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Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 [IFRS]

April 26, 2024

Company name: Aichi Steel Corporation
 Stock exchange listing: Tokyo and Nagoya
 Code number: 5482
 URL: <https://www.aichi-steel.co.jp/ENGLISH/>
 Representative: Naohide Goto, President
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Scheduled date of annual general meeting of shareholders: June 13, 2024
 Scheduled date of commencing dividend payments: May 30, 2024
 Scheduled date of filing annual securities report: June 27, 2024
 Availability of supplementary materials on financial results: Yes
 Holding of financial results briefing session: Yes (for analysts and institutional investors)

(Amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 through March 31, 2024)

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

Fiscal year ended	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of the parent		Total comprehensive income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2024	296,516	4.0	10,372	218.2	10,947	167.0	7,956	177.2	6,593	309.4	50,181	—
March 31, 2023	285,141	9.6	3,260	52.4	4,099	41.6	2,870	34.8	1,610	47.8	3,776	(67.4)

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity attributable to owners of the parent	Ratio of profit before tax to total assets	Ratio of operating profit to revenue
	yen	yen	%	%	%
March 31, 2024	334.03	334.03	2.9	2.6	3.5
March 31, 2023	81.65	81.65	0.8	1.1	1.1

(Reference) Share of profit (loss) of investments accounted for using equity method

For the fiscal year ended March 31, 2024: —

For the fiscal year ended March 31, 2023: —

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent	Equity attributable to owners of the parent per share
	Million yen	Million yen	Million yen	%	Yen
As of March 31, 2024	443,108	262,010	250,970	56.6	12,712.37
As of March 31, 2023	385,449	214,322	203,759	52.9	10,328.55

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2024	33,817	(18,895)	(16,283)	46,546
March 31, 2023	13,028	(15,958)	16,998	47,534

2. Cash Dividends

	Annual dividends per share					Total cash dividends	Payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of the parent (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, 2023	—	10.00	—	20.00	30.00	591	36.7	0.3
March 31, 2024	—	40.00	—	60.00	100.00	1,974	29.9	0.9
March 31, 2025 (Forecast)	—	35.00	—	35.00	70.00		37.4	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 through March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of the parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ending September 30, 2024 (Cumulative)	144,000	(3.6)	1,300	(72.5)	1,300	(75.1)	300	(90.8)	15.20
Full year	300,000	1.2	7,000	(32.5)	7,000	(36.1)	3,700	(43.9)	187.42

*** Notes:**

(1) Changes in significant subsidiaries during the period under review: None
(Changes in specified subsidiaries resulting in changes in scope of consolidation)
Newly included: – Excluded: –

(2) Changes in accounting policies and accounting estimates
1) Changes in accounting policies required by IFRS: Yes
2) Changes in accounting policies due to other reasons: None
3) Changes in accounting estimates: None

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024:	19,886,675 shares
As of March 31, 2023:	19,886,675 shares

2) Total number of treasury shares at the end of the period

As of March 31, 2024:	144,468 shares
As of March 31, 2023:	158,902 shares

3) Average number of shares outstanding during the period

Fiscal year ended March 31, 2024:	19,737,822 shares
Fiscal year ended March 31, 2023:	19,722,982 shares

[Reference] Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024

(April 1, 2023 to March 31, 2024)

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

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2024	230,722	2.5	6,348	—	9,410	769.6	7,532	471.9
March 31, 2023	225,106	6.6	(2,216)	—	1,082	—	1,317	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended March 31, 2024	381.60	—
March 31, 2023	66.78	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	290,416	154,967	53.4	7,849.57
As of March 31, 2023	282,271	141,936	50.3	7,194.74

(Reference) Equity

As of March 31, 2024: 154,967 million yen

As of March 31, 2023: 141,936 million yen

(Note) The figures of the non-consolidated financial results are presented under Japanese GAAP.

* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Cautionary notes on forward-looking statements, etc.)

The forward-looking statements, including financial results forecast, in this document are based on information available to the Company at the time of this disclosure and on certain assumptions deemed reasonable by the Company. As such, actual results may differ from those indicated in these forward-looking statements due to various factors.

