Capital to create value

Financial Capital

We believe that it is important to grow sustainably and continue to provide value to our stakeholders in any business environment. This is why we aim to balance investment in growth with shareholder returns by maintaining and improving stability, profitability, and efficiency while ensuring a solid financial foundation by procuring optimal financing as required based on operating cash flow.

Ratio of equity attributable to owners of the parent

54.7 % Base year FY2020 → 55.3% FY2021

ROE

1.7 % Base year FY2020 → 0.6% FY2021

Consolidated payout ratio

28.3 % Base year FY2020 Dividend: ¥45/share → 54.3% FY2021 Dividend: ¥30/share

Robust financial health

Using ratio attributable to owners of the parent, debt-equity ratio, and other indicators, the Aichi Steel Group maintains good financial health, for which it has received an "A" rating from the Japan Credit Rating Agency. While maintaining financial health, we will continue to target improved profitability and steady growth through optimal distribution of resources, including research and development and capital investment for sustainable growth.

"A" rating

Japan Credit Rating Agency

Profitability-improvement initiatives

In fiscal 2021, we practiced thorough Genryou Management* throughout the company and leveraged the Toyota Production System (TPS), Total Quality Management (TQM), and Total Productive Maintenance (TPM) to improve our underlying strengths of manufacturing. As a result, we reduced costs by 1.7 billion yen year-on-year. Due to increasing costs of raw materials and energy, ROE (return on equity) was only 0.6%. We will continue to improve our manufacturing capabilities, as the source of our competitiveness, and increase profitability.

* Genryou Management (managing with limited order quantities) means building structures that are profitable even with small production volumes by lowering costs and break-even points, and maintaining those levels.

Shareholder returns

We consider respect for shareholder profits to be an important management policy, so we strive to achieve long-term, stable shareholder returns. We aim to deliver a consolidated payout ratio of 30% for dividends, which we decided in consideration of our business performance and financial situation while maintaining the internal reserves required for sustainable growth. From the perspective of ensuring stable shareholder returns, we distributed 30 yen per share as our full-year dividend for the fiscal year ended March 31, 2022, despite this exceeding the target consolidated payout ratio.

Dividends per share

¥30

Fiscal year ended March 31, 2022