

**Consolidated Financial Results**  
**for the Nine Months Ended December 31, 2022**  
**[Japanese GAAP]**



January 31, 2023

Company name: DAIKI Aluminium Industry Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Code number: 5702

URL: <https://www.dik-net.com/>

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Scheduled date of filing quarterly securities report: February 10, 2023

Scheduled date of commencing dividend payments: –

Availability of supplementary explanatory materials on quarterly financial results: No

Schedule of quarterly financial results briefing session: No

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

**1. Consolidated Financial Results for the Nine Months Ended December 31, 2022 (April 1, 2022 - December 31, 2022)**

(1) Consolidated Operating Results (Cumulative) (% 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	%
Nine months ended December 31, 2022	215,130	32.6	11,738	(15.8)	11,942	(15.2)	7,959	(22.3)
December 31, 2021	162,245	74.1	13,938	195.4	14,080	219.6	10,249	226.9

(Note) Comprehensive income: Nine months ended December 31, 2022: ¥13,103 million [19.6%]

Nine months ended December 31, 2021: ¥10,954 million [475.7%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2022	196.49	193.53
December 31, 2021	253.05	249.20

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2022	143,641	68,786	47.2
As of March 31, 2022	141,616	58,505	40.7

(Reference) Equity: As of December 31, 2022: ¥67,853 million

As of March 31, 2022: ¥57,578 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	–	25.00	–	35.00	60.00
Fiscal year ending March 31, 2023	–	30.00	–		
Fiscal year ending March 31, 2023 (Forecast)				40.00	70.00

(Note) Revisions from the most recently announced dividends forecast: No

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 - 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	281,800	19.4	14,650	(28.1)	14,720	(28.8)	10,240	(31.2)	252.77

(Note) Revisions from the most recently announced financial results forecast: No

**\* Notes:**

- (1) Changes in significant subsidiaries during the period under review: No  
Newly included: –, Excluded: –
- (2) Adoption of special accounting methods for the preparation of quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
- 1) Changes in accounting policies due to the revision of accounting standards: No
  - 2) Changes in accounting policies other than 1) above: No
  - 3) Changes in accounting estimates: No
  - 4) Retrospective restatement: No
- (4) Total number of issued shares (common shares)
- 1) Total number of issued shares at the end of the period (including treasury shares):

As of December 31, 2022:	43,629,235 shares
As of March 31, 2022:	43,629,235 shares
  - 2) Total number of treasury shares at the end of the period:

As of December 31, 2022:	3,117,520 shares
As of March 31, 2022:	3,127,266 shares
  - 3) Average number of shares during the period (cumulative total):

Nine months ended December 31, 2022:	40,508,871 shares
Nine months ended December 31, 2021:	40,502,161 shares

\* These quarterly consolidated financial results are outside the scope of quarterly review by certified public accountants or an audit firm.

\* Explanation on the proper use of financial results forecast and other notes

(Cautionary note regarding forward-looking statements, etc.)

The earnings forecasts and other forward-looking statements herein are based on information available to the Company at the time of preparation and certain assumptions deemed to be reasonable, and actual results may vary significantly due to various factors. For the assumptions used for the earnings forecasts and the notes regarding the use thereof, please refer to “Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 3 of the attached document.

(Reference)

**1. Non-consolidated Financial Results for the Nine Months Ended December 31, 2022 (April 1, 2022 - December 31, 2022)**

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2022	122,291	19.3	4,371	23.0	5,282	22.2	3,733	21.8
December 31, 2021	102,508	67.5	3,554	184.6	4,322	120.0	3,065	114.5

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	92.16		90.77	
December 31, 2021	75.68		74.53	

**2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 - March 31, 2023)**

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	168,900	16.8	5,910	11.0	8,620	(6.1)	6,590	(7.8)	162.67

(Note) Revisions from the most recently announced financial results forecast: No

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## 1. Qualitative Information on Quarterly Financial Results for the Period under Review

### (1) Explanation of Operating Results

During the nine months ended December 31, 2022, the outlook for the Japanese economy remained uncertain because of the spread of novel coronavirus (COVID-19) and soaring prices of raw materials and crude oil caused by the impact of the situation in Ukraine and other matters, which led to concern over a decline in consumption due to price increases.

