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Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 [Japanese GAAP]

April 30, 2024

Company name: Sanyo Special Steel Co., Ltd.

Stock exchange listing: Tokyo

Code number: 5481

URL: <https://www.sanyo-steel.co.jp/>

Representative: MIYAMOTO Katsuhiko

Representative Director and President

Contact: YANAGIMOTO Yutaka

General Manager, Head of Accounting & Finance Department

Phone: +81-79-235-6008

Scheduled date of Annual General Meeting of Shareholders: June 26, 2024

Scheduled date of commencing dividend payments: June 5, 2024

Scheduled date of filing annual securities report: June 26, 2024

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

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

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

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	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, 2024	353,810	(10.2)	11,366	(60.1)	12,119	(58.0)	9,056	(56.3)
March 31, 2023	393,843	8.4	28,492	33.0	28,856	33.2	20,743	35.9

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥ 19,553 million [(14.8)%]
Fiscal year ended March 31, 2023: ¥ 22,963 million [7.2%]

	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
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	166.21	-	4.1	3.0	3.2
March 31, 2023	380.70	-	10.1	7.4	7.2

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2024: ¥ - million
Fiscal year ended March 31, 2023: ¥ - 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, 2024	398,706	228,597	56.9	4,160.27
March 31, 2023	401,218	216,024	53.4	3,934.50

(Reference) Equity: As of March 31, 2024: ¥ 226,667 million
As of March 31, 2023: ¥ 214,374 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, 2024	40,644	(15,924)	(27,446)	30,657
March 31, 2023	12,155	(12,766)	8,525	30,986

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, 2023	-	55.00	-	45.00	100.00	5,449	26.3	2.6
March 31, 2024	-	35.00	-	30.00	65.00	3,541	39.1	1.6
Fiscal year ending March 31, 2025 (Forecast)	-	20.00	-	50.00	70.00		40.1	

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

(% 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
Six months ending September 30, 2024	162,500	(12.3)	2,100	(71.3)	2,000	(74.4)	1,000	(80.9)	18.35
Full year	345,000	(2.5)	12,400	9.1	13,000	7.3	9,500	4.9	174.36

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) 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: Yes

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, 2024: 54,507,307 shares

March 31, 2023: 54,507,307 shares

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

March 31, 2024: 23,478 shares

March 31, 2023: 21,557 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2024: 54,484,632 shares

Fiscal Year ended March 31, 2023: 54,486,754 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(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, 2024	178,194	(7.8)	4,274	(50.7)	8,966	(12.2)	5,895	(21.5)
March 31, 2023	193,248	14.5	8,663	(5.5)	10,210	2.6	7,506	20.6

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2024	108.21	-
March 31, 2023	137.77	-

(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, 2024	268,743		186,511		69.4	3,423.24
March 31, 2023	280,335		184,974		66.0	3,394.91

(Reference) Equity: As of March 31, 2024: ¥ 186,511 million
As of March 31, 2023: ¥ 184,974 million

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

* Proper use of earnings forecasts, and other special matters

Forecasts and other forward-looking statements are based on judgments made by the Companies in accordance with information currently available. Please be aware that there are various uncertainties inherent in forecasts, and actual results may differ from these forecasts.

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	21,652	26,591
Notes and accounts receivable - trade, and contract assets	66,372	59,541
Electronically recorded monetary claims - operating	11,636	13,381
Merchandise and finished goods	33,681	29,862
Work in process	58,791	54,595
Raw materials and supplies	35,756	34,700
Income taxes refund receivable	44	390
Deposits paid to subsidiaries and associates	9,953	4,810
Other	4,259	4,996
Allowance for doubtful accounts	(449)	(435)
Total current assets	241,698	228,435
Non-current assets		
Property, plant and equipment		
Buildings and structures	74,815	78,648
Accumulated depreciation	(54,795)	(57,455)
Buildings and structures, net	20,019	21,192
Machinery, equipment and vehicles	284,449	299,920
Accumulated depreciation	(215,834)	(223,788)
Machinery, equipment and vehicles, net	68,615	76,132
Land	13,496	17,183
Construction in progress	9,025	4,389
Other	15,651	17,050
Accumulated depreciation	(11,625)	(12,460)
Other, net	4,025	4,590
Total property, plant and equipment	115,183	123,487
Intangible assets		
Goodwill	32,441	32,954
Other	3,676	4,029
Total intangible assets	36,117	36,984
Investments and other assets		
Investment securities	5,003	4,328
Long-term loans receivable	3	3
Deferred tax assets	1,489	2,809
Retirement benefit asset	996	1,827
Other	935	1,042
Allowance for doubtful accounts	(209)	(212)
Total investments and other assets	8,218	9,799
Total non-current assets	159,519	170,271
Total assets	401,218	398,706

