

**Consolidated Financial Results**  
**for the Fiscal Year Ended March 31, 2022**  
**[Japanese GAAP]**



May 13, 2022

Company name: DAIKI Aluminium Industry Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Code number: 5702

URL: <https://www.dik-net.com/>

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Scheduled date of annual general meeting of shareholders: June 22, 2022

Scheduled date of commencing dividend payments: June 23, 2022

Scheduled date of filing securities report: June 23, 2022

Availability of supplementary explanatory materials on annual financial results: No

Schedule of annual financial results briefing session: No

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

**1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 - March 31, 2022)**

(1) Consolidated Operating Results (% indicates changes from the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2022	236,056	69.6	20,376	120.4	20,665	128.4	14,880	142.2
March 31, 2021	139,194	(12.5)	9,245	19.8	9,046	17.1	6,142	10.0

(Note) Comprehensive income: Fiscal year ended March 31, 2022: ¥16,486 million [180.1%]

Fiscal year ended March 31, 2021: ¥5,886 million [9.4%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2022	367.40	361.81	29.6	17.3	8.6
March 31, 2021	151.67	149.36	15.1	10.0	6.6

(Reference) Equity in earnings of affiliated companies: Fiscal year ended March 31, 2022: ¥ – million

Fiscal year ended March 31, 2021: ¥ – million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2022	141,616	58,505	40.7	1,421.62
As of March 31, 2021	97,567	43,785	44.2	1,063.85

(Reference) Equity: As of March 31, 2022: ¥57,578 million

As of March 31, 2021: ¥43,088 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 year-end
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2022	(15,621)	(3,417)	17,912	4,779
March 31, 2021	(4,521)	(4,972)	6,219	5,702

## 2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2021	–	10.00	–	18.00	28.00	1,134	18.5	2.8
Fiscal year ended March 31, 2022	–	25.00	–	35.00	60.00	2,430	16.3	4.8
Fiscal year ending March 31, 2023 (Forecast)	–	30.00	–	30.00	60.00		–	

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 - March 31, 2023)

(% 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
Six months ending September 30 (Cumulative)	143,200	39.2	8,680	(13.0)	8,820	(11.7)	6,400	(11.0)	158.02
Full year	299,600	26.9	17,030	(16.4)	17,070	(17.4)	12,370	(16.9)	305.42

**\* Notes:**

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

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement  
1) Changes in accounting policies due to the revision of accounting standards: Yes  
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):

As of March 31, 2022: 43,629,235 shares  
As of March 31, 2021: 43,629,235 shares

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

As of March 31, 2022: 3,127,266 shares  
As of March 31, 2021: 3,126,975 shares

3) Average number of shares during the period:

Year ended March 31, 2022: 40,502,116 shares  
Year ended March 31, 2021: 40,502,383 shares

**(Reference) Summary of Non-consolidated Financial Results**

**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 - March 31, 2022)**

(1) Non-consolidated Operating Results (% indicates changes from the previous fiscal year.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2022	144,567	63.0	5,325	69.5	9,178	87.4	7,150	94.5
March 31, 2021	88,688	(3.6)	3,141	35.1	4,897	45.2	3,676	27.0

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2022	176.55	173.87
March 31, 2021	90.77	89.39

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2022	86,279	37,012	42.7	910.25
As of March 31, 2021	65,542	31,679	48.1	778.58

(Reference) Equity: As of March 31, 2022: ¥36,867 million  
As of March 31, 2021: ¥31,534 million

**2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 - March 31, 2023)**

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ending September 30 (Cumulative)	92,300	46.0	2,020	(28.0)	2,580	(23.9)	1,880	(22.7)	46.42
Full year	187,700	29.8	4,040	(24.1)	7,300	(20.5)	5,900	(17.5)	145.67

Notes regarding financial results forecast

\* These financial results are outside the scope of audit.

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

The earnings forecasts and other forward-looking statements herein regarding financial results forecast for the fiscal year ending March 31, 2023 are based on information available to the Company at the time of preparation and certain assumptions deemed to be reasonable, and actual results may vary significantly due to various factors. For the assumptions used for the earnings forecasts and the notes regarding the use thereof, please refer to “1. Overview of Operating Results, etc., (4) Future Outlook” on page 4 of the attached document.

