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Consolidated Financial Results for the Six Months Ended September 30, 2024 [Japanese GAAP]



October 30, 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

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Scheduled date to file semi-annual securities report: November 13, 2024

Scheduled date of commencing dividend payments: November 26, 2024

Availability of supplementary explanatory materials on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes (for analysts and institutional investors)

(Amounts of less than one million yen are rounded down, unless otherwise noted)

1. Consolidated Financial Results for the Six Months September 30, 2024 (April 1, 2024 to September 30, 2024)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2024	166,403	12.6	10,957	28.7	11,285	14.1	8,007	6.4
September 30, 2023	147,749	39.0	8,514	55.7	9,889	54.6	7,525	100.4

(Note) Comprehensive income: Fiscal year ended September 30, 2024: ¥ 3,484 million [-80.2%]

Fiscal year ended September 30, 2023: ¥ 17,567 million [47.4%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	128.22	128.13
September 30, 2023	119.84	119.72

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2024	271,110	140,921	50.2
March 31, 2024	272,549	139,558	49.4

(Reference) Equity: As of September 30, 2024: ¥ 136,076 million

As of March 31, 2024: ¥ 134,741 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2024	Yen -	Yen 27.00	Yen -	Yen 28.00	Yen 55.00
Fiscal year ended March 31, 2025	-	31.00			
Fiscal year ending March 31, 2025 (Forecast)			-	32.00	63.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 1, 2024 to 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
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	325,000	3.4	19,000	22.6	20,000	16.3	13,000	10.7	208.19

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Significant changes in scope of consolidation during the period: No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) 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

Attachments notes. For details, please refer to page 7 "change in accounting policies".

(4) Total number of issued and outstanding shares (common shares)

1) Total number of issued and outstanding shares at the end of the period (including treasury shares):

September 30, 2024: 63,370,379 shares

March 31, 2024: 63,339,379 shares

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

September 30, 2024: 893,868 shares

March 31, 2024: 917,500 shares

3) Average number of shares during the period:

Six months ended September 30, 2024: 62,450,169 shares

Six months ended September 30, 2023: 62,792,405 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: No

* Proper use of earnings forecasts, and other special matters

The above forward-looking statements are prepared based on judgment and assumption from information currently available to the Company. These statements do not purport that the Company pledges to realize such statements. Actual business results may differ from the forecast figures due to various factor.

For consolidated financial results, please refer to attachment page 2 "Overview of Consolidated Financial Results Forecast and Other Forward-looking Information".

(How to obtain supplementary financial results material)

Supplementary financial material will be posted on the Company's website on September 30, 2024(JST)

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1. Overview of Operating Results, etc. for the Period under Review

(1) Overview of Operating Results

During the six months ended September 30, 2024, the Japanese and global economies were steadily as a whole, but economic uncertainty continued due to factors such as concerns about the outlook for the Chinese economy. In the automobile industry, sales in Europe and the United States were firm, but sales of Japanese OEMs in China remained weak due to intensifying competition among local OEMs and Japanese counterparts. In Japan, new vehicle sales decreased on a year-on-year basis due to the impact of OEM production fluctuations. The outlook remains challenging primarily due to high price of raw material and energy, changes in production plans at our clients, inflation and fluctuations in the foreign exchange rate, and heightened international tension.

Under these circumstances, the Company's consolidated net sales for the six months ended September 30, 2024, were ¥166,403 million, an increase of 12.6% year on year. As for profits, operating profit increased 28.7% year on year to ¥10,957 million, ordinary profit increased 14.1% year on year to ¥11,285 million, and profit attributable to owners of parent increased 6.4% year on year to ¥8,007 million.

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

(Japan)

Net sales increased 18.2% year on year to ¥64,265 million due to an increase in sales volume, and operating profit increased 72.0% year on year to ¥1,501 million due mainly to efforts to improve profitability.

(Asia)

Net sales increased 17.3% year on year to ¥73,822 million due to an increase in sales volume and foreign exchange rate fluctuations, and operating profit increased 29.3% year on year to ¥6,554 million.

(Americas)

Net sales increased 10.3% year on year to ¥37,525 million due to an increase in sales volume and foreign exchange rate fluctuations, and operating profit increased 19.3% year on year to ¥2,379 million due mainly to efforts to improve profitability.

(Europe)

Net sales increased 16.9% year on year to ¥8,405 million due to an increase in sales volume and foreign exchange rate fluctuations, and operating profit increased 4.0 times year on year to ¥842 million.

