

**Consolidated Financial Results
for the Fiscal Year Ended March 31, 2018
[Japanese GAAP]**



April 26, 2018

Company name: Daihatsu Diesel Mfg. Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Code number: 6023

URL: <http://www.dhtd.co.jp>

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Scheduled date of Annual General Meeting of Shareholders: June 28, 2018

Scheduled date of commencing dividend payments: June 29, 2018

Scheduled date of filing annual securities report: June 28, 2018

Availability of supplementary briefing material on annual financial results: Available

Schedule of annual financial results briefing session: Scheduled

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	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, 2018	60,166	2.1	3,044	(13.0)	3,104	(9.8)	2,095	(9.6)
March 31, 2017	58,934	3.4	3,498	(36.3)	3,441	(36.7)	2,319	(35.5)

(Note) Comprehensive income: Fiscal year ended March 31, 2018: 2,110 million yen [(21.5)%]

Fiscal year ended March 31, 2017: 2,687 million yen [(7.9)%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets	Operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2018	65.83	-	5.6	3.9	5.1
March 31, 2017	72.87	-	6.6	4.5	5.9

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2018: - million yen

Fiscal year ended March 31, 2017: - 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, 2018	80,969	38,092	47.0	1,195.24
As of March 31, 2017	78,981	36,460	46.1	1,143.90

(Reference) Equity: As of March 31, 2018: 38,049 million yen

As of March 31, 2017: 36,414 million yen

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2018	4,480	(6,110)	(1,377)	20,420
March 31, 2017	4,974	(3,725)	1,661	23,442

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2017	-	0.00	-	15.00	15.00	477	20.6	1.4
March 31, 2018	-	0.00	-	15.00	15.00	477	22.8	1.3
Fiscal year ending March 31, 2019 (Forecast)	-	0.00	-	15.00	15.00		31.9	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	26,000	(13.0)	200	(86.2)	200	(87.0)	0	(100.0)	0.00
Full year	57,000	(5.3)	2,500	(17.9)	2,400	(22.7)	1,500	(28.4)	47.09

* Notes:

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: No
 - 2) Changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No
- (3) Total number of issued shares (common shares)
 - 1) Total number of issued shares at the end of the period (including treasury shares):
 - March 31, 2018: 31,850,000 shares
 - March 31, 2017: 31,850,000 shares
 - 2) Total number of treasury shares at the end of the period:
 - March 31, 2018: 16,235 shares
 - March 31, 2017: 16,170 shares
 - 3) Average number of shares during the period:
 - Fiscal Year ended March 31, 2018: 31,833,769 shares
 - Fiscal Year ended March 31, 2017: 31,833,830 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2018	52,862	2.4	1,356	(6.1)	2,379	(5.0)	1,949	(4.3)
March 31, 2017	51,612	1.8	1,445	(57.2)	2,504	(41.4)	2,037	(34.9)

	Basic earnings per share		Diluted earnings per share	
Fiscal year ended	Yen		Yen	
March 31, 2018	61.23		-	
March 31, 2017	63.99		-	

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2018	73,542	31,663	43.1	994.66
As of March 31, 2017	70,431	30,180	42.9	948.05

(Reference) Equity: As of March 31, 2018: 31,663 million yen

As of March 31, 2017: 30,180 million yen

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(% indicates changes from the previous corresponding period.)

	Net sales		Ordinary profit		Profit		Basic earnings per share	
	Million yen	%	Million yen	%	Million yen	%	Yen	
First half	22,000	(16.2)	800	(54.7)	700	(54.6)	21.97	
Full year	49,000	(7.3)	2,000	(15.9)	1,700	(12.8)	53.37	

* These consolidated financial results are outside the scope of audit conducted by a certified public accountant or audit corporation.

* Explanation of the proper use of financial results forecast and other notes

(Note on forward-looking statements)

The financial results forecasts and other forward-looking statements herein are based on information and certain assumptions deemed reasonable as of the date of publication of this document. Actual results may differ significantly from these forecasts due to a wide range of factors. Please refer to “Analysis of Operating Results” on page 2 of the attached material for the assumptions the financial results forecasts are based on, and notes on their use.

(How to obtain supplementary briefing material on annual financial results and information on the briefing session)

Briefing session for institutional investors and analysts are scheduled to be held on Wednesday, May 23, 2018. The briefing materials will be posted on the Company’s website after the session.

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1. Operating Results and Financial Position

(1) Analysis of Operating Results

1) Summary of operating results for the fiscal year under review

During the consolidated fiscal year under review, the Japanese economy, due to economic policies brought in by the government, saw improvements in the employment environment and corporate earnings and the continuation of a moderate recovery trend, but the future economic outlook remained uncertain, with the effects of East Asian geopolitical risk and overseas political instability causing concern.

In the shipbuilding and maritime industry, the primary industry in which the Company makes its sales, global completed construction volume for newly-built vessels during the previous year was 65,370 thousand gross tons, or limited to a 1.6% decrease year-on-year. Order volumes for new vessels reached 42,660 thousand gross tons or a significant increase of 126.9%, but considering the preceding fiscal year's violent slump, it is 44.7% lower than the level from the year before last. Although signs of a recovery can be seen in maritime indices, an oversupply of shipping tonnage and shipbuilding capacity remain unresolved. It is believed that it will take some time for demand for new shipbuilding to achieve a full-fledged recovery.

Under such a corporate environment, the Company advanced active business expansion in line with the three key objectives of "Solidification and expansion of existing businesses," "Growth through expansion of peripheral business domains," and "Initiatives for future business development in preparation for 100th anniversary" within its Mid-term Management Plan (April 1, 2015 to March 31, 2020).

Concerning "Solidification and expansion of existing businesses," the first dual-fuel engine, which can switch between two types of fuel, liquid and natural gas in response to requirements, was introduced to the market in February 2018. In order to respond to the needs of society in the future, the development of low environmental impact, environmentally-conscious engines is actively being promoted. In addition, preparations towards the full operation of the new factory in Himeji in October 2018 are steadily advancing to support the increase in size and diversity of engines and as a model next generation factory to lead the way to a rich future, while at the same time taking the global environment into consideration.

