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Consolidated Financial Results for the Year Ended March 31, 2025 [Japanese GAAP]

April 24, 2025

Company name: AISAN INDUSTRY CO., LTD.
 Listing: Tokyo Stock Exchange, Nagoya Stock Exchange
 Securities code: 7283
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 Scheduled date of annual general meeting of shareholders: June 13, 2025
 Scheduled date to commence dividend payments: May 27, 2025
 Scheduled date to file annual securities report: June 11, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(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	%
Fiscal year ended March 31, 2025	337,259	7.3	18,338	18.3	19,292	12.2	13,234	12.7
March 31, 2024	314,336	30.5	15,498	13.7	17,201	22.1	11,744	38.1

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥ 5,271 million [(84.1) %]
 Fiscal year ended March 31, 2024: ¥ 33,135 million [171.0 %]

	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	%	%	%
Fiscal year ended March 31, 2025	211.86	211.75	9.8	6.7	5.4
March 31, 2024	187.63	187.45	9.7	6.9	4.9

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2025: ¥ - million
 Fiscal year ended March 31, 2024: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	300,982	140,338	45.1	2,173.01
March 31, 2024	272,549	139,558	49.4	2,158.56

(Reference) Equity: As of March 31, 2025: ¥ 135,821 million
 As of March 31, 2024: ¥ 134,741 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	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	28,222	(20,128)	10,949	84,131
March 31, 2024	38,627	(9,664)	(11,431)	66,494

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, 2024	-	27.00	-	28.00	55.00	3,436	29.3	2.9
March 31, 2025	-	31.00	-	37.00	68.00	4,249	32.1	3.1
Fiscal year ending March 31, 2026 (Forecast)	-	37.00	-	38.00	75.00		35.9	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	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	310,000	(8.1)	18,500	0.9	18,000	(6.7)	12,000	(9.3)	208.96

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(3) Number of issued shares (common shares)

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

March 31, 2025: 63,397,879 shares

March 31, 2024: 63,339,379 shares

2) Number of treasury shares at the end of the period:

March 31, 2025: 893,963 shares

March 31, 2024: 917,500 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2025: 62,467,809 shares

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

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	125,256	17.3	1,479	500.6	16,892	268.9	16,491	500.9
March 31, 2024	106,805	20.0	246	(92.7)	4,579	(52.9)	2,744	(70.3)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended March 31, 2025	264.00	263.87
March 31, 2024	43.84	43.80

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	190,198	82,628	43.4	1,321.85
March 31, 2024	159,523	71,755	45.0	1,149.08

(Reference) Equity: As of March 31, 2025: ¥ 82,620 million
As of March 31, 2024: ¥ 71,727 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The above forward-looking statements are prepared based on judgement 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 Operating Results for the Fiscal Year"

(How to obtain supplementary financial results material)

Supplementary financial material will be posted on the Company's website on April 24, 2025(JST)

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year

During the fiscal year under review, the global economy showed signs of gradual recovery, but the outlook continued to be uncertain due to factors such as policy trends in various countries, economic slowdown in China. In the automobile industry, while there were impacts from foreign policies following the inauguration of a new administration in the U.S., the industry showed a gradual recovery trend overall. In the North American market, sales of hybrid cars increased due mainly to changes in EV policies. On the other hand, in the Chinese market, the situation remains challenging due to sales volume remaining sluggish for Japanese automotive manufacturers, despite sales volume growing in the overall market.

Under these circumstances, the Company's consolidated net sales for the fiscal year were ¥337,259 million, an increase of 7.3% year on year. As for profits, operating profit increased 18.3% year on year to ¥18,338 million, ordinary profit increased 12.2% year on year to ¥19,292 million, and profit attributable to owners of parent increased 12.7% year on year to ¥13,234 million.

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

(Japan)

Net sales increased 17.3% year on year to ¥133,625 million due to an increase in sales volume, and operating profit increased 3.0 times year on year to ¥2,318 million due to an increase in sales volume and efforts to improve profitability.