(2) Overview of Financial Position

As of September 30, 2024, total assets amounted to ¥271,110 million, a decrease of ¥1,438 million from the end of the previous fiscal year, mainly due to a decrease in the value of the assets of overseas subsidiaries resulting from a stronger yen. Liabilities decreased ¥2,800 million from the end of the previous fiscal year to ¥130,189 million, mainly due to a decrease in accounts payable.

Net assets increased ¥1,362 million from the end of the previous fiscal year to ¥140,921 million, mainly due to an increase in retained earnings.

(3) Overview of Consolidated Financial Results Forecast and Other Forward-looking Information

No change has been made to the financial results forecast and dividend forecast for the fiscal year ending March 31, 2025, announced on July 30, 2024.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	65,554	64,015
Notes and accounts receivable - trade	39,279	37,723
Electronically recorded monetary claims - operating	3,752	4,080
Securities	1,482	-
Merchandise and finished goods	8,287	9,858
Work in process	6,320	7,563
Raw materials and supplies	18,959	19,766
Other	6,084	7,755
Allowance for doubtful accounts	(82)	(79)
Total current assets	149,636	150,684
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	21,422	21,196
Machinery, equipment and vehicles, net	41,680	36,585
Land	8,617	8,682
Construction in progress	6,331	12,246
Other, net	5,547	4,930
Total property, plant and equipment	83,599	83,641
Intangible assets	2,398	2,555
Investments and other assets		
Investment securities	9,200	6,567
Retirement benefit asset	23,309	23,487
Deferred tax assets	2,707	2,803
Other	1,743	1,417
Allowance for doubtful accounts	(45)	(45)
Total investments and other assets	36,915	34,229
Total non-current assets	122,912	120,426
Total assets	272,549	271,110

(Million yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	32,872	32,037
Electronically recorded obligations - operating	7,462	7,035
Short-term borrowings	2,219	1,481
Current portion of long-term borrowings	8,091	8,024
Accrued expenses	10,955	10,322
Income taxes payable	1,179	1,110
Provision for product warranties	7,603	9,007
Provision for bonuses for directors (and other officers)	96	64
Provision for business restructuring	148	129
Other	11,438	10,963
Total current liabilities	82,067	80,177
Non-current liabilities		
Long-term borrowings	31,526	31,500
Deferred tax liabilities	3,448	2,605
Provision for retirement benefits for directors (and other officers)	51	45
Retirement benefit liability	15,357	15,309
Other	538	551
Total non-current liabilities	50,922	50,011
Total liabilities	132,990	130,189
Net assets		
Shareholders' equity		
Share capital	10,838	10,854
Capital surplus	12,668	12,688
Retained earnings	82,720	88,979
Treasury shares	(1,032)	(1,004)
Total shareholders' equity	105,195	111,517
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,332	3,491
Foreign currency translation adjustment	14,854	12,181
Remeasurements of defined benefit plans	9,358	8,884
Total accumulated other comprehensive income	29,546	24,558
Share acquisition rights	27	11
Non-controlling interests	4,789	4,833
Total net assets	139,558	140,921
Total liabilities and net assets	272,549	271,110

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the six months)

	(Million yen)	
	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	147,749	166,403
Cost of sales	127,990	142,834
Gross profit	19,758	23,568
Selling, general and administrative expenses	11,244	12,611
Operating profit	8,514	10,957
Non-operating income		
Interest income	276	411
Dividend income	80	105
Gain on sale of investment securities	-	356
Foreign exchange gains	1,327	-
Other	151	261
Total non-operating income	1,835	1,134
Non-operating expenses		
Interest expenses	260	80
Foreign exchange losses	-	326
Loss on sale and retirement of non-current assets	136	327
Other	63	71
Total non-operating expenses	460	806
Ordinary profit	9,889	11,285
Extraordinary income		
Gain on reversal of share acquisition rights	24	11
Total extraordinary income	24	11
Profit before income taxes	9,913	11,297
Income taxes - current	1,803	3,020
Income taxes - deferred	194	(192)
Total income taxes	1,998	2,828
Profit	7,915	8,469
Profit attributable to non-controlling interests	390	462
Profit attributable to owners of parent	7,525	8,007

Quarterly Consolidated Statements of Comprehensive Income (For the six months)

	(Million yen)	
	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Profit	7,915	8,469
Other comprehensive income		
Valuation difference on available-for-sale securities	1,301	(1,838)
Foreign currency translation adjustment	8,647	(2,681)
Remeasurements of defined benefit plans, net of tax	(296)	(465)
Total other comprehensive income	9,652	(4,985)
Comprehensive income	17,567	3,484
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,792	3,019
Comprehensive income attributable to non-controlling interests	775	464

(3) Notes to Semi-annual Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Changes in accounting policies)

(Application of Accounting Standard for Current Income Taxes, etc.)

