

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 12, 2023

Company name: Ashimori Industry Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 3526 URL <https://www.ashimori.co.jp/>
 Representative: President Shigeyuki Washine
 General Manager, Finance&Accounting Dept. Hiroki Kane TEL 06-6105-1863
 Inquiries: Hiroki Kane
 Scheduled date of ordinary general meeting of shareholders: June 23, 2023
 Scheduled date to file Securities Report: June 23, 2023
 Scheduled date to commence dividend payments: June 26, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2023	65,624	22.6	2,152	301.6	2,796	316.4	1,017	99.4
Year ended March 31, 2022	53,514	4.4	536	49.3	671	60.0	510	—

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2023	169.44	169.12	5.7	5.5	3.3
Year ended March 31, 2022	84.97	84.81	3.0	1.4	1.0

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	51,552	18,452	35.7	3,065.96
As of March 31, 2022	50,283	17,263	34.3	2,868.24

(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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2023	6,267	(1,463)	(2,700)	4,402
Year ended March 31, 2022	(1,021)	(4,190)	1,738	2,181

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2022	—	0.00	—	25.00	25.00	150	29.4	0.9
Year ended March 31, 2023	—	0.00	—	50.00	50.00	300	29.5	1.7
Year ending March 31, 2024 (Forecast)	—	0.00	—	75.00	75.00		30.0	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	65,000	–	2,300	6.8	2,200	–	1,500	47.4	249.78

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2023	6,056,939 shares	As of March 31, 2022	6,056,939 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	50,838 shares	As of March 31, 2022	51,606 shares
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Average number of shares during the period

Year ended March 31, 2023	6,005,318 shares	Year ended March 31, 2022	6,004,521 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	2,390	4,423
Notes receivable - trade	570	314
Accounts receivable - trade	12,098	11,042
Contract assets	751	1,748
Electronically recorded monetary claims - operating	2,013	1,653
Merchandise and finished goods	2,147	1,977
Work in process	1,237	1,376
Raw materials and supplies	7,327	8,008
Other	1,718	2,015
Allowance for doubtful accounts	(194)	(8)
Total current assets	30,062	32,552
Non-current assets		
Property, plant and equipment		
Buildings and structures	11,310	11,873
Accumulated depreciation	(6,079)	(6,583)
Buildings and structures, net	5,230	5,289
Machinery, equipment and vehicles	19,167	19,599
Accumulated depreciation	(15,517)	(16,521)
Machinery, equipment and vehicles, net	3,650	3,077
Tools, furniture and fixtures	14,076	14,165
Accumulated depreciation	(12,530)	(12,881)
Tools, furniture and fixtures, net	1,546	1,283
Land	5,606	5,790
Leased assets	54	75
Accumulated depreciation	(17)	(18)
Leased assets, net	36	56
Construction in progress	632	312
Total property, plant and equipment	16,704	15,810
Intangible assets		
Goodwill	761	598
Other	275	274
Total intangible assets	1,037	872
Investments and other assets		
Investment securities	1,247	1,326
Long-term loans receivable	0	–
Deferred tax assets	760	366
Retirement benefit asset	265	299
Other	226	341
Allowance for doubtful accounts	(20)	(17)
Total investments and other assets	2,479	2,317
Total non-current assets	20,221	19,000
Total assets	50,283	51,552

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,074	7,411
Electronically recorded obligations - operating	4,628	5,102
Short-term borrowings	4,960	2,254
Current portion of long-term borrowings	2,158	2,614
Lease liabilities	16	18
Accounts payable - other	1,084	1,095
Income taxes payable	162	267
Accrued consumption taxes	25	393
Contract liabilities	384	554
Provision for bonuses	499	568
Provision for bonuses for directors (and other officers)	8	24
Provision for product warranties	97	112
Other provisions	213	70
Other	1,120	1,011
Total current liabilities	21,435	21,501
Non-current liabilities		
Bonds payable	3,000	3,000
Long-term borrowings	6,438	6,429
Lease liabilities	33	50
Retirement benefit liability	1,969	1,995
Provision for product warranties	30	10
Asset retirement obligations	29	29
Other	84	84
Total non-current liabilities	11,584	11,599
Total liabilities	33,020	33,100
Net assets		
Shareholders' equity		
Share capital	8,388	8,388
Capital surplus	1,632	1,632
Retained earnings	7,120	7,985
Treasury shares	(151)	(148)
Total shareholders' equity	16,989	17,857
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	212	266
Deferred gains or losses on hedges	(4)	–
Foreign currency translation adjustment	(4)	194
Remeasurements of defined benefit plans	32	95
Total accumulated other comprehensive income	235	556
Share acquisition rights	21	20
Non-controlling interests	17	17
Total net assets	17,263	18,452
Total liabilities and net assets	50,283	51,552

