

Disclaimer: This document is an English translation of the original document in Japanese and has been prepared solely for reference purposes. In the event of any discrepancy between this English translation and the original in Japanese, the original shall prevail in all respects.

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

April 25, 2024

Company name: AISAN INDUSTRY CO., LTD.
 Stock exchange listing: Tokyo, Nagoya
 Code number: 7283
 URL: <https://www.aisan-ind.co.jp/>
 Representative: Tokuhisa Nomura, President
 Contact: Hideto Ikai, General Manager, Accounting & Finance Dept.
 Phone: +81-562-47-1131
 Scheduled date of Annual General Meeting of Shareholders: June 14, 2024
 Scheduled date of commencing dividend payments: May 28, 2024
 Scheduled date of filing securities report: June 14, 2024
 Availability of supplementary briefing material on annual financial results: Yes
 Schedule of annual financial results briefing session: Yes

(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 - 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	
Fiscal year ended	Millions of yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2024	314,336	30.5	15,498	13.7	17,201	22.1	11,744	38.1
March 31, 2023	240,806	24.3	13,632	39.0	14,083	37.3	8,504	24.5

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥33,135 million [(171.0)%]

Fiscal year ended March 31, 2023: ¥12,226 million [(19.9)%]

	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	187.63	187.45	9.7	6.9	4.9
March 31, 2023	135.01	134.98	8.4	6.6	5.7

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

Fiscal year ended March 31, 2023: ¥ – million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2024	272,549	139,558	49.4	2,158.56
March 31, 2023	225,762	110,382	47.1	1,688.64

(Reference) Equity: As of March 31, 2024: ¥134,741 million

As of March 31, 2023: ¥106,408 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 end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2024	38,629	(9,664)	(11,431)	66,494
March 31, 2023	20,269	(29,599)	3,536	43,972

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			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2023	–	15.00	–	20.00	35.00	2,205	25.9	2.2
March 31, 2024	–	27.00	–	28.00	55.00	3,536	29.3	2.9
Fiscal year ending March 31, 2025 (Forecast)	–	28.00	–	28.00	56.00		31.8	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 - 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
Full year	315,000	0.2	16,000	3.2	16,500	(4.1)	11,000	(6.3)	176.22

* 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 and outstanding shares at the end of the year (including treasury shares):

March 31, 2024: 63,339,379 shares

March 31, 2023: 63,086,379 shares

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

March 31, 2024: 917,500 shares

March 31, 2023: 72,368 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2024: 62,595,762 shares

Fiscal Year ended March 31, 2023: 62,991,717 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 - March 31, 2024)

(1) Non-consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2024	106,805	20.0	246	(92.7)	4,579	(52.9)	2,744	(70.3)
March 31, 2023	88,973	9.8	3,396	214.5	9,731	41.5	9,245	50.8

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2024	43.84	43.80
March 31, 2023	146.77	146.75

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	159,523	71,755	45.0	1,149.08
As of March 31, 2023	151,630	70,182	46.2	1,112.39

(Reference) Equity: As of March 31, 2023: ¥71,727 million

As of March 31, 2023: ¥70,096 million

* This report is exempt from the audit procedure by certified public accountant or audit firm.

* Explanation regarding the appropriate use of forecasts, and other additional information

The forecasts included in this document are based on information that the Company has obtained at the time of this disclosure and certain assumptions that the Company considers reasonable. The Company does not guarantee the predicted outcome of the forecasts. Actual results may differ significantly from the forecast due to a variety of factors.

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) Basic Policy Concerning Distribution of Earnings and Dividends for the Fiscal Year under Review and the Next Fiscal Year	3
2. Basic Policy on Selection of Accounting Standards	3
3. Consolidated Financial Statements and Principal Notes	4
(1) Consolidated Balance Sheets	4
(2) Consolidated Statements of Income and Comprehensive Income	6
(3) Consolidated Statements of Changes in Equity	8
(4) Consolidated Statements of Cash Flows	10
(5) Notes to Consolidated Financial Statements	12
(Notes on going concern assumption)	12
(Significant bases for preparing consolidated financial statements)	12
(Segment information, etc.)	13
(Per share information)	15
(Significant subsequent events)	15
4. Non-consolidated Financial Statements	16
(1) Non-consolidated Balance Sheets	16
(2) Non-consolidated Statements of Income	18
(3) Non-consolidated Statements of Changes in Equity	19

1. Overview of Operating Results, etc.

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

During the fiscal year under review, the Japanese and global economy saw a slowdown in the recovery pace due to factors such as interest rate hikes in various countries and concerns about the outlook for the Chinese economy. In the automobile industry, the business operation remains overall strong helping to alleviate back orders in the market, while some temporary fluctuations were seen in automobile production. On the other hand, the outlook remains uncertain due to factors such as inflation caused primarily by persistently high raw material and energy prices and wage increases, fluctuations in the foreign exchange rate, and heightened international tension.

Under these circumstances, the Company's consolidated net sales for the fiscal year under review were ¥314,336 million, an increase of 30.5% year on year. As for profits, operating profit increased 13.7% year on year to ¥15,498 million, ordinary profit increased 22.1% year on year to ¥17,201 million, and profit attributable to owners of parent increased 38.1% year on year to ¥11,744 million.