Table of Contents - Attachments

1. Overview of Operating Results, etc. ....	2
(1) Overview of Operating Results for the Fiscal Year under Review .....	2
(2) Overview of Financial Position for the Fiscal Year under Review .....	2
(3) Overview of Cash Flows for the Fiscal Year under Review .....	3
(4) Future Outlook .....	4
2. Basic Policy on Selection of Accounting Standards .....	4
3. Consolidated Financial Statements and Principal Notes .....	5
(1) Consolidated Balance Sheet .....	5
(2) Consolidated Statements of Income and Comprehensive Income .....	7
(3) Consolidated Statements of Changes in Equity .....	9
(4) Consolidated Statements of Cash Flows .....	11
(5) Notes to Consolidated Financial Statements .....	12
(Notes on Going Concern Assumption) .....	12
(Changes in Accounting Policies) .....	12
(Additional Information) .....	12
(Segment Information, Etc.) .....	13
(Per Share Information) .....	15
(Significant Subsequent Events) .....	16

## 1. Overview of Operating Results, etc.

### (1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year ended March 31, 2022, the Japanese economy saw restrictions on economic and consumer activities again due to the spread of novel coronavirus (COVID-19), causing a series of state/quasi-state of emergency declarations. Meanwhile, overseas, the outlook for the global economy remained extremely uncertain due to the spread of COVID-19 and Russia's invasion in Ukraine.

Amid this environment, automakers, which are its major clients, were forced to reduce production due to the spread of COVID-19 as well as the impact of the shortage of semiconductors and parts produced overseas. However, the Group's production volume remained stable due to the decrease in supply of competitive products made mainly in China and other countries and steady change in the market price of aluminum, both of which became tailwinds.

As a result, the Group's consolidated net sales for the fiscal year ended March 31, 2022 amounted to a combined total of ¥236,056 million (up 69.6% year on year), including ¥157,994 million in secondary aluminium alloy ingots (up 77.6% year on year) and ¥78,062 million in merchandise and raw materials (up 55.4% year on year), due mainly to higher average selling prices compared to the same period of the previous fiscal year.

In addition, given the steady increase in the price difference (spread) between product and raw material prices and strong performance of consolidated subsidiaries overseas, ordinary profit was ¥20,665 million (up 128.4% year on year) and profit attributable to owners of parent was ¥14,880 million (up 142.2% year on year).

The Group adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020), etc. effective from the beginning of the fiscal year. Therefore, figures used in comparisons with the previous corresponding period are calculated based on different standards. For further details, please refer to "3. Consolidated Financial Statements and Principal Notes, (5) Notes to Consolidated Financial Statements, (Changes in Accounting Policies)."

### (2) Overview of Financial Position for the Fiscal Year under Review

#### Status of Assets, Liabilities and Net Assets

##### a) Current Assets

The balance of current assets as of March 31, 2022 was ¥113,500 million, up ¥42,632 million from the end of the previous fiscal year. This was mainly due to increases of ¥20,176 million in notes and accounts receivable - trade, ¥9,997 million in merchandise and finished goods, and ¥12,595 million in raw materials and supplies, respectively, and a decrease of ¥914 million in cash and deposits.

##### b) Non-current Assets

The balance of non-current assets as of March 31, 2022 was ¥28,115 million, up ¥1,416 million from the end of the previous fiscal year. This was mainly due to increases of ¥1,134 million in property, plant and equipment, and ¥103 million in retirement benefit asset, respectively.

##### c) Current Liabilities

The balance of current liabilities as of March 31, 2022 was ¥72,271 million, up ¥28,036 million from the end of the previous fiscal year. This was mainly due to increases of ¥5,291 million in notes and accounts payable - trade and ¥19,931 million in short-term borrowings, respectively.

##### d) Non-current Liabilities

The balance of non-current liabilities as of March 31, 2022 was ¥10,839 million, up ¥1,291 million from the end of the previous fiscal year. This was mainly due to increases of ¥805 million in long-term borrowings and ¥453 million in deferred tax liabilities, respectively.

e) Net Assets

The balance of net assets as of March 31, 2022 was ¥58,505 million, up ¥14,720 million from the end of the previous fiscal year. This was mainly due to increases of ¥13,138 million in retained earnings and ¥1,407 million in foreign currency translation adjustment, respectively.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents (the “funds”) as of March 31, 2022 stood at ¥4,779 million, down ¥923 million yen from the end of the previous fiscal year.

