive prices in a timely manner.

**Impact of credit risks of customer, trading partner and others**

The MMC Group is exposed to credit risks in its dealings with customers and with dealers and other trading partners and in its automobile financing business. In the event that losses stemming from such credit risks exceed the MMC Group's estimates, the operating results and/or financial position of the MMC Group may be seriously impacted.

**Impact of infringement of intellectual property rights**

In order to distinguish its products from those of other auto manufacturers the MMC Group endeavors to protect its own technologies, know-how and other intellectual property as well as to prevent the infringement of third-party intellectual property rights. However, in the event that a third party unlawfully uses the MMC Group's intellectual property to manufacture and sell imitations of its products, or in the event that limitations in the legal system in certain countries in relation to the protection of the MMC Group's intellectual property rights result in a fall in sales or in legal costs, or in the event that an unforeseen third-party intellectual property right requires a halt in manufacturing or sales or in the payment of compensation, or causes damage to reputation of the MMC's products and a consequent drop in demand, the operating results and/or financial position of the MMC Group may be seriously impacted.

**Impact of IT and information security**

The information technology, networks, and systems that the MMC Group uses in its operations, products, services, etc. are exposed to troubles caused by attacks by hackers or computer viruses, illegal or inappropriate use, and infrastructure breakdowns, and the like, leading to the suspension of MMC Group's important business operations, leaking of its confidential information, and negative impact on its products and services. In such an event, the operating results and/or financial position of the MMC Group may be seriously impacted. The MMC Group possesses confidential information relating to matters both within and outside the Group which includes personal data and automobile data. In the event such information is improperly leaked to the outside, the social credibility and the operating results and/or financial position of the MMC Group may be seriously impacted.

## Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	571,911	500,924
Notes and accounts receivable - trade	176,020	126,398
Finance receivables	—	294,423
Merchandise and finished goods	143,332	175,052
Work in process	21,901	18,553
Raw materials and supplies	38,551	40,803
Short-term loans receivable	806	681
Other	95,542	125,410
Allowance for doubtful accounts	(1,229)	(1,790)
Total current assets	1,046,837	1,280,457
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	89,314	106,095
Machinery, equipment and vehicles, net	113,266	131,431
Tools, furniture and fixtures, net	46,237	61,482
Land	94,565	116,201
Construction in progress	33,698	37,306
Total property, plant and equipment	377,082	452,517
Intangible assets	29,022	39,786
Investments and other assets		
Investment securities	97,699	93,328
Long-term loans receivable	6,218	5,115
Retirement benefit asset	4,198	5,033
Deferred tax assets	20,925	58,772
Other	70,178	81,724
Allowance for doubtful accounts	(5,921)	(6,426)
Total investments and other assets	193,298	237,548
Total non-current assets	599,402	729,852
<b>Total assets</b>	<b>1,646,240</b>	<b>2,010,309</b>

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	426,312	391,785
Electronically recorded obligations - operating	22,897	50,311
Short-term loans payable	10,589	44,419
Commercial papers	–	50,800
Current portion of long-term loans payable	15,893	50,377
Lease obligations	504	777
Accounts payable - other and accrued expenses	165,963	196,695
Income taxes payable	11,272	11,352
Provision for product warranties	46,733	48,915
Provision for loss on fuel consumption test	15,478	3,758
Other	29,896	74,072
Total current liabilities	745,541	923,267
Non-current liabilities		
Long-term loans payable	90	83,122
Lease obligations	639	1,499
Deferred tax liabilities	22,601	20,018
Retirement benefit liability	42,596	51,615
Other	38,209	49,582
Total non-current liabilities	104,135	205,838
Total liabilities	849,677	1,129,105
<b>Net assets</b>		
Shareholders' equity		
Capital stock	284,382	284,382
Capital surplus	203,938	200,072
Retained earnings	363,382	463,092
Treasury shares	(220)	(1,728)
Total shareholders' equity	851,482	945,818
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,158	7,353
Deferred gains or losses on hedges	526	652
Foreign currency translation adjustment	(59,966)	(61,281)
Remeasurements of defined benefit plans	(18,232)	(20,758)
Total accumulated other comprehensive income	(70,514)	(74,033)
Share acquisition rights	106	356
Non-controlling interests	15,487	9,062
Total net assets	796,562	881,203
Total liabilities and net assets	1,646,240	2,010,309