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	39,543	39,357
Short-term borrowings	43,732	54,295
Commercial papers	30,999	-
Current portion of bonds payable	-	10,000
Income taxes payable	4,654	4,440
Accounts payable - other	11,120	9,866
Accrued expenses	9,499	10,014
Provision for bonuses	2,323	2,089
Provision for environmental measures	3	4
Other	5,515	6,625
Total current liabilities	147,391	136,694
Non-current liabilities		
Bonds payable	10,000	-
Long-term borrowings	11,570	16,300
Deferred tax liabilities	5,279	4,679
Provision for retirement benefits for directors (and other officers)	55	44
Provision for loss on guarantees	1	1
Provision for environmental measures	133	188
Retirement benefit liability	8,751	10,398
Other	2,010	1,802
Total non-current liabilities	37,802	33,415
Total liabilities	185,194	170,109
Net assets		
Shareholders' equity		
Share capital	53,800	53,800
Capital surplus	51,503	48,827
Retained earnings	101,027	105,724
Treasury shares	(32)	(37)
Total shareholders' equity	206,298	208,315
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,893	1,915
Deferred gains or losses on hedges	(1,100)	(416)
Foreign currency translation adjustment	5,625	15,251
Remeasurements of defined benefit plans	1,656	1,602
Total accumulated other comprehensive income	8,075	18,351
Non-controlling interests	1,650	1,930
Total net assets	216,024	228,597
Total liabilities and net assets	401,218	398,706

Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	393,843	353,810
Cost of sales	326,789	304,100
Gross profit	67,053	49,709
Selling, general and administrative expenses		
Selling expenses	19,691	19,150
General and administrative expenses	18,870	19,192
Total selling, general and administrative expenses	38,561	38,343
Operating profit	28,492	11,366
Non-operating income		
Interest income	314	756
Dividend income	162	196
Foreign exchange gains	494	824
Rental income	346	380
Power supply and demand adjustment cooperation fund	-	433
Income from supplying data	-	409
Other	286	519
Total non-operating income	1,605	3,520
Non-operating expenses		
Interest expenses	960	2,384
Other	281	383
Total non-operating expenses	1,241	2,767
Ordinary profit	28,856	12,119
Extraordinary income		
Gain on sale of investment securities	15	912
Gain on sale of shares of subsidiaries and associates	-	307
Gain on sale of non-current assets	250	37
Total extraordinary income	265	1,257
Extraordinary losses		
Loss on sale and retirement of non-current assets	651	290
Loss on liquidation of subsidiaries and associates	425	62
Total extraordinary losses	1,076	352
Profit before income taxes	28,045	13,024
Income taxes - current	6,528	6,659
Income taxes - deferred	711	(2,762)
Total income taxes	7,240	3,897
Profit	20,804	9,127
Profit attributable to non-controlling interests	61	71
Profit attributable to owners of parent	20,743	9,056

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit	20,804	9,127
Other comprehensive income		
Valuation difference on available-for-sale securities	510	21
Deferred gains or losses on hedges	(3,234)	683
Foreign currency translation adjustment	1,591	9,775
Remeasurements of defined benefit plans, net of tax	3,290	(54)
Total other comprehensive income	2,158	10,426
Comprehensive income	22,963	19,553
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	22,765	19,332
Comprehensive income attributable to non-controlling interests	197	221

