

Annual Report 2019

Years ended March 31

Showa Aircraft Industry Co., Ltd.
and Consolidated Subsidiaries

Financial Highlights

Showa Aircraft Industry Co., Ltd. And Consolidated Subsidiaries
Years ended March 31

	2019	2018	2017	Annual		2019
				2016	2015	
For the year:						
Net sales	¥25,404	¥24,260	¥23,430	¥23,653	¥24,065	\$228,870.34
Operating income(Loss)	2,387	2,167	1,892	1,364	1,956	21508.22
Ordinary income(Loss)	2,216	1,836	1,684	1,085	1,559	19972.46
Net income(Loss)	1,246	1,066	1,079	687	979	11232.36
Net income(Loss)per share	¥38.23	¥32.71	¥33.09	¥21.09	¥30.01	0.34
At year-end:						
Assets	63,132	63,463	65,212	63,990	67,600	568,760.93
Net Assets	34,486	34,043	33,218	32,673	33,576	310,685.58
Net Assets per share	1,057.38	1,043.82	1,018.50	1,001.78	1,029.47	9.53
Per share of common stock:						
	Yen					U.S.\$
Dividends per share	¥10.00	¥10.00	¥8.00	¥8.00	¥8.00	0.09

(a) Japanese yen and U.S. dollars are in millions and thousands, respectively, except per share amounts.

(b) The U.S. dollar amounts in this report represent conversions, for the convenience of the reader, of Japanese yen at the rate of 111.00 to \$1.

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in Japan.

Consolidated Balance Sheets

March 31, 2019, and 2018

	Millions of yen	
	2019 (115th period)	2018 (114th period)
ASSETS		
Current Assets		
Cash and deposits	¥4,692	¥8,243
Deposit paid in affiliates	1,786	2,084
Notes and accounts receivable-trade	5,949	5,097
Merchandise and finished goods	727	568
Work in process	1,182	970
Raw materials and supplies	926	795
Other	752	853
Less allowance for doubtful accounts	(15)	(14)
Total current assets	<u>16,001</u>	<u>18,598</u>
Property, plant and equipment		
Buildings and structures, net	23,165	23,018
Machinery, equipment and vehicles, net	1,672	1,588
Tools, furniture and fixtures, net	392	464
Land	13,333	10,030
Lease assets, net	125	128
Construction in progress	284	820
Net Property, plant and equipment	<u>38,974</u>	<u>36,052</u>
Intangible assets	125	106
Investments and other assets		
Investment securities	7,406	7,994
Long-term loans receivable	0	71
Deferred tax assets	193	181
Other	544	645
Less allowance for doubtful accounts	(112)	(186)
Total Investments and other assets	<u>8,031</u>	<u>8,705</u>
Total assets	<u><u>63,132</u></u>	<u><u>63,643</u></u>

LIABILITIES AND SHAREHOLDERS EQUITY	Millions of Yen	
	2019 (115th period)	2018 (114th period)
Current liabilities		
Notes and accounts payable-trade	¥1,770	¥1,421
Current portion of long-term loans payable	4,600	1,540
Income taxes payable	513	287
Accrued consumption taxes	43	193
Provision for bonuses	408	379
Provision for loss on construction contracts	10	13
Other provision	3	4
Other	3,478	3,017
Total current liabilities	10,829	6,856
Noncurrent liabilities		
Long-term loans payable	5,760	10,360
Lease and guarantee deposits received	4,539	4,480
Provision for retirement benefits	5,587	5,505
Provision for directors' retirement benefits	461	388
Deferred tax liabilities	1,191	1,543
Other	277	285
Total noncurrent liabilities	17,817	22,562
Net assets		
Common stock		
Authorized 120,000,000 shares		
Issued-33,606,132 shares		
Shareholders' equity		
Capital stock	4,949	4,949
Capital surplus	8,977	8,977
Retained earnings	17,201	16,313
Treasury stock	(378)	(378)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3,526	3,912
Foreign currency translation adjustment	21	57
Remeasurements Of Defined Benefit Plans	187	210
Total net assets	34,486	34,043
Total liabilities and net assets	63,132	63,463