(Asia)

Net sales increased 6.1% year on year to ¥145,345 million due to an increase in sales volume and foreign exchange rate fluctuations, and operating profit increased 1.9% year on year to ¥7,802 million due to an increase in sales volume, foreign exchange rate fluctuations and efforts to improve profitability.

(Americas)

Net sales increased 8.8% year on year to ¥77,443 million due to an increase in sales volume and foreign exchange rate fluctuations, and operating profit increased 28.6% year on year to ¥7,154 million due to an increase in sales volume, foreign exchange rate fluctuations and efforts to improve profitability.

(Europe)

Net sales increased 2.2% year on year to ¥15,992 million due to foreign exchange rate fluctuations, and operating profit increased 39.0% year on year to ¥1,287 million due to foreign exchange rate fluctuations and efforts to improve profitability.

(Outlook)

Looking ahead, the outlook for the global economy will be increasingly uncertain due to the expectation that economic trends in China and the U.S. new administration's foreign policies may exert downward pressure on economy depending on their developments. By the same token, there are unclear factors in the outlook of the automobile industry, with concerns over impacts from the U.S. additional tariff hikes and trends in geopolitical risks. We will further promote improvement activities to enhance profitability, upon carefully assessing market trends and situations of each country.

Under these circumstances, the Group's forecast for the fiscal year ending March 31, 2026 is as follows:

- | | |
|---|----------------|
| • Net sales | ¥310.0 billion |
| • Operating profit | ¥18.5 billion |
| • Ordinary profit | ¥18.0 billion |
| • Profit attributable to owners of parent | ¥12.0 billion |

(Assumed exchange rate: US\$1 = ¥140)

(2) Overview of Financial Position for the Fiscal Year

Total assets at the end of the fiscal year amounted to ¥300,982 million, an increase of ¥28,433 million from the end of the previous fiscal year, mainly due to an increase in the value resulting from an increase in cash and deposits.

Liabilities increased ¥27,653 million from the end of the previous fiscal year to ¥160,644 million, mainly due to an increase

in long-term borrowings.

Net assets increased ¥779 million from the end of the previous fiscal year to ¥140,338 million, mainly due to an increase in retained earnings.

Cash and cash equivalents at the end of the fiscal year amounted to ¥84,131 million, an increase of ¥17,636 million from the end of the previous fiscal year.

(Cash Flows from Operating Activities)

Net cash provided by operating activities amounted to ¥28,222 million, mainly due to profit before income taxes and depreciation. The cash inflow decreased by ¥10,405 million year on year.

(Cash Flows from Investing Activities)

Net cash used in investing activities amounted to ¥20,128 million, mainly due to purchase of non-current assets. The cash outflow increased by ¥10,463 million year on year.

(Cash Flows from Financing Activities)

Net cash provided by financing activities amounted to ¥10,949 million, mainly due to long-term borrowings. The cash inflow increased by ¥22,380 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, the Company has set a year-end dividend of ¥37 per share (up ¥9 year on year), which, together with the interim dividend of ¥31 per share (up ¥4 year on year), brings the annual dividend to ¥68 per share (up ¥13 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, in the Medium-term Management Plan announced on February 25, 2025, we have set a consolidated dividend payout ratio of 35% or more as a guidepost during the period from 2025 to 2027. Besides, with an aim to increase capital efficiency, the Company will flexibly consider acquisition of treasury shares in view of the stock price level and other factors.

Based on the policy above, the Company plans to pay an annual dividend of ¥75 per share for the fiscal year ending March 31, 2026.

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, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	65,554	85,776
Notes and accounts receivable - trade	39,279	37,563
Electronically recorded monetary claims - operating	3,752	3,900
Securities	1,482	-
Merchandise and finished goods	8,287	9,756
Work in process	6,320	8,673
Raw materials and supplies	18,959	20,774
Other	6,084	8,457
Allowance for doubtful accounts	(82)	(38)
Total current assets	149,636	174,864
Non-current assets		
Property, plant and equipment		
Buildings and structures	63,157	66,037
Accumulated depreciation	(41,735)	(42,605)
Buildings and structures, net	21,422	23,431
Machinery, equipment and vehicles	191,185	183,139
Accumulated depreciation	(149,505)	(148,007)
Machinery, equipment and vehicles, net	41,680	35,132
Land	8,617	8,375
Construction in progress	6,331	13,802
Other	41,270	43,470
Accumulated depreciation	(35,722)	(38,090)
Other, net	5,547	5,380
Total property, plant and equipment	83,599	86,121
Intangible assets	2,398	2,404
Investments and other assets		
Investment securities	9,200	6,443
Retirement benefit asset	23,309	25,896
Deferred tax assets	2,707	3,253
Other	1,743	2,043
Allowance for doubtful accounts	(45)	(45)
Total investments and other assets	36,915	37,591
Total non-current assets	122,912	126,118
Total assets	272,549	300,982