Consolidated Statements of Changes in Equity

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	53,800	51,486	85,732	(28)	190,991
Changes during period					
Dividends of surplus			(5,448)		(5,448)
Profit attributable to owners of parent			20,743		20,743
Purchase of treasury shares				(4)	(4)
Change in ownership interest of parent due to transactions with non-controlling interests		16			16
Net changes in items other than shareholders' equity					-
Total changes during period	-	16	15,294	(4)	15,307
Balance at end of period	53,800	51,503	101,027	(32)	206,298

	Accumulated other comprehensive income					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	1,382	2,134	4,119	(1,633)	6,003	1,850	198,845
Changes during period							
Dividends of surplus					-		(5,448)
Profit attributable to owners of parent					-		20,743
Purchase of treasury shares					-		(4)
Change in ownership interest of parent due to transactions with non-controlling interests					-		16
Net changes in items other than shareholders' equity	510	(3,234)	1,505	3,290	2,072	(200)	1,871
Total changes during period	510	(3,234)	1,505	3,290	2,072	(200)	17,179
Balance at end of period	1,893	(1,100)	5,625	1,656	8,075	1,650	216,024

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	53,800	51,503	101,027	(32)	206,298
Changes during period					
Dividends of surplus			(4,358)		(4,358)
Profit attributable to owners of parent			9,056		9,056
Purchase of treasury shares				(5)	(5)
Change in ownership interest of parent due to transactions with non-controlling interests		(2,675)			(2,675)
Net changes in items other than shareholders' equity					-
Total changes during period	-	(2,675)	4,697	(5)	2,016
Balance at end of period	53,800	48,827	105,724	(37)	208,315

	Accumulated other comprehensive income					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	1,893	(1,100)	5,625	1,656	8,075	1,650	216,024
Changes during period							
Dividends of surplus					-		(4,358)
Profit attributable to owners of parent					-		9,056
Purchase of treasury shares					-		(5)
Change in ownership interest of parent due to transactions with non-controlling interests					-		(2,675)
Net changes in items other than shareholders' equity	21	683	9,625	(54)	10,276	279	10,556
Total changes during period	21	683	9,625	(54)	10,276	279	12,572
Balance at end of period	1,915	(416)	15,251	1,602	18,351	1,930	228,597

Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	28,045	13,024
Depreciation	13,764	13,744
Amortization of goodwill	2,924	3,246
Increase (decrease) in allowance for doubtful accounts	73	(58)
Increase (decrease) in provision for bonuses	156	(233)
Increase (decrease) in retirement benefit liability	52	(41)
Decrease (increase) in retirement benefit asset	226	74
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(12)	(10)
Increase (decrease) in provision for environmental measures	(79)	43
Increase (decrease) in provision for loss on guarantees	(0)	0
Interest and dividend income	(477)	(953)
Interest expenses	960	2,384
Loss (gain) on sale of investment securities	(15)	(912)
Loss (gain) on valuation of investment securities	-	0
Loss (gain) on sale of shares of subsidiaries and associates	-	(307)
Loss (gain) on sale and retirement of non-current assets	401	253
Loss on liquidation of subsidiaries and associates	425	62
Decrease (increase) in trade receivables	1,389	7,986
Decrease (increase) in inventories	(11,411)	15,275
Increase (decrease) in trade payables	(14,390)	(3,785)
Other, net	(2,163)	(689)
Subtotal	19,869	49,104
Interest and dividends received	477	950
Interest paid	(756)	(1,827)
Income taxes refund (paid)	(7,434)	(7,583)
Net cash provided by (used in) operating activities	12,155	40,644
Cash flows from investing activities		
Purchase of property, plant and equipment	(13,576)	(17,294)
Proceeds from sale of property, plant and equipment	492	532
Purchase of intangible assets	(276)	(804)
Purchase of investment securities	(2)	(202)
Proceeds from sale of investment securities	34	1,921
Investments in entities accounted for using equity method	787	-
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	-	403
Long-term loan advances	(4)	(0)
Proceeds from collection of long-term loans receivable	2	1
Payments into time deposits	(1,065)	(628)
Proceeds from withdrawal of time deposits	1,048	557
Other, net	(207)	(411)
Net cash provided by (used in) investing activities	(12,766)	(15,924)

