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Consolidated Financial Results for the Three Months Ended June 30, 2023 [IFRS]

July 28, 2023

Company name: Aichi Steel Corporation
 Stock exchange listing: Tokyo and Nagoya
 Code number: 5482
 URL: <https://www.aichi-steel.co.jp/ENGLISH/>
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Scheduled date of filing quarterly securities report: August 10, 2023
 Scheduled date of commencing dividend payments: -
 Availability of supplementary materials on quarterly financial results: No
 Holding of quarterly financial results briefing session: No

(Amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Three Months Ended June 30, 2023 (April 1, 2023 through June 30, 2023)

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

	Revenue		Operating profit		Profit before tax		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2023	73,813	10.4	3,067	—	3,576	—	2,628	—
June 30, 2022	66,857	8.6	(1,186)	—	(469)	—	(327)	—

	Profit attributable to owners of the parent		Comprehensive income		Basic earnings per share	Diluted earnings per share
	Million yen	%	Million yen	%	Yen	Yen
Three months ended June 30, 2023	2,277	—	5,726	80.4	115.43	115.43
June 30, 2022	(547)	—	3,175	(10.4)	(27.79)	(27.79)

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent
	Million yen	Million yen	Million yen	%
As of June 30, 2023	383,890	219,567	208,514	54.3
As of March 31, 2023	385,449	214,322	203,759	52.9

2. Cash Dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	—	10.00	—	20.00	30.00
Fiscal year ending March 31, 2024	—				
Fiscal year ending March 31, 2024 (Forecast)		40.00	—	40.00	80.00

(Note) Revision to the forecast for cash dividends announced most recently: Yes

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

(% 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
First half	149,500	6.9	4,000	—	4,500	272.9	3,000	—	152.18
Full year	308,000	8.0	8,000	145.4	8,500	107.4	5,000	210.5	253.64

(Note) Revision to the financial results forecast announced most recently: Yes

*** 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: None
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 June 30, 2023:	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 June 30, 2023:	158,988 shares
As of March 31, 2023:	158,902 shares

3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023:	19,727,751 shares
Three months ended June 30, 2022:	19,712,167 shares

* These quarterly consolidated financial results are outside the scope of quarterly review 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.

Condensed Quarterly Consolidated Financial Statements
Condensed Quarterly Consolidated Statements of Financial Position

(Million yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and cash equivalents	47,534	42,942
Trade and other receivables	63,511	62,120
Other financial assets	784	791
Inventories	54,381	56,352
Other current assets	801	840
Total current assets	167,012	163,047
Non-current assets		
Property, plant and equipment	126,665	127,084
Intangible assets	3,065	2,897
Trade and other receivables	36	33
Other financial assets	50,432	52,647
Retirement benefit asset	37,509	37,442
Deferred tax assets	721	729
Other non-current assets	5	7
Total non-current assets	218,436	220,842
Total assets	385,449	383,890
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	45,662	44,171
Borrowings	13,313	5,311
Other financial liabilities	1,018	1,348
Income taxes payable	617	542
Other current liabilities	4,593	5,757
Total current liabilities	65,205	57,131
Non-current liabilities		
Borrowings	73,081	73,080
Other financial liabilities	3,378	3,774
Retirement benefit liabilities	15,008	15,133
Provisions	751	741
Deferred tax liabilities	12,954	13,724
Other non-current liabilities	747	736
Total non-current liabilities	105,921	107,190
Total liabilities	171,126	164,322
Equity		
Share capital	25,016	25,016
Capital surplus	28,232	28,232
Retained earnings	120,167	122,047
Treasury shares	(955)	(955)
Other components of equity	31,298	34,173
Total equity attributable to owners of the parent	203,759	208,514
Non-controlling interests	10,562	11,052
Total equity	214,322	219,567
Total liabilities and equity	385,449	383,890

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

Condensed Quarterly Consolidated Statements of Profit or Loss
For the Three-Month Period

(Million yen)

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2023
Revenue	66,857	73,813
Cost of revenue	61,841	64,342
Gross profit	5,015	9,471
Selling, general and administrative expenses	6,195	6,307
Other income	151	101
Other expenses	158	197
Operating profit (loss)	(1,186)	3,067
Finance income	769	604
Finance expenses	52	94
Profit (loss) before tax	(469)	3,576
Income tax expenses	(141)	948
Profit (loss)	(327)	2,628
Profit (loss) attributable to:		
Owners of the parent	(547)	2,277
Non-controlling interests	219	351
Total	(327)	2,628
Earnings (loss) per share		
Basic earnings (loss) per share (Yen)	(27.79)	115.43
Diluted earnings (loss) per share (Yen)	(27.79)	115.43

Condensed Quarterly Consolidated Statements of Comprehensive Income
For the Three-Month Period

(Million yen)

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2023
Profit (loss)	(327)	2,628
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(0)	—
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	1,624	1,592
Total	1,624	1,592
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	1,878	1,505
Total	1,878	1,505
Total other comprehensive income	3,502	3,098
Comprehensive income	3,175	5,726
Comprehensive income attributable to:		
Owners of the parent	2,604	5,150
Non-controlling interests	570	576
Total	3,175	5,726

Condensed Quarterly Consolidated Statements of Changes in Equity
For the Three Months Ended June 30, 2022

(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
Loss	—	—	(547)	—	—	—	—	—	(547)	219	(327)
Other comprehensive income	—	—	—	—	(0)	1,512	1,639	3,152	3,152	350	3,502
Comprehensive income	—	—	(547)	—	(0)	1,512	1,639	3,152	2,604	570	3,175
Acquisition of treasury shares	—	—	—	(0)	—	—	—	—	(0)	—	(0)
Dividends	—	—	(197)	—	—	—	—	—	(197)	(111)	(308)
Changes in the ownership interest in subsidiaries	—	180	—	—	—	—	—	—	180	(493)	(312)
Transfer from other components of equity to retained earnings	—	—	(0)	—	0	—	0	0	—	—	—
Total transactions with owners	—	180	(197)	(0)	0	—	0	0	(16)	(604)	(620)
Balance as of June 30, 2022	25,016	28,232	120,998	(1,049)	—	4,381	26,556	30,937	204,136	10,893	215,029

For the Three Months Ended June 30, 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
					Exchange differences on translation of foreign operations	Net change in financial assets measured at fair value through other comprehensive income	Total				
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	—	—	2,277	—	—	—	—	2,277	351	2,628	
Other comprehensive income	—	—	—	—	1,285	1,587	2,873	2,873	225	3,098	
Comprehensive income	—	—	2,277	—	1,285	1,587	2,873	5,150	576	5,726	
Acquisition of treasury shares	—	—	—	(0)	—	—	—	(0)	—	(0)	
Dividends	—	—	(394)	—	—	—	—	(394)	(86)	(480)	
Transfer from other components of equity to retained earnings	—	—	(2)	—	—	2	2	—	—	—	
Total transactions with owners	—	—	(396)	(0)	—	2	2	(394)	(86)	(480)	
Balance as of June 30, 2023	25,016	28,232	122,047	(955)	5,310	28,862	34,173	208,514	11,052	219,567	