Concerning "Growth through expansion of peripheral business domains," the first order for maintenance support service using "CMAXS LC-A", a next generation cloud-based engine condition monitoring system, was received in July 2017. Also, orders have been strong for a selective catalytic reduction (SCR) device that conforms to NOx regulations effective from January 2016, with the first unit introduced to the market in October 2017. The Company will provide its customers with the best solutions which are environmentally friendly and realize the improvement of customer's convenience and safety as well as the reduction of total lifecycle cost, continuously increasing its presence as an engine manufacturer with excellent environmentally-conscious technologies.

Concerning "Initiatives for future business development in preparation for 100th anniversary," the Company is advancing initiatives to (1) establish a growth foundation by improving shareholder value, and (2) restructure the business portfolio. As a part of these measures, the Company is working to strengthen corporate governance and enrich dialogue with stakeholders. In the future, the Company will conduct management with the goal of continuous growth, while aiming for still more improvement in corporate value.

As a result, consolidated net sales increased by 2.1% year-on-year to 60,166 million yen, operating profit decreased by 13.0% year-on-year to 3,044 million yen, ordinary profit decreased by 9.8% year-on-year to 3,104 million yen, and profit attributable to owners of parent decreased by 9.6% year-on-year to 2,095 million yen.

Performance by business segment of the Company and the consolidated Group are as follows.

<Internal combustion engines>

1. Marine-use

Although there was a decrease in engine sales volume and maintenance-related sales, the influence of foreign exchange rates resulted in a decrease in net sales by 1.2% year-on-year to 45,828 million yen, and an increase in segment income by 3.0% year-on-year to 5,080 million yen.

2. Land-use

Although items sold grew in size, due to the deterioration of engine profitability, net sales increased by 18.3% year-on-year to 10,666 million yen and segment income decreased by 70.0% to 214 million yen.

Consequently, including parts sales and maintenance construction, net sales for the segment increased by 2.0% year-on-year to 56,495 million yen, and segment income decreased by 6.3% year-on-year to 5,295 million yen.

<Other>

1. Industrial machinery-related

In the aluminum wheel division, an increase in sales volume of applicable vehicles caused both net sales and segment income to increase.

2. Real estate leasing-related

In real estate leasing-related, net sales decreased slightly and segment income decreased.

3. Electricity sales-related

In electricity sales-related, net sales increased slightly and segment income increased.

4. Precision parts-related

In precision parts-related, net sales decreased slightly and there was a segment loss.

Consequently, net sales for the segment increased by 4.1% year-on-year to 3,671 million yen, and segment income decreased by 20.0% year-on-year to 370 million yen.

2) Outlook for the next fiscal year

Concerning the outlook of the Group for the next fiscal year, in the Company's mainstay marine-use market, in place of favorable sales of the last fiscal year's large engines for mega container vessels, sales of small engines aimed at bulk carriers increased significantly, reflecting the recovery in marine cargo market resulting in lower unit sale prices. In addition, since it is expected that the yen will be strong throughout the year compared to the previous fiscal year, net sales are projected to decline year-on-year, despite an increase in engine sales. As the widening gap in demand for shipping tonnage is progressively leading to resolution, signs of a recovery are starting to be seen in marine indices, but it is still not a fully-fledged recovery and a harsh business environment is forecast to continue for the foreseeable future.

Meanwhile, in the land-use market, net sales are forecast to increase year-on-year with the expectation of sales of overseas properties due to factors such as favorable performance in emergency power generation facilities as a facet of business continuity planning (BCP).

Under such circumstances, the Group will work to provide products that fit customer needs, strengthen price competitiveness via thorough raw material cost reductions and expense cuts, and while responding swiftly and appropriately to changes in the market, work to expand the scale of sales and secure profits.

From the factors outlined above, the financial results forecast of the Group for the next fiscal year is 26,000 million yen in net sales, 200 million yen in operating profit, 200 million yen in ordinary profit, and 0 million yen in profit attributable to owners of parent for the first half period and 57,000 million yen in net sales, 2,500 million yen in operating profit, 2,400 million yen in ordinary profit, and 1,500 million yen in profit attributable to owners of parent for the full year.

(2) Analysis of Financial Position

In assets as of the end of the fiscal year under review, notes and accounts receivable - trade increased by 784 million yen from the end of the previous fiscal year while the turnover period of accounts receivable was 101.4 days (compared with 98.2 days at the end of the previous fiscal year). Property, plant and equipment increased by 5,383 million yen from the end of the previous fiscal year to 23,946 million yen due to the building of the new Himeji factory and other factors. Meanwhile cash and deposits decreased by 2,626 million yen. Inventories decreased by 1,868 million yen while the turnover period was 69.7 days (compared with 76.1 days at the end of the previous fiscal year). Total assets as of March 31, 2018 amounted to 80,969 million yen, an increase of 1,987 million yen compared with the end of the previous fiscal year.

In liabilities, notes and accounts payable - trade and electronically recorded obligations in total decreased by

651 million yen from the end of the previous fiscal year while their turnover period was 73.6 days (compared with 76.5 days at the end of the previous fiscal year). On the other hand, other current liabilities increased by 830 million yen, mainly due to increases affected by capital expenditure. The ratio of interest-bearing liabilities (excluding lease obligations) to net sales at the end of the current fiscal year was 20.3%, down 1.2 points from the end of the previous fiscal year. As a result, total liabilities increased by 355 million yen from the previous fiscal year to 42,877 million yen.

(3) Dividend Policy

The Company views the return of profits to shareholders as an important management objective, and while maintaining internal reserves to improve profitability and strengthen its financial standing, the Company has a basic policy of implementing distribution of profits in accordance with business results, and has placed “enhancing dividend payout ratio” as a target under the Mid-term Management Plan period (April 1, 2015 to March 31, 2020).

(4) Business and Other Risks

Forward-looking statements, such as forecasts, anticipation, expectations, and prospects, indicated in this section reflect the judgment of the Group as of March 31, 2018 and actual results in the future may differ significantly from them.

1) Foreign exchange risk

For certain products and related parts and services, the Group conducts sales and procurement in regions other than Japan, and may conduct these transactions in the US dollar, euro, or other local currency, aside from the yen. Some overseas consolidated subsidiaries also conduct sales in yen, and concerning these accounts receivable at the fiscal year-end, foreign exchange losses or gains may occur due to foreign exchange fluctuation of the standard accounting currency, and it is possible that there may be an effect on business results or financial conditions.