The "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter, "Revised Accounting Standard 2022"), etc. has been applied since the beginning of the six months ended September 30, 2024.

Revisions concerning the categories in which current income taxes should be recorded (taxes on other comprehensive income) are subject to the transitional treatment set forth in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment set forth in the proviso of paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter, "Revised Guidance 2022"). This change in accounting policies had no impact on the semi-annual consolidated financial statements.

With regard to revisions related to changes in the accounting treatment for consolidated financial statements when gains or losses on sale of shares, etc. in subsidiaries resulting from transactions between consolidated subsidiaries are deferred for tax purposes, the Company has applied the Revised Guidance 2022 from the beginning of the six months ended September 30, 2024. The change in accounting policies was applied retrospectively to the consolidated financial statements for the six months ended September 30, 2023 and the entire previous fiscal year. The change in the accounting policies had no impact on the consolidated financial statements for the six months ended September 30, 2023 or the entire previous fiscal year.

(Segment information, etc.)

[Segment information]

I For the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

1. Information on net sales and income (loss) by reportable segment

(Million yen)

	Reportable segment				Total	Adjustment (Note 1)	Amount recorded in the semi-annual consolidated statements of income (Note 2)
	Japan	Asia	Americas	Europe			
Net sales							
(1) Net sales to outside customers	44,296	62,340	33,941	7,171	147,749	—	147,749
(2) Inter-segment net sales or transfers	10,072	588	90	21	10,772	(10,772)	—
Total	54,368	62,929	34,031	7,192	158,521	(10,772)	147,749
Segment income	873	5,068	1,994	209	8,144	369	8,514

(Notes) 1. The ¥369 million adjustment to segment income is mainly an adjustment for unrealized inter-segment profits.

2. Segment income is adjusted with operating profit in the semi-annual consolidated statements of income.

II For the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

1. Information on net sales and income (loss) by reportable segment

(Million yen)

	Reportable segment				Total	Adjustment (Note 1)	Amount recorded in the semi-annual consolidated statements of income (Note 2)
	Japan	Asia	Americas	Europe			
Net sales							
(1) Net sales to outside customers	47,527	73,025	37,476	8,373	166,403	—	166,403
(2) Inter-segment net sales or transfers	16,737	796	48	32	17,614	(17,614)	—
Total	64,265	73,822	37,525	8,405	184,017	(17,614)	166,403
Segment income	1,501	6,554	2,379	842	11,278	(321)	10,957

(Notes) 1. The negative ¥321 million adjustment to segment income is mainly an adjustment for unrealized inter-segment profits.

2. Segment income is adjusted with operating profit in the semi-annual consolidated statements of income.

Summary of Financial Results for Q2 FY2024

Aisan

2024-10-30

Key Points

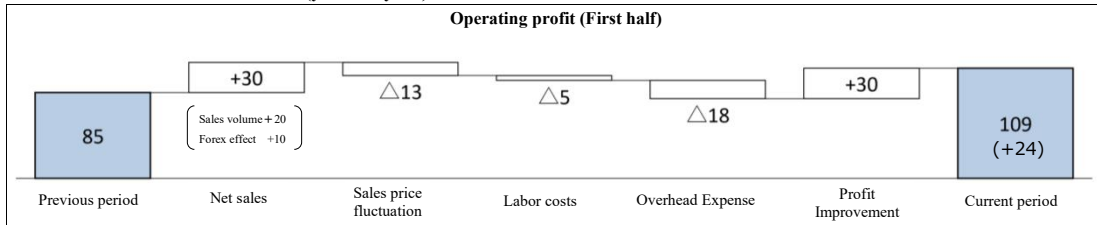
- Net sales increased year on year due to an increase in sales volume including from the fuel pump transferred business, and the effect of a weaker yen.
- Operating profit increased year on year due to factors such as increased sales volume, profitability improvements, and the effect of a weaker yen, which offset negative factors such as selling price fluctuations, higher labor costs, and increases in other expenses such as R&D investments.
- Full-year financial results forecast remains unchanged from the figures announced most recently, taking into consideration the results in the first half and the outlook for each region in the second half.