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	32,872	33,722
Electronically recorded obligations - operating	7,462	6,748
Short-term borrowings	2,219	1,676
Current portion of long-term borrowings	8,091	3,011
Accrued expenses	10,955	11,344
Income taxes payable	1,179	1,897
Provision for product warranties	7,603	14,660
Provision for bonuses for directors (and other officers)	96	133
Provision for business restructuring	148	89
Other	11,438	12,460
Total current liabilities	82,067	85,745
Non-current liabilities		
Long-term borrowings	31,526	51,528
Deferred tax liabilities	3,448	1,407
Provision for retirement benefits for directors (and other officers)	51	53
Retirement benefit liability	15,357	20,986
Other	538	923
Total non-current liabilities	50,922	74,898
Total liabilities	132,990	160,644
Net assets		
Shareholders' equity		
Share capital	10,838	10,866
Capital surplus	12,668	12,699
Retained earnings	82,720	92,269
Treasury shares	(1,032)	(1,005)
Total shareholders' equity	105,195	114,830
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,332	3,355
Foreign currency translation adjustment	14,854	11,878
Remeasurements of defined benefit plans	9,358	5,757
Total accumulated other comprehensive income	29,546	20,991
Share acquisition rights	27	7
Non-controlling interests	4,789	4,509
Total net assets	139,558	140,338
Total liabilities and net assets	272,549	300,982

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	314,336	337,259
Cost of sales	273,117	288,286
Gross profit	41,218	48,972
Selling, general and administrative expenses		
Packing and transportation costs	2,160	2,531
Salaries and allowances	8,202	9,057
Welfare expenses	2,121	2,401
Provision for bonuses for directors (and other officers)	99	137
Retirement benefit expenses	217	0
Provision for retirement benefits for directors (and other officers)	11	20
Provision for product warranties	4,706	7,968
Other	8,200	8,515
Total selling, general and administrative expenses	25,720	30,633
Operating profit	15,498	18,338
Non-operating income		
Interest income	456	1,356
Dividend income	151	193
Gain on sale of investment securities	-	356
Foreign exchange gains	1,227	-
Subsidy income	239	192
Other	211	552
Total non-operating income	2,286	2,651
Non-operating expenses		
Interest expenses	185	565
Foreign exchange losses	-	216
Loss on sale and retirement of non-current assets	339	630
Other	58	284
Total non-operating expenses	583	1,698
Ordinary profit	17,201	19,292
Extraordinary income		
Gain on reversal of share acquisition rights	24	11
Total extraordinary income	24	11
Profit before income taxes	17,226	19,303
Income taxes - current	4,243	5,926
Income taxes - deferred	546	(568)
Total income taxes	4,789	5,357
Profit	12,436	13,946
Profit attributable to non-controlling interests	691	711
Profit attributable to owners of parent	11,744	13,234

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	12,436	13,946
Other comprehensive income		
Valuation difference on available-for-sale securities	2,592	(1,974)
Foreign currency translation adjustment	9,866	(3,109)
Remeasurements of defined benefit plans, net of tax	8,241	(3,591)
Total other comprehensive income	20,699	(8,675)
Comprehensive income	33,135	5,271
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	32,038	4,679
Comprehensive income attributable to non-controlling interests	1,097	591

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholder s' 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
Net changes in items other than shareholders' equity					
Total changes during period	124	127	8,796	(975)	8,072
Balance at end of period	10,838	12,668	82,720	(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
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