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	53,514	65,624
Cost of sales	46,927	56,645
Gross profit	6,587	8,978
Selling, general and administrative expenses	6,051	6,825
Operating profit	536	2,152
Non-operating income		
Interest income	12	12
Dividend income	19	28
Rental income	21	44
Foreign exchange gains	221	624
Subsidy income	109	60
Compensation income	8	87
Other	140	159
Total non-operating income	532	1,019
Non-operating expenses		
Interest expenses	138	174
Rental costs	10	13
Share of loss of entities accounted for using equity method	10	26
Tariff cost	155	–
Loss on fire	–	63
Other	82	99
Total non-operating expenses	397	376
Ordinary profit	671	2,796
Extraordinary income		
Gain on sale of land	–	4
Gain on sale of non-current assets	47	–
Gain on sale of investment securities	2	–
Total extraordinary income	49	4
Extraordinary losses		
Product warranty loss	13	–
Impairment losses	–	690
Total extraordinary losses	13	690
Profit before income taxes	707	2,110
Income taxes - current	418	649
Income taxes - deferred	(221)	442
Total income taxes	196	1,092
Profit	510	1,017
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	510	1,017

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	510	1,017
Other comprehensive income		
Valuation difference on available-for-sale securities	(3)	53
Deferred gains or losses on hedges	(4)	4
Foreign currency translation adjustment	338	178
Remeasurements of defined benefit plans, net of tax	78	62
Share of other comprehensive income of entities accounted for using equity method	50	22
Total other comprehensive income	460	321
Comprehensive income	970	1,339
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	970	1,338
Comprehensive income attributable to non-controlling interests	0	0

Consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,388	1,632	6,610	(157)	16,474
Changes during period					
Dividends of surplus			–		–
Profit attributable to owners of parent			510		510
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(0)		6	5
Transfer of loss on disposal of treasury shares		0	(0)		–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	509	5	514
Balance at end of period	8,388	1,632	7,120	(151)	16,989

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	216	(0)	(394)	(45)	(225)	24	17	16,290
Changes during period								
Dividends of surplus								–
Profit attributable to owners of parent								510
Purchase of treasury shares								(0)
Disposal of treasury shares								5
Transfer of loss on disposal of treasury shares								–
Net changes in items other than shareholders' equity	(3)	(4)	390	78	460	(2)	0	457
Total changes during period	(3)	(4)	390	78	460	(2)	0	972
Balance at end of period	212	(4)	(4)	32	235	21	17	17,263

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	8,388	1,632	7,120	(151)	16,989
Changes during period					
Dividends of surplus			(150)		(150)
Profit attributable to owners of parent			1,017		1,017
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(1)		3	1
Transfer of loss on disposal of treasury shares		1	(1)		–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	865	3	868
Balance at end of period	8,388	1,632	7,985	(148)	17,857

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	212	(4)	(4)	32	235	21	17	17,263
Changes during period								
Dividends of surplus								(150)
Profit attributable to owners of parent								1,017
Purchase of treasury shares								(0)
Disposal of treasury shares								1
Transfer of loss on disposal of treasury shares								–
Net changes in items other than shareholders' equity	53	4	199	62	321	(1)	0	320
Total changes during period	53	4	199	62	321	(1)	0	1,188
Balance at end of period	266	–	194	95	556	20	17	18,452

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	707	2,110
Depreciation	1,842	1,885
Impairment losses	–	690
Amortization of goodwill	163	163
Increase (decrease) in provision for product warranties	(88)	(6)
Increase (decrease) in allowance for doubtful accounts	(162)	(194)
Increase (decrease) in retirement benefit asset or liability	(94)	(9)
Interest and dividend income	(31)	(41)
Interest expenses	138	174
Foreign exchange losses (gains)	115	(82)
Share of loss (profit) of entities accounted for using equity method	10	26
Loss (gain) on sale of investment securities	(2)	–
Loss (gain) on sale of land	–	(4)
Loss (gain) on sale of non-current assets	(47)	–
Decrease (increase) in trade receivables	(37)	999
Decrease (increase) in inventories	(2,435)	(143)
Increase (decrease) in trade payables	153	1,393
Decrease (increase) in other current assets	(200)	(455)
Increase (decrease) in accounts payable - other	(6)	54
Other, net	(110)	157
Subtotal	(87)	6,717
Interest and dividends received	28	47
Interest paid	(138)	(174)
Income taxes refund	108	266
Income taxes paid	(933)	(589)
Net cash provided by (used in) operating activities	(1,021)	6,267
Cash flows from investing activities		
Payments into time deposits	(514)	(15)
Proceeds from withdrawal of time deposits	402	210
Purchase of property, plant and equipment	(4,276)	(1,535)
Proceeds from sale of property, plant and equipment	250	201
Purchase of intangible assets	(11)	(196)
Purchase of investment securities	(46)	(12)
Proceeds from sale of investment securities	4	–
Proceeds from collection of loans receivable	0	0
Other, net	1	(115)
Net cash provided by (used in) investing activities	(4,190)	(1,463)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	227	(2,829)
Proceeds from long-term borrowings	3,700	2,788
Repayments of long-term borrowings	(2,174)	(2,470)
Purchase of treasury shares	(0)	(0)
Proceeds from disposal of treasury shares	0	0
Repayments of lease liabilities	(12)	(37)
Dividends paid	–	(150)
Net cash provided by (used in) financing activities	1,738	(2,700)
Effect of exchange rate change on cash and cash equivalents	80	116
Net increase (decrease) in cash and cash equivalents	(3,392)	2,220
Cash and cash equivalents at beginning of period	5,574	2,181
Cash and cash equivalents at end of period	2,181	4,402