2) Cash flows

Consolidated net sales of the Group amounted to 60,166 million yen while interest-bearing debt (excluding lease obligations) was 12,241 million yen. In addition, cash and cash equivalents at the end of the fiscal year under review decreased by 3,022 million yen. Moving forward, the Group will strengthen cash flow improvement activities, and work toward measures to strengthen the financial standing through inventory reduction and improvement in transaction conditions, etc., but as fund procurement is dependent on indirect financing, variations in financial trends may influence cash flows.

3) Dependence on technologies of certain suppliers

The Group sources many of the parts that comprise an engine from outside sourcing, and certain key parts are dependent upon suppliers that possess specific advanced technologies. Concerning these, it is possible that procurement may become unstable due to conditions at the suppliers. Additionally, the Group is working toward continued reduction of procurement costs via measures such as domestic procurement at lower costs and seeking new suppliers in countries such as China, but if factors such as a rise in prices for specific materials arise, it is possible that cost reductions will not proceed steadily.

4) Legal restraints

Regulations regarding environmental burden reduction are becoming increasingly strict toward diesel engines, a mainstay product of the Company. In addition to the Air Pollution Control Act for land-use, restrictions for exhaust gases based on the International Convention for the Prevention of Pollution from Ships are forecast to add another level of strictness for marine-use. While the Group is working toward product development to satisfy these restrictions, if delays arise during development, there may be an effect on policies to secure and expand market share for the Company’s products.

5) Credit risk associated with accounts receivable

The Group possesses accounts receivable toward transaction partners. As a result, amid changes in financial trends and uncertainty in the economy, the Sales and Transaction Partner Management Committee was established, and countermeasures are in place to prevent occurrence of bad debts and doubtful account losses

by continuously paying close attention to business conditions of credit counterparties. However, there may be manifestations of collection risk if unforeseen or unavoidable conditions arise due to sudden changes in the market environment, etc.

6) Risk of natural disasters

The production of the Group's mainstay diesel engines is concentrated in two locations, at the Moriyama Factory in Moriyama City, Shiga Prefecture, and the Himeji Factory in Himeji City, Hyogo Prefecture. However, there is the possibility that production activities may be obstructed in the event a natural disaster such as a large-scale earthquake, storm, flood, etc. as well as other disaster such as fire, etc.

7) Risk of oversea expansion

The economic environment surrounding the marine cargo and vessel markets, which most greatly affect the Group, is heavily impacted by expansion of emerging markets, particularly the Chinese economy, and if unforeseen circumstances cause the vessel market in China to shrink and engine production volume at licensees in China to sharply decrease, there may be discord in the medium-term plan to aim for share expansion for Daihatsu-branded engines in tandem with Chinese licensee engines.

2. Overview of the Corporate Group

The Group is comprised of the Company and its 22 subsidiaries and other companies, and engages in the businesses such as production and distribution of internal combustion engines and industrial equipment as well as real estate leasing.

Concerning the industrial equipment business, all deliveries are made to one other associated company.

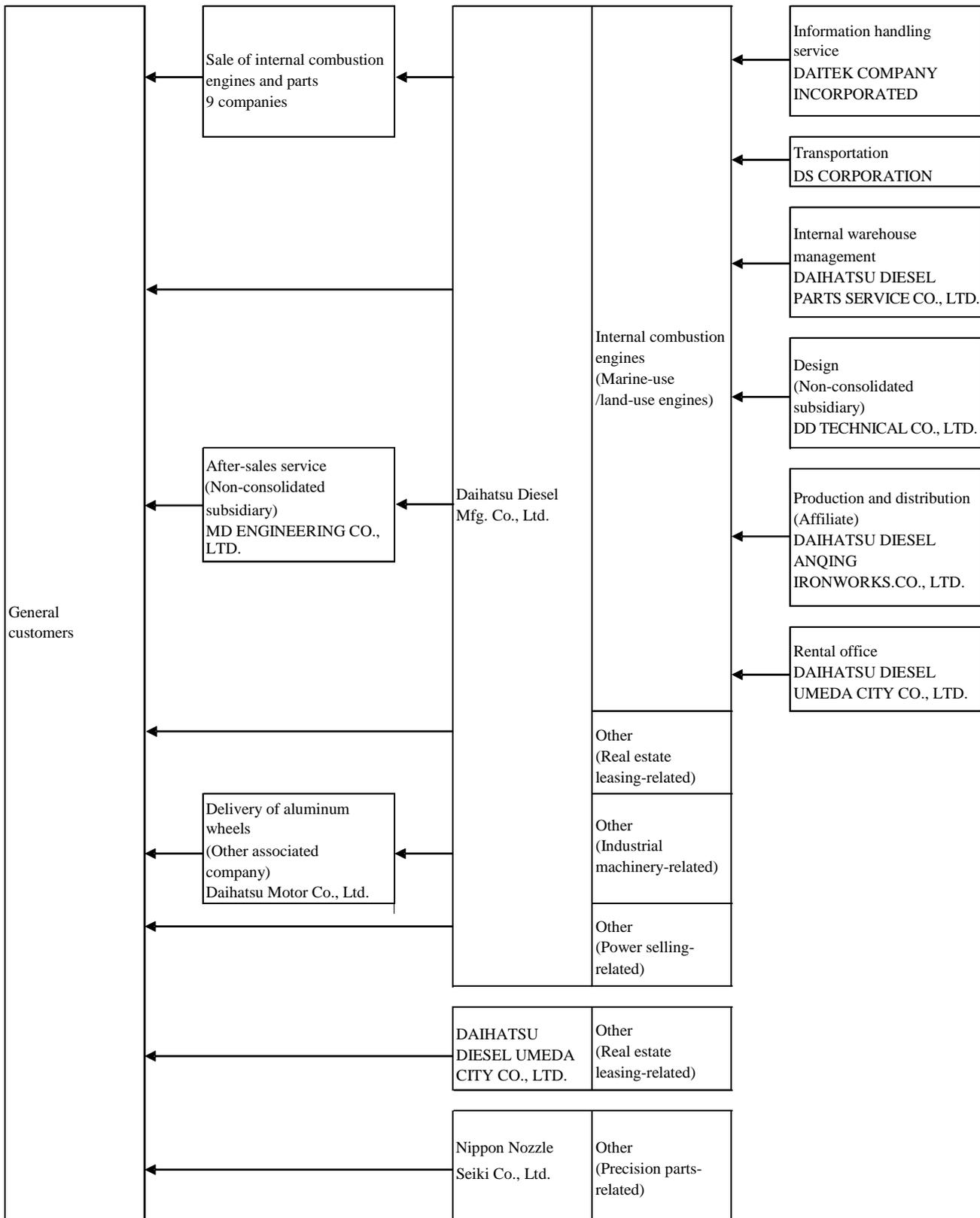
Businesses and the position of the Company and each subsidiary and associated companies within the relevant business are as follows.