The status of cash flows as of March 31, 2022 and their contributing factors are as follows.

a) Cash flows from operating activities

Funds decreasing in operating activities for the fiscal year ended March 31, 2022 amounted to ¥15,621 million (funds decreased by ¥4,521 million at the end of the previous fiscal year), mainly due to the recording of profit before income taxes, an increase of funds caused by an increase in trade payables, and a decrease of funds caused by increases in trade receivables and inventories.

b) Cash flows from investing activities

Funds decreasing in investing activities for the fiscal year ended March 31, 2022 amounted to ¥3,417 million (funds decreased by ¥4,972 million at the end of the previous fiscal year), mainly due to the purchase of property, plant and equipment.

c) Cash flows from financing activities

Funds increasing in financing activities for the fiscal year ended March 31, 2022 amounted to ¥17,912 million (funds increased by ¥6,219 million at the end of the previous fiscal year), mainly due to the net increase in short-term borrowings, proceeds from and repayments of long-term borrowings, and dividends paid.

A trend of cash flow indicators is as follows.

(Reference) Cash flow related indicators

	FY ended March 31, 2019	FY ended March 31, 2020	FY ended March 31, 2021	FY ended March 31, 2022
Equity ratio (%)	37.4	45.8	44.2	40.7
Equity ratio at market price (%)	29.8	28.1	44.5	45.0
Interest-bearing debt to cash flow ratio (years)	3.4	1.5	–	–
Interest coverage ratio (times)	12.8	26.7	–	–

(Notes) Interest-bearing debt to cash flow ratio (years) and interest coverage ratio (times) for FY ended March 31, 2021 and FY ended March 31, 2022 are omitted because operating cash flow was negative.

Equity ratio:  $\text{Equity} / \text{Total assets}$

Equity ratio at market price:  $\text{Current aggregate value of shares} / \text{Total assets}$

Interest-bearing debt to cash flow ratio:  $\text{Interest-bearing debt} / \text{Cash flow}$

Interest coverage ratio:  $\text{Cash flow} / \text{Interest expenses}$

\* These indicators are calculated based on consolidated figures.

\* The current aggregate value of shares is calculated by multiplying the closing stock price at fiscal year-end by the total number of issued shares at fiscal year-end, excluding treasury shares.

\* Operating cash flow is used for cash flow.

Cash flows from operating activities in the Consolidated Statements of Cash Flows are used for the operating cash flow. Interest-bearing debt covers all debt bearing interest recorded in the Consolidated Balance Sheet. Interest expenses in the Consolidated Statements of Cash Flows are used for the interest expenses.

(4) Future Outlook

As for the future outlook, an unpredictable situation is expected to persist as the world economy may enter a slowdown due to the global decrease in consumer spending and the stagnation of production activities caused by the serious situation in Ukraine.

At the same time, the secondary aluminium alloy industry is expected to remain extremely uncertain due to the disruption of supply chain of parts makers caused by the shortage of semiconductors in automakers, which are its major clients.

Against this backdrop, the Group is determined to make every effort to develop its business by building an efficient production system which meets demands and a purchasing system which can promptly adapt to the fluctuation of raw material prices and taking other necessary actions to quickly respond to the changes in the course of time.

The Group expects the consolidated net sales of ¥299,600 million and ordinary profit of ¥17,070 million for the next fiscal year.

2. Basic Policy on Selection of Accounting Standards

The Group's policy is to prepare Consolidated Financial Statements based on Japanese GAAP, considering the comparability of Consolidated Financial Statements among different periods and companies.

Regarding the application of IFRS, the Group's policy is to respond to it adequately considering both domestic and overseas trends.



