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

May 11, 2023

Company name: Aichi Tokei Denki Co., Ltd.

Stock exchange listing: Tokyo, Nagoya

Code number: 7723

URL: <https://www.aichitokei.co.jp/>

Representative: Kenji Kunishima

President and Representative Director, President Executive Officer

Contact: Kazuki Sugino

Director, Managing Executive Officer, General Manager of Administration Headquarters

Phone: +81-52-661-5151

Scheduled date of Annual General Meeting of Shareholders: June 23, 2023

Scheduled date of commencing dividend payments: June 26, 2023

Scheduled date of filing annual securities report: June 26, 2023

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

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

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

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	50,160	7.9	3,980	21.1	4,654	22.0	3,458	24.0
March 31, 2022	46,483	0.6	3,287	9.5	3,814	15.7	2,789	(6.6)

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥ 3,958 million [148.0%]
Fiscal year ended March 31, 2022: ¥ 1,596 million [(67.4)%]

Fiscal year ended	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
	Yen	Yen	%	%	%
March 31, 2023	225.41	225.24	9.4	8.6	7.9
March 31, 2022	181.43	181.24	8.0	7.0	7.1

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2023: ¥ - million
Fiscal year ended March 31, 2022: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	56,318	38,399	68.2	2,510.14
March 31, 2022	52,227	35,228	67.4	2,296.49

(Reference) Equity: As of March 31, 2023: ¥ 38,389 million
As of March 31, 2022: ¥ 35,216 million

(3) Consolidated Cash Flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	1,876	(683)	(828)	8,847
March 31, 2022	3,115	2,589	(5,926)	8,277

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2022		50.00		26.00	-	655	23.5	1.9
March 31, 2023		21.00		34.00	55.00	842	24.4	2.3
Fiscal year ending March 31, 2024 (Forecast)		26.00		26.00	52.00		27.4	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2023 :

Commemorative dividend	3.00 yen
Special dividend	- yen

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

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	51,640	2.9	3,600	(9.6)	4,110	(11.7)	2,900	(16.2)	189.62

* 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: Yes
 2) Changes in accounting policies other than 1) above: No
 3) Changes in accounting estimates: No
 4) Retrospective restatement: No
- (3) Total number of issued shares (common shares)
 1) Total number of issued shares at the end of the period (including treasury shares):
 March 31, 2023: 15,420,000 shares
 March 31, 2022: 15,420,000 shares
- 2) Number of treasury shares at the end of the period:
 March 31, 2023: 126,216 shares
 March 31, 2022: 85,254 shares
- 3) Average number of shares outstanding during the period:
 Fiscal Year ended March 31, 2023: 15,344,801 shares
 Fiscal Year ended March 31, 2022: 15,372,690 shares

(Reference) Summary of Non-consolidated Financial Results

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

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	50,036	7.9	3,430	21.4	4,148	12.1	3,046	11.2
March 31, 2022	46,359	0.3	2,824	15.0	3,699	24.9	2,739	0.5

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	198.51	198.35
March 31, 2022	178.18	178.00

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2023	52,156	34,637	66.4	2,264.16
March 31, 2022	48,961	32,381	66.1	2,110.82

(Reference) Equity: As of March 31, 2023: ¥ 34,627 million
As of March 31, 2022: ¥ 32,368 million

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	10,737	11,305
Notes receivable - trade	3,248	3,302
Accounts receivable - trade	9,063	10,495
Contract assets	247	150
Finished goods	1,431	1,556
Work in process	7,557	9,098
Raw materials and supplies	290	333
Other	334	569
Allowance for doubtful accounts	(6)	(7)
Total current assets	32,904	36,803
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,436	4,250
Machinery, equipment and vehicles, net	1,109	1,038
Land	1,498	1,520
Leased assets, net	383	278
Construction in progress	350	516
Other, net	212	255
Total property, plant and equipment	7,990	7,860
Intangible assets		
Leased assets	58	54
Other	17	18
Total intangible assets	76	72
Investments and other assets		
Investment securities	6,879	6,848
Retirement benefit asset	2,583	2,819
Deferred tax assets	1,437	1,201
Other	361	716
Allowance for doubtful accounts	(4)	(4)
Total investments and other assets	11,256	11,582
Total non-current assets	19,323	19,515
Total assets	52,227	56,318

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,521	4,514
Electronically recorded obligations - operating	2,838	3,284
Short-term borrowings	704	851
Lease liabilities	153	141
Income taxes payable	806	972
Provision for bonuses for directors (and other officers)	57	50
Other	2,663	2,315
Total current liabilities	10,744	12,131
Non-current liabilities		
Long-term borrowings	27	34
Lease liabilities	332	224
Retirement benefit liability	5,851	5,479
Asset retirement obligations	6	6
Other	37	44
Total non-current liabilities	6,254	5,788
Total liabilities	16,999	17,919
Net assets		
Shareholders' equity		
Share capital	3,218	3,218
Capital surplus	311	311
Retained earnings	29,407	32,132
Treasury shares	(147)	(198)
Total shareholders' equity	32,789	35,463
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,055	2,053
Foreign currency translation adjustment	110	411
Remeasurements of defined benefit plans	259	461
Total accumulated other comprehensive income	2,426	2,925
Share acquisition rights	12	9
Total net assets	35,228	38,399
Total liabilities and net assets	52,227	56,318