Amid this environment, automakers, which are our major clients, have experienced prolonged global shortage of semiconductors and difficulty in parts procurement, and their production continued to reduce due to the review of production plans.

The Group intensively strove to optimize unit prices at which it purchased raw materials and manage its inventory of products appropriately amid decreased sales volume. At the same time, can stocks for rolling maintained good performance amid the growing trend towards carbon neutrality.

As a result, the Group's consolidated net sales for the nine months ended December 31, 2022 amounted to a combined total of ¥215,130 million (up 32.6% year on year), including ¥145,273 million in secondary aluminium alloy ingots (up 32.0% year on year) and ¥69,857 million in merchandise and raw materials (up 33.9% year on year), due mainly to higher average selling prices compared to the same period of the previous year.

Given the temporary shrinkage in the price difference (spread) between product and raw material prices at consolidated subsidiaries overseas, however, ordinary profit was ¥11,942 million (down 15.2% year on year) and profit attributable to owners of parent was ¥7,959 million (down 22.3% year on year).

### (2) Explanation of Financial Position

#### 1) Current Assets

The balance of current assets as of December 31, 2022 was ¥113,059 million, down ¥440 million from the end of the previous fiscal year. This was mainly due to an increase of ¥2,601 million in cash and deposits and a decrease of ¥2,755 million in raw materials and supplies.

#### 2) Non-current Assets

The balance of non-current assets as of December 31, 2022 was ¥30,581 million, up ¥2,466 million from the end of the previous fiscal year. This was mainly due to increases of ¥2,328 million in property, plant and equipment and ¥168 million in investment securities.

#### 3) Current Liabilities

The balance of current liabilities as of December 31, 2022 was ¥63,190 million, down ¥9,080 million from the end of the previous fiscal year. This was mainly due to decreases of ¥7,171 million in short-term borrowings and ¥2,086 million in income taxes payable.

#### 4) Non-current Liabilities

The balance of non-current liabilities as of December 31, 2022 was ¥11,665 million, up ¥825 million from the end of the previous fiscal year. This was mainly due to an increase of ¥928 million in deferred tax liabilities and a decrease of ¥140 million in long-term borrowings.

#### 5) Net Assets

The balance of net assets as of December 31, 2022 was ¥68,786 million, up ¥10,280 million from the end of the previous fiscal year. This was mainly due to increases of ¥5,326 million in retained earnings and ¥4,776 million in foreign currency translation adjustment.

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

There are no changes to the consolidated financial results forecasts for the fiscal year ending March 31, 2023, which were disclosed on October 31, 2022 as part of the “Notice Concerning the Revision of Financial Results Forecast and Revision of Dividends Forecast (100th Anniversary Commemorative Dividends).”

## 2. Quarterly Consolidated Financial Statements and Principal Notes

### (1) Quarterly Consolidated Balance Sheet

(Million yen)

	As of March 31, 2022	As of December 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	4,862	7,464
Notes and accounts receivable - trade	58,091	59,359
Merchandise and finished goods	20,845	18,946
Work in process	145	135
Raw materials and supplies	25,039	22,284
Other	4,519	4,873
Allowance for doubtful accounts	(3)	(3)
Total current assets	113,500	113,059
Non-current assets		
Property, plant and equipment		
Buildings and structures	17,635	18,952
Accumulated depreciation	(8,969)	(9,598)
Buildings and structures, net	8,665	9,354
Machinery, equipment and vehicles	31,308	34,018
Accumulated depreciation	(22,820)	(24,909)
Machinery, equipment and vehicles, net	8,488	9,108
Tools, furniture and fixtures	1,723	1,939
Accumulated depreciation	(1,360)	(1,533)
Tools, furniture and fixtures, net	362	406
Land	3,893	3,968
Leased assets	1,287	1,956
Accumulated depreciation	(339)	(315)
Leased assets, net	947	1,641
Construction in progress	258	464
Total property, plant and equipment	22,615	24,943
Intangible assets	115	134
Investments and other assets		
Investment securities	3,832	4,000
Long-term loans receivable	3	2
Retirement benefit asset	656	653
Deferred tax assets	348	275
Other	805	863
Allowance for doubtful accounts	(262)	(292)
Total investments and other assets	5,384	5,503
Total non-current assets	28,115	30,581
Total assets	141,616	143,641