### 3. Consolidated Financial Statements and Principal Notes

#### (1) Consolidated Balance Sheet

(Million yen)

	As of March 31, 2021	As of March 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	5,777	4,862
Notes and accounts receivable - trade	37,915	58,091
Merchandise and finished goods	10,847	20,845
Work in process	138	145
Raw materials and supplies	12,443	25,039
Other	3,755	4,519
Allowance for doubtful accounts	(8)	(3)
Total current assets	70,868	113,500
Non-current assets		
Property, plant and equipment		
Buildings and structures	16,433	17,635
Accumulated depreciation	(8,409)	(8,969)
Buildings and structures, net	8,023	8,665
Machinery, equipment and vehicles	29,550	31,308
Accumulated depreciation	(21,272)	(22,820)
Machinery, equipment and vehicles, net	8,278	8,488
Tools, furniture and fixtures	1,615	1,723
Accumulated depreciation	(1,274)	(1,360)
Tools, furniture and fixtures, net	341	362
Land	3,841	3,893
Leased assets	1,216	1,287
Accumulated depreciation	(382)	(339)
Leased assets, net	834	947
Construction in progress	160	258
Total property, plant and equipment	21,480	22,615
Intangible assets	124	115
Investments and other assets		
Investment securities	3,828	3,832
Long-term loans receivable	3	3
Retirement benefit asset	553	656
Deferred tax assets	252	348
Other	682	805
Allowance for doubtful accounts	(227)	(262)
Total investments and other assets	5,093	5,384
Total non-current assets	26,698	28,115
Total assets	97,567	141,616

DAIKI Aluminium Industry Co., Ltd. (5702)  
Consolidated Financial Results for the Fiscal Year Ended March 31, 2022

(Million yen)

	As of March 31, 2021	As of March 31, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	8,566	13,858
Short-term borrowings	30,241	50,172
Accounts payable - other	1,254	1,642
Income taxes payable	1,351	2,746
Accrued consumption taxes	115	221
Accrued expenses	1,787	1,973
Provision for bonuses	357	447
Other	559	1,209
Total current liabilities	44,234	72,271
Non-current liabilities		
Long-term borrowings	7,725	8,531
Provision for retirement benefits for directors (and other officers)	10	12
Retirement benefit liability	206	247
Lease liabilities	100	75
Asset retirement obligations	229	244
Deferred tax liabilities	1,123	1,576
Other	150	150
Total non-current liabilities	9,548	10,839
Total liabilities	53,782	83,110
Net assets		
Shareholders' equity		
Share capital	6,346	6,346
Capital surplus	8,843	8,843
Retained earnings	28,538	41,677
Treasury shares	(1,340)	(1,341)
Total shareholders' equity	42,387	55,526
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,195	1,233
Deferred gains or losses on hedges	14	(99)
Foreign currency translation adjustment	(745)	661
Remeasurements of defined benefit plans	236	256
Total accumulated other comprehensive income	700	2,052
Share acquisition rights	145	145
Non-controlling interests	551	781
Total net assets	43,785	58,505
Total liabilities and net assets	97,567	141,616

DAIKI Aluminium Industry Co., Ltd. (5702)  
Consolidated Financial Results for the Fiscal Year Ended March 31, 2022

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

(Million yen)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Net sales	139,194	236,056
Cost of sales	123,063	206,795
Gross profit	16,130	29,261
Selling, general and administrative expenses		
Transportation costs	3,063	4,543
Entertainment expenses	39	41
Travel and transportation expenses	122	132
Remuneration for directors (and other officers)	242	317
Salaries and allowances	1,052	1,055
Provision for retirement benefits for directors (and other officers)	1	1
Provision for bonuses	84	87
Retirement benefit expenses	52	30
Rent expenses	72	57
Depreciation	192	222
Provision of allowance for doubtful accounts	34	32
Other	1,926	2,362
Total selling, general and administrative expenses	6,885	8,884
Operating profit	9,245	20,376
Non-operating income		
Interest income	30	41
Dividend income	209	270
Foreign exchange gains	-	366
Technical advisory fee income	2	21
Subsidies for employment adjustment	50	-
Gain on sales of iron scrap	69	146
Other	132	205
Total non-operating income	495	1,052
Non-operating expenses		
Interest expenses	385	627
Loss on sale of notes receivable - trade	4	9
Foreign exchange losses	270	-
Other	33	126
Total non-operating expenses	694	763
Ordinary profit	9,046	20,665
Extraordinary income		
Gain on sale of non-current assets	6	11
Total extraordinary income	6	11
Extraordinary losses		
Loss on sale and retirement of non-current assets	94	87
Total extraordinary losses	94	87
Profit before income taxes	8,958	20,590
Income taxes - current	2,644	5,131
Income taxes - deferred	130	373
Total income taxes	2,774	5,504
Profit	6,183	15,085
Profit attributable to non-controlling interests	40	204
Profit attributable to owners of parent	6,142	14,880

