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Consolidated Financial Results for the Six Months Ended September 30, 2023 [IFRS]

October 31, 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: November 14, 2023
 Scheduled date of commencing dividend payments: November 27, 2023
 Availability of supplementary materials on quarterly financial results: Yes
 Holding of quarterly 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 Six Months Ended September 30, 2023 (April 1, 2023 through September 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	%
Six months ended								
September 30, 2023	149,314	6.8	4,722	—	5,217	332.4	3,926	426.6
September 30, 2022	139,809	13.7	291	(90.0)	1,206	(60.6)	745	(66.2)

	Profit attributable to owners of the parent		Comprehensive income		Basic earnings per share	Diluted earnings per share
	Million yen	%	Million yen	%	Yen	Yen
Six months ended						
September 30, 2023	3,254	—	9,764	142.2	164.91	164.91
September 30, 2022	223	(87.1)	4,032	18.1	11.33	11.33

(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 September 30, 2023	390,791	222,437	212,135	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	—	40.00			
Fiscal year ending March 31, 2024 (Forecast)			—	40.00	80.00

(Note) Revision to the forecast for cash dividends announced most recently: No

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
Full year	307,500	7.8	8,700	166.9	9,200	124.4	5,200	222.9	263.50

(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 September 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 September 30, 2023:	144,280 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)

Six months ended September 30, 2023:	19,734,031 shares
Six months ended September 30, 2022:	19,718,870 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 September 30, 2023
Assets		
Current assets		
Cash and cash equivalents	47,534	43,516
Trade and other receivables	63,511	67,204
Other financial assets	784	2,019
Inventories	54,381	53,359
Other current assets	801	944
Total current assets	167,012	167,043
Non-current assets		
Property, plant and equipment	126,665	127,018
Intangible assets	3,065	2,694
Trade and other receivables	36	30
Other financial assets	50,432	55,911
Retirement benefit asset	37,509	37,374
Deferred tax assets	721	710
Other non-current assets	5	7
Total non-current assets	218,436	223,747
Total assets	385,449	390,791
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	45,662	47,617
Borrowings	13,313	20,308
Other financial liabilities	1,018	1,455
Income taxes payable	617	1,029
Other current liabilities	4,593	5,354
Total current liabilities	65,205	75,765
Non-current liabilities		
Borrowings	73,081	58,078
Other financial liabilities	3,378	3,904
Retirement benefit liabilities	15,008	14,633
Provisions	751	734
Deferred tax liabilities	12,954	14,500
Other non-current liabilities	747	735
Total non-current liabilities	105,921	92,588
Total liabilities	171,126	168,353
Equity		
Share capital	25,016	25,016
Capital surplus	28,232	28,232
Retained earnings	120,167	122,977
Treasury shares	(955)	(867)
Other components of equity	31,298	36,775
Total equity attributable to owners of the parent	203,759	212,135
Non-controlling interests	10,562	10,302
Total equity	214,322	222,437
Total liabilities and equity	385,449	390,791

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 Six-Month Period

(Million yen)

	Six Months Ended September 30, 2022	Six Months Ended September 30, 2023
Revenue	139,809	149,314
Cost of revenue	126,553	129,985
Gross profit	13,256	19,328
Selling, general and administrative expenses	12,602	12,900
Other income	216	325
Other expenses	579	2,032
Operating profit	291	4,722
Finance income	1,044	689
Finance expenses	129	193
Profit before tax	1,206	5,217
Income tax expenses	461	1,291
Profit	745	3,926
Profit attributable to:		
Owners of the parent	223	3,254
Non-controlling interests	522	671
Total	745	3,926
Earnings per share		
Basic earnings per share (Yen)	11.33	164.91
Diluted earnings per share (Yen)	11.33	164.91

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

(Million yen)

	Six Months Ended September 30, 2022	Six Months Ended September 30, 2023
Profit	745	3,926
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	1,118	3,845
Total	1,118	3,845
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	2,168	1,992
Total	2,168	1,992
Total other comprehensive income	3,286	5,837
Comprehensive income	4,032	9,764
Comprehensive income attributable to:		
Owners of the parent	3,173	8,729
Non-controlling interests	859	1,034
Total	4,032	9,764

Condensed Quarterly Consolidated Statements of Changes in Equity
For the Six Months Ended September 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
Profit	—	—	223	—	—	—	—	—	223	522	745
Other comprehensive income	—	—	—	—	(0)	1,811	1,138	2,949	2,949	336	3,286
Comprehensive income	—	—	223	—	(0)	1,811	1,138	2,949	3,173	859	4,032
Acquisition of treasury shares	—	—	—	(0)	—	—	—	—	(0)	—	(0)
Disposal of treasury shares	—	—	(61)	94	—	—	—	—	32	—	32
Dividends	—	—	(197)	—	—	—	—	—	(197)	(1,255)	(1,452)
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	(259)	94	0	—	0	0	16	(1,748)	(1,732)
Balance as of September 30, 2022	25,016	28,232	121,708	(955)	—	4,679	26,055	30,735	204,737	10,037	214,775

For the Six Months Ended September 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	—	—	3,254	—	—	—	—	3,254	671	3,926	
Other comprehensive income	—	—	—	—	1,637	3,837	5,474	5,474	362	5,837	
Comprehensive income	—	—	3,254	—	1,637	3,837	5,474	8,729	1,034	9,764	
Acquisition of treasury shares	—	—	—	(0)	—	—	—	(0)	—	(0)	
Disposal of treasury shares	—	—	(47)	88	—	—	—	41	—	41	
Dividends	—	—	(394)	—	—	—	—	(394)	(1,295)	(1,689)	
Transfer from other components of equity to retained earnings	—	—	(2)	—	—	2	2	—	—	—	
Total transactions with owners	—	—	(443)	88	—	2	2	(353)	(1,295)	(1,648)	
Balance as of September 30, 2023	25,016	28,232	122,977	(867)	5,663	31,112	36,775	212,135	10,302	222,437	