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(716)	15,054
Net increase (decrease) in commercial papers	18,997	(30,999)
Proceeds from long-term borrowings	300	5,000
Repayments of long-term borrowings	(3,414)	(8,610)
Repayments of lease liabilities	(796)	(902)
Purchase of treasury shares	(4)	(5)
Dividends paid	(5,441)	(4,352)
Dividends paid to non-controlling interests	(37)	(23)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(343)	(2,593)
Other, net	(17)	(13)
Net cash provided by (used in) financing activities	8,525	(27,446)
Effect of exchange rate change on cash and cash equivalents	1,215	2,397
Net increase (decrease) in cash and cash equivalents	9,129	(329)
Cash and cash equivalents at beginning of period	21,857	30,986
Cash and cash equivalents at end of period	30,986	30,657

Notes to Consolidated Financial Statements

(Segment Information)

1. General information about reportable segments

The Companies' reportable segments are the business units for which the Company is able to obtain separate financial information in order for the Board of Directors to determine the distribution of management resources and evaluate business results. Each operating division develops business activities and establishes comprehensive strategies for domestic and overseas markets according to the products it handles. Therefore, the Companies consist of business segments according to their products based on operating divisions and have determined the reportable segments, as "Steel Products", "Metal Powders" and "Formed and Fabricated Materials."

The "Steel Products" segment includes the manufacture and sale of various special steel products such as bearing steel, engineering steel, stainless steel, heat resistant steel and tool steel. The "Metal Powders" segment includes the manufacture and sale of metal powder products. The "Formed and Fabricated Materials" segment includes the manufacture and sale of formed and fabricated materials made from special steel bars and tubes.

2. Accounting methods and basis of measurement for reportable segment profit or loss and other material items

The accounting methods applied to the reportable segments are generally the same as those used in the preparation of the consolidated financial statements, except that inventories are stated at cost to evaluate business results. Segment profit is based on operating profit. Intersegment transactions are based on market prices.

3. Information about reportable segment profit or loss and other material items

Segment information for the fiscal year ended March 31, 2023

(Millions of yen)

	Reportable segments				Other	Total	Adjustments	Consolidated total
	Steel Products	Metal Powders	Formed and Fabricated Materials	Total				
Net sales								
Outside customers	368,508	5,312	19,860	393,680	162	393,843	—	393,843
Intersegment transactions	8,546	—	0	8,546	1,270	9,816	(9,816)	—
Total	377,054	5,312	19,860	402,227	1,433	403,660	(9,816)	393,843
Segment profit	26,982	1,004	366	28,354	30	28,384	107	28,492
Other								
Depreciation	13,014	96	683	13,795	3	13,799	(34)	13,764
Amortization of goodwill	2,924	—	—	2,924	—	2,924	—	2,924

1. The "Other" category is the information service segment not included in reportable segments.
2. Segment profit adjustments are intersegment eliminations.
3. Segment profit is adjusted with operating profit in the consolidated statements of operations.
4. As information about segment assets and liabilities is not used to determine the distribution of management resources and evaluate business results, the Companies are not required to disclose information about segment assets and liabilities.

Segment information for the fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segment				Other	Total	Adjustments	Consolidated total
	Steel Products	Metal Powders	Formed and Fabricated Materials	Total				
Net sales								
Outside customers	329,985	5,337	18,388	353,712	98	353,810	—	353,810
Intersegment transactions	8,660	—	0	8,660	1,408	10,068	(10,068)	—
Total	338,646	5,337	18,388	362,372	1,506	363,879	(10,068)	353,810
Segment profit (loss)	10,831	931	(491)	11,271	37	11,309	57	11,366
Other								
Depreciation	13,030	94	651	13,776	2	13,779	(34)	13,744
Amortization of goodwill	3,246	—	—	3,246	—	3,246	—	3,246

1. The "Other" category is the information service segment not included in reportable segments.
2. Segment profit (loss) adjustments are intersegment eliminations.
3. Segment profit (loss) is adjusted with operating profit in the consolidated statements of operations.
4. As information about segment assets and liabilities is not used to determine the distribution of management resources and evaluate business results, the Companies are not required to disclose information about segment assets and liabilities.

