

June 11, 2024

Consolidated Financial Results for the Year Ended March 2024

Metal One Corporation (headquartered in Chiyoda-ku, Tokyo; President & CEO, Keisuke Kitamura) is pleased to announce its consolidated financial results for the year ended March 2024.

■ Consolidated Financial Results for FY2023

■ Consolidated Statement of Financial Position and Consolidated Statement of Income



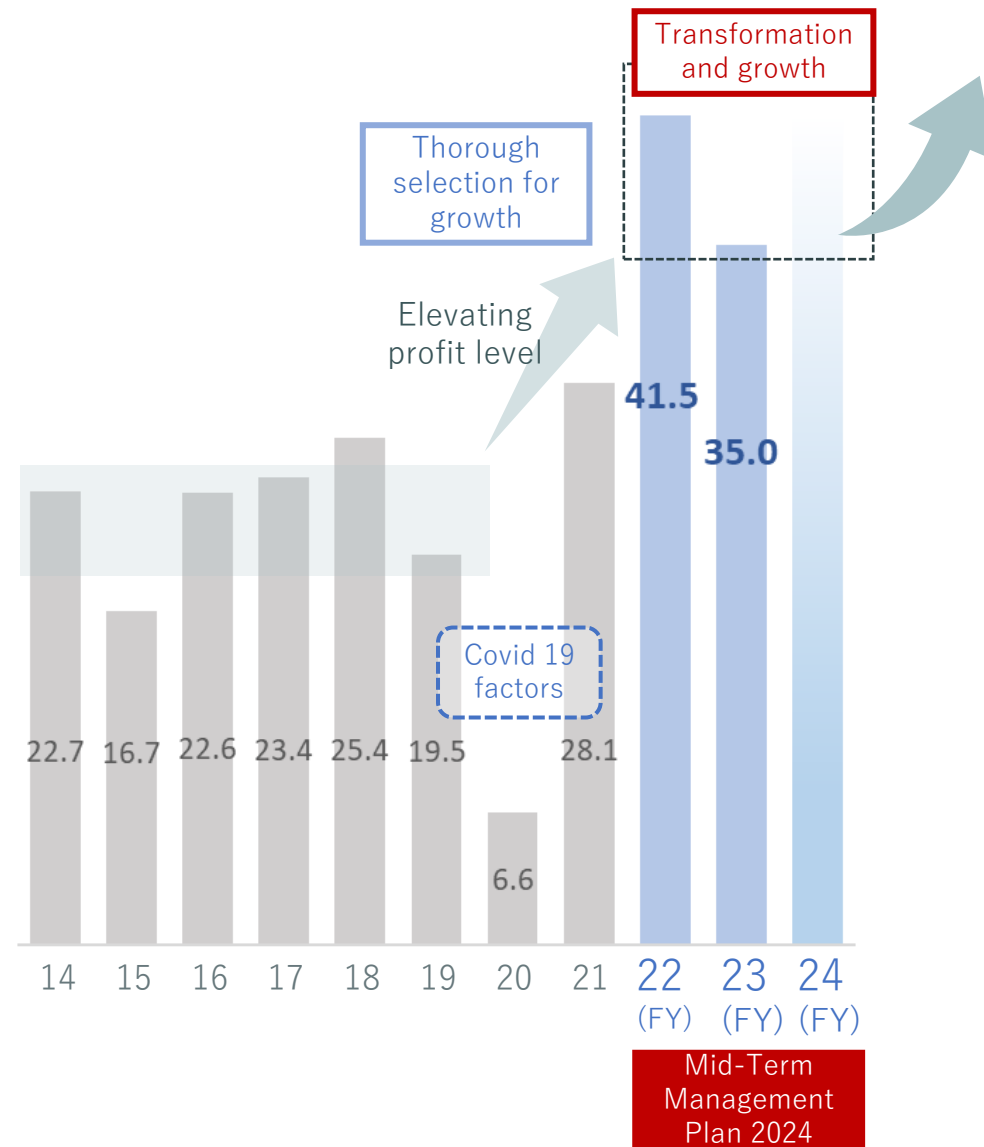
Consolidated Financial Results for the Year Ended March 31, 2024

Metal One Corporation

2024/6/11

- Profit for the year attributable to owners of the parent totaled ¥35.0 billion, down ¥6.5 billion year on year.
- This marked the decade's second highest profit, behind only the previous fiscal year, despite such negative factors as rising costs due to higher interest rates and inflation worldwide.
- Total assets amounted to ¥1,059.2 billion as of March 31, 2024, partly due to a decrease in working capital, down ¥89.3 billion year on year.

