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Consolidated Financial Results for the Year Ended March 31, 2023 [Japanese GAAP]

April 25, 2023

Company name: AICHI CORPORATION
Stock exchange listing: Tokyo, Nagoya
Code number: 6345
URL: https://www.aichi-corp.co.jp
Representative: Toshiya Yamagishi, President and Representative Director
Contact: Tadashi Okumura, Accounting General Manager
Phone: +81-48-781-1111
Scheduled date of Annual General Meeting of Shareholders: June 16, 2023
Scheduled date of commencing dividend payments: June 1, 2023
Scheduled date of filing annual securities report: June 19, 2023
Availability of supplementary briefing material on annual financial results: Yes
Schedule of annual financial results briefing session: Yes

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	60,678	7.2	7,351	7.1	8,016	3.6	5,958	5.5
March 31, 2022	56,591	(4.6)	6,861	(2.7)	7,736	0.4	5,644	(4.4)

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥ 5,651 million [(3.2)%]
Fiscal year ended March 31, 2022: ¥ 5,835 million [(31.0)%]

	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, 2023	79.16	-	7.7	8.6	12.1
March 31, 2022	74.09	-	7.6	8.5	12.1

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2023: ¥ 375 million
Fiscal year ended March 31, 2022: ¥ 639 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, 2023	95,695	78,573	82.1	1,044.71
March 31, 2022	90,559	76,043	84.0	1,006.05

(Reference) Equity: As of March 31, 2023: ¥ 78,573 million
As of March 31, 2022: ¥ 76,043 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, 2023	4,508	(2,253)	(3,225)	5,727
March 31, 2022	3,989	997	(3,216)	6,676

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, 2022	-	14.00	-	20.00	34.00	2,581	45.9	3.5
March 31, 2023	-	17.00	-	19.00	36.00	2,707	45.5	3.5
Fiscal year ending March 31, 2024 (Forecast)	-	19.00	-	19.00	38.00		47.7	

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

(% 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
Full year	61,000	0.5	7,500	2.0	8,050	0.4	6,000	0.7	79.72

* Notes:

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

(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):

March 31, 2023: 75,211,400 shares
March 31, 2022: 76,395,901 shares

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

March 31, 2023: 375 shares
March 31, 2022: 809,314 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2023: 75,268,286 shares
Fiscal Year ended March 31, 2022: 76,195,626 shares

* Financial results reports are not subjected to reviews.

* Explanation for appropriate use of financial forecasts and other special notes

The forecasts given in this document are based on the current available information in the company and certain reasonable assumptions of the company. And we don't commit to achieve these forecasting numbers. Actual results may differ from these forecasts by a variety of reasons.

Consolidated Financial Statements

Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	1,179,626	1,162,162
Deposits paid	36,897,023	37,865,486
Notes receivable - trade	2,856,931	3,408,581
Accounts receivable - trade	15,751,309	20,063,056
Merchandise and finished goods	896,832	1,065,423
Work in process	1,459,508	1,251,898
Raw materials and supplies	1,345,329	1,486,946
Other	758,981	1,249,447
Total current assets	61,145,543	67,553,002
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,417,152	19,505,384
Accumulated depreciation	(12,365,792)	(12,890,269)
Buildings and structures, net	7,051,360	6,615,115
Machinery, equipment and vehicles	9,768,965	9,957,769
Accumulated depreciation	(7,688,877)	(8,261,419)
Machinery, equipment and vehicles, net	2,080,087	1,696,350
Tools, furniture and fixtures	2,920,594	2,963,989
Accumulated depreciation	(2,728,102)	(2,788,596)
Tools, furniture and fixtures, net	192,491	175,392
Land	8,524,007	8,523,400
Leased assets	765,585	747,944
Accumulated depreciation	(433,678)	(485,104)
Leased assets, net	331,906	262,839
Construction in progress	1,369	341,940
Total property, plant and equipment	18,181,222	17,615,039
Intangible assets	665,998	601,208
Investments and other assets		
Investment securities	7,311,005	6,959,086
Other	3,262,562	2,973,787
Allowance for doubtful accounts	(6,758)	(6,653)
Total investments and other assets	10,566,810	9,926,220
Total non-current assets	29,414,030	28,142,468
Total assets	90,559,574	95,695,470