DAIKI Aluminium Industry Co., Ltd. (5702)  
Consolidated Financial Results for the Fiscal Year Ended March 31, 2022

Consolidated Statement of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Profit	6,183	15,085
Other comprehensive income		
Valuation difference on available-for-sale securities	586	37
Deferred gains or losses on hedges	(63)	(113)
Foreign currency translation adjustment	(1,129)	1,455
Remeasurements of defined benefit plans, net of tax	309	21
Total other comprehensive income	(297)	1,401
Comprehensive income	5,886	16,486
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,863	16,232
Comprehensive income attributable to non-controlling interests	23	254

DAIKI Aluminium Industry Co., Ltd. (5702)  
Consolidated Financial Results for the Fiscal Year Ended March 31, 2022

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,346	8,835	23,326	(1,340)	37,167
Cumulative effects of changes in accounting policies					–
Restated balance	6,346	8,835	23,326	(1,340)	37,167
Changes during period					
Dividends of surplus			(931)		(931)
Profit attributable to owners of parent			6,142		6,142
Purchase of treasury shares				(0)	(0)
Change in ownership interest of parent due to transactions with non-controlling interests		8			8
Net changes in items other than shareholders' equity					
Total changes during period	–	8	5,211	(0)	5,219
Balance at end of period	6,346	8,843	28,538	(1,340)	42,387

	Accumulated other comprehensive income					Share acquisition rights	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 period	609	77	367	(73)	980	145	397	38,691
Cumulative effects of changes in accounting policies								–
Restated balance	609	77	367	(73)	980	145	397	38,691
Changes during period								
Dividends of surplus								(931)
Profit attributable to owners of parent								6,142
Purchase of treasury shares								(0)
Change in ownership interest of parent due to transactions with non-controlling interests								8
Net changes in items other than shareholders' equity	586	(63)	(1,112)	309	(279)	–	153	(125)
Total changes during period	586	(63)	(1,112)	309	(279)	–	153	5,093
Balance at end of period	1,195	14	(745)	236	700	145	551	43,785

DAIKI Aluminium Industry Co., Ltd. (5702)  
Consolidated Financial Results for the Fiscal Year Ended March 31, 2022

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,346	8,843	28,538	(1,340)	42,387
Cumulative effects of changes in accounting policies			(0)		(0)
Restated balance	6,346	8,843	28,538	(1,340)	42,387
Changes during period					
Dividends of surplus			(1,741)		(1,741)
Profit attributable to owners of parent			14,880		14,880
Purchase of treasury shares				(0)	(0)
Change in ownership interest of parent due to transactions with non-controlling interests					-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	13,138	(0)	13,138
Balance at end of period	6,346	8,843	41,677	(1,341)	55,526

	Accumulated other comprehensive income					Share acquisition rights	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 period	1,195	14	(745)	236	700	145	551	43,785
Cumulative effects of changes in accounting policies								(0)
Restated balance	1,195	14	(745)	236	700	145	551	43,784
Changes during period								
Dividends of surplus								(1,741)
Profit attributable to owners of parent								14,880
Purchase of treasury shares								(0)
Change in ownership interest of parent due to transactions with non-controlling interests								-
Net changes in items other than shareholders' equity	37	(113)	1,407	19	1,351	-	230	1,581
Total changes during period	37	(113)	1,407	19	1,351	-	230	14,720
Balance at end of period	1,233	(99)	661	256	2,052	145	781	58,505

DAIKI Aluminium Industry Co., Ltd. (5702)  
Consolidated Financial Results for the Fiscal Year Ended March 31, 2022