## Consolidated Statement of Income

	(Millions of yen)	
	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2019
Net sales	2,192,389	2,514,594
Cost of sales	1,730,278	2,057,340
Gross profit	462,111	457,254
Selling, general and administrative expenses		
Advertising and promotion expenses	110,047	72,971
Freightage expenses	42,316	53,900
Provision of allowance for doubtful accounts	33	395
Remuneration, salaries and allowances for directors (and other officers)	71,758	74,157
Retirement benefit expenses	3,509	4,071
Depreciation	12,506	13,963
Research and development expenses	56,066	65,920
Other	67,671	60,058
Total selling, general and administrative expenses	363,909	345,439
Operating profit (loss)	98,201	111,815
Non-operating income		
Interest income	3,464	5,045
Dividend income	2,090	1,647
Share of profit of entities accounted for using equity method	20,579	17,005
Other	949	2,996
Total non-operating income	27,084	26,694
Non-operating expenses		
Interest expenses	3,499	3,709
Foreign exchange losses	8,370	6,909
Litigation expenses	1,564	1,996
Other	1,723	6,043
Total non-operating expenses	15,158	18,659
Ordinary profit (loss)	110,127	119,850
Extraordinary income		
Gain on sales of non-current assets	306	656
Gain on sales of investment securities	328	1
Reversal of provision for fuel consumption test	-	2,922
Gain on step acquisitions	-	1,081
Gain on dissolution of employee's pension fund	1,434	-
Other	217	216
Total extraordinary income	2,287	4,877
Extraordinary losses		
Loss on retirement of non-current assets	2,418	2,508
Loss on sales of non-current assets	139	195
Impairment loss	2,636	854
Loss on disaster	-	2,216
Loss on fuel consumption test	2,262	-
Compensation for production transfer	984	-
Other	924	600
Total extraordinary losses	9,365	6,376
Profit (loss) before income taxes	103,049	118,352
Income taxes - current	11,675	22,576
Income taxes for prior periods	(8,616)	(761)
Income taxes - deferred	(6,261)	(38,458)
Total income taxes	(3,203)	(16,644)
Profit (loss)	106,253	134,996
Profit (loss) attributable to non-controlling interests	(1,366)	2,124
Profit (loss) attributable to owners of the parent	107,619	132,871



## Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2019
Profit (loss)	106,253	134,996
Other comprehensive income		
Valuation difference on available-for-sale securities	(311)	195
Deferred gains or losses on hedges	330	(79)
Foreign currency translation adjustment	1,332	3,567
Remeasurements of defined benefit plans, net of tax	2,174	(2,599)
Share of other comprehensive income of entities accounted for using equity method	933	(4,699)
Total other comprehensive income	4,460	(3,614)
Comprehensive income	110,713	131,381
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	113,022	129,186
Comprehensive income attributable to noncontrolling interests	(2,309)	2,195

## Consolidated Statement of Changes in Net Assets

(Millions of yen)

For the fiscal year ended March 31, 2018	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	284,382	203,938	277,281	(220)	765,381
Cumulative effects of changes in accounting policies					
Restated balance	284,382	203,938	277,281	(220)	765,381
Changes of items during period					
Dividends of surplus			(17,880)		(17,880)
Profit (loss) attributable to owners of the parent			107,619		107,619
Purchase of treasury shares				(0)	(0)
Change of scope of consolidation			(3,457)		(3,457)
Change in ownership interest of parent due to transactions with noncontrolling interests					
Change of scope of equity method			(180)		(180)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	86,101	(0)	86,101
Balance at end of current period	284,382	203,938	363,382	(220)	851,482

	Accumulated other comprehensive income					Share acquisition right	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 current period	7,480	627	(62,739)	(20,295)	(74,926)	—	13,008	703,463
Cumulative effects of changes in accounting policies								
Restated balance	7,480	627	(62,739)	(20,295)	(74,926)	—	13,008	703,463
Changes of items during period								
Dividends of surplus								(17,880)
Profit (loss) attributable to owners of the parent								107,619
Purchase of treasury shares								(0)
Change of scope of consolidation								(3,457)
Change in ownership interest of parent due to transactions with noncontrolling interests								
Change of scope of equity method								(180)
Net changes of items other than shareholders' equity	(322)	(101)	2,773	2,062	4,411	106	2,479	6,997
Total changes of items during period	(322)	(101)	2,773	2,062	4,411	106	2,479	93,098
Balance at end of current period	7,158	526	(59,966)	(18,232)	(70,514)	106	15,487	796,562