Category		Main Products (Business)	Major Companies
Internal combustion engines	Marine-use/land-use engines	Diesel engines for marine-use Diesel engines for land-use Gas turbine Sales of parts for the above	Daihatsu Diesel Mfg. Co., Ltd., DAIHATSU DIESEL EAST JAPAN CO., LTD., DAIHATSU DIESEL NAKANIHON CO., LTD., DAIHATSU DIESEL SHIKOKU CO., LTD., DAIHATSU DIESEL NISHINIHON CO., LTD. DAIHATSU DIESEL (ASIA PACIFIC) PTE. LTD. DAIHATSU DIESEL (EUROPE) LTD. DAIHATSU DIESEL (AMERICA), INC. DAIHATSU DIESEL (SHANGHAI) CO., LTD.
		Information handling service Transportation Internal warehouse management Design Production and distribution After-sales service	DAITEK COMPANY INCORPORATED DS CORPORATION DAIHATSU DIESEL PARTS SERVICE CO., LTD., DD TECHNICAL CO., LTD.*1 DAIHATSU DIESEL ANQING IRONWORKS.CO., LTD.*2 MD ENGINEERING CO., LTD.*1
Other	Industrial equipment	Sale of aluminum wheels	Daihatsu Diesel Mfg. Co., Ltd.
	Real estate leasing	Rental office	Daihatsu Diesel Mfg. Co., Ltd., DAIHATSU DIESEL UMEDA CITY CO., LTD.
	Electricity sales	Solar power generation business	Daihatsu Diesel Mfg. Co., Ltd.
	Precision parts	Precision parts	Nippon Nozzle Seiki Co., Ltd.

(Notes)

1. Marked with *1: Non-consolidated subsidiaries
2. Marked with *2: Associated companies
3. Aside from the above, there is a consolidated subsidiary “DAIHATSU DIESEL HIMEJI CO., LTD.” It is not included as the company is in business preparation phase.

The chart shows the relationship stated above.



(Notes)

1. DAIHATSU DIESEL UMEDA CITY CO., LTD. partially owns the "Umeda Sky Building," and is in the rental office business.
2. Aside from the above, there is a consolidated subsidiary "DAIHATSU DIESEL HIMEJI CO., LTD." It is not included as the company is in business preparation phase.

3. Basic Stance Concerning Choice of Accounting Standards

Taking into consideration the comparability of consolidated financial statements among companies, the Group prepares its consolidated financial statements using Japanese GAAP.

With regard to International Financial Reporting Standards, the Group's policy is to respond appropriately based on consideration of the situation in Japan and overseas.

4. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	24,302	21,676
Notes and accounts receivable - trade	15,791	16,575
Inventories	12,426	10,557
Deferred tax assets	1,852	1,853
Other	1,645	1,572
Allowance for doubtful accounts	(75)	(13)
Total current assets	55,942	52,221
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,818	7,682
Machinery, equipment and vehicles, net	4,045	3,715
Land	5,054	5,088
Construction in progress	1,643	6,551
Other, net	1,001	908
Total property, plant and equipment	18,563	23,946
Intangible assets	1,026	1,390
Investments and other assets		
Investment securities	1,094	1,058
Long-term loans receivable	2	1
Deferred tax assets	1,846	1,899
Other	520	513
Allowance for doubtful accounts	(13)	(63)
Total investments and other assets	3,449	3,410
Total non-current assets	23,039	28,747
Total assets	78,981	80,969

(Million yen)

	As of March 31, 2017	As of March 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,398	6,965
Electronically recorded obligations - operating	5,063	4,845
Short-term loans payable	3,991	4,642
Lease obligations	381	497
Income taxes payable	773	710
Provision for bonuses	684	698
Provision for directors' bonuses	66	51
Accrued expenses	2,378	2,671
Other	2,745	3,575
Total current liabilities	23,483	24,657
Non-current liabilities		
Long-term loans payable	8,686	7,598
Lease obligations	824	1,134
Provision for directors' retirement benefits	473	460
Net defined benefit liability	6,379	6,456
Asset retirement obligations	165	167
Other	2,509	2,400
Total non-current liabilities	19,037	18,219
Total liabilities	42,521	42,877
Net assets		
Shareholders' equity		
Capital stock	2,434	2,434
Capital surplus	2,190	2,191
Retained earnings	32,101	33,719
Treasury shares	(10)	(10)
Total shareholders' equity	36,716	38,334
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	248	255
Deferred gains or losses on hedges	(5)	-
Foreign currency translation adjustment	6	5
Remeasurements of defined benefit plans	(550)	(545)
Total accumulated other comprehensive income	(301)	(285)
Non-controlling interests	45	42
Total net assets	36,460	38,092
Total liabilities and net assets	78,981	80,969

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

(Million yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Net sales	58,934	60,166
Cost of sales	44,616	46,439
Gross profit	14,317	13,726
Selling, general and administrative expenses		
Selling expenses	8,205	8,060
General and administrative expenses	2,613	2,621
Total selling, general and administrative expenses	10,819	10,682
Operating profit	3,498	3,044
Non-operating income		
Interest income	16	12
Dividend income	16	39
Fiduciary obligation fee	103	114
Reversal of allowance for doubtful accounts	0	16
Miscellaneous income	53	129
Total non-operating income	190	312
Non-operating expenses		
Interest expenses	110	100
Foreign exchange losses	117	91
Miscellaneous loss	19	61
Total non-operating expenses	247	253
Ordinary profit	3,441	3,104
Extraordinary income		
Gain on sales of non-current assets	0	0
State subsidy	69	–
Total extraordinary income	69	0
Extraordinary losses		
Loss on abandonment of non-current assets	66	53
Loss on sales of non-current assets	0	0
Loss on valuation of golf club membership	–	0
Other	3	–
Total extraordinary losses	69	54
Profit before income taxes	3,440	3,050
Income taxes - current	1,079	1,018
Income taxes - deferred	38	(62)
Total income taxes	1,118	956
Profit	2,322	2,094
Profit (loss) attributable to non-controlling interests	2	(1)
Profit attributable to owners of parent	2,319	2,095