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	8,958	20,590
Depreciation	2,901	3,196
Increase (decrease) in retirement benefit liability	13	39
Decrease (increase) in retirement benefit asset	47	(77)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	1	1
Increase (decrease) in allowance for doubtful accounts	23	30
Interest and dividend income	(240)	(312)
Interest expenses	385	627
Foreign exchange losses (gains)	89	(62)
Loss (gain) on sale and retirement of non-current assets	88	75
Decrease (increase) in trade receivables	(8,953)	(19,091)
Decrease (increase) in inventories	(7,475)	(21,679)
Decrease (increase) in advance payments to suppliers	(400)	161
Decrease (increase) in accounts receivable - other	(237)	(395)
Increase (decrease) in trade payables	1,879	4,779
Increase (decrease) in accounts payable - other	326	387
Increase (decrease) in accrued expenses	146	142
Other, net	(498)	214
Subtotal	(2,942)	(11,372)
Interest and dividends received	240	312
Interest paid	(385)	(622)
Proceeds from insurance income	270	-
Income taxes paid	(1,705)	(3,938)
Net cash provided by (used in) operating activities	(4,521)	(15,621)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(4,777)	(3,418)
Proceeds from sale of property, plant and equipment	12	25
Purchase of investment securities	(206)	-
Payments of guarantee deposits	10	(37)
Other, net	(12)	13
Net cash provided by (used in) investing activities	(4,972)	(3,417)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	8,434	16,777
Proceeds from long-term borrowings	2,710	7,100
Repayments of long-term borrowings	(4,042)	(4,129)
Net decrease (increase) in treasury shares	(0)	(0)
Dividends paid	(931)	(1,741)
Proceeds from issuance of shares	172	-
Dividends paid to non-controlling interests	(33)	(23)
Other, net	(89)	(69)
Net cash provided by (used in) financing activities	6,219	17,912
Effect of exchange rate change on cash and cash equivalents	(199)	202
Net increase (decrease) in cash and cash equivalents	(3,474)	(923)
Cash and cash equivalents at beginning of period	9,177	5,702
Cash and cash equivalents at end of period	5,702	4,779

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Changes in Accounting Policies)

(Application of the Accounting Standard for Revenue Recognition, etc.)

The Group has adopted the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and other standards from the beginning of the fiscal year, and it recognizes revenue at the amount expected to be received in exchange for the promised goods or services when control of the goods or services is transferred to the customer. Accordingly, while the total amount of consideration received from the customer was formerly recognized as revenue for certain transactions, the Group now recognizes revenue at the net amount received from the customer less the amount paid to the supplier for transactions in which the Group’s role in providing goods or services to the customer is that of an agent.

With regard to the adoption of Accounting Standard for Revenue Recognition, in accordance with the transitional treatment stipulated in the proviso to Paragraph 84 of the Accounting Standard for Revenue Recognition, the cumulative effect of retrospectively applying the new accounting policies prior to the beginning of the fiscal year has been added to or deducted from retained earnings as of the beginning of the fiscal year, and the new accounting policies have been adopted from the beginning balance of the said period. However, the new accounting policies were not retrospectively applied to contracts where recognitions of nearly all the revenue amounts for periods prior to the beginning of the fiscal year were subject to the previous treatment, by applying the method stipulated in Paragraph 86 of the Accounting Standard for Revenue Recognition. In addition, the Group has applied the method stipulated in proviso (1) of Paragraph 86 of the Accounting Standard for Revenue Recognition. Accordingly, contract changes made prior to the beginning of the fiscal year were accounted for based on the contract conditions after applying all changes, and the cumulative effect has been added to or deducted from retained earnings as of the beginning of the fiscal year.

As a result, during the fiscal year ended March 31, 2022, net sales decreased by ¥690 million, and cost of sales decreased by ¥690 million. Furthermore, the effect of these changes on operating profit, ordinary profit, profit before income taxes, and the balance of retained earnings at the beginning of the period was immaterial.

(Application of Accounting Standard for Fair Value Measurement)

The Group has adopted the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019) and other standards from the beginning of the fiscal year. In accordance with the transitional treatment set forth in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019), the Group has decided to apply the new accounting policies prescribed in the Accounting Standard for Fair Value Measurement and other standards in future years. This has no impact on the consolidated financial statements.

(Additional Information)

It is not clear when the Covid-19 pandemic will come to an end. If the impact of the pandemic expands again globally, the Group’s performance and financial status may be adversely affected, causing deterioration of the operation of the factories of the Group and customers. As a result of financial estimates of depreciation of non-current assets and recovery of deferred tax assets based on the presumption, the Group found that these factors do not affect financial position and operating results of this fiscal year. Please note that this presumption is highly uncertain, and such factors may have an impact on the financial position and operating results in the future if the pandemic remains unchanged further and it affects the Group for a longer period of time.



(Segment Information, Etc.)

[Segment information]

1. Overview of reportable segments

The Group's reportable segment is a component of an entity for which separate financial information is available and evaluated regularly by the Board of Directors in determining the allocation of management resources and in assessing performance.