For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholder s' equity
Balance at beginning of period	10,838	12,668	82,720	(1,032)	105,195
Increase (decrease) from fiscal years changes of consolidated subsidiaries					-
Restated balance of increase (decrease) from fiscal years changes of consolidated subsidiaries	10,838	12,668	82,720	(1,032)	105,195
Changes during period					
Issuance of new shares	27	27			54
Dividends of surplus			(3,684)		(3,684)
Profit attributable to owners of parent			13,234		13,234
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		3		27	31
Net changes in items other than shareholders' equity					
Total changes during period	27	31	9,549	27	9,635
Balance at end of period	10,866	12,699	92,269	(1,005)	114,830

	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	5,332	14,854	9,358	29,546	27	4,789	139,558
Increase (decrease) from fiscal years changes of consolidated subsidiaries							-
Restated balance of increase (decrease) from fiscal years changes of consolidated subsidiaries	5,332	14,854	9,358	29,546	27	4,789	139,558
Changes during period							
Issuance of new shares							54
Dividends of surplus							(3,684)
Profit attributable to owners of parent							13,234
Purchase of treasury shares							(0)
Disposal of treasury shares							31
Net changes in items other than shareholders' equity	(1,977)	(2,976)	(3,601)	(8,555)	(19)	(280)	(8,855)
Total changes during period	(1,977)	(2,976)	(3,601)	(8,555)	(19)	(280)	779
Balance at end of period	3,355	11,878	5,757	20,991	7	4,509	140,338

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	17,226	19,303
Depreciation	14,831	13,773
Amortization of goodwill	118	122
Increase (decrease) in allowance for doubtful accounts	45	(43)
Increase (decrease) in provision for product warranties	4,176	7,345
Increase (decrease) in provision for bonuses for directors (and other officers)	3	37
Increase (decrease) in provision for business restructuring	(30)	(55)
Increase (decrease) in retirement benefit liability	214	8,101
Decrease (increase) in retirement benefit asset	(1,259)	(10,060)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	3	1
Interest and dividend income	(608)	(1,550)
Interest expenses	185	565
Foreign exchange losses (gains)	(131)	34
Loss (gain) on sale and retirement of non-current assets	294	419
Decrease (increase) in trade receivables	(3,857)	827
Decrease (increase) in inventories	1,942	(6,525)
Increase (decrease) in trade payables	7,371	834
Increase (decrease) in accrued expenses	938	416
Other, net	1,235	(1,214)
Subtotal	42,697	32,336
Interest and dividends received	623	1,557
Interest paid	(187)	(517)
Income taxes paid	(4,505)	(5,153)
Net cash provided by (used in) operating activities	38,627	28,222
Cash flows from investing activities		
Payments into time deposits	(18)	(1,663)
Proceeds from withdrawal of time deposits	1,048	44
Proceeds from sale of securities	550	485
Purchase of non-current assets	(12,337)	(20,353)
Proceeds from sale of non-current assets	1,308	1,013
Purchase of investment securities	(180)	-
Proceeds from sale of investment securities	-	365
Loan advances	(311)	(312)
Proceeds from collection of loans receivable	275	292
Net cash provided by (used in) investing activities	(9,664)	(20,128)

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from financing activities		
Proceeds from short-term borrowings	2,704	3,675
Repayments of short-term borrowings	(3,192)	(3,206)
Proceeds from long-term borrowings	-	23,043
Repayments of long-term borrowings	(6,324)	(8,016)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	215	46
Purchase of treasury shares	(1,000)	(0)
Proceeds from sale of treasury shares	27	31
Dividends paid	(2,948)	(3,684)
Dividends paid to non-controlling interests	(502)	(595)
Repayments of lease liabilities	(411)	(344)
Net cash provided by (used in) financing activities	(11,431)	10,949
Effect of exchange rate change on cash and cash equivalents	2,760	(1,407)
Net increase (decrease) in cash and cash equivalents	20,292	17,636
Cash and cash equivalents at beginning of period	43,972	66,494
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	66,494	84,131

(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: 27 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., 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.

Hyundam (Zhangjiagang) Automobile Parts Co., Ltd., which had been a consolidated subsidiary, was sold on December 16, 2024, and was therefore excluded from the scope of consolidation from the fiscal year.