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Profit	2,322	2,094
Other comprehensive income		
Valuation difference on available-for-sale securities	42	6
Deferred gains or losses on hedges	(5)	5
Foreign currency translation adjustment	(32)	(1)
Remeasurements of defined benefit plans, net of tax	359	5
Total other comprehensive income	364	15
Comprehensive income	2,687	2,110
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,684	2,111
Comprehensive income attributable to non-controlling interests	2	(1)

(3) Consolidated Statements of Changes in Equity
For the fiscal year ended March 31, 2017

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,434	2,170	30,275	(10)	34,870
Changes of items during period					
Dividends of surplus			(477)		(477)
Profit attributable to owners of parent			2,319		2,319
Change of scope of consolidation			(16)		(16)
Purchase of treasury shares					
Change in ownership interest of parent due to transactions with non-controlling interests		20			20
Net changes of items other than shareholders' equity					
Total changes of items during period	-	20	1,825	-	1,845
Balance at end of current period	2,434	2,190	32,101	(10)	36,716

	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 current period	205	-	39	(910)	(665)	19	34,224
Changes of items during period							
Dividends of surplus							(477)
Profit attributable to owners of parent							2,319
Change of scope of consolidation							(16)
Purchase of treasury shares							-
Change in ownership interest of parent due to transactions with non-controlling interests							20
Net changes of items other than shareholders' equity	42	(5)	(32)	359	364	25	390
Total changes of items during period	42	(5)	(32)	359	364	25	2,236
Balance at end of current period	248	(5)	6	(550)	(301)	45	36,460

For the fiscal year ended March 31, 2018

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,434	2,190	32,101	(10)	36,716
Changes of items during period					
Dividends of surplus			(477)		(477)
Profit attributable to owners of parent			2,095		2,095
Change of scope of consolidation					
Purchase of treasury shares				(0)	(0)
Change in ownership interest of parent due to transactions with non-controlling interests		0			0
Net changes of items other than shareholders' equity					
Total changes of items during period	-	0	1,618	(0)	1,618
Balance at end of current period	2,434	2,191	33,719	(10)	38,334

	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 current period	248	(5)	6	(550)	(301)	45	36,460
Changes of items during period							
Dividends of surplus							(477)
Profit attributable to owners of parent							2,095
Change of scope of consolidation							-
Purchase of treasury shares							(0)
Change in ownership interest of parent due to transactions with non-controlling interests							0
Net changes of items other than shareholders' equity	6	5	(1)	5	15	(2)	13
Total changes of items during period	6	5	(1)	5	15	(2)	1,631
Balance at end of current period	255	-	5	(545)	(285)	42	38,092

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Cash flows from operating activities		
Profit before income taxes	3,440	3,050
Depreciation	2,489	2,440
Increase (decrease) in allowance for doubtful accounts	43	(13)
Increase (decrease) in provision for bonuses	(58)	13
Increase (decrease) in provision for directors' bonuses	(25)	(14)
Increase (decrease) in net defined benefit liability	(123)	(47)
Increase (decrease) in provision for directors' retirement benefits	(21)	(12)
Interest and dividend income	(32)	(51)
Interest expenses	110	100
Loss (gain) on sales of property, plant and equipment	(0)	(0)
Loss on abandonment of non-current assets	66	54
Decrease (increase) in notes and accounts receivable - trade	1,504	(746)
Decrease (increase) in inventories	(78)	1,869
Increase (decrease) in notes and accounts payable - trade	191	(698)
Decrease/increase in consumption taxes receivable/payable	(266)	71
Increase (decrease) in guarantee deposits received	28	(111)
Other, net	(615)	(351)
Subtotal	6,651	5,552
Interest and dividend income received	41	51
Interest expenses paid	(111)	(100)
Income taxes paid	(1,607)	(1,023)
Net cash provided by (used in) operating activities	4,974	4,480
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,575)	(5,781)
Proceeds from sales of property, plant and equipment	0	8
Purchase of intangible assets	(31)	(20)
Purchase of investment securities	(20)	(0)
Proceeds from sales of investment securities	–	0
Proceeds from redemption of securities	–	30
Proceeds from redemption of investment securities	1	0
Purchase of shares of subsidiaries	(5)	–
Collection of loans receivable	0	0
Proceeds from withdrawal of time deposits	5,157	1,091
Payments into time deposits	(5,254)	(1,455)
Other, net	–	15
Net cash provided by (used in) investing activities	(3,725)	(6,110)

(Million yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	(460)	460
Repayments of finance lease obligations	(357)	(473)
Proceeds from long-term loans payable	6,250	200
Repayments of long-term loans payable	(3,291)	(1,086)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(0)	–
Purchase of treasury shares	–	(0)
Cash dividends paid	(477)	(477)
Dividends paid to non-controlling interests	(0)	(0)
Purchase of treasury shares of subsidiaries	–	(0)
Net cash provided by (used in) financing activities	1,661	(1,377)
Effect of exchange rate change on cash and cash equivalents	(78)	(14)
Net increase (decrease) in cash and cash equivalents	2,832	(3,022)
Cash and cash equivalents at beginning of period	20,606	23,442
Increase in cash and cash equivalents from newly consolidated subsidiary	4	–
Cash and cash equivalents at end of period	23,442	20,420

(5) Notes to the Consolidated Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Important matters that form the basis for preparing Consolidated Financial Statements)

1. Scope of consolidation

(1) Numbers of consolidated subsidiaries: 14

Principal companies:

DAIHATSU DIESEL EAST JAPAN CO., LTD., DAIHATSU DIESEL NISHINIHON CO., LTD.

DAIHATSU DIESEL SHIKOKU CO., LTD., DAIHATSU DIESEL NAKANIHON CO., LTD.,

DAIHATSU DIESEL (ASIA PACIFIC) PTE. LTD., DAIHATSU DIESEL (EUROPE) LTD.,

DAIHATSU DIESEL (AMERICA), INC., DAIHATSU DIESEL (SHANGHAI) CO., LTD.

(2) Major non-consolidated subsidiaries:

DD TECHNICAL CO., LTD.

MD ENGINEERING CO., LTD.

Reasons for exclusion from scope of consolidation

These companies are excluded from the scope of consolidation as they are small in size and do not have material impact on the Consolidated Financial Statements with respect to total assets, net sales, profit or loss and retained earnings (corresponding to the percentage of shares).