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(Million yen)

	As of March 31, 2022	As of December 31, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	13,858	14,215
Short-term borrowings	50,172	43,000
Accounts payable - other	1,642	1,697
Income taxes payable	2,746	660
Accrued consumption taxes	221	470
Accrued expenses	1,973	1,411
Provision for bonuses	447	425
Other	1,209	1,308
<b>Total current liabilities</b>	<b>72,271</b>	<b>63,190</b>
Non-current liabilities		
Long-term borrowings	8,531	8,391
Provision for retirement benefits for directors (and other officers)	12	9
Retirement benefit liability	247	296
Lease liabilities	75	67
Asset retirement obligations	244	247
Deferred tax liabilities	1,576	2,505
Other	150	148
<b>Total non-current liabilities</b>	<b>10,839</b>	<b>11,665</b>
<b>Total liabilities</b>	<b>83,110</b>	<b>74,855</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	6,346	6,346
Capital surplus	8,843	8,863
Retained earnings	41,677	47,003
Treasury shares	(1,341)	(1,337)
<b>Total shareholders' equity</b>	<b>55,526</b>	<b>60,877</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,233	1,399
Deferred gains or losses on hedges	(99)	(70)
Foreign currency translation adjustment	661	5,438
Remeasurements of defined benefit plans	256	209
<b>Total accumulated other comprehensive income</b>	<b>2,052</b>	<b>6,976</b>
Share acquisition rights	145	142
Non-controlling interests	781	789
<b>Total net assets</b>	<b>58,505</b>	<b>68,786</b>
<b>Total liabilities and net assets</b>	<b>141,616</b>	<b>143,641</b>

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Consolidated Financial Results for the Nine Months Ended December 31, 2022

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2021	For the nine months ended December 31, 2022
Net sales	162,245	215,130
Cost of sales	142,038	196,239
Gross profit	20,206	18,891
Selling, general and administrative expenses		
Transportation costs	3,285	3,455
Provision of allowance for doubtful accounts	8	-
Provision for retirement benefits for directors (and other officers)	1	0
Provision for bonuses	83	98
Other	2,888	3,598
Total selling, general and administrative expenses	6,268	7,153
Operating profit	13,938	11,738
Non-operating income		
Interest income	28	79
Dividend income	267	302
Foreign exchange gains	140	195
Technical advisory fee income	16	16
Gain on sales of iron scrap	104	112
Other	116	182
Total non-operating income	673	889
Non-operating expenses		
Interest expenses	429	651
Other	101	33
Total non-operating expenses	531	685
Ordinary profit	14,080	11,942
Extraordinary income		
Gain on sale of non-current assets	9	13
Total extraordinary income	9	13
Extraordinary losses		
Loss on sale and retirement of non-current assets	51	56
Total extraordinary losses	51	56
Profit before income taxes	14,038	11,899
Income taxes - current	3,575	2,887
Income taxes - deferred	60	972
Total income taxes	3,635	3,860
Profit	10,402	8,038
Profit attributable to non-controlling interests	153	79
Profit attributable to owners of parent	10,249	7,959

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Quarterly Consolidated Statement of Comprehensive Income

Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2021	For the nine months ended December 31, 2022
Profit	10,402	8,038
Other comprehensive income		
Valuation difference on available-for-sale securities	(45)	166
Deferred gains or losses on hedges	(34)	28
Foreign currency translation adjustment	676	4,916
Remeasurements of defined benefit plans, net of tax	(43)	(47)
Total other comprehensive income	552	5,064
Comprehensive income	10,954	13,103
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,765	12,883
Comprehensive income attributable to non-controlling interests	189	219

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes in Case of Significant Changes in Shareholders' Equity)

Not applicable.

(Significant Subsequent Events)

Not applicable.