Results by geographic segment are as follows. Net sales include inter-segment sales.

(Japan)

Net sales increased 18.0% year on year to ¥113,932 million due to an increase in sales volume, but operating profit decreased 81.0% year on year to ¥760 million due to an increase in expenses.

(Asia)

Net sales increased 25.9% year on year to ¥136,960 million due to an increase in sales volume and foreign exchange rate fluctuations, but operating profit decreased 4.6% year on year to ¥7,659 million due to an increase in expenses.

(Americas)

Net sales increased 64.2% year on year to ¥71,210 million owing to an increase in sales volume, and operating profit increased 3.7 times year on year to ¥5,564 million.

(Europe)

Net sales increased 24.1% year on year to ¥15,655 million due to an increase in sales volume and foreign exchange rate fluctuations, and operating profit was ¥926 million (operating loss of ¥159 million in the previous fiscal year).

(Outlook)

Looking ahead, the outlook for the global economy remains uncertain with the impact of lingering inflation, China's economic downturn, and the Russia/Ukraine conflict. However, we foresee moderate but steady growth than recovery in the economies of the United States and emerging countries.

In the automobile industry, although there are concerns about the impact of surging labor costs along with raw materials and energy prices on our business performance, we will further promote improvement activities to enhance profitability.

Under these circumstances, the Group's forecast for the fiscal year ending March 31, 2025 is as follows:

- Net sales ¥315.0 billion
- Operating profit ¥ 16.0 billion
- Ordinary profit ¥ 16.5 billion
- Profit attributable to owners of parent ¥ 11.0 billion

(Assumed exchange rate: US\$1 = ¥140)

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

Total assets at the end of the fiscal year under review amounted to ¥272,549 million, an increase of ¥46,786 million from the end of the previous fiscal year, mainly due to an increase in cash and deposits and an increase in the value of the assets of overseas subsidiaries resulting from a weaker yen.

Liabilities increased ¥17,610 million from the end of the previous fiscal year to ¥132,990 million, mainly due to an increase in accounts payable.

Net assets increased ¥29,176 million from the end of the previous fiscal year to ¥139,558 million, mainly due to an increase in foreign currency translation adjustment resulting from a weaker yen and an increase in retained earnings.

Cash and cash equivalents at the end of the fiscal year under review amounted to ¥66,494 million, an increase of ¥22,522 million from the end of the previous fiscal year.

(Cash Flows from Operating Activities)

Net cash provided by operating activities amounted to ¥38,627 million, mainly due to profit before income taxes and depreciation. The cash inflow increased by ¥18,358 million year on year.

(Cash Flows from Investing Activities)

Net cash used in investing activities amounted to ¥9,664 million, mainly due to purchase of non-current assets. The cash outflow decreased by ¥19,934 million year on year.

(Cash Flows from Financing Activities)

Net cash used in financing activities amounted to ¥11,431 million, mainly due to repayments of borrowings. The cash outflow increased by ¥14,967 million year on year.

(3) Basic Policy Concerning Distribution of Earnings and Dividends for the Fiscal Year under Review and the Next Fiscal Year

The Company intends to meet the expectations of its shareholders by maintaining stable dividends and comprehensively taking into consideration its consolidated results and consolidated dividend payout ratio. The Company intends to use internal reserves to further strengthen its corporate structure and for future business development.

For the fiscal year under review, the Company has set a year-end dividend of ¥28 per share (up ¥8 year on year), which, together with the interim dividend of ¥27 per share (up ¥12 year on year), brings the annual dividend to ¥55 per share (up ¥20 year on year).

(Basic Policy on Shareholder Return During the Period of the Medium-term Management Plan)

The Company intends to meet the expectations of its shareholders by comprehensively taking into account several elements such as active investment for future growth, sustained financial health, and stable shareholder return in accordance with business performance. To this end, we have set a consolidated dividend payout ratio of 30% or more as a guidepost through 2023 to 2025, the period of the Medium-term Management Plan. Besides, the Company will flexibly consider acquisition of treasury shares in view of the stock price level, capital efficiency, and financial results.

Based on the policy above, the Company plans to pay an annual dividend of ¥56 per share for the fiscal year ending March 31, 2025.

2. Basic Policy on Selection of Accounting Standards

In preparation for the future application of IFRS, the Group is considering the strengthening of the Group's accounting basis, the development of standards and the timing of the application.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	42,555	65,554
Notes and accounts receivable - trade	30,664	39,279
Electronically recorded monetary claims - operating	4,027	3,752
Securities	3,418	1,482
Merchandise and finished goods	7,820	8,287
Work in process	5,153	6,320
Raw materials and supplies	21,803	18,959
Other	5,916	6,084
Allowance for doubtful accounts	(33)	(82)
Total current assets	121,326	149,636
Non-current assets		
Property, plant and equipment		
Buildings and structures	59,921	63,157
Accumulated depreciation	(39,281)	(41,735)
Buildings and structures, net	20,639	21,422
Machinery, equipment and vehicles	179,585	191,185
Accumulated depreciation	(137,248)	(149,505)
Machinery, equipment and vehicles, net	42,337	41,680
Land	7,121	8,617
Construction in progress	3,682	6,331
Other	40,538	41,270
Accumulated depreciation	(34,416)	(35,722)
Other, net	6,122	5,547
Total property, plant and equipment	79,903	83,599
Intangible assets	2,229	2,398
Investments and other assets		
Investment securities	5,331	9,200
Retirement benefit asset	10,222	23,309
Deferred tax assets	5,158	2,707
Other	1,637	1,743
Allowance for doubtful accounts	(45)	(45)
Total investments and other assets	22,303	36,915
Total non-current assets	104,436	122,912
Total assets	225,762	272,549

