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Consolidated Financial Results for the Year Ended March 31, 2024 [Japanese GAAP]

May 10, 2024

Company name: Maruichi Steel Tube Ltd.

Stock exchange listing: Tokyo

Code number: 5463

URL: <https://www.maruichikokan.co.jp>

Representative: Hiroyuki Suzuki

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Scheduled date of Annual General Meeting of Shareholders: June 25, 2024

Scheduled date of commencing dividend payments: June 26, 2024

Scheduled date of filing annual securities report: June 26, 2024

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

Chairman Representative Director and CEO

General Manager of Finance Department

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

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

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2024	271,310	(0.8)	34,811	16.0	38,355	11.4	26,113	8.1
March 31, 2023	273,416	21.9	30,019	(17.2)	34,416	(10.5)	24,164	(13.0)

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥ 44,213 million [55.5%]
Fiscal year ended March 31, 2023: ¥ 28,440 million [(34.2)%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	327.81	327.55	7.9	9.3	12.8
March 31, 2023	303.38	303.06	7.9	9.0	11.0

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2024: ¥ 692 million
Fiscal year ended March 31, 2023: ¥ 1,363 million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	429,529	360,501	80.8	4,355.22
March 31, 2023	393,165	324,220	79.7	3,936.89

(Reference) Equity: As of March 31, 2024: ¥ 347,014 million
As of March 31, 2023: ¥ 313,468 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	35,687	(20,981)	(13,123)	77,418
March 31, 2023	24,491	4,305	(7,617)	75,124

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	Millions of yen	%	%
March 31, 2023	-	40.00	-	69.50	109.50	8,738	36.1	2.9
March 31, 2024	-	55.00	-	76.00	131.00	10,460	40.0	3.2
Fiscal year ending March 31, 2025 (Forecast)	-	55.00	-	76.00	131.00		43.0	

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

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	138,500	2.5	16,000	(17.0)	17,500	(16.9)	11,900	(15.6)	149.35
Full year	280,000	3.2	34,200	(1.8)	36,200	(5.6)	24,300	(6.9)	304.98

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)
Exclusion: - (Company name:)

(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, 2024: 84,000,000 shares
March 31, 2023: 84,000,000 shares

2) Number of treasury shares at the end of the period:

March 31, 2024: 4,322,095 shares
March 31, 2023: 4,376,545 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2024: 79,660,861 shares
Fiscal Year ended March 31, 2023: 79,651,274 shares

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	88,542	91,866
Notes and accounts receivable - trade	52,835	55,221
Securities	11,615	13,508
Finished goods	20,771	20,313
Raw materials and supplies	39,789	37,537
Accounts receivable - other	1,457	1,380
Other	2,399	2,392
Allowance for doubtful accounts	(34)	(54)
Total current assets	217,377	222,166
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	26,166	26,812
Machinery, equipment and vehicles, net	22,970	24,953
Land	37,402	38,615
Construction in progress	3,083	11,593
Other, net	2,087	2,117
Total property, plant and equipment	91,710	104,092
Intangible assets		
Goodwill	192	175
Other	1,451	1,942
Total intangible assets	1,644	2,117
Investments and other assets		
Investment securities	79,008	97,292
Deferred tax assets	1,021	1,231
Other	2,407	2,633
Allowance for doubtful accounts	(3)	(3)
Total investments and other assets	82,433	101,154
Total non-current assets	175,788	207,363
Total assets	393,165	429,529

