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Consolidated Financial Results for the Year Ended March 31, 2022 [Japanese GAAP]

April 26, 2022

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: 048-781-1111
 Scheduled date of Annual General Meeting of Shareholders: June 17, 2022
 Scheduled date of commencing dividend payments: June 01, 2022
 Scheduled date of filing annual securities report: June 20, 2022
 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, 2022 (April 01, 2021 to March 31, 2022)

(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	%
Fiscal year ended March 31, 2022	56,591	(4.6)	6,861	(2.7)	7,736	0.4	5,644	(4.4)
March 31, 2021	59,330	1.7	7,051	20.4	7,708	23.9	5,906	20.0

(Note) Comprehensive income: Fiscal year ended March 31, 2022: ¥ 5,835 million [(31.0)%]
 Fiscal year ended March 31, 2021: ¥ 8,461 million [92.4%]

	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, 2022	74.09	-	7.6	8.5	12.1
March 31, 2021	76.84	-	8.4	8.9	11.9

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2022: ¥ 639 million
 Fiscal year ended March 31, 2021: ¥ 424 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, 2022	90,559	76,043	84.0	1,006.05
March 31, 2021	90,869	73,321	80.7	959.76

(Reference) Equity: As of March 31, 2022: ¥ 76,043 million
 As of March 31, 2021: ¥ 73,321 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	Million yen	Million yen	Million yen	Million yen
March 31, 2022	3,989	997	(3,216)	6,676
March 31, 2021	10,873	(10,655)	(3,187)	4,820

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	Million yen	%	%
March 31, 2021	-	14.00	-	18.00	32.00	2,449	41.6	3.5
March 31, 2022	-	14.00	-	20.00	34.00	2,581	45.9	3.5
Fiscal year ending								
March 31, 2023 (Forecast)	-	17.00	-	17.00	34.00		45.1	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 01, 2022 to March 31, 2023)

(% 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	61,500	8.7	7,600	10.8	8,100	4.7	5,700	1.0	75.41

* 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, 2022: 76,395,901 shares

March 31, 2021: 78,225,350 shares

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

March 31, 2022: 809,314 shares

March 31, 2021: 1,829,292 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2022: 76,195,626 shares

Fiscal Year ended March 31, 2021: 76,876,007 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

(Thousand yen)

	As of March 31,2021	As of March 31,2022
Assets		
Current assets		
Cash and deposits	1,224,322	1,179,626
Deposits paid	36,536,175	36,897,023
Notes and accounts receivable - trade	19,464,344	-
Notes receivable - trade	-	2,856,931
Accounts receivable - trade	-	15,751,309
Merchandise and finished goods	808,516	896,832
Work in process	1,287,837	1,459,508
Raw materials and supplies	1,191,555	1,345,329
Other	465,096	758,981
Allowance for doubtful accounts	(225)	-
Total current assets	60,977,622	61,145,543
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,214,706	19,417,152
Accumulated depreciation	(11,792,858)	(12,365,792)
Buildings and structures, net	7,421,847	7,051,360
Machinery, equipment and vehicles	9,463,604	9,768,965
Accumulated depreciation	(7,056,109)	(7,688,877)
Machinery, equipment and vehicles, net	2,407,495	2,080,087
Tools, furniture and fixtures	2,848,241	2,920,594
Accumulated depreciation	(2,621,830)	(2,728,102)
Tools, furniture and fixtures, net	226,410	192,491
Land	8,524,457	8,524,007
Leased assets	793,776	765,585
Accumulated depreciation	(394,666)	(433,678)
Leased assets, net	399,109	331,906
Construction in progress	32,714	1,369
Total property, plant and equipment	19,012,035	18,181,222
Intangible assets	692,607	665,998
Investments and other assets		
Investment securities	7,954,715	7,311,005
Other	2,239,294	3,262,562
Allowance for doubtful accounts	(6,713)	(6,758)
Total investments and other assets	10,187,296	10,566,810
Total non-current assets	29,891,939	29,414,030
Total assets	90,869,562	90,559,574