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	27,390	32,872
Electronically recorded obligations - operating	2,733	7,462
Short-term borrowings	2,909	2,219
Current portion of long-term borrowings	6,273	8,091
Accrued expenses	9,424	10,955
Income taxes payable	1,093	1,179
Provision for product warranties	2,949	7,603
Provision for bonuses for directors (and other officers)	93	96
Provision for business restructuring	176	148
Other	5,838	11,438
Total current liabilities	58,881	82,067
Non-current liabilities		
Long-term borrowings	39,646	31,526
Deferred tax liabilities	1,040	3,448
Provision for retirement benefits for directors (and other officers)	48	51
Retirement benefit liability	15,144	15,357
Other	617	538
Total non-current liabilities	56,498	50,922
Total liabilities	115,380	132,990
Net assets		
Shareholders' equity		
Share capital	10,714	10,838
Capital surplus	12,541	12,666
Retained earnings	73,957	82,722
Treasury shares	(56)	(1,032)
Total shareholders' equity	97,155	105,195
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,745	5,332
Foreign currency translation adjustment	5,407	14,854
Remeasurements of defined benefit plans	1,099	9,358
Total accumulated other comprehensive income	9,252	29,546
Share acquisition rights	86	27
Non-controlling interests	3,888	4,789
Total net assets	110,382	139,558
Total liabilities and net assets	225,762	272,549

(2) 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	240,806	314,336
Cost of sales	208,051	273,117
Gross profit	32,754	41,218
Selling, general and administrative expenses		
Packing and transportation costs	1,854	2,160
Salaries and allowances	7,122	8,202
Welfare expenses	1,891	2,121
Provision for bonuses for directors (and other officers)	92	99
Retirement benefit expenses	128	217
Provision for retirement benefits for directors (and other officers)	9	11
Provision for product warranties	832	4,706
Other	7,191	8,200
Total selling, general and administrative expenses	19,122	25,720
Operating profit	13,632	15,498
Non-operating income		
Interest income	185	456
Dividend income	135	151
Gain on sale of securities	29	-
Foreign exchange gains	365	1,227
Subsidy income	42	239
Other	291	211
Total non-operating income	1,050	2,286
Non-operating expenses		
Interest expenses	225	185
Loss on sale and retirement of non-current assets	295	339
Other	78	58
Total non-operating expenses	599	583
Ordinary profit	14,083	17,201
Extraordinary income		
Gain on reversal of share acquisition rights	19	24
Total extraordinary income	19	24
Extraordinary losses		
Estimated loss on leaked fund of American subsidiary	818	-
Total extraordinary losses	818	-
Profit before income taxes	13,284	17,226
Income taxes - current	3,269	4,243
Income taxes - deferred	877	546
Total income taxes	4,146	4,789
Profit	9,138	12,436
Profit attributable to non-controlling interests	633	691
Profit attributable to owners of parent	8,504	11,744

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	9,138	12,436
Other comprehensive income		
Valuation difference on available-for-sale securities	(325)	2,592
Foreign currency translation adjustment	5,386	9,866
Remeasurements of defined benefit plans, net of tax	(1,972)	8,241
Total other comprehensive income	3,088	20,699
Comprehensive income	12,226	33,135
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,384	32,038
Comprehensive income attributable to non-controlling interests	842	1,097

(3) 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	10,708	12,667	67,281	(84)	90,573
Increase (decrease) from fiscal years changes of consolidated subsidiaries					
Restated balance of increase (decrease) from fiscal years changes of consolidated subsidiaries	10,708	12,667	67,281	(84)	90,573
Changes during period					
Issuance of new shares	5	5			10
Dividends of surplus			(1,826)		(1,826)
Profit attributable to owners of parent			8,504		8,504
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares			(1)	27	25
Change in ownership interest of parent due to transactions with non-controlling interests		(131)			(131)-
Net changes in items other than shareholders' equity					
Total changes during period	5	(126)	6,676	27	6,582
Balance at end of period	10,714	12,541	73,957	(56)	97,155

	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	3,070	237	3,063	6,371	107	3,836	100,889
Increase (decrease) from fiscal years changes of consolidated subsidiaries							
Restated balance of increase (decrease) from fiscal years changes of consolidated subsidiaries	3,070	237	3,063	6,371	107	3,836	100,889
Changes during period							
Issuance of new shares							10
Dividends of surplus							(1,826)
Profit attributable to owners of parent							8,504
Purchase of treasury shares							(0)
Disposal of treasury shares							-25
Change in ownership interest of parent due to transactions with non-controlling interests							(131)
Net changes in items other than shareholders' equity	(325)	5,170	(1,964)	2,880	(21)	51	2,910
Total changes during period	(325)	5,170	(1,964)	2,880	(21)	51	9,493
Balance at end of period	2,745	5,407	1,099	9,252	86	3,888	110,382