2. Application of the equity method

Major non-consolidated subsidiaries and affiliates not accounted for by the equity method:

DD TECHNICAL CO., LTD.

MD ENGINEERING CO., LTD.

DAIHATSU DIESEL ANQING IRONWORKS.CO., LTD.

Reason for not applying equity method:

As those companies have only minor impact on the consolidated profit (loss) and retained earnings, and their overall impact is not material, the investments in these companies are accounted for at cost rather than by the equity method.

3. Accounting Standards

(1) Valuation standards and methods for important assets

A. Securities

(a) Held-to-maturity securities

Stated at amortized cost

(b) Available-for-sale securities

Fair market values available Stated at fair market value based on the market value, etc. of the closing date

(All valuation gains or losses are treated as a component of net assets, and cost of sales is computed by the moving-average method.)

Fair market values not available Stated at cost using the moving-average method

B. Inventories

Finished goods/work in process/raw materials

Stated at cost using the periodic average method (The book value will be written down for decreased profitability)

(2) Depreciation methods for significant depreciable assets

A. Property, plant and equipment (excluding lease assets)

They are depreciated using the straight-line method.

However, certain consolidated subsidiaries use the declining-balance method.

Those acquired on or before March 31, 2007 will be depreciated in equal amounts over the five-year period beginning with the year following the completion of depreciation to the permissible limit.

B. Intangible assets (excluding lease assets)

They are depreciated using the straight-line method.

Software for internal use is depreciated using the straight-line method based on their estimated useful lives (5 years).

C. Lease assets

Lease assets under finance leases wherein ownership of the leased asset does not transfer to the lessee

These assets are depreciated using the straight-line method over respective lease periods without residual value.

(3) Accounting standards for significant reserves

A. Allowance for doubtful accounts

In order to prepare for probable losses on collection, estimated amount uncollectible is provided for in accordance with the historical write-off ratio in the case of ordinary receivables and provided against estimated future losses on collection based on the detailed credit analysis in the case of doubtful accounts and other specific receivables.

B. Provision for bonuses

To provide for payment of bonuses to employees, provision for bonuses is provided for based on the estimated amount of payments attributable to the current fiscal year.

C. Provision for directors' bonuses

To provide for payment of bonuses to directors, provision for directors' bonuses is provided for based on the estimated amount of payments attributable to the current fiscal year.

D. Provision for directors' retirement benefits

To prepare for the payment of retirement benefits to directors, the Company and certain consolidated subsidiaries provide for the amount of year-end payments pursuant to internal rules of retirement benefits for directors.

(4) Accounting method for retirement benefits

A. Periodic allocation of projected retirement benefits

In calculating projected benefits obligations, periodic allocation of projected retirement benefits up to the end of current period is based on the benefit formula basis.

B. Method of amortizing actuarial differences and prior service costs

Prior service costs are recorded as expense over a certain number of years within the average remaining years of service of the corresponding employees at the time of occurrence (10 years) using the straight-line method.

Actuarial differences are accounted for as expenses over a certain number of years within the average

remaining years of service of the corresponding employees (10 years) using the straight-line method, commencing with the consolidated fiscal year following the one in which they were incurred.

(5) Significant hedge accounting

A. Hedge accounting

Deferred hedging is applied. The appropriation procedure is applied to foreign currency receivables and payables for which forward exchange contracts have been entered.

The special accounting procedure is applied to interest rate swap contracts that qualify for hedge accounting.

B. Hedging instruments and hedged items

Hedging instruments and hedged items for which hedge accounting was applied for the current fiscal year are as follows:

(a)

Hedging instruments: Forward foreign exchange contracts

Hedged items: Foreign currency trade receivables resulting from product export and future anticipated transactions denominated in foreign currency

(b)

Hedging instruments: Interest rate swap contracts

Hedged items: Loans payable

C. Hedging policy

The Group conducts derivative transactions to hedge against foreign exchange and interest-rate risks in accordance with the “Derivative Transaction Handling and Risk Management Regulations.”

D. Evaluation of hedge effectiveness

For forward exchange contract and interest rate swap, the evaluation of hedge effectiveness is omitted because important conditions for hedge instruments and hedged items are identical, and it can be assumed that market fluctuations will be completely eliminated at the time hedging begins and at any time thereafter.

(6) Capital covered by Consolidated Statements of Cash Flows

Capital comprises cash on hand, deposits available for withdrawal as needed, and short-term investments due for redemption within three months from the date of acquisition, which are easily cashable and are subject to minimal risk of fluctuation in value.

(7) Other significant matters on presenting Consolidated Financial Statements

Accounting for consumption taxes

Consumption taxes are accounted for by the tax exclusion method.

(Segment information, etc.)

(Segment information)

1. Description of reportable segments

The reportable segments of the Company categorize the business composition of the Company with respect to financial information and are based on the financial reporting for performance evaluation with regard to annual business plan for each business at periodical meetings of the Board of Directors.

The Company's main business is the manufacture and sale of internal combustion engines; it also provides products that are not related to internal combustion engines to certain affiliates, and conducts business to utilize the real estate held by the Company.

The operative conditions of internal combustion engines, which comprise the majority of the Company's business, are significantly different between marine-use and land-use, and the Company conducts management and evaluation by categorizing production, sales, and after-sales service business activities for engines into marine-use and land-use.

As a result, the Company's reportable segments are Marine-use engines and Land-use engines.

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

For the fiscal year ended March 31, 2017

(Million yen)

	Reportable segment			Other (Notes)*1	Total	Adjustment (Notes) *2	Amount recorded in Consolidated Financial Statements (Notes)*3
	Marine-use engines	Land-use engines	Total				
Net sales							
(1) Net sales to outside customers	46,393	9,014	55,408	3,525	58,934	-	58,934
(2) Inter-segment net sales or transfers	-	-	-	-	-	-	-
Total	46,393	9,014	55,408	3,525	58,934	-	58,934
Segment income	4,933	714	5,648	462	6,111	(2,613)	3,498
Other							
Depreciation	1,710	329	2,039	312	2,352	136	2,489

(Notes) *1 The "Other" category is a business segment that is not included in reportable segments, and includes the industrial machinery-related business, the real estate leasing-related business, the electricity sales-related business and the precision parts-related business.