1. Consolidated Financial Results

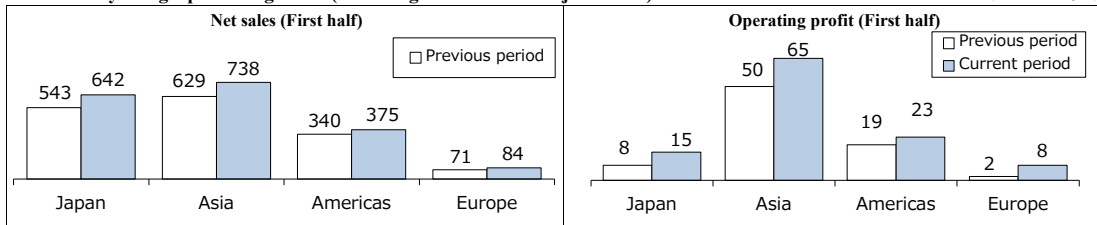
	Q2 FY2023 (Apr.–Sep. 2023)		Q2 FY2024 (Apr.–Sep. 2024)		YoY Changes	
	Sales ratio (%)	Amount	Sales ratio (%)	Amount	Amount	%
Net sales	(100.0)	147,749	(100.0)	166,403	18,653	12.6%
Operating profit	(5.8)	8,514	(6.6)	10,957	2,443	28.7%
Ordinary profit	(6.7)	9,889	(6.8)	11,285	1,396	14.1%
Profit	(5.1)	7,525	(4.8)	8,007	482	6.4%
Basic earnings per share (yen)		119.84		128.22	8.38	7.0%
Exchange rate (JPY/USD)		141		153	[Depreciated by 12 yen]	
Capital adequacy ratio (%)	(Mar. 31, 2024)	49.4%	(Sep. 30, 2024)	50.2%	—	—
Total assets		272,549		271,110	△ 1,438	△0.5%
Net assets		139,558		140,921	1,362	1.0%
Consolidated subsidiaries		28		28	±0	—

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

2. Profit increase/decrease factors (year-on-year)



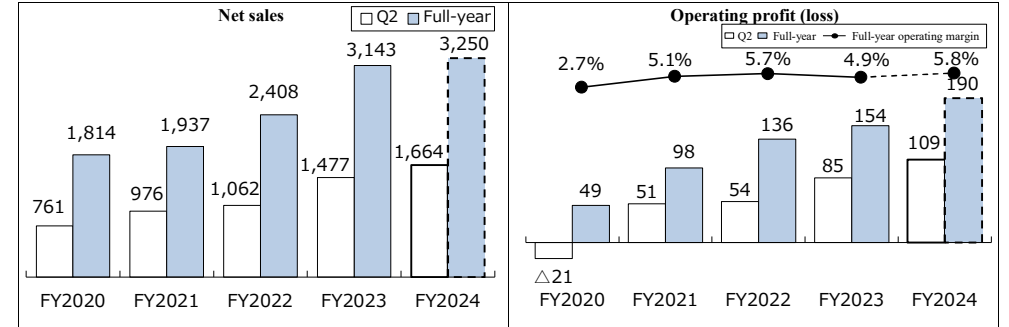
3. Results by Geographical Segments (excluding consolidation adjustments)



4. Full-year Consolidated Financial Results Forecast

	Apr. 1, 2023–Mar. 31, 2024		Apr. 1, 2024–Mar. 31, 2025		YoY		Figures announced most recently (Apr. 1, 2024–Mar. 31, 2025)		Changes from the announced figures	
	Sales ratio (%)	Amount	Sales ratio (%)	Amount	Amount	%	Sales ratio (%)	Amount	Amount	%
Net sales	(100.0)	314,336	(100.0)	325,000	10,663	3.4%	(100.0)	325,000	—	—
Operating profit	(4.9)	15,498	(5.8)	19,000	3,501	22.6%	(5.8)	19,000	—	—
Ordinary profit	(5.5)	17,201	(6.2)	20,000	2,798	16.3%	(6.2)	20,000	—	—
Profit	(3.7)	11,744	(4.0)	13,000	1,255	10.7%	(4.0)	13,000	—	—
Basic earnings per share (yen)		187.63		208.13	20.50	10.9%		208.19	△ 0.06	△0.0%
Exchange rate (JPY/USD)		145		149	[Depreciated by 4 yen]			148	[Depreciated by 1 yen]	

5. Trends in Consolidated Financial Results



6. Trends in Financial Indicators