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	10,714	12,541	73,957	(56)	97,155
Increase (decrease) from fiscal years changes of consolidated subsidiaries			(33)		(33)
Restated balance of increase (decrease) from fiscal years changes of consolidated subsidiaries	10,714	12,541	73,923	(56)	97,122
Changes during period					
Issuance of new shares	124	124			249
Dividends of surplus			(2,948)		(2,948)
Profit attributable to owners of parent			11,744		11,744
Purchase of treasury shares				(1,000)	(1,000)
Disposal of treasury shares			2	24	27
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	124	124	8,798	(975)	8,072
Balance at end of period	10,838	12,666	82,722	(1,032)	105,195

	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	2,745	5,407	1,099	9,252	86	3,888	110,382
Increase (decrease) from fiscal years changes of consolidated subsidiaries							(33)
Restated balance of increase (decrease) from fiscal years changes of consolidated subsidiaries	2,745	5,407	1,099	9,252	86	3,888	110,349
Changes during period							
Issuance of new shares							249
Dividends of surplus							(2,948)
Profit attributable to owners of parent							11,744
Purchase of treasury shares							(1,000)
Disposal of treasury shares							27
Change in ownership interest of parent due to transactions with non-controlling interests							-
Net changes in items other than shareholders' equity	2,587	9,447	8,259	20,294	(58)	901	21,136
Total changes during period	2,587	9,447	8,259	20,294	(58)	901	29,209
Balance at end of period	5,332	14,854	9,358	29,546	27	4,789	139,558

(4) 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	13,284	17,226
Depreciation	12,994	14,831
Amortization of goodwill	56	118
Increase (decrease) in allowance for doubtful accounts	(5)	45
Increase (decrease) in provision for product warranties	688	4,176
Increase (decrease) in provision for bonuses for directors (and other officers)	8	3
Increase (decrease) in provision for business restructuring	(97)	(30)
Increase (decrease) in retirement benefit liability	64	214
Decrease (increase) in retirement benefit asset	(1,586)	(1,259)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(21)	3
Interest and dividend income	(321)	(608)
Interest expenses	225	185
Foreign exchange losses (gains)	106	(131)
Loss (gain) on sale and retirement of non-current assets	137	294
Decrease (increase) in trade receivables	(986)	(3,857)
Decrease (increase) in inventories	(826)	1,942
Increase (decrease) in trade payables	2,881	7,371
Increase (decrease) in accrued expenses	159	938
Other, net	(3,592)	1,235
Subtotal	23,168	42,697
Interest and dividends received	321	623
Interest paid	(222)	(187)
Income taxes paid	(2,998)	(4,505)
Net cash provided by (used in) operating activities	20,269	38,627
Cash flows from investing activities		
Payments into time deposits	(358)	(18)
Proceeds from withdrawal of time deposits	678	1,048
Purchase of securities	(957)	-
Proceeds from sale of securities	-	550
Purchase of non-current assets	(6,425)	(12,337)
Proceeds from sale of non-current assets	793	1,308
Payments for acquisition of businesses	(16,279)	-
Purchase of equity of subsidiaries resulting in change in scope of consolidation	(198)	-
Purchase of investment securities	(0)	(180)
Proceeds from sale of investment securities	36	-
Loan advances	(7,059)	(311)
Proceeds from collection of loans receivable	170	275
Net cash provided by (used in) investing activities	(29,599)	(9,664)

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from financing activities		
Proceeds from short-term borrowings	2,598	2,704
Repayments of short-term borrowings	(3,786)	(3,192)
Proceeds from long-term borrowings	20,000	-
Repayments of long-term borrowings	(2,348)	(6,324)
Redemption of bonds	(10,000)	-
Proceeds from issuance of shares resulting from exercise of share acquisition rights	9	215
Purchase of treasury shares	(0)	(1,000)
Proceeds from sale of treasury shares	0	27
Dividends paid	(1,826)	(2,948)
Dividends paid to non-controlling interests	(440)	(502)
Repayments of lease liabilities	(227)	(411)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(442)	-
Net cash provided by (used in) financing activities	3,536	(11,431)
Effect of exchange rate change on cash and cash equivalents	1,014	2,760
Net increase (decrease) in cash and cash equivalents	(4,778)	20,292
Cash and cash equivalents at beginning of period	48,750	43,972
Increase (decrease) in beginning balance of cash and cash equivalents resulting from change in fiscal period of consolidated subsidiaries	-	2,229
Cash and cash equivalents at end of period	43,972	66,494

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Significant bases for preparing consolidated financial statements)