*2 The adjustment for segment income represents corporate expenses, largely consisting of selling, general and administrative expenses not attributable to the reportable segments.

*3 Segment income is adjusted with operating profit on the Consolidated Statements of Income.

*4 Assets are not allocated to the business segments.

For the fiscal year ended March 31, 2018

(Million yen)

	Reportable segment			Other (Notes)*1	Total	Adjustment (Notes) *2	Amount recorded in Consolidated Financial Statements (Notes)*3
	Marine-use engines	Land-use engines	Total				
Net sales							
(1) Net sales to outside customers	45,828	10,666	56,495	3,671	60,166	-	60,166
(2) Inter-segment net sales or transfers	-	-	-	-	-	-	-
Total	45,828	10,666	56,495	3,671	60,166	-	60,166
Segment income	5,080	214	5,295	370	5,665	(2,621)	3,044
Other Depreciation	1,615	367	1,983	303	2,287	153	2,440

(Notes) *1 The "Other" category is a business segment that is not included in reportable segments, and includes the industrial machinery-related business, the real estate leasing-related business, the electricity sales-related business and the precision parts-related business.

*2 The adjustment for segment income represents corporate expenses, largely consisting of selling, general and administrative expenses not attributable to the reportable segments.

*3 Segment income is adjusted with operating profit on the Consolidated Statements of Income.

*4 Assets are not allocated to the business segments.

(Related information)

For the fiscal year ended March 31, 2017

1. Information by product and service

This is omitted as similar information is disclosed in Segment information.

2. Information by geographical area

1) Net sales

(Million yen)

Japan	Asia	Latin America	Other	Total
29,597	22,058	2,182	5,095	58,934

(Note) Country and region categories are based on geographic proximity.

2) Property, plant and equipment

This is omitted as the amount of property, plant and equipment located in Japan exceeds 90% of that stated in the consolidated balance sheet.

3. Information by major customer

This is omitted as there were no external customers whose net sales account for more than 10% of net sales in the consolidated statements of income.

For the fiscal year ended March 31, 2018

1. Information by product and service

This is omitted, as similar information is disclosed in Segment information.

2. Information by geographical area

1) Net sales

(Million yen)

Japan	Asia	Latin America	Other	Total
34,397	18,643	1,937	5,188	60,166

(Note) Country and region categories are based on geographic proximity.

2) Property, plant and equipment

This is omitted as the amount of property, plant and equipment located in Japan exceeds 90% of that stated in the consolidated balance sheet.

3. Information by major customer

This is omitted because there were no external customers whose net sales account for more than 10% of net sales in the consolidated statements of income.

(Per share information)

Category	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Net assets per share	1,143.90 yen	1,195.24 yen
Basic earnings per share	72.87 yen	65.83 yen

(Note) The basis for the calculation of basic earnings per share is as follows.

Category	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Basic earnings per share		
Profit attributable to owners of parent (Million yen)	2,319	2,095
Amount not attributable to shareholders of common shares (Million yen)	-	-
Profit attributable to owners of parent relating to common shares (Million yen)	2,319	2,095
Average number of shares of common shares outstanding during each fiscal year	31,833,830 shares	31,833,769 shares

(Note) Diluted earnings per share are not presented as there is no share outstanding with dilutive effect.

(Significant subsequent events)

Not applicable.

5. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Million yen)

	As of March 31, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	20,734	17,900
Notes receivable - trade	890	1,542
Accounts receivable - trade	13,932	15,167
Raw materials	68	68
Work in process	11,854	9,971
Prepaid expenses	136	144
Deferred tax assets	1,799	1,793
Short-term loans receivable	817	873
Other	1,233	1,149
Allowance for doubtful accounts	(4)	(4)
Total current assets	51,463	48,608
Non-current assets		
Property, plant and equipment		
Buildings	2,030	2,832
Structures	463	673
Machinery and equipment	3,572	3,197
Vehicles	34	36
Tools, furniture and fixtures	911	821
Land	4,470	4,511
Construction in progress	1,641	6,418
Total property, plant and equipment	13,124	18,491
Intangible assets		
Software	980	1,368
Other	10	8
Total intangible assets	990	1,377
Investments and other assets		
Investment securities	872	852
Shares of subsidiaries and associates	2,179	2,371
Long-term loans receivable	2	1
Deferred tax assets	1,563	1,616
Other	244	232
Allowance for doubtful accounts	(8)	(8)
Total investments and other assets	4,853	5,064
Total non-current assets	18,968	24,933
Total assets	70,431	73,542

(Million yen)

	As of March 31, 2017	As of March 31, 2018
Liabilities		
Current liabilities		
Notes payable - trade	984	849
Accounts payable - trade	5,944	5,889
Electronically recorded obligations - operating	5,067	4,859
Short-term loans payable	2,915	3,375
Current portion of long-term loans payable	1,022	1,213
Lease obligations	373	489
Accounts payable	207	1,182
Accrued expenses	2,274	2,450
Income taxes payable	427	347
Advances received	419	150
Deposits received	4,496	5,001
Provision for bonuses	533	536
Provision for directors' bonuses	60	50
Other	458	1,063
Total current liabilities	25,184	27,459
Non-current liabilities		
Long-term loans payable	8,481	7,447
Lease obligations	807	1,113
Long-term guarantee deposited	10	10
Provision for retirement benefits	5,280	5,356
Provision for directors' retirement benefits	376	379
Asset retirement obligations	110	111
Total non-current liabilities	15,066	14,419
Total liabilities	40,250	41,878
Net assets		
Shareholders' equity		
Capital stock	2,434	2,434
Capital surplus		
Legal capital surplus	2,150	2,150
Total capital surpluses	2,150	2,150
Retained earnings		
Legal retained earnings	221	221
Other retained earnings		
Reserve for advanced depreciation of non-current assets	102	91
Reserve for special depreciation	33	17
General reserve	22,700	24,200
Retained earnings brought forward	2,308	2,306
Total other retained earnings	25,143	26,615
Total retained earnings	25,365	26,837
Treasury shares	(10)	(10)
Total shareholders' equity	29,940	31,412
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	245	251
Deferred gains or losses on hedges	(5)	-
Total valuation and translation adjustments	240	251
Total net assets	30,180	31,663
Total liabilities and net assets	70,431	73,542