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., 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.

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, the financial statements based on provisional settlements of their accounts as of March 31, the consolidated fiscal year end, are used.

(Changes in accounting policies)

(Application of "Accounting Standard for Current Income Taxes" and other standards)

The Company applied "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27 on October 28, 2022; hereinafter, the "Revised Accounting Standard 2022") and other standards from the beginning of the fiscal year.

Regarding the amendment to the accounting classification of income taxes (taxation of other comprehensive income), the Company follows the transitional treatment set forth in the proviso to Paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment set forth in the proviso to Paragraph 65-2 (2) of "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28 on October 28, 2022; hereinafter, the "Revised Guidance 2022"). These changes in accounting policies have no impact on the consolidated financial statements.

Regarding the amendment related to revisions of the treatment of profits and losses on sales of shares of subsidiaries between consolidated companies in the case of tax deferral in the consolidated financial statements, the Company applied the Revised Guidance 2022 from the beginning of the fiscal year under review. This change in accounting policies is applied retrospectively, including the consolidated financial statements for the previous fiscal year, which have been adjusted retrospectively. This change in accounting policies has no impact on the consolidated financial statements for the previous fiscal year.

(Additional information)

In accordance with revisions to the Tax Law, the statutory effective tax rate has been changed from 30.0% to 31.0% regarding deferred tax assets and deferred tax liabilities relating to temporary differences expected to be eliminated on and after April 1, 2026. As a result, the amount of deferred tax assets (an amount less deferred tax liabilities) and remeasurements of defined benefit plans decreased by ¥12 million and ¥82 million, respectively, and the amounts of income taxes – deferred and valuation difference on available-for-sale securities recorded in the fiscal year increased by ¥119 million and ¥48 million, respectively.

(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, Thailand, 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

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 income is adjusted with operating profit in the consolidated statements of income.

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(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	99,929	144,054	77,344	15,929	337,259	—	337,259
(2) Inter-segment net sales or transfers	33,695	1,290	98	62	35,147	(35,147)	—
Total	133,625	145,345	77,443	15,992	372,406	(35,147)	337,259
Segment income	2,318	7,802	7,154	1,287	18,563	(224)	18,338
Segment assets	135,713	98,850	49,345	11,994	295,903	5,078	300,982
Others							
Depreciation	5,445	4,692	3,281	606	14,025	(252)	13,773
Amortization of goodwill	69	53	—	—	122	—	122
Increase in property, plant and equipment and intangible assets	7,292	3,284	1,751	408	12,736	(84)	12,651

(Notes) 1. Adjustment consists of the following:

- (1) The negative ¥224 million adjustment to segment income is mainly an adjustment for unrealized inter-segment profits.
 - (2) The ¥5,078 million adjustment to segment assets consists of ¥32,759 million in general corporate assets, such as cash and deposits and investment securities of the Company and negative ¥27,680 million in elimination of inter-segment transactions.
 - (3) The negative ¥252 million adjustment to depreciation is due to realization of unrealized gains/losses on non-current assets.
 - (4) The negative ¥84 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, 2024	For the fiscal year ended March 31, 2025
Net assets per share	¥2,158.56	¥2,173.01
Basic earnings per share	¥187.63	¥211.86
Diluted earnings per share	¥187.45	¥211.75

(Note) Basis for calculation

(1) Net assets per share

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Total net assets (Million yen)	139,558	140,338
Amount excluded from total net assets (Million yen)	4,817	4,516
[Share acquisition rights (Million yen)]	[27]	[7]
[Non-controlling interests (Million yen)]	[4,789]	[4,509]
Net assets attributable to common shares at end of period (Million yen)	134,741	135,821
Number of common shares outstanding at end of period calculated under “Net assets per share” (Thousand shares)	62,421	62,503

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

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Basic earnings per share		
Profit attributable to owners of parent (Million yen)	11,744	13,234
Amount not attributable to common shareholders (Million yen)	—	—
Profit attributable to owners of parent relating to common shares (Million yen)	11,744	13,234
Average number of common shares outstanding during the period (Thousand shares)	62,596	62,468
Diluted earnings per share		
Adjustment for profit attributable to owners of parent (Million yen)	—	—
Increase in number of common shares (Thousand shares)	58	31
[Share acquisition rights (Thousand shares)]	[58]	[31]
Overview of residual shares not included in the calculation of diluted earnings per share due to their non-dilutive effect	—	—

(Significant subsequent events)

(Sale of investment securities)

The Company decided by resolution to sell a part of investment securities held by the Company at the Board of Directors meeting held on March 25, 2025, and sold them as follows.