1. Scope of consolidation

Consolidated subsidiaries: 28 companies

TK Carburettor Co., Ltd., Aikyo Sangyo Co., Ltd., Aisan Computer Services Corp., Nichialloy Co., Ltd., Aisan Kumamoto Co., Ltd., Hyundam Industrial Co., Ltd., Hyundam Tech Co., Ltd., Aisan (Tianjin) Auto Parts Co., Ltd., Aisan (Foshan) Auto Parts Co., Ltd., Aisan Corporation Guangzhou Co., Ltd., Shenyang Xuantan Automobile Parts Co., Ltd., TK Carburettor (Ningbo) Co., Ltd., Hyundam (Zhangjiagang) Automobile Parts Co., Ltd., P.T. Aisan Nasmoco Industri, Aisan Corporation Asia Pacific Limited, Aisan Auto Parts India Pvt. Ltd., Aisan Industry India Pvt. Ltd., Aisan Sales India Pvt. Ltd., IHD Industries Pvt. Ltd., Franklin Precision Industry, Inc., Aisan Corporation of America, Aisan Industry Kentucky, LLC, Hyundam America Inc., Aisan Autopartes Mexico, S.A. de C.V, Aisan Industry France S.A., Aisan Industry Czech s.r.o., Aisan Corporation Europe NV/SA, Hyundam Slovakia s.r.o.

Unconsolidated subsidiaries: 2 companies

MAGNEX CO., LTD., IMI Co., LTD

The above unconsolidated subsidiaries are excluded from scope of consolidation because they are small in scale, and their total assets, net sales, profit (loss) (amount corresponding to equity interest), and retained earnings (amount corresponding to equity interest) do not have a material effect on the Company's consolidated financial statements.

2. Application of equity method

Unconsolidated subsidiaries (two companies) and an affiliate (one company) not accounted for by the equity method are not accounted for by the equity method because they do not have material impacts on profit/loss, retained earnings, etc. in the fiscal year under review and their overall impacts are insignificant.

3. Fiscal year, etc. of consolidated subsidiaries

Among the subsidiaries, Hyundam Industrial Co., Ltd., Hyundam Tech Co., Ltd., Shenyang Xuantan Automobile Parts Co., Ltd., TK Carburettor (Ningbo) Co., Ltd., Hyundam (Zhangjiagang) Automobile Parts Co., Ltd., IHD Industries Pvt. Ltd., Hyundam America Inc., Aisan Industry France S.A., and Hyundam Slovakia s.r.o. have adopted a fiscal year end of December 31, which is different from the consolidated fiscal year end (March 31). However, since the difference in fiscal year ends does not exceed three months, the financial statements of the subsidiaries' fiscal year are used in preparing the consolidated financial statements, and adjustments necessary for consolidation are made for any significant transactions that occurred between the fiscal year end of the subsidiaries and the consolidated fiscal year end.

Effective from the three months ended June 30, 2023, P.T. Aisan Nasmoco Industri, Franklin Precision Industry, Inc., Aisan Corporation of America, Aisan Industry Czech s.r.o., and Aisan Corporation Europe NV/SA have changed their fiscal year end from December 31 to March 31 to align with the consolidated fiscal year end.

For, Aisan (Tianjin) Auto Parts Co., Ltd., Aisan (Foshan) Auto Parts Co., Ltd., Aisan Corporation Guangzhou Co., Ltd., and Aisan Autopartes Mexico, S.A. de C.V, consolidation procedure has been changed to prepare consolidated financial statements using provisional settlements of their accounts as of March 31.

These subsidiaries' profit and loss for the three months from January 1, 2023 to March 31, 2023 are adjusted in retained earnings.

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

The Group's reportable segments are components of the Group for which independent financial information is available and which are subject to periodic review by the Board of Directors and other management decision-making bodies to determine the allocation of management resources and evaluate their performance.

The Group manufactures and sells automobile parts, such as fuel pump modules, throttle bodies, and canisters, mainly to domestic and overseas automobile manufacturers. The parts are mainly manufactured and sold in Japan by the Company and overseas by local subsidiaries in each country.

Each local subsidiary is an independent management unit and conducts business activities in its respective region.

Therefore, the Group consists of geographic segments based on manufacturing and sales, and has four reportable segments: "Japan," "Asia" (mainly Korea, China, Indonesia, and India), "Americas" (the United States and Mexico), and "Europe" (Czech Republic, France, and Belgium). The "Japan" segment is mainly engaged in the manufacture and sale of automobile parts, automobile transportation, civil engineering and construction, and the development and sale of computer systems and programs.

2. Calculation of net sales, profit (loss), assets, and other items by reportable segment

The accounting policies of the reported geographic segments are the same as those used to prepare the consolidated financial statements.