Consolidated Financial Statements
Consolidated Statements of Financial Position

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and cash equivalents	47,534	46,546
Trade and other receivables	63,511	62,371
Other financial assets	784	2,457
Inventories	54,381	54,216
Other current assets	801	941
Total current assets	167,012	166,533
Non-current assets		
Property, plant and equipment	126,665	131,793
Intangible assets	3,065	2,681
Trade and other receivables	36	25
Other financial assets	50,432	70,283
Retirement benefit asset	37,509	71,037
Deferred tax assets	721	748
Other non-current assets	5	4
Total non-current assets	218,436	276,574
Total assets	385,449	443,108
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	45,662	51,084
Borrowings	13,313	15,305
Other financial liabilities	1,018	690
Income taxes payable	617	1,577
Other current liabilities	4,593	5,561
Total current liabilities	65,205	74,220
Non-current liabilities		
Borrowings	73,081	58,076
Other financial liabilities	3,378	4,177
Retirement benefit liabilities	15,008	12,189
Provisions	751	760
Deferred tax liabilities	12,954	31,011
Other non-current liabilities	747	663
Total non-current liabilities	105,921	106,877
Total liabilities	171,126	181,097
Equity		
Share capital	25,016	25,016
Capital surplus	28,232	28,232
Retained earnings	120,167	151,302
Treasury shares	(955)	(867)
Other components of equity	31,298	47,286
Total equity attributable to owners of the parent	203,759	250,970
Non-controlling interests	10,562	11,040
Total equity	214,322	262,010
Total liabilities and equity	385,449	443,108

Consolidated Statements of Profit or Loss and Consolidated Statements of Comprehensive Income
 Consolidated Statements of Profit or Loss

(Million yen)

	For the year Ended March 31, 2023	For the year Ended March 31, 2024
Revenue	285,141	296,516
Cost of revenue	256,073	257,467
Gross profit	29,067	39,049
Selling, general and administrative expenses	25,145	26,502
Other income	399	440
Other expenses	1,062	2,615
Operating profit	3,260	10,372
Finance income	1,171	1,123
Finance expenses	332	548
Profit before tax	4,099	10,947
Income tax expenses	1,228	2,990
Profit	2,870	7,956
Profit attributable to:		
Owners of the parent	1,610	6,593
Non-controlling interests	1,260	1,363
Total	2,870	7,956
Earnings per share		
Basic earnings per share (Yen)	81.65	334.03
Diluted earnings per share (Yen)	81.65	334.03

Consolidated Statements of Comprehensive Income

(Million yen)

	For the year Ended March 31, 2023	For the year Ended March 31, 2024
Profit	2,870	7,956
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(2,733)	24,797
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	2,351	15,079
Total	(381)	39,876
Items that may be reclassified subsequently to profit or loss		
Net change in fair value of debt instruments designated as measured at fair value through other comprehensive income	2	4
Exchange differences on translation of foreign operations	1,284	2,343
Total	1,287	2,348
Total other comprehensive income	905	42,225
Comprehensive income	3,776	50,181
Comprehensive income attributable to:		
Owners of the parent	2,392	48,354
Non-controlling interests	1,384	1,827
Total	3,776	50,181

Consolidated Statements of Changes in Equity
For the year Ended March 31, 2023

(Million yen)

	Equity attributable to owners of the parent										
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity			Total	Total	Non-controlling interests	Total equity
					Remeasurements of defined benefit plans	Exchange differences on translation of foreign operations	Net change in financial assets measured at fair value through other comprehensive income				
Balance as of April 1, 2022	25,016	28,051	121,744	(1,049)	—	2,868	24,916	27,784	201,548	10,927	212,475
Profit	—	—	1,610	—	—	—	—	—	1,610	1,260	2,870
Other comprehensive income	—	—	—	—	(2,740)	1,156	2,364	781	781	124	905
Comprehensive income	—	—	1,610	—	(2,740)	1,156	2,364	781	2,392	1,384	3,776
Acquisition of treasury shares	—	—	—	(0)	—	—	—	—	(0)	—	(0)
Disposal of treasury shares	—	—	(61)	94	—	—	—	—	32	—	32
Dividends	—	—	(394)	—	—	—	—	—	(394)	(1,255)	(1,649)
Changes in the ownership interest in subsidiaries	—	180	—	—	—	—	—	—	180	(493)	(312)
Transfer from other components of equity to retained earnings	—	—	(2,731)	—	2,740	—	(8)	2,731	—	—	—
Total transactions with owners	—	180	(3,187)	94	2,740	—	(8)	2,731	(180)	(1,748)	(1,929)
Balance as of March 31, 2023	25,016	28,232	120,167	(955)	—	4,025	27,272	31,298	203,759	10,562	214,322