Consolidated Statements of Income and Comprehensive Income
 Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net sales	46,483	50,160
Cost of sales	34,905	37,848
Gross profit	11,577	12,311
Selling, general and administrative expenses	8,290	8,330
Operating profit	3,287	3,980
Non-operating income		
Interest income	1	3
Dividend income	202	198
Rental income from investment property	63	59
Foreign exchange gains	209	190
Gain on sale of investment securities	70	197
Other	80	65
Total non-operating income	627	716
Non-operating expenses		
Interest expenses	33	6
Rental expenses on real estate	11	11
Loss on sale of non-current assets	28	2
Other	27	22
Total non-operating expenses	100	42
Ordinary profit	3,814	4,654
Extraordinary income		
Gain on sale of non-current assets	-	134
Total extraordinary income	-	134
Profit before income taxes	3,814	4,788
Income taxes - current	994	1,183
Income taxes - deferred	30	146
Total income taxes	1,025	1,329
Profit	2,789	3,458
Profit attributable to owners of parent	2,789	3,458

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit	2,789	3,458
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,856)	(2)
Foreign currency translation adjustment	259	300
Remeasurements of defined benefit plans, net of tax	404	201
Total other comprehensive income	(1,192)	499
Comprehensive income	1,596	3,958
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,596	3,958

Consolidated Statements of Changes in Equity

For the 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	3,218	311	27,257	(64)	30,722
Cumulative effects of changes in accounting policies			31		31
Restated balance	3,218	311	27,288	(64)	30,754
Changes during period					
Dividends of surplus			(666)		(666)
Profit attributable to owners of parent			2,789		2,789
Purchase of treasury shares				(112)	(112)
Disposal of treasury shares		(4)		29	25
Transfer from retained earnings to capital surplus		4	(4)		-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	2,118	(82)	2,035
Balance at end of period	3,218	311	29,407	(147)	32,789

	Accumulated other comprehensive income				Share acquisition rights	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	3,911	(148)	(144)	3,619	15	34,357
Cumulative effects of changes in accounting policies						31
Restated balance	3,911	(148)	(144)	3,619	15	34,388
Changes during period						
Dividends of surplus						(666)
Profit attributable to owners of parent						2,789
Purchase of treasury shares						(112)
Disposal of treasury shares						25
Transfer from retained earnings to capital surplus						-
Net changes in items other than shareholders' equity	(1,856)	259	404	(1,192)	(2)	(1,195)
Total changes during period	(1,856)	259	404	(1,192)	(2)	839
Balance at end of period	2,055	110	259	2,426	12	35,228

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	3,218	311	29,407	(147)	32,789
Cumulative effects of changes in accounting policies					-
Restated balance	3,218	311	29,407	(147)	32,789
Changes during period					
Dividends of surplus			(721)		(721)
Profit attributable to owners of parent			3,458		3,458
Purchase of treasury shares				(102)	(102)
Disposal of treasury shares		(12)		50	38
Transfer from retained earnings to capital surplus		12	(12)		-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	2,725	(51)	2,673
Balance at end of period	3,218	311	32,132	(198)	35,463

	Accumulated other comprehensive income				Share acquisition rights	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	2,055	110	259	2,426	12	35,228
Cumulative effects of changes in accounting policies						-
Restated balance	2,055	110	259	2,426	12	35,228
Changes during period						
Dividends of surplus						(721)
Profit attributable to owners of parent						3,458
Purchase of treasury shares						(102)
Disposal of treasury shares						38
Transfer from retained earnings to capital surplus						-
Net changes in items other than shareholders' equity	(2)	300	201	499	(2)	496
Total changes during period	(2)	300	201	499	(2)	3,170
Balance at end of period	2,053	411	461	2,925	9	38,399

Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	3,814	4,788
Depreciation	1,147	1,033
Increase (decrease) in provision for bonuses for directors (and other officers)	-	(6)
Increase (decrease) in allowance for doubtful accounts	(1)	0
Decrease (increase) in retirement benefit asset	(18)	(155)
Increase (decrease) in retirement benefit liability	254	(163)
Interest and dividend income	(203)	(202)
Interest expenses	33	6
Foreign exchange losses (gains)	(100)	(95)
Loss (gain) on sale and retirement of property, plant and equipment	5	(134)
Loss (gain) on sale of investment securities	(70)	(197)
Decrease (increase) in notes and accounts receivable - trade and contract assets	720	(1,393)
Decrease (increase) in inventories	(718)	(1,618)
Increase (decrease) in trade payables	(230)	1,423
Increase (decrease) in accrued consumption taxes	116	(179)
Other, net	(514)	(403)
Subtotal	4,235	2,705
Interest and dividends received	203	202
Interest paid	(37)	(8)
Income taxes paid	(1,285)	(1,022)
Net cash provided by (used in) operating activities	3,115	1,876
Cash flows from investing activities		
Net decrease (increase) in time deposits	3,073	(297)
Purchase of property, plant and equipment	(588)	(791)
Proceeds from sale of property, plant and equipment	67	188
Purchase of investment securities	(57)	(8)
Proceeds from sale of investment securities	96	235
Other, net	(1)	(9)
Net cash provided by (used in) investing activities	2,589	(683)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	526
Proceeds from long-term borrowings	-	34
Repayments of long-term borrowings	(5,000)	(406)
Repayments of lease liabilities	(146)	(159)
Net decrease (increase) in treasury shares	(112)	(102)
Dividends paid	(667)	(720)
Other, net	0	0
Net cash provided by (used in) financing activities	(5,926)	(828)
Effect of exchange rate change on cash and cash equivalents	187	205
Net increase (decrease) in cash and cash equivalents	(33)	570
Cash and cash equivalents at beginning of period	8,310	8,277
Cash and cash equivalents at end of period	8,277	8,847