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

I For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segment				Total	Adjustment (Note 1)	Amount recorded in the consolidated financial statements (Note 2)
	Japan	Asia	Americas	Europe			
Net sales							
(1) Net sales to outside customers	77,368	107,576	43,308	12,553	240,806	—	240,806
(2) Inter-segment net sales or transfers	19,180	1,193	51	57	20,482	(20,482)	—
Total	96,548	108,769	43,359	12,611	261,288	(20,482)	240,806
Segment income (loss)	4,009	8,025	1,515	(159)	13,391	240	13,632
Segment assets	94,239	76,909	36,941	10,313	218,404	7,358	225,762
Others							
Depreciation	5,587	4,668	2,543	611	13,410	(416)	12,994
Amortization of goodwill	40	15	—	—	56	—	56
Increase in property, plant and equipment and intangible assets	14,850	4,795	6,634	88	26,369	(69)	26,299

(Notes) 1. Adjustment consists of the following:

- (1) The ¥240 million adjustment to segment income (loss) is mainly an adjustment for unrealized inter-segment profits.
 - (2) The ¥7,358 million adjustment to segment assets consists of ¥25,719 million in general corporate assets, such as cash and deposits and investment securities of the Company and negative ¥18,361 million in elimination of inter-segment transactions.
 - (3) The negative ¥416 million adjustment to depreciation is due to realization of unrealized gains/losses on non-current assets.
 - (4) The negative ¥69 million adjustment to increase in property, plant and equipment and intangible assets is due to elimination of unrealized gains/losses on non-current assets.
2. Segment income (loss) is adjusted with operating profit in the consolidated statements of income.

II For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment				Total	Adjustment (Note 1)	Amount recorded in the consolidated financial statements (Note 2)
	Japan	Asia	Americas	Europe			
Net sales							
(1) Net sales to outside customers	91,948	135,682	71,096	15,608	314,336	—	314,336
(2) Inter-segment net sales or transfers	21,983	1,277	114	46	23,422	(23,422)	—
Total	113,932	136,960	71,210	15,655	337,758	(23,422)	314,336
Segment income	760	7,659	5,564	926	14,910	587	15,498
Segment assets	109,190	91,579	49,067	10,757	260,593	11,955	272,549
Others							
Depreciation	6,098	4,979	3,470	608	15,157	(326)	14,831
Amortization of goodwill	69	48	—	—	118	—	118
Increase in property, plant and equipment and intangible assets	6,999	3,142	2,139	129	12,410	(20)	12,390

(Notes) 1. Adjustment consists of the following:

- (1) The ¥587 million adjustment to segment income is mainly an adjustment for unrealized inter-segment profits.
 - (2) The ¥11,955 million adjustment to segment assets consists of ¥29,973 million in general corporate assets, such as cash and deposits and investment securities of the Company and negative ¥18,018 million in elimination of inter-segment transactions.
 - (3) The negative ¥326 million adjustment to depreciation is due to realization of unrealized gains/losses on non-current assets.
 - (4) The negative ¥20 million adjustment to increase in property, plant and equipment and intangible assets is due to elimination of unrealized gains/losses on non-current assets.
2. Segment profit is adjusted with operating profit in the consolidated statements of income.

(Per share information)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net assets per share	¥1,688.64	¥2,158.56
Basic earnings per share	¥135.01	¥187.63
Diluted earnings per share	¥134.98	¥187.45

(Note) Basis for calculation

(1) Net assets per share

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Total net assets (Million yen)	110,382	139,558
Amount excluded from total net assets (Million yen)	3,974	4,817
[Share acquisition rights (Million yen)]	[86]	[27]
[Non-controlling interests (Million yen)]	[3,888]	[4,789]
Net assets attributable to common shares at end of period (Million yen)	106,408	134,741
Number of common shares outstanding at end of period calculated under “Net assets per share” (Thousand shares)	63,014	62,421

(2) Basic earnings per share and diluted earnings per share

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Basic earnings per share		
Profit attributable to owners of parent (Million yen)	8,504	11,744
Amount not attributable to common shareholders (Million yen)	—	—
Profit attributable to owners of parent relating to common shares (Million yen)	8,504	11,744
Average number of common shares outstanding during the period (Thousand shares)	62,991	62,595
Diluted earnings per share		
Adjustment for profit attributable to owners of parent (Million yen)	—	—
Increase in number of common shares (Thousand shares)	9	58
[Share acquisition rights (Thousand shares)]	[9]	[58]
Overview of residual shares not included in the calculation of diluted earnings per share due to their non-dilutive effect	Share acquisition rights: 2 types (Resolution on June 13, 2017: 1,910 rights Resolution on June 13, 2018: 2,160 rights)	—

(Significant subsequent events)

Not applicable.

4. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	17,991	19,909
Electronically recorded monetary claims - operating	3,686	3,436
Accounts receivable - trade	15,987	17,345
Securities	2,484	1,000
Finished goods	1,517	1,734
Work in process	3,627	4,711
Raw materials and supplies	295	472
Advance payments to suppliers	2,677	2,759
Prepaid expenses	70	72
Other	5,262	4,046
Total current assets	53,601	55,487
Non-current assets		
Property, plant and equipment		
Buildings	8,364	8,156
Structures	749	900
Machinery and equipment	14,619	14,006
Car and industrial vehicle	52	31
Tools, furniture and fixtures	1,535	955
Land	5,787	7,176
Leased assets	90	104
Construction in progress	997	3,880
Total property, plant and equipment	32,198	35,212
Intangible assets		
Leasehold interests in land	28	28
Software	366	606
Goodwill	655	585
Leased assets	10	1
Other	179	233
Total intangible assets	1,240	1,454
Investments and other assets		
Investment securities	4,231	6,939
Investments in subsidiaries and affiliates	39,787	40,899
Long-term loans receivable	7,099	7,115
Long-term prepaid expenses	128	86
Deferred tax assets	6,001	3,726
Prepaid pension costs	7,269	8,524
Other	101	103
Allowance for doubtful accounts	(28)	(28)
Total investments and other assets	64,590	67,368
Total non-current assets	98,029	104,035
Total assets	151,630	159,523