	FY2022	FY2023	Year-on-year change (%)
Revenue	¥2,396.2 billion	¥2,354.4 billion	- ¥41.8 billion (- 1.7%)
Gross profit	¥139.7 billion	¥138.7 billion	- ¥1.0 billion (- 0.8%)
Profit attributable to owners of the parent	¥41.5 billion	¥35.0 billion	- ¥6.5 billion (- 15.6%)
Average exchange rate for the year (to US\$)	¥135.50	¥144.59	+¥9.09
Total assets	¥1,148.5 billion	¥1,059.2 billion	- ¥89.3 billion (- 0.8%)
Exchange rate at year-end (to US\$)	¥133.53	¥151.41	+¥17.88
Number of consolidated subsidiaries and Affiliates (percentage of profitable companies)	104 (92%)	100 (97%)	- 4 (+5%)



Consolidated Statement of Income

(¥ billion)	FY2022 (Ended March 31, 2023)	FY2023 (Ended March 31, 2024)	Change
Revenue	2,396.2	2,354.4	- 41.8
Gross profit	139.7	138.7	- 1.0
(Gross profit ratio)	(5.8%)	(5.9%)	(0.1%)
Selling, general and administrative expenses	- 84.2	- 88.8	- 4.6
Provision for doubtful receivables	- 0.7	0.5	1.2
Operating income*¹	54.8	50.4	- 4.4
Gains (losses) on investments	- 0.2	0.9	1.1
Gains on property, plant and equipment and others	0.8	1.9	1.1
Other income (expense)	0.3	- 0.1	- 0.4
Finance expense	- 8.3	- 8.9	- 0.6
Share of profit of investments accounted for using the equity method	8.7	7.9	- 0.8
Profit before tax	56.1	52.1	- 4.0
Income taxes	- 10.9	- 13.5	- 2.6
Profit for the year	45.2	38.6	- 6.6
Owners of the parent	41.5	35.0	- 6.5
Non-controlling interests	3.7	3.6	- 0.1

*1 Operating income has been disclosed in accordance with Japanese standards for presentation

Business environment

Regarding the business environment, global steel demand decreased year on year due to effects of reduced construction investment caused by financial tightening. Steel demand in Japan declined slightly overall due to year-on-year decreases concentrated in the construction, civil engineering, and shipbuilding segments amid soaring material prices and labor shortages, despite the automotive sector driving demand due to a recovery in production activity as supply bottlenecks cleared, including a semiconductor shortage. Steel market conditions remained weak in this demand environment.

Revenue and gross profit

Due mainly to a decrease in the volume of trade, revenue decreased by ¥41.8 billion, compared to the previous fiscal year, totaling ¥2,354.4 billion (Japan-related: ¥960.6 billion; Overseas-related: ¥1,393.8 billion). Gross profit fell by ¥1.0 billion, totaling ¥138.7 billion.

Selling, general and administrative expenses

Due to the effects of inflation and currency conversion amid yen depreciation, costs increased by ¥4.6 billion year on year, totaling ¥88.8 billion.

Gains (losses) on investments and gains on property, plant and equipment

Due to the sale of investments, gains on investments reached ¥0.9 billion (reversing losses from the previous fiscal year), an improvement of ¥1.1 billion. Gains on property, plant and equipment increased by ¥1.1 billion to ¥1.9 billion due to the sale of property, plant and equipment at subsidiaries.

Finance expense

In line mainly with rising interest rates overseas, finance expense increased by ¥0.6 billion to ¥8.9 billion.

Share of profit of investments accounted for using the equity method

The share of profit from investments accounted for using the equity method overseas decreased by ¥0.8 billion year on year to ¥7.9 billion.

Consolidated Statement of Financial Position

(¥ billion)		March 31, 2023	March 31, 2024	Change
Assets	Current assets	925.7	827.5	- 98.2
	Cash and cash equivalents	15.6	19.1	3.5
	Trade and other receivables	543.8	477.1	- 66.7
	Inventories	318.5	290.3	- 28.2
	Other current assets	47.8	41.0	- 6.8
	Non-current assets	222.8	231.7	8.9
	Property, plant and equipment	97.1	101.8	4.7
	Intangible assets and goodwill	11.3	11.8	0.5
Other non-current assets	114.4	118.1	3.7	
Total assets	1,148.5	1,059.2	- 89.3	

Liabilities and equity	Current liabilities	635.8	515.3	- 120.5
	Borrowings	280.7	172.9	- 107.8
	Trade and other payables	318.4	311.9	- 6.5
	Other current liabilities	36.7	30.5	- 6.2
	Non-current liabilities	53.5	68.7	15.2
	Borrowings	35.1	48.0	12.9
	Other non-current liabilities	18.3	20.7	2.4
	Total liabilities	689.3	584.0	- 105.3
	Equity attributable to owners of the parent	420.3	434.9	14.6
	Common stock and additional paid-in capital	151.2	150.8	- 0.4
	Retained earnings	232.8	227.5	- 5.3
Other components of equity	36.4	56.5	20.1	
Non-controlling interests	38.9	40.3	1.4	
Total equity	459.2	475.2	16.0	
Total liabilities and equity	1,148.5	1,059.2	- 89.3	

Total assets

Total assets decreased by ¥89.3 billion, compared to the previous fiscal year end, totaling ¥1,059.2 billion due to a decrease in trade and other receivables as well as inventories.

Interest-bearing debt

Due to a decrease in working capital, the balance of borrowings was ¥220.9 billion, a decrease of ¥94.9 billion.

Total equity

Total equity rose by ¥16.0 billion year on year to ¥475.2 billion, mainly due to the increase in other components of equity accompanying the depreciation of the Japanese yen.