(Per share information)

	Per share information for the fiscal year ended March 31, 2023	Per share information for the fiscal year ended March 31, 2024
Net assets per share (Yen)	3,934.50	4,160.27
Basic earnings per share (Yen)	380.70	166.21

1. Diluted earnings per share is not shown because there are no latent shares.
2. The basis for calculating basic earnings per share is as follows

	Per share information for the fiscal year ended March 31, 2023	Per share information for the fiscal year ended March 31, 2024
Profit attributable to owners of parent (Millions of yen)	20,743	9,056
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit of common stock attributable to owners of the parent (Millions of yen)	20,743	9,056
Average number of shares of common stock (shares)	54,486,754	54,484,632

3. The basis for calculating net assets per share is as follows

	Per share information for the fiscal year ended March 31, 2023	Per share information for the fiscal year ended March 31, 2024
Net assets (Millions of yen)	216,024	228,597
Amount deducted from net assets (Millions of yen) [Non-controlling interests (Millions of yen)]	1,650 [1,650]	1,930 [1,930]
Net assets related to common stock (Millions of yen)	214,374	226,667
Number of shares of common stock used in the calculation of net assets per share (shares)	54,485,750	54,483,829

Consolidated Financial Results
for the Fiscal Year Ended March 31, 2024

1. Financial results and forecast

(Thousand tons, Billions of yen, %)

	FY2023 (Result)	FY2022 (Result)	Change	%	FY2024 Forecast (*)
Net sales	353.8	393.8	(40.0)	(10.2)	345.0
(Sanyo)	178.2	193.2	(15.1)	(7.8)	163.0
(OVAKO)	144.0	171.1	(27.0)	(15.8)	148.0
(SSMI)	22.9	21.6	1.3	5.9	26.0
Operating profit	11.4	28.5	(17.1)	(60.1)	12.4
Ordinary profit	12.1	28.9	(16.7)	(58.0)	13.0
ROS	3.4	7.3	(3.9)		3.8
(Sanyo)	9.0	10.2	(1.2)	(12.2)	10.5
(OVAKO)	8.4	21.1	(12.7)	(60.1)	6.5
(SSMI)	0.7	(0.2)	0.9	—	1.0
(Amortization of goodwill)	(3.2)	(2.9)	(0.3)	—	(3.1)
Profit attributable to owners of parent	9.1	20.7	(11.7)	(56.3)	9.5

Sales volume	1,429	1,607	(179)	(11.1)	1,452
(Sanyo)	806	894	(88)	(9.8)	780
(OVAKO)	508	608	(101)	(16.6)	545
(SSMI)	115	105	10	9.5	127
Capital expenditure	17.7	13.6	4.1	30.2	17.0
Depreciation	13.7	13.8	(0.0)	(0.1)	15.0

(*) Major assumptions after April 2024 : Scrap iron 52,000 yen/t (H2 market price in Himeji area)

Crude oil (Dubai) 90\$/BL , Exchange rate 140 yen/US\$, 150 yen/€

(Reference) Net sales and profit (Quarterly)

(Billions of yen, %)

	FY2023				Full year
	1Q	2Q	3Q	4Q	
Net sales	99.9	85.4	83.7	84.8	353.8
Operating profit	5.5	1.8	1.5	2.5	11.4
Ordinary profit	6.1	1.7	1.3	3.0	12.1
ROS	6.1	2.0	1.5	3.6	3.4
Profit attributable to owners of parent	4.3	0.9	1.1	2.7	9.1

2. Ordinary profit variance analysis (FY2022 → FY2023)

(Billions of yen)

Reason for increase		Reason for decrease	
1. Sales price and product mix	5.2	1. Sales volume	3.7
2. Non-operating income or expenses (Sanyo)	3.1	2. Raw material and fuel prices	2.9
3. Variable cost reductions	0.7	3. Other Materials, outsourcing, logistic costs, etc.	1.8
		4. Fixed cost	1.1
		5. Repair and maintenance expenses	0.7
		6. OVAKO's ordinary profit	12.7
		7. Consolidated affiliated companies, etc.	2.8
Total (A)	9.0	Total (B)	25.7
		Change (A) - (B)	(16.7)