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,633,664	10,248,973
Lease liabilities	102,516	94,148
Income taxes payable	717,737	1,385,807
Provision for bonuses for directors (and other officers)	38,000	38,000
Provision for product warranties	228,271	153,065
Other	2,647,420	2,975,807
Total current liabilities	12,367,609	14,895,802
Non-current liabilities		
Lease liabilities	295,055	214,152
Deferred tax liabilities	704,782	695,862
Deferred tax liabilities for land revaluation	616,302	616,302
Retirement benefit liability	489,292	660,461
Other	42,780	39,142
Total non-current liabilities	2,148,213	2,225,920
Total liabilities	14,515,822	17,121,723
Net assets		
Shareholders' equity		
Share capital	10,425,325	10,425,325
Capital surplus	9,923,342	9,923,342
Retained earnings	52,416,619	54,606,278
Treasury shares	(646,937)	(313)
Total shareholders' equity	72,118,350	74,954,632
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,085,430	3,882,938
Revaluation reserve for land	(1,624,044)	(1,624,044)
Foreign currency translation adjustment	758,735	808,182
Remeasurements of defined benefit plans	705,280	552,038
Total accumulated other comprehensive income	3,925,401	3,619,115
Total net assets	76,043,752	78,573,747
Total liabilities and net assets	90,559,574	95,695,470

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net sales	56,591,208	60,678,851
Cost of sales	43,980,901	47,627,170
Gross profit	12,610,306	13,051,681
Selling, general and administrative expenses		
Packing and delivery expenses	747,374	479,842
Advertising expenses	50,689	72,348
Sales commission	37,782	33,027
Remuneration for directors (and other officers)	70,553	74,277
Salaries, allowances and bonuses	2,233,670	2,182,919
Provision for bonuses for directors (and other officers)	29,007	33,647
Retirement benefit expenses	142,342	142,486
Welfare expenses	481,180	506,773
Communication and transportation expenses	214,308	251,419
Depreciation	357,127	315,446
Repair expenses	90,199	71,617
Rent expenses	156,082	170,832
Research and development expenses	419,112	478,312
Other	719,316	887,419
Total selling, general and administrative expenses	5,748,748	5,700,370
Operating profit	6,861,558	7,351,310
Non-operating income		
Interest income	14,525	10,724
Dividend income	154,803	172,863
Foreign exchange gains	18,752	56,844
Share of profit of entities accounted for using equity method	639,551	375,337
Miscellaneous income	49,171	51,487
Total non-operating income	876,802	667,258
Non-operating expenses		
Miscellaneous losses	2,224	2,492
Total non-operating expenses	2,224	2,492
Ordinary profit	7,736,136	8,016,076

(Thousands of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Extraordinary income		
Gain on sale of non-current assets	1,054	755
Gain on sale of investment securities	119,079	406,591
Insurance claim income	31,920	-
Total extraordinary income	152,054	407,347
Extraordinary losses		
Loss on sale of non-current assets	134	170
Loss on retirement of non-current assets	16,850	6,461
Loss on valuation of investment securities	-	6,650
Impairment losses	449	606
Loss on liquidation of subsidiaries and associates	-	28,491
Compensation for damage	-	104,011
Total extraordinary losses	17,434	146,393
Profit before income taxes	7,870,756	8,277,030
Income taxes - current	1,886,607	2,177,077
Income taxes - deferred	339,167	141,849
Total income taxes	2,225,774	2,318,927
Profit	5,644,982	5,958,103
Profit attributable to owners of parent	5,644,982	5,958,103

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit	5,644,982	5,958,103
Other comprehensive income		
Valuation difference on available-for-sale securities	(412,650)	(202,491)
Foreign currency translation adjustment	285,900	37,184
Remeasurements of defined benefit plans, net of tax	(68,588)	(153,242)
Share of other comprehensive income of entities accounted for using equity method	386,254	12,262
Total other comprehensive income	190,915	(306,286)
Comprehensive income	5,835,897	5,651,817
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,835,897	5,651,817
Comprehensive income attributable to non-controlling interests	-	-

Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2022

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,425,325	9,923,342	50,386,498	(1,147,983)	69,587,182
Changes during period					
Dividends of surplus			(2,444,671)		(2,444,671)
Profit attributable to owners of parent			5,644,982		5,644,982
Purchase of treasury shares				(669,142)	(669,142)
Disposal of treasury shares					-
Cancellation of treasury shares		(1,170,188)		1,170,188	-
Transfer from retained earnings to capital surplus		1,170,188	(1,170,188)		-
Net changes in items other than shareholders' equity					-
Total changes during period	-	-	2,030,121	501,046	2,531,168
Balance at end of period	10,425,325	9,923,342	52,416,619	(646,937)	72,118,350