The Group's reportable segment is "secondary aluminium alloy," as the Group's main business is manufacturing and sales of secondary aluminium alloy.

2. Calculation methods of net sales, income (loss) and assets by reportable segment

The accounting for business segments reported is substantially the same as those described in the "Significant Accounting Policies for Preparation of Consolidated Financial Statements." Intersegment sales or transfers are based on the market price and other information.

The business segment income is based on operating profit before goodwill amortization.

3. Information on net sales, income (loss), assets and other items by reportable segment

For the fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Million yen)

	Reportable segment	Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Consolidated Financial Statements (Note 3)
	Secondary aluminium alloy				
Net sales					
Net sales to outside customers	135,096	4,098	139,194	-	139,194
Inter-segment net sales or transfers	955	21	977	(977)	-
Total	136,052	4,120	140,172	(977)	139,194
Segment income (loss)	8,891	365	9,257	(11)	9,245
Segment asset	92,844	5,267	98,111	(544)	97,567

(Notes) 1. "Others" is the business segment not categorized in the reportable segment. They include die-cast products business, etc.

2. Adjustments are as follows.

(1) The segment income (loss) adjustment of ¥ (11) million includes intersegment transactions elimination of ¥ 4 million and goodwill amortization of ¥ (16) million.

(2) The segment asset adjustment of ¥ (544) million includes intersegment elimination of debts and credits of ¥ (526) million.

3. Segment income (loss) is adjusted to the operating profit figure on the Consolidated Statement of Income.

DAIKI Aluminium Industry Co., Ltd. (5702)  
Consolidated Financial Results for the Fiscal Year Ended March 31, 2022

For the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Million yen)

	Reportable segment	Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Consolidated Financial Statements (Note 3)
	Secondary aluminium alloy				
Net sales					
Net sales to outside customers	231,236	4,819	236,056	–	236,056
Inter-segment net sales or transfers	1,369	33	1,403	(1,403)	–
Total	232,606	4,853	237,460	(1,403)	236,056
Segment income (loss)	19,608	772	20,381	(4)	20,376
Segment asset	136,688	5,639	142,327	(711)	141,616

(Notes) 1. “Others” is the business segment not categorized in the reportable segment. They include die-cast products business, etc.

2. Adjustments are as follows.

(1) The segment income (loss) adjustment of ¥ (4) million includes intersegment transactions elimination of ¥ (4) million.

(2) The segment asset adjustment of ¥ (711) million includes intersegment elimination of debts and credits of ¥ (689) million.

3. Segment income (loss) is adjusted to the operating profit figure on the Consolidated Statement of Income.

DAIKI Aluminium Industry Co., Ltd. (5702)  
Consolidated Financial Results for the Fiscal Year Ended March 31, 2022

(Per Share Information)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Net assets per share	¥1,063.85	¥1,421.62
Basic earnings per share	¥151.67	¥367.40
Diluted earnings per share	¥149.36	¥361.81

(Notes) 1. Basic earnings per share and diluted earnings per share shall be calculated based on the following data.

Item	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Basic earnings per share		
Profit attributable to owners of parent (Million yen)	6,142	14,880
Amount not attributable to common shareholders (Million yen)	-	-
Profit attributable to owners of parent relating to common shares (Million yen)	6,142	14,880
Average number of common shares during the period (Shares)	40,502,383	40,502,116
Diluted earnings per share		
Adjustment for profit attributable to owners of parent (Million yen)	-	-
Increase in number of common shares (Shares)	625,051	625,564
(Share acquisition rights) (Shares)	(625,051)	(625,564)
Overview of residual shares not included in the calculation of diluted earnings per share due to their non-dilutive effect	-	

DAIKI Aluminium Industry Co., Ltd. (5702)  
Consolidated Financial Results for the Fiscal Year Ended March 31, 2022

2. Net assets per share shall be calculated based on the following data.

Item	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Total net assets (Million yen)	43,785	58,505
Amount deducted from total net assets (Million yen)	696	926
(Share acquisition rights)	(145)	(145)
(Non-controlling interests)	(551)	(781)
Year-end net assets related to common shares (Million yen)	43,088	57,578
Year-end number of common shares used to calculate net assets per share (Shares)	40,502,260	40,501,969

(Significant Subsequent Events)

Not applicable.