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	33,832	30,204
Short-term borrowings	6,482	3,142
Accounts payable - other	1,433	2,236
Accrued expenses	3,087	3,621
Income taxes payable	5,679	3,627
Provision for bonuses	1,433	1,394
Provision for bonuses for directors (and other officers)	182	159
Notes payable - facilities	1,062	2,307
Other	2,254	2,516
Total current liabilities	55,447	49,210
Non-current liabilities		
Long-term borrowings	1,652	2,224
Deferred tax liabilities	6,906	12,438
Provision for share awards	266	302
Provision for share awards for directors (and other officers)	38	211
Provision for retirement benefits for directors (and other officers)	142	144
Retirement benefit liability	3,808	3,961
Other	682	535
Total non-current liabilities	13,497	19,817
Total liabilities	68,945	69,028
Net assets		
Shareholders' equity		
Share capital	9,595	9,595
Capital surplus	13,436	13,414
Retained earnings	274,533	292,032
Treasury shares	(11,061)	(10,922)
Total shareholders' equity	286,503	304,119
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,694	31,482
Foreign currency translation adjustment	6,599	10,822
Remeasurements of defined benefit plans	670	589
Total accumulated other comprehensive income	26,964	42,894
Share acquisition rights	162	107
Non-controlling interests	10,589	13,379
Total net assets	324,220	360,501
Total liabilities and net assets	393,165	429,529

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	273,416	271,310
Cost of sales	226,703	217,813
Gross profit	46,712	53,497
Selling, general and administrative expenses	16,693	18,685
Operating profit	30,019	34,811
Non-operating income		
Interest income	238	764
Dividend income	2,385	1,786
Share of profit of entities accounted for using equity method	1,363	692
Rental income from real estate	787	588
Other	349	384
Total non-operating income	5,123	4,216
Non-operating expenses		
Interest expenses	212	134
Foreign exchange losses	33	94
Rental expenses on real estate	309	279
Loss on investments in investment partnerships	62	69
Other	109	95
Total non-operating expenses	727	673
Ordinary profit	34,416	38,355
Extraordinary income		
Gain on sale of non-current assets	111	23
Gain on sale of investment securities	735	37
Gain on sale of shares of subsidiaries and associates	-	559
Insurance claim income	37	188
Other	16	13
Total extraordinary income	899	821
Extraordinary losses		
Loss on retirement of non-current assets	167	736
Loss on sale of investment securities	703	43
Impairment losses	123	-
Other	61	37
Total extraordinary losses	1,055	818
Profit before income taxes	34,260	38,358
Income taxes - current	10,141	10,242
Income taxes - deferred	(783)	273
Total income taxes	9,358	10,515
Profit	24,902	27,842
Profit attributable to non-controlling interests	737	1,729
Profit attributable to owners of parent	24,164	26,113

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit	24,902	27,842
Other comprehensive income		
Valuation difference on available-for-sale securities	(937)	12,705
Foreign currency translation adjustment	6,156	4,204
Remeasurements of defined benefit plans, net of tax	(49)	(80)
Share of other comprehensive income of entities accounted for using equity method	(1,631)	(458)
Total other comprehensive income	3,538	16,371
Comprehensive income	28,440	44,213
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	26,925	42,043
Comprehensive income attributable to non-controlling interests	1,515	2,170

Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,595	15,796	257,951	(10,072)	273,270
Changes during period					
Dividends of surplus			(7,274)		(7,274)
Profit attributable to owners of parent			24,164		24,164
Purchase of treasury shares				(1,284)	(1,284)
Disposal of treasury shares		37		296	333
Change in scope of consolidation			(308)		(308)
Purchase of shares of consolidated subsidiaries		(2,396)			(2,396)
Capital increase of consolidated subsidiaries					-
Net changes in items other than shareholders' equity					
Total changes during period	-	(2,359)	16,581	(988)	13,233
Balance at end of period	9,595	13,436	274,533	(11,061)	286,503

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	22,477	1,006	720	24,204	162	9,955	307,593
Changes during period							
Dividends of surplus							(7,274)
Profit attributable to owners of parent							24,164
Purchase of treasury shares							(1,284)
Disposal of treasury shares							333
Change in scope of consolidation							(308)
Purchase of shares of consolidated subsidiaries							(2,396)
Capital increase of consolidated subsidiaries							-
Net changes in items other than shareholders' equity	(2,782)	5,593	(50)	2,760	-	633	3,393
Total changes during period	(2,782)	5,593	(50)	2,760	-	633	16,627
Balance at end of period	19,694	6,599	670	26,964	162	10,589	324,220