For the fiscal year ended March 31, 2019	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	284,382	203,938	363,382	(220)	851,482
Cumulative effects of changes in accounting policies			(2,386)		(2,386)
Restated balance	284,382	203,938	360,995	(220)	849,096
Changes of items during period					
Dividends of surplus			(29,783)		(29,783)
Profit (loss) attributable to owners of the parent			132,871		132,871
Purchase of treasury shares				(1,507)	(1,507)
Change of scope of consolidation			(991)		(991)
Change in ownership interest of parent due to transactions with noncontrolling interests			(3,866)		(3,866)
Change of scope of equity method					—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(3,866)	102,097	(1,507)	96,722
Balance at end of current period	284,382	200,072	463,092	(1,728)	945,818

	Accumulated other comprehensive income					Share acquisition right	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 current period	7,158	526	(59,966)	(18,232)	(70,514)	106	15,487	796,562
Cumulative effects of changes in accounting policies								(2,386)
Restated balance	7,158	526	(59,966)	(18,232)	(70,514)	106	15,487	794,176
Changes of items during period								
Dividends of surplus								(29,783)
Profit (loss) attributable to owners of the parent								132,871
Purchase of treasury shares								(1,507)
Change of scope of consolidation								(991)
Change in ownership interest of parent due to transactions with noncontrolling interests								(3,866)
Change of scope of equity method								
Net changes of items other than shareholders' equity	195	126	(1,315)	(2,525)	(3,519)	249	(6,424)	(9,694)
Total changes of items during period	195	126	(1,315)	(2,525)	(3,519)	249	(6,424)	87,027
Balance at end of current period	7,353	652	(61,281)	(20,758)	(74,033)	356	9,062	881,203

## Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2019
Cash flows from operating activities		
Profit (loss) before income taxes	103,049	118,352
Depreciation	52,551	62,179
Impairment loss	2,636	854
Loss on fuel consumption test	2,262	—
Increase (decrease) in allowance for doubtful accounts	(16)	431
Increase (decrease) in retirement benefit liability	2,115	4,554
Interest and dividend income	(5,555)	(6,692)
Interest expenses	3,499	3,709
Foreign exchange losses (gains)	5,430	(1,107)
Share of loss (profit) of entities accounted for using equity method	(20,579)	(17,005)
Loss (gain) on sales and retirement of non-current assets	2,251	2,047
Decrease (increase) in notes and accounts receivable - trade	(11,730)	51,237
Decrease (increase) in finance receivables	—	(29,412)
Decrease (increase) in inventories	(37,504)	(20,372)
Increase (decrease) in notes and accounts payable - trade	47,485	(9,495)
Other, net	(384)	8,927
Subtotal	145,510	168,208
Interest and dividend income received	10,982	10,415
Interest expenses paid	(3,507)	(3,757)
Payments related to fuel consumption test	(13,221)	(1,443)
Income taxes paid	(20,140)	(27,370)
Net cash provided by (used in) operating activities	119,624	146,053
Cash flows from investing activities		
Decrease (increase) in time deposits	(11,997)	1,409
Purchase of property, plant and equipment	(72,251)	(123,200)
Proceeds from sales of property, plant and equipment	2,989	5,024
Purchase of intangible assets	(11,497)	(15,363)
Proceeds from sales of investment securities	682	5
Decrease (increase) in short-term loans receivable	155	18
Payments of long-term loans receivable	(1,517)	(5)
Collection of long-term loans receivable	744	413
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(6,668)
Other, net	(4,401)	(6,539)
Net cash provided by (used in) investing activities	(97,093)	(144,906)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	(4,510)	(11,609)
Increase (decrease) in commercial papers	—	15,800
Proceeds from long-term loans payable	2,375	53,989
Repayments of long-term loans payable	(301)	(79,943)
Cash dividends paid	(17,938)	(29,750)
Dividends paid to non-controlling interests	(2,085)	(14,191)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(7,197)
Other, net	(700)	(2,063)
Net cash provided by (used in) financing activities	(23,161)	(74,966)
Effect of exchange rate change on cash and cash equivalents	(3,167)	3,896
Net increase (decrease) in cash and cash equivalents	(3,797)	(69,923)
Cash and cash equivalents at beginning of period	555,906	559,036
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	6,927	232
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	—	111
Cash and cash equivalents at end of period	559,036	489,456