Accordingly, in the three months ending June 30, 2025, gain on sale of investment securities (extraordinary income) will be recorded.

1. Reason for the sale of investment securities

To reduce cross-shareholdings

2. Details of the sale of investment securities

(1) Stock name sold: DENSO CORPORATION

(2) Date of the sale: April 10, 2025

(3) Number of shares sold: 1,514,356 shares

(4) Gain on sale of investment securities: 1,933 million yen

(Acquisition of treasury shares)

At the Board of Directors meeting held on February 25, 2025, the Company decided by resolution to acquire treasury shares according to Article 156, Paragraph 1 of the Companies Act (Act No. 86 of 2005, including subsequent revisions) which is applied by replacing terms pursuant to the provision of Article 165, Paragraph 3 of the same act and the Company's Articles of Incorporation, and to make a takeover bid for treasury shares (hereinafter referred to as the "Takeover Bid") as its specific acquisition method. Consequently, the Company acquired treasury shares as follows.

1. Reason for the acquisition of treasury shares

The Company determined that the acquisition of treasury shares would contribute to improvements in capital efficiency such as EPS (earnings per share) and ROE (return on equity) of the Company, leading to returning profits to shareholders.

2. Details of the resolution at the Board of Directors meeting regarding the acquisition of treasury shares

(1) Class of shares to be acquired: Common stock

(2) Total number of shares to be acquired: 6,600,100 shares (upper limit)

(3) Total acquisition price: 11,286,171,000 yen (upper limit)

(4) Period of the acquisition: from February 26, 2025 to May 31, 2025

(5) Acquisition method: by means of a takeover bid

3. Outline of the Takeover Bid

(1) Class of listed shares, etc. to be purchased, etc.: Common stock

(2) Period of purchase, etc.: from February 26, 2025 to March 26, 2025

(3) Date of public notice of commencement of the takeover bid: February 26, 2025

(4) Price of purchase, etc.: 1,710 yen per common share

(5) Scheduled number of shares to be purchased: 6,600,000 shares

(6) Commencement date of settlement: April 17, 2025

4. Result of the acquisition

As a result of the above takeover bid, the Company acquired 5,500,000 shares of the Company's common stock (acquisition value 9,405,000,000 yen) on April 17, 2025.

4. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	19,909	26,494
Electronically recorded monetary claims - operating	3,436	3,587
Accounts receivable - trade	17,345	21,356
Securities	1,000	-
Finished goods	1,734	2,317
Work in process	4,711	7,115
Raw materials and supplies	472	471
Advance payments to suppliers	2,759	3,101
Prepaid expenses	72	42
Accounts receivable - other	3,749	11,112
Other	296	7,737
Total current assets	55,487	83,336
Non-current assets		
Property, plant and equipment		
Buildings	8,156	10,214
Structures	900	1,139
Machinery and equipment	14,006	12,595
Car and industrial vehicle	31	65
Tools, furniture and fixtures	955	947
Land	7,176	7,311
Leased assets	104	126
Construction in progress	3,880	10,648
Total property, plant and equipment	35,212	43,047
Intangible assets		
Leasehold interests in land	28	28
Software	606	539
Goodwill	585	516
Leased assets	1	0
Other	233	462
Total intangible assets	1,454	1,546
Investments and other assets		
Investment securities	6,939	4,715
Investments in subsidiaries and affiliates	40,899	41,610
Long-term loans receivable	7,115	253
Long-term prepaid expenses	86	66
Deferred tax assets	3,726	4,943
Prepaid pension costs	8,524	10,581
Long-term accounts receivable - other	-	20
Other	103	103
Allowance for doubtful accounts	(28)	(28)
Total investments and other assets	67,368	62,267
Total non-current assets	104,035	106,861