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes payable - trade	8	-
Electronically recorded obligations - operating	2,165	6,710
Accounts payable - trade	8,466	10,146
Short-term borrowings from subsidiaries and associates	2,231	2,234
Current portion of long-term borrowings	6,000	8,000
Lease liabilities	59	53
Accounts payable - other	914	3,737
Accrued expenses	6,440	7,103
Income taxes payable	256	153
Deposits received	112	310
Provision for product warranties	1,161	2,403
Provision for bonuses for directors (and other officers)	65	68
Other	787	2,018
Total current liabilities	28,671	42,941
Non-current liabilities		
Long-term borrowings	39,500	31,500
Lease liabilities	62	72
Provision for retirement benefits	13,175	13,216
Asset retirement obligations	34	34
Other	4	4
Total non-current liabilities	52,776	44,827
Total liabilities	81,448	87,768
Net assets		
Shareholders' equity		
Share capital	10,714	10,838
Capital surplus		
Legal capital surplus	12,716	12,840
Total capital surplus	12,716	12,840
Retained earnings		
Legal retained earnings	1,468	1,468
Other retained earnings		
General reserve	16,110	16,110
Retained earnings brought forward	26,423	26,221
Total retained earnings	44,001	43,800
Treasury shares	(56)	(1,032)
Total shareholders' equity	67,375	66,447
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,721	5,280
Total valuation and translation adjustments	2,721	5,280
Share acquisition rights	86	27
Total net assets	70,182	71,755
Total liabilities and net assets	151,630	159,523

(2) Non-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	88,973	106,805
Cost of sales	77,378	96,311
Gross profit	11,594	10,493
Selling, general and administrative expenses	8,198	10,247
Operating profit	3,396	246
Non-operating income		
Interest and dividend income	5,574	4,139
Foreign exchange gains	535	426
Other	427	152
Total non-operating income	6,536	4,718
Non-operating expenses		
Interest expenses	78	63
Loss on valuation of shares of subsidiaries and associates	-	156
Loss on sale and retirement of non-current assets	91	154
Other	32	10
Total non-operating expenses	201	385
Ordinary profit	9,731	4,579
Extraordinary income		
Gain on reversal of share acquisition rights	19	24
Total extraordinary income	19	24
Profit before income taxes	9,751	4,604
Income taxes - current	645	669
Income taxes - deferred	(139)	1,190
Total income taxes	506	1,859
Profit	9,245	2,744

(3) Non-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			
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward	
Balance at beginning of period	10,708	12,710	12,710	1,468	16,110	19,005	36,584
Changes during period							
Issuance of new shares	5	5	5				
Dividends of surplus						(1,826)	(1,826)
Profit						9,245	9,245
Purchase of treasury shares							
Disposal of treasury shares						(1)	(1)
Net changes in items other than shareholders' equity							
Total changes during period	5	5	5			7,417	7,417
Balance at end of period	10,714	12,716	12,716	1,468	16,110	26,423	44,001

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	(84)	59,919	3,046	3,046	107	63,073
Changes during period						
Issuance of new shares		10				10
Dividends of surplus		(1,826)				(1,826)
Profit		9,245				9,245
Purchase of treasury shares	(0)	(0)				
Disposal of treasury shares	27	25				
Net changes in items other than shareholders' equity			(325)	(325)	(21)	(346)
Total changes during period	27	7,455	(325)	(325)	(21)	7,108
Balance at end of period	(56)	67,375	2,721	2,721	86	70,182

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings			
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward	
Balance at beginning of period	10,714	12,716	12,716	1,468	16,110	26,423	44,001
Changes during period							
Issuance of new shares	124	124	124				
Dividends of surplus						(2,948)	(2,948)
Profit						2,744	2,744
Purchase of treasury shares							
Disposal of treasury shares						2	2
Net changes in items other than shareholders' equity							
Total changes during period	124	124	124			(201)	(201)
Balance at end of period	10,838	12,840	12,840	1,468	16,110	26,221	43,800

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	(56)	67,375	2,721	2,721	86	70,182
Changes during period						
Issuance of new shares		249				249
Dividends of surplus		(2,948)				(2,948)
Profit		2,744				2,744
Purchase of treasury shares	(1,000)	(1,000)				(1,000)
Disposal of treasury shares	24	27				27
Net changes in items other than shareholders' equity			2,559	2,559	(58)	2,500
Total changes during period	(975)	(927)	2,559	2,559	(58)	1,572
Balance at end of period	(1,032)	66,447	5,280	5,280	27	71,755