(2) Non-consolidated Statements of Income
 Non-consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Net sales	51,612	52,862
Cost of sales	42,412	43,966
Gross profit	9,200	8,895
Selling, general and administrative expenses	7,754	7,539
Operating profit	1,445	1,356
Non-operating income		
Interest and dividend income	1,136	1,030
Miscellaneous income	154	187
Total non-operating income	1,290	1,217
Non-operating expenses		
Interest expenses	107	97
Miscellaneous loss	123	96
Total non-operating expenses	231	194
Ordinary profit	2,504	2,379
Extraordinary income		
Gain on sales of non-current assets	0	0
State subsidy	69	-
Total extraordinary income	69	0
Extraordinary losses		
Loss on abandonment of non-current assets	55	51
Other	3	0
Total extraordinary losses	58	51
Profit before income taxes	2,514	2,328
Income taxes - current	478	431
Income taxes - deferred	(0)	(52)
Total income taxes	477	379
Profit	2,037	1,949

(3) Non-consolidated Statements of Changes in Equity
For the fiscal year ended March 31, 2017

(Million yen)

	Shareholders' equity								
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings				Total retained earnings
		Legal capital surplus	Total capital surplus		Other retained earnings				
				Reserve for advanced depreciation of non-current assets	Reserve for special depreciation	General reserve	Retained earnings brought forward		
Balance at beginning of current period	2,434	2,150	2,150	221	114	48	19,600	3,820	23,805
Changes of items during period									
Dividends of surplus								(477)	(477)
Provision of general reserve							3,100	(3,100)	-
Reversal of reserve for special depreciation						(15)		15	-
Reversal of reserve for advanced depreciation of non-current assets					(12)			12	-
Profit								2,037	2,037
Purchase of treasury shares									
Net changes of items other than shareholders' equity									
Total changes of items during period	-	-	-	-	(12)	(15)	3,100	(1,512)	1,559
Balance at end of current period	2,434	2,150	2,150	221	102	33	22,700	2,308	25,365

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of current period	(10)	28,380	202	-	202	28,583
Changes of items during period						
Dividends of surplus		(477)				(477)
Provision of general reserve		-				-
Reversal of reserve for special depreciation		-				-
Reversal of reserve for advanced depreciation of non-current assets		-				-
Profit		2,037				2,037
Purchase of treasury shares						-
Net changes of items other than shareholders' equity			42	(5)	37	37
Total changes of items during period	-	1,559	42	(5)	37	1,597
Balance at end of current period	(10)	29,940	245	(5)	240	30,180

For the fiscal year ended March 31, 2018

(Million yen)

	Shareholders' equity								
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings				Total retained earnings
		Legal capital surplus	Total capital surplus		Other retained earnings				
					Reserve for advanced depreciation of non-current assets	Reserve for special depreciation	General reserve	Retained earnings brought forward	
Balance at beginning of current period	2,434	2,150	2,150	221	102	33	22,700	2,308	25,365
Changes of items during period									
Dividends of surplus								(477)	(477)
Provision of general reserve							1,500	(1,500)	-
Reversal of reserve for special depreciation						(15)		15	-
Reversal of reserve for advanced depreciation of non-current assets					(10)			10	-
Profit								1,949	1,949
Purchase of treasury shares									
Net changes of items other than shareholders' equity									
Total changes of items during period	-	-	-	-	(10)	(15)	1,500	(2)	1,471
Balance at end of current period	2,434	2,150	2,150	221	91	17	24,200	2,306	26,837

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of current period	(10)	29,940	245	(5)	240	30,180
Changes of items during period						
Dividends of surplus		(477)				(477)
Provision of general reserve		-				-
Reversal of reserve for special depreciation		-				-
Reversal of reserve for advanced depreciation of non-current assets		-				-
Profit		1,949				1,949
Purchase of treasury shares	(0)	(0)				(0)
Net changes of items other than shareholders' equity			6	5	11	11
Total changes of items during period	(0)	1,471	6	5	11	1,483
Balance at end of current period	(10)	31,412	251	-	251	31,663

6. Other

(1) Status of production, orders received, and sales (April 1, 2017 to March 31, 2018)

1) Production

Production by segment for the current fiscal year is as follows:

(Million yen)

Segment	Volume	Amount	Year-on-year change
			%
Internal combustion engines	Horsepower		
Marine-use engines	1,323,216	45,828	(1.2)
Land-use engines	124,818	10,666	18.3
Other	-	3,031	5.3
Total		59,526	2.1

(Notes)

*1 Amounts are based on sales prices.

*2 The figures above do not include consumption taxes.

2) Orders received

Orders by segment for the current fiscal year are as follows:

(Million yen)

Segment	Order received			Order backlogs		
	Volume	Amount	Year-on-year change	Volume	Amount	Year-on-year change
Internal combustion engine	Horsepower		%	Horsepower		%
Marine-use engines	848,316	40,508 [18,036]	0.8	1,222,574	26,176 [9,459]	(16.9)
Land-use engines	139,612	10,802 [944]	3.2	107,852	5,330 [469]	2.6
Other	-	2,982 [-]	(0.2)	-	555 [-]	(8.0)
Total		54,292 [18,980]	1.2		32,063 [9,929]	(14.0)

(Notes)

*1 Amounts are based on sales prices.

*2 Figures in brackets [] indicate export orders received and the balance of export orders outstanding, and are included in totals.

*3 The figures above do not include consumption taxes.

3) Sales results

Sales by segment for the current fiscal year are as follows:

(Million yen)

Segment	Volume	Amount	Export ratio	Year-on-year change
	Horsepower		%	%
Internal combustion engine				
Marine-use engines	1,323,216	45,828 [25,081]	54.7	(1.2)
Land-use engines	124,818	10,666 [688]	6.5	18.3
Other	-	3,671 [-]	-	4.1
Total		60,166 [25,769]	42.8	2.1

(Notes)

*1 Figures in brackets [] indicate export volume, and are included in totals.

*2 Major export destinations and compositions are as follows:

Asia (72.3%), Europe (16.9%), Latin America (7.5%), North America (2.7%), Others (0.6%)

*3 The “Other” segment includes precision parts-related (1,550 million yen), industrial machinery-related (1,480 million yen) and real estate leasing-related (640 million yen).

*4 The figures above do not include consumption taxes.

(2) Changes in Directors and Corporate Auditors

Please refer to the “Notice regarding Changes in Directors and Corporate Auditors and Introduction of Executive Officer System” announced on April 26, 2018.