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Total assets	159,523	190,198

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Electronically recorded obligations - operating	6,710	6,238
Accounts payable - trade	10,146	12,084
Short-term borrowings from subsidiaries and associates	2,234	2,475
Current portion of long-term borrowings	8,000	3,000
Lease liabilities	53	54
Accounts payable - other	3,737	2,260
Accrued expenses	7,103	7,356
Income taxes payable	153	215
Deposits received	310	146
Provision for product warranties	2,403	5,329
Provision for bonuses for directors (and other officers)	68	94
Other	2,018	3,990
Total current liabilities	42,941	43,246
Non-current liabilities		
Long-term borrowings	31,500	51,000
Lease liabilities	72	87
Provision for retirement benefits	13,216	13,201
Asset retirement obligations	34	29
Other	4	4
Total non-current liabilities	44,827	64,322
Total liabilities	87,768	107,569
Net assets		
Shareholders' equity		
Share capital	10,838	10,866
Capital surplus		
Legal capital surplus	12,840	12,868
Other capital surplus	2	6
Total capital surplus	12,843	12,874
Retained earnings		
Legal retained earnings	1,468	1,468
Other retained earnings		
General reserve	16,110	16,110
Retained earnings brought forward	26,218	39,025
Total retained earnings	43,797	56,604
Treasury shares	(1,032)	(1,005)
Total shareholders' equity	66,447	79,340
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	5,280	3,280
Total valuation and translation adjustments	5,280	3,280
Share acquisition rights	27	7
Total net assets	71,755	82,628
Total liabilities and net assets	159,523	190,198

(2) Non-consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	106,805	125,256
Cost of sales	96,311	110,254
Gross profit	10,493	15,002
Selling, general and administrative expenses	10,247	13,523
Operating profit	246	1,479
Non-operating income		
Interest and dividend income	4,139	15,551
Foreign exchange gains	426	-
Gain on sale of investment securities	-	356
Other	152	136
Total non-operating income	4,718	16,044
Non-operating expenses		
Interest expenses	63	119
Foreign exchange losses	-	197
Loss on valuation of shares of subsidiaries and associates	156	-
Loss on sale and retirement of non-current assets	154	203
Other	10	111
Total non-operating expenses	385	631
Ordinary profit	4,579	16,892
Extraordinary income		
Gain on reversal of share acquisition rights	24	11
Total extraordinary income	24	11
Profit before income taxes	4,604	16,904
Income taxes - current	669	840
Income taxes - deferred	1,190	(426)
Total income taxes	1,859	413
Profit	2,744	16,491

(3) Non-consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Legal retained earnings	Retained earnings		Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		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	2	127	-	-	(204)	(204)
Balance at end of period	10,838	12,840	2	12,843	1,468	16,110	26,218	43,797

	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

For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Legal retained earnings	Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus		Other retained earnings	Total retained earnings	
						General reserve	Retained earnings brought forward	
Balance at beginning of period	10,838	12,840	2	12,843	1,468	16,110	26,218	43,797
Changes during period								
Issuance of new shares	27	27		27				
Dividends of surplus							(3,684)	(3,684)
Profit							16,491	16,491
Purchase of treasury shares								
Disposal of treasury shares			3	3				
Net changes in items other than shareholders' equity								
Total changes during period	27	27	3	31	-	-	12,806	12,806
Balance at end of period	10,866	12,868	6	12,874	1,468	16,110	39,025	56,604

	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	(1,032)	66,447	5,280	5,280	27	71,755
Changes during period						
Issuance of new shares		54				54
Dividends of surplus		(3,684)				(3,684)
Profit		16,491				16,491
Purchase of treasury shares	(0)	(0)				(0)
Disposal of treasury shares	27	31				31
Net changes in items other than shareholders' equity			(2,000)	(2,000)	(19)	(2,019)
Total changes during period	27	12,892	(2,000)	(2,000)	(19)	10,873
Balance at end of period	(1,005)	79,340	3,280	3,280	7	82,628