(Thousand yen)

	As of March 31,2021	As of March 31,2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,089,276	8,633,664
Lease liabilities	99,476	102,516
Income taxes payable	1,727,200	717,737
Provision for bonuses for directors (and other officers)	38,000	38,000
Provision for product warranties	294,302	228,271
Other	3,239,715	2,647,420
Total current liabilities	15,487,971	12,367,609
Non-current liabilities		
Lease liabilities	343,845	295,055
Deferred tax liabilities	578,155	704,782
Deferred tax liabilities for land revaluation	616,302	616,302
Retirement benefit liability	450,694	489,292
Other	70,924	42,780
Total non-current liabilities	2,059,922	2,148,213
Total liabilities	17,547,893	14,515,822
Net assets		
Shareholders' equity		
Share capital	10,425,325	10,425,325
Capital surplus	9,923,342	9,923,342
Retained earnings	50,386,498	52,416,619
Treasury shares	(1,147,983)	(646,937)
Total shareholders' equity	69,587,182	72,118,350
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,498,080	4,085,430
Revaluation reserve for land	(1,624,044)	(1,624,044)
Foreign currency translation adjustment	86,580	758,735
Remeasurements of defined benefit plans	773,869	705,280
Total accumulated other comprehensive income	3,734,486	3,925,401
Total net assets	73,321,669	76,043,752
Total liabilities and net assets	90,869,562	90,559,574

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Net sales	59,330,782	56,591,208
Cost of sales	46,584,582	43,980,901
Gross profit	12,746,199	12,610,306
Selling, general and administrative expenses		
Packing and delivery expenses	450,112	747,374
Advertising expenses	51,174	50,689
Sales commission	20,022	37,782
Remuneration for directors (and other officers)	72,367	70,553
Salaries, allowances and bonuses	2,268,335	2,233,670
Provision for bonuses for directors (and other officers)	35,800	29,007
Provision for retirement benefits for directors (and other officers)	1,200	-
Retirement benefit expenses	197,974	142,342
Welfare expenses	480,856	481,180
Communication and transportation expenses	186,615	214,308
Depreciation	429,509	357,127
Repair expenses	80,736	90,199
Rent expenses	163,060	156,082
Research and development expenses	411,367	419,112
Other	845,811	719,316
Total selling, general and administrative expenses	5,694,944	5,748,748
Operating profit	7,051,255	6,861,558
Non-operating income		
Interest income	15,602	14,525
Dividend income	139,849	154,803
Foreign exchange gains	23,564	18,752
Share of profit of entities accounted for using equity method	424,624	639,551
Miscellaneous income	61,169	49,171
Total non-operating income	664,811	876,802
Non-operating expenses		
Miscellaneous losses	7,436	2,224
Total non-operating expenses	7,436	2,224
Ordinary profit	7,708,630	7,736,136

(Thousand yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Extraordinary income		
Gain on sale of non-current assets	1,959	1,054
Gain on sale of investment securities	3,694	119,079
Insurance claim income	767,844	31,920
Total extraordinary income	773,499	152,054
Extraordinary losses		
Loss on sale of non-current assets	1,096	134
Loss on retirement of non-current assets	12,716	16,850
Loss on sale of investment securities	149	-
Impairment losses	381	449
Total extraordinary losses	14,343	17,434
Profit before income taxes	8,467,785	7,870,756
Income taxes - current	2,553,072	1,886,607
Income taxes - deferred	7,919	339,167
Total income taxes	2,560,992	2,225,774
Profit	5,906,793	5,644,982
Profit attributable to owners of parent	5,906,793	5,644,982

Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Profit	5,906,793	5,644,982
Other comprehensive income		
Valuation difference on available-for-sale securities	1,611,276	(412,650)
Foreign currency translation adjustment	207,678	285,900
Remeasurements of defined benefit plans, net of tax	545,243	(68,588)
Share of other comprehensive income of entities accounted for using equity method	190,233	386,254
Total other comprehensive income	2,554,431	190,915
Comprehensive income	8,461,224	5,835,897
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,461,224	5,835,897
Comprehensive income attributable to non-controlling interests	-	-

Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31,2021

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,425,325	9,923,356	47,334,222	(918,004)	66,764,898
Changes during period					
Dividends of surplus			(2,083,974)		(2,083,974)
Profit attributable to owners of parent			5,906,793		5,906,793
Purchase of treasury shares				(1,000,535)	(1,000,535)
Cancellation of treasury shares		(770,556)		770,556	-
Transfer from retained earnings to capital surplus		770,542	(770,542)		-
Net changes in items other than shareholders' equity					-
Total changes during period	-	(13)	3,052,276	(229,978)	2,822,283
Balance at end of period	10,425,325	9,923,342	50,386,498	(1,147,983)	69,587,182

	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	2,886,803	(1,624,044)	(311,330)	228,626	1,180,055	67,944,954
Changes during period						
Dividends of surplus						(2,083,974)
Profit attributable to owners of parent						5,906,793
Purchase of treasury shares						(1,000,535)
Cancellation of treasury shares						-
Transfer from retained earnings to capital surplus						-
Net changes in items other than shareholders' equity	1,611,276	-	397,911	545,243	2,554,431	2,554,431
Total changes during period	1,611,276	-	397,911	545,243	2,554,431	5,376,714
Balance at end of period	4,498,080	(1,624,044)	86,580	773,869	3,734,486	73,321,669

For the fiscal year ended March 31,2022

(Thousand 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)
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)
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

Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Cash flows from operating activities		
Profit before income taxes	8,467,785	7,870,756
Depreciation	1,669,473	1,557,497
Amortization of goodwill	33,245	9,082
Impairment losses	381	449
Increase (decrease) in allowance for doubtful accounts	(2,091)	(193)
Increase (decrease) in provision for product warranties	155,892	(66,031)
Increase (decrease) in retirement benefit liability	(770,774)	38,598
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(43,600)	-
Interest and dividend income	(155,055)	(169,328)
Share of loss (profit) of entities accounted for using equity method	(424,624)	(639,551)
Loss (gain) on sale of investment securities	(3,545)	(119,079)
Insurance claim income	(767,844)	(31,920)
Foreign exchange losses (gains)	472	5,076
Loss (gain) on sale and retirement of non-current assets	11,853	15,929
Decrease (increase) in trade receivables	(399,629)	887,222
Decrease (increase) in inventories	944,715	(335,797)
Increase (decrease) in trade payables	1,522,363	(1,478,861)
Other, net	1,756,306	(878,754)
Subtotal	11,995,323	6,665,097
Interest and dividends received	153,781	164,615
Proceeds from insurance income	767,844	31,920
Income taxes paid	(2,043,218)	(2,872,068)
Net cash provided by (used in) operating activities	10,873,731	3,989,565
Cash flows from investing activities		
Decrease (increase) in deposits	(10,000,000)	1,540,000
Proceeds from sale of investment securities	6,815	169,658
Purchase of property, plant and equipment and intangible assets	(671,156)	(659,973)
Proceeds from sale of property, plant and equipment and intangible assets	36,464	8,947
Other, net	(27,407)	(60,929)
Net cash provided by (used in) investing activities	(10,655,284)	997,702
Cash flows from financing activities		
Purchase of treasury shares	(1,000,535)	(669,142)
Dividends paid	(2,083,974)	(2,444,671)
Other, net	(102,725)	(103,088)
Net cash provided by (used in) financing activities	(3,187,234)	(3,216,902)
Effect of exchange rate change on cash and cash equivalents	71,194	85,787
Net increase (decrease) in cash and cash equivalents	(2,897,592)	1,856,152
Cash and cash equivalents at beginning of period	7,718,090	4,820,497
Cash and cash equivalents at end of period	4,820,497	6,676,649