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	4,498,080	(1,624,044)	86,580	773,869	3,734,486	73,321,669
Changes during period						
Dividends of surplus						(2,444,671)
Profit attributable to owners of parent						5,644,982
Purchase of treasury shares						(669,142)
Disposal of treasury shares						-
Cancellation of treasury shares						-
Transfer from retained earnings to capital surplus						-
Net changes in items other than shareholders' equity	(412,650)	-	672,154	(68,588)	190,915	190,915
Total changes during period	(412,650)	-	672,154	(68,588)	190,915	2,722,083
Balance at end of period	4,085,430	(1,624,044)	758,735	705,280	3,925,401	76,043,752

For the fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,425,325	9,923,342	52,416,619	(646,937)	72,118,350
Changes during period					
Dividends of surplus			(2,790,323)		(2,790,323)
Profit attributable to owners of parent			5,958,103		5,958,103
Purchase of treasury shares				(331,569)	(331,569)
Disposal of treasury shares		(8)		78	70
Cancellation of treasury shares		(978,113)		978,113	-
Transfer from retained earnings to capital surplus		978,121	(978,121)		-
Net changes in items other than shareholders' equity					-
Total changes during period	-	-	2,189,659	646,623	2,836,282
Balance at end of period	10,425,325	9,923,342	54,606,278	(313)	74,954,632

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	4,085,430	(1,624,044)	758,735	705,280	3,925,401	76,043,752
Changes during period						
Dividends of surplus						(2,790,323)
Profit attributable to owners of parent						5,958,103
Purchase of treasury shares						(331,569)
Disposal of treasury shares						70
Cancellation of treasury shares						-
Transfer from retained earnings to capital surplus						-
Net changes in items other than shareholders' equity	(202,491)	-	49,447	(153,242)	(306,286)	(306,286)
Total changes during period	(202,491)	-	49,447	(153,242)	(306,286)	2,529,995
Balance at end of period	3,882,938	(1,624,044)	808,182	552,038	3,619,115	78,573,747

Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	7,870,756	8,277,030
Depreciation	1,557,497	1,484,874
Amortization of goodwill	9,082	-
Impairment losses	449	606
Increase (decrease) in allowance for doubtful accounts	(193)	(105)
Increase (decrease) in provision for product warranties	(66,031)	(75,205)
Increase (decrease) in retirement benefit liability	38,598	171,168
Interest and dividend income	(169,328)	(183,588)
Share of loss (profit) of entities accounted for using equity method	(639,551)	(375,337)
Insurance claim income	(31,920)	-
Loss (gain) on sale of investment securities	(119,079)	(406,591)
Loss (gain) on valuation of investment securities	-	6,650
Foreign exchange losses (gains)	5,076	(233)
Loss (gain) on sale and retirement of non-current assets	15,929	5,876
Decrease (increase) in trade receivables	887,222	(4,867,428)
Decrease (increase) in inventories	(335,797)	(97,425)
Increase (decrease) in trade payables	(1,478,861)	1,616,971
Compensation for damage	-	104,011
Other, net	(878,754)	307,942
Subtotal	6,665,097	5,969,215
Interest and dividends received	164,615	174,820
Proceeds from insurance income	31,920	-
Compensation paid for damage	-	(104,011)
Income taxes paid	(2,872,068)	(1,531,291)
Net cash provided by (used in) operating activities	3,989,565	4,508,733
Cash flows from investing activities		
Decrease (increase) in deposits	1,540,000	(1,900,000)
Purchase of investment securities	-	(100)
Proceeds from sale of investment securities	169,658	497,355
Purchase of property, plant and equipment and intangible assets	(659,973)	(789,647)
Proceeds from sale of property, plant and equipment and intangible assets	8,947	3,329
Other, net	(60,929)	(64,501)
Net cash provided by (used in) investing activities	997,702	(2,253,563)
Cash flows from financing activities		
Purchase of treasury shares	(669,142)	(331,569)
Dividends paid	(2,444,671)	(2,790,323)
Other, net	(103,088)	(103,184)
Net cash provided by (used in) financing activities	(3,216,902)	(3,225,076)
Effect of exchange rate change on cash and cash equivalents	85,787	20,906
Net increase (decrease) in cash and cash equivalents	1,856,152	(949,001)
Cash and cash equivalents at beginning of period	4,820,497	6,676,649
Cash and cash equivalents at end of period	6,676,649	5,727,648