Showa Aircraft Industry Co., Ltd. and Consolidated Subsidiaries

Consolidated Statements of Income

For the Years Ended March 31, 2019, and 2018

	Millions of Yen	
	2019 (115th period)	2018 (114th period)
Net sales	¥25,404	¥24,260
Cost of sales	18,476	17,799
Gross profit	6,928	6,461
Selling, general and administrative expenses	4,540	4,293
Operating income	2,387	2,167
Other income (Expenses)		
Interest and dividend income	112	88
Interest expenses	(106)	(124)
Other, net	(575)	(577)
Total	(568)	(615)
Income Before Income Taxes	1,819	1,552
Income Taxes		
Current	755	613
Deferred	(183)	(127)
	571	486
Net Income	1,246	1,066
	Yen	
Per share of common stock:		
Net income	¥38.23	¥32.71
Cash dividends	10.00	10.00

Consolidated Statements of Cash Flows

For the years ended March 31, 2019 and 2018

	Thousands of Yen	
	Annual FY2019	Annual FY2018
Net cash provided by (used in) operating activities		
Income before income taxes	1,818,637	1,552,843
Depreciation and amortization	2,218,676	2,154,704
Depreciation and amortization on other	69,769	98,129
Impairment loss	195,400	77,092
Loss (gain) on sales and retirement of property, plant and equipment	171,901	184,151
Loss (gain) on devaluation of investment securities	31,004	-
Loss (gain) on sales of investment securities	-	-
Loss (gain) on sales and retirement of Parent company stock	-	-
Increase (decrease) in allowance for doubtful accounts	(2,292)	23,823
Increase (decrease) in provision for bonuses	29,449	322
Increase (decrease) in provision for retirement benefits	48,813	16,332
Interest and dividends income	(112,662)	(88,615)
Interest expenses	106,124	124,648
Decrease (increase) in notes and accounts receivable-trade	(851,701)	(102,239)
Decrease (increase) in inventories	(501,402)	205,428
Increase (decrease) in lease and guarantee deposits received	59,016	(47,358)
Increase (decrease) in notes and accounts payable-trade	349,183	(58,779)
Increase (decrease) in accrued consumption taxes	(149,678)	80,817
Increase (decrease) in advances received	33,289	(11,865)
Other, net	63,473	8,899
Subtotal	3,577,001	4,218,335
Interest and dividends income received	112,634	88,550
Interest expenses paid	(106,184)	(125,131)
Income taxes paid	(534,241)	(737,535)
Net cash provided by (used in) operating activities	3,049,209	3,444,218
Net cash provided by (used in) investment activities		
Payments into time deposits	(866,000)	(566,000)
Proceeds from withdrawal of time deposits	766,000	416,000
Purchase of property, plant and equipment	(4,901,843)	(2,594,882)
Proceeds from sales of property, plant and equipment	58	2,598,401
Purchase of investment securities	-	-
Proceeds from sales of investment securities	-	-
Proceeds from sales of shares of parent	-	(6,431)
Payments of long-term loans receivable	-	-
Other, net	(13,329)	(86,211)
Net cash provided by (used in) investment activities	(5,015,113)	(239,123)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	-	-
Decrease in short-term loans payable	-	-
Proceeds from long-term loans payable	-	1,000,000
Repayment of long-term loans payable	(1,540,000)	(2,340,000)
Payment for acquisition of treasury stock	(48)	(253)
Cash dividends paid	(358,385)	(260,864)
Other, net	(68,425)	(78,778)
Net cash provided by (used in) financing activities	(1,966,860)	(1,679,895)
Effect of exchange rate change on cash and cash equivalents	(15,619)	4,785
Net increase (decrease) in cash and cash equivalents	(3,948,383)	1,529,984
Cash and cash equivalents (beginning of period)	9,961,613	8,431,629
Cash and cash equivalents (end of period)	6,013,230	9,961,613

Directors & Others(June 24,2019)

President
Representative Director
Mr. C.Tanuma

Executive Director
Mr. K. Fukumochi

Managing Director
Mr. H.Ogawa

Managing Director
Mr. Y.Tomita

Managing Director
Mr. A.Masaki

Director
Mr. T.Kinoshita

Director
Mr. M.Hasei

Director
Mr. F.Hirahata

Director
Mr. S.Naoe

Director
Mr. S.Taguchi

Senior Corporate Auditor
Mr. S. Ino

Corporate Auditor
Mr. A. Matsuura

Corporate Auditor
Mr. H.Harada