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,595	13,436	274,533	(11,061)	286,503
Changes during period					
Dividends of surplus			(9,938)		(9,938)
Profit attributable to owners of parent			26,113		26,113
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		(2)		140	138
Change in scope of consolidation			1,323		1,323
Purchase of shares of consolidated subsidiaries		(10)			(10)
Capital increase of consolidated subsidiaries		(8)			(8)
Net changes in items other than shareholders' equity					
Total changes during period	-	(21)	17,499	138	17,615
Balance at end of period	9,595	13,414	292,032	(10,922)	304,119

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	19,694	6,599	670	26,964	162	10,589	324,220
Changes during period							
Dividends of surplus							(9,938)
Profit attributable to owners of parent							26,113
Purchase of treasury shares							(1)
Disposal of treasury shares							138
Change in scope of consolidation							1,323
Purchase of shares of consolidated subsidiaries							(10)
Capital increase of consolidated subsidiaries							(8)
Net changes in items other than shareholders' equity	11,788	4,222	(80)	15,930	(55)	2,790	18,664
Total changes during period	11,788	4,222	(80)	15,930	(55)	2,790	36,280
Balance at end of period	31,482	10,822	589	42,894	107	13,379	360,501

Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	34,260	38,358
Depreciation	6,319	6,563
Impairment losses	123	-
Amortization of goodwill	37	25
Increase (decrease) in allowance for doubtful accounts	(51)	2
Increase (decrease) in provision for bonuses	145	(70)
Increase (decrease) in provision for bonuses for directors (and other officers)	26	(22)
Increase (decrease) in retirement benefit liability	(32)	(57)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(27)	62
Interest and dividend income	(2,623)	(2,550)
Interest expenses	212	134
Share of loss (profit) of entities accounted for using equity method	(1,363)	(692)
Loss (gain) on sale of property, plant and equipment	(108)	(20)
Loss on retirement of non-current assets	167	736
Loss (gain) on sale and valuation of investment securities	(32)	(553)
Decrease (increase) in trade receivables	(1,593)	291
Decrease (increase) in inventories	(2,742)	6,089
Decrease (increase) in other assets	433	272
Increase (decrease) in trade payables	(1,882)	(6,005)
Increase (decrease) in other liabilities	172	1,440
Increase (decrease) in accrued consumption taxes	894	(111)
Other, net	(508)	266
Subtotal	31,827	44,160
Interest and dividends received	2,887	4,050
Interest paid	(212)	(134)
Income taxes paid	(10,011)	(12,388)
Net cash provided by (used in) operating activities	24,491	35,687

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from investing activities		
Net decrease (increase) in time deposits	4,631	(3,495)
Net decrease (increase) in short-term investment securities	788	(270)
Purchase of investment securities	(1,963)	(5,784)
Purchase of shares of subsidiaries and associates	(916)	-
Proceeds from sale and redemption of investment securities	8,229	4,885
Purchase of property, plant and equipment and intangible assets	(6,634)	(15,737)
Proceeds from sale of property, plant and equipment and intangible assets	223	33
Other, net	(52)	(612)
Net cash provided by (used in) investing activities	4,305	(20,981)
Cash flows from financing activities		
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(3,380)	(1,168)
Net increase (decrease) in short-term borrowings	2,727	(4,626)
Proceeds from long-term borrowings	1,800	1,700
Repayments of long-term borrowings	(202)	(860)
Proceeds from sale of treasury shares	283	-
Purchase of treasury shares	(1,284)	(1)
Dividends paid	(7,273)	(9,936)
Proceeds from share issuance to non-controlling shareholders	-	2,127
Dividends paid to non-controlling interests	(287)	(358)
Net cash provided by (used in) financing activities	(7,617)	(13,123)
Effect of exchange rate change on cash and cash equivalents	828	640
Net increase (decrease) in cash and cash equivalents	22,007	2,223
Cash and cash equivalents at beginning of period	53,058	75,124
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	58	67
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	-	3
Cash and cash equivalents at end of period	75,124	77,418