Consolidated Financial Indicators

	March 31, 2023	March 31, 2024
Shareholders' equity ratio	36.6%	41.1%
ROA	3.7%	3.2%
Net D/E ratio	0.71	0.46

Shareholders' equity ratio = Equity attributable to owners of the parent ÷ Total assets
 Net D/E ratio = (Borrowings - Cash and cash equivalents) ÷ Equity attributable to owners of parent

Number of Consolidated Subsidiaries and Affiliates

	Subsidiaries	Affiliates	Total (Consolidated)
Business investment associates	63 (- 2)	21 (- 1)	84 (- 3)
Domestic offices and overseas bases	16 (- 1)	-	16 (- 1)
Total	79 (- 3)	21 (- 1)	100 (- 4)

Note: Figures in parentheses () show changes from the previous year.



**Metal One Corporation and Subsidiaries
Financial Results for the Year Ended March 2024**

21st Term

(April 1, 2023 to March 31, 2024)

June 11, 2024

7-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo

Metal One Corporation

Consolidated Statement of Financial Position (IFRS Results)

(¥ million)

Assets				Liabilities			
Item	Previous fiscal year (March 31, 2023)	Current fiscal year (March 31, 2024)	Change (amount)	Item	Previous fiscal year (March 31, 2023)	Current fiscal year (March 31, 2024)	Change (amount)
Current assets	925,676	827,485	-98,191	Current liabilities	635,828	515,323	-120,505
Cash and cash equivalents	15,599	19,102	3,503	Borrowings	280,710	172,939	-107,771
Trade and other receivables	543,784	477,082	-66,702	Trade and other payables	318,424	311,912	-6,512
Other financial assets	904	332	-572	Lease liabilities	3,420	3,731	311
Inventories	318,526	290,310	-28,216	Other financial liabilities	810	1,275	465
Advance payments to suppliers	21,882	11,959	-9,923	Advances from customers	17,517	5,836	-11,681
Income tax receivable	4,065	5,694	1,629	Income tax payables	4,209	5,989	1,780
Other current assets	20,916	23,006	2,090	Other current liabilities	10,738	13,641	2,903
Non-current assets	222,787	231,733	8,946	Non-current liabilities	53,476	68,673	15,197
Investments accounted for using the equity method	69,862	71,626	1,764	Borrowings	35,130	48,000	12,870
Other investments	28,956	31,617	2,661	Trade and other payables	1,007	1,493	486
Other financial assets	357	109	-248	Lease liabilities	5,844	5,667	-177
Property, plant and equipment	97,062	101,844	4,782	Other financial liabilities	40	62	22
Intangible assets and goodwill	11,329	11,765	436	Retirement benefit obligation	2,403	2,523	120
Right-of-use assets	9,039	9,116	77	Deferred tax liabilities	8,150	10,151	2,001
Deferred tax assets	4,034	2,576	-1,458	Other non-current liabilities	902	777	-125
Other non-current assets	2,148	3,080	932	Total liabilities	689,304	583,996	-105,308
Total assets	1,148,463	1,059,218	-89,245	Equity			
				Equity attributable to owners of the parent	420,291	434,899	14,608
				Common stock	100,000	100,000	-
				Additional paid-in capital	51,160	50,831	-329
				Other components of equity	36,353	56,540	20,187
				Other investments designated as FVTOCI	9,920	13,140	3,220
				Exchange differences on translating foreign operations	26,433	43,400	16,967
				Retained earnings	232,778	227,528	-5,250
				Non-controlling interests	38,868	40,323	1,455
				Total equity	459,159	475,222	16,063
				Total liabilities and equity	1,148,463	1,059,218	-89,245

Consolidated Statement of Income (IFRS Results)

(¥ million)

Item	Previous fiscal year April 1, 2022 to March 31, 2023	Current fiscal year April 1, 2023 to March 31, 2024	Year-on-year	
			Change (amount)	Change (percentage)
Revenue	2,396,213	2,354,367	-41,846	-1.7%
Cost of sales	-2,256,512	-2,215,717	40,795	-1.8%
Gross profit	139,701	138,650	-1,051	-0.8%
Selling, general and administrative expenses	-84,867	-88,263	-3,396	4.0%
Gains (losses) on investments	-192	859	1,051	-
Gains on disposal and sale of property, plant and equipment and others	950	1,930	980	103.2%
Impairment losses on property, plant and equipment and others	-195	-	195	-
Other income	5,381	3,506	-1,875	-34.8%
Other expense	-5,108	-3,564	1,544	-30.2%
Finance income	1,031	1,449	418	40.5%
Finance expense	-9,328	-10,376	-1,048	11.2%
Share of profit of investments accounted for using the equity method	8,734	7,945	-789	-9.0%
Profit before tax	56,107	52,136	-3,971	-7.1%
Income taxes	-10,885	-13,529	-2,644	24.3%
Profit for the year	45,222	38,607	-6,615	-14.6%
Profit for the year attributable to:				
Owners of the parent	41,516	35,025	-6,491	-15.6%
Non-controlling interests	3,706	3,582	-124	-3.3%