For the year Ended March 31, 2024

(Million yen)

	Equity attributable to owners of the parent										
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity			Total	Total	Non-controlling interests	Total equity
					Remeasurements of defined benefit plans	Exchange differences on translation of foreign operations	Net change in financial assets measured at fair value through other comprehensive income				
Balance as of April 1, 2023	25,016	28,232	120,167	(955)	—	4,025	27,272	31,298	203,759	10,562	214,322
Profit	—	—	6,593	—	—	—	—	—	6,593	1,363	7,956
Other comprehensive income	—	—	—	—	24,796	1,904	15,060	41,761	41,761	463	42,225
Comprehensive income	—	—	6,593	—	24,796	1,904	15,060	41,761	48,354	1,827	50,181
Acquisition of treasury shares	—	—	—	(1)	—	—	—	—	(1)	—	(1)
Disposal of treasury shares	—	—	(47)	88	—	—	—	—	41	—	41
Dividends	—	—	(1,184)	—	—	—	—	—	(1,184)	(1,295)	(2,479)
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—	—	—	—	(54)	(54)
Transfer from other components of equity to retained earnings	—	—	25,773	—	(24,796)	—	(976)	(25,773)	—	—	—
Total transactions with owners	—	—	24,542	87	(24,796)	—	(976)	(25,773)	(1,143)	(1,349)	(2,493)
Balance as of March 31, 2024	25,016	28,232	151,302	(867)	—	5,929	41,356	47,286	250,970	11,040	262,010

Consolidated Statements of Cash Flows

(Million yen)

	Fiscal Year Ended March 31, 2023	Fiscal Year Ended March 31, 2024
Cash flows from operating activities		
Profit before tax	4,099	10,947
Depreciation and amortization	17,821	18,312
Impairment losses	168	1,470
Loss (gain) on sale and retirement of property, plant and equipment, and intangible assets	515	676
Decrease (increase) in inventories	(4,560)	1,185
Decrease (increase) in trade and other receivables	(2,075)	1,776
Increase (decrease) in trade and other payables	(2,864)	1,037
Increase (decrease) in other current liabilities	834	918
Other	444	(1,308)
Subtotal	14,382	35,015
Interest income received	106	128
Dividends income received	589	556
Interest expenses paid	(173)	(210)
Income taxes paid	(1,876)	(1,672)
Net cash provided by (used in) operating activities	13,028	33,817
Cash flows from investing activities		
Purchase of property, plant and equipment	(14,719)	(18,304)
Proceeds from sale of property, plant and equipment	61	141
Payments for abandonment of property, plant and equipment	(158)	(264)
Purchase of intangible assets	(1,102)	(735)
Other	(39)	267
Net cash provided by (used in) investing activities	(15,958)	(18,895)
Cash flows from financing activities		
Proceeds from long-term borrowings	20,038	—
Repayments of long-term borrowings	(310)	(13,013)
Repayments of lease payables	(764)	(789)
Cash dividends paid	(396)	(1,183)
Cash dividends paid to non-controlling interests	(1,255)	(1,295)
Other	(312)	(1)
Net cash provided by (used in) financing activities	16,998	(16,283)
Effect of exchange rate change on cash and cash equivalents	599	373
Net increase (decrease) in cash and cash equivalents	14,668	(987)
Cash and cash equivalents at beginning of period	32,866	47,534
Cash and cash equivalents at end of period	47,534	46,546