Summary of Financial Results for FY2023

Aisan

2024-04-25

Key Points

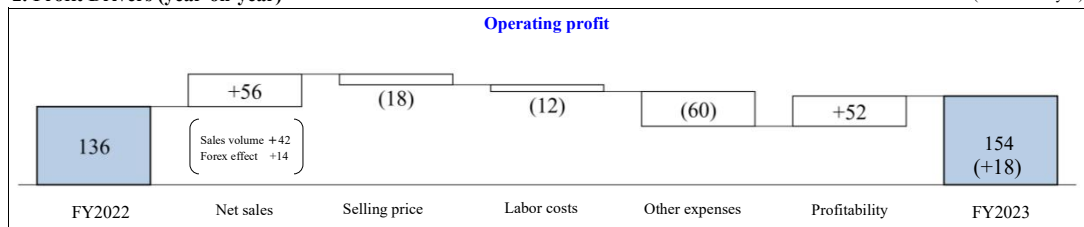
- Net sales increased year on year due to an increase in sales volume, including from the acquired fuel pump module business, and the effect of a weaker yen.
- Operating profit increased year on year due to factors such as increased sales volume, profitability improvements, and the effect of a weaker yen, which absorbed negative factors due to an increase in expenses such as aggressive investment in R&D oriented towards the future.
- For FY2024, we aim to secure an increase in operating profit by steadily improving profitability, while managing the costs of optimizing transactions throughout the supply chain, and R&D expenditures which remain at a high level.

1. Consolidated Financial Results

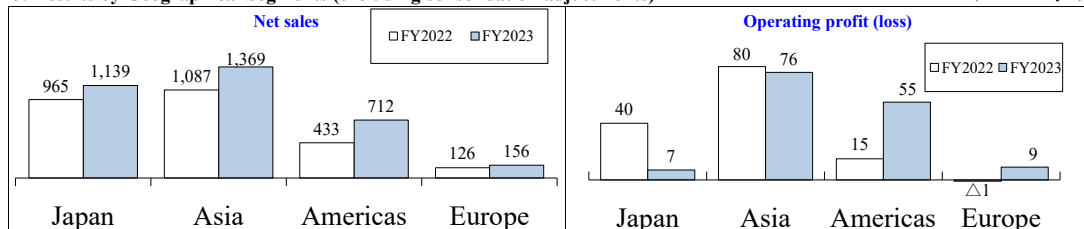
	FY2022 (Apr. 2022–Mar. 2023)		FY2023 (Apr. 2023–Mar. 2024)		YoY Changes	
	Sales ratio (%)	Amount	Sales ratio (%)	Amount	Amount	%
Net sales	(100.0)	240,806	(100.0)	314,336	73,529	30.5%
Operating profit	(5.7)	13,632	(4.9)	15,498	1,866	13.7%
Ordinary profit	(5.8)	14,083	(5.5)	17,201	3,118	22.1%
Profit	(3.5)	8,504	(3.7)	11,744	3,240	38.1%
Basic earnings per share (yen)		135.01		187.63	52.62	39.0%
Exchange rate (JPY/USD)		135		145	[Depreciated by 10 yen]	
Capital adequacy ratio (%)	(Mar. 31, 2023)	47.1%	(Mar. 31, 2024)	49.4%	—	—
Total assets		225,762		272,549	46,786	20.7%
Net assets		110,382		139,558	29,176	26.4%
Consolidated subsidiaries		28		28	±0	—

Note: Profit represents "profit attributable to owners of parent."

2. Profit Drivers (year-on-year)



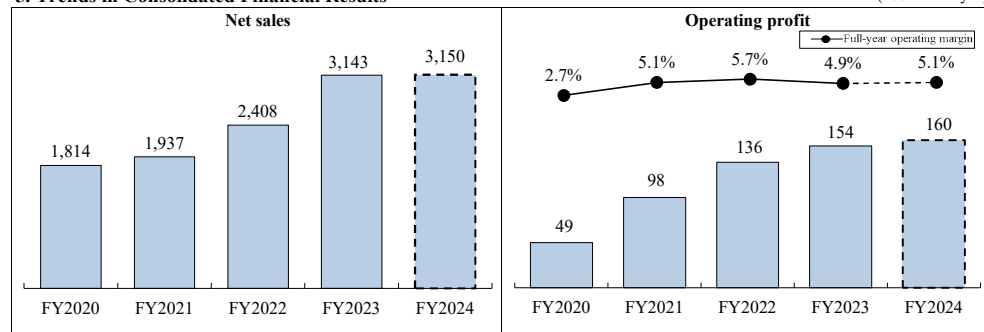
3. Results by Geographical Segments (excluding consolidation adjustments)



4. Consolidated Financial Results Forecast for FY2024

	FY2022 (Apr. 2022–Mar. 2023)		FY2023 (Apr. 2023–Mar. 2024)		YoY Changes	
	Sales ratio (%)	Amount	Sales ratio (%)	Amount	Amount	%
Net sales	(100.0)	314,336	(100.0)	315,000	663	0.2%
Operating profit	(4.9)	15,498	(5.1)	16,000	501	3.2%
Ordinary profit	(5.5)	17,201	(5.2)	16,500	(701)	(4.1)%
Profit	(3.7)	11,744	(3.5)	11,000	(744)	(6.3)%
Basic earnings per share (yen)		187.63		176.22	(11.41)	(6.1)%
Exchange rate (JPY/USD)		145		140	[Appreciated by 5 yen]	

5. Trends in Consolidated Financial Results



6. Trends in Financial Indicators

