



Aica Kogyo Co., Ltd.
Financial Results for the Fiscal Year
Ended March 31, 2024



VALUE CREATION
3000 & 300



May 22, 2024
Stock code: 4206

- 1. FY2023 Results Overview**
2. FY2023 Results by Segment
3. FY2024 Forecast Overview
4. FY2024 Forecast by Segment
5. Progress of Medium-Term Business Plan
“Value Creation 3000 & 300”

1-1. Consolidated Financial Results



[JPY million]

	FY2022		FY2023				
	Results	Profit Margin	Revised forecast*1	Results	Profit Margin	YoY	vs Fcst.
Net Sales	242,055	—	237,000	236,625	—	-2.2%	99.8%
Operating Profit	20,557	8.5%	24,500	25,286	10.7%	+23.0%	103.2%
Ordinary Profit	22,088	9.1%	25,500	26,135	11.0%	+18.3%	102.5%
Net Income*2	10,059	4.2%	14,600	15,135	6.4%	+50.5%	103.7%

*1 Revised forecast announced in January 2024 *2 Profit attributable to owners of parent

[Unit per share: JPY]

ROE	6.9%	—	9.5%	9.9%	—	—	—
Earnings per share	157.27	—	228.23	236.60	—	—	103.7%
Net assets per share	2,270.08	—	2,519.07	2,529.07	—	—	100.4%

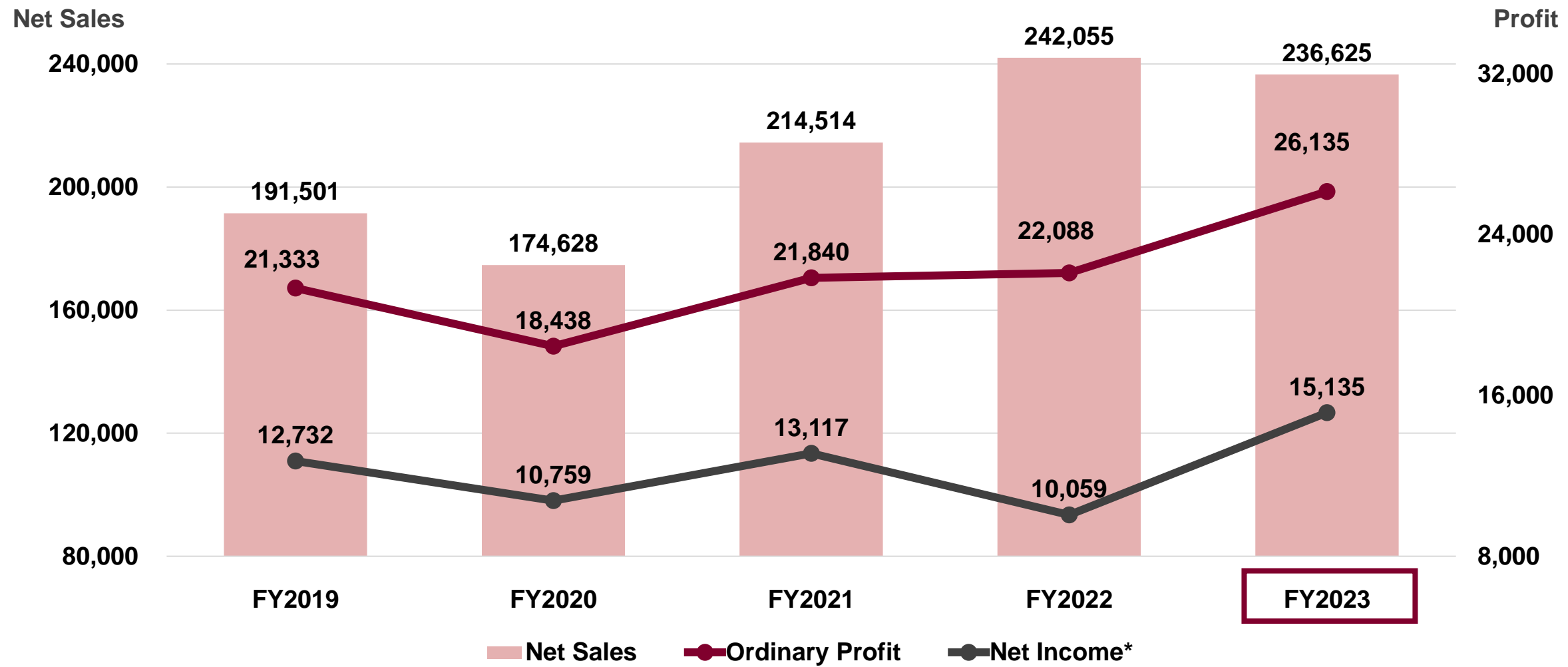
- Consolidated results: Record highs in operating profit, ordinary profit, and net income
- Japanese business: Despite the stagnant construction market, high-value added products saw growth and price revisions had penetrated in the Laminates & Building Materials segment, while revenues and profit increased due to improved profitability in the Chemical Products segment
- Overseas business: Operating profit of the Chemical Products segment increased despite the fall in revenue due to the decline of AAPH*3 selling prices
Net sales and operating profit of the Laminates & Building Materials segment increased due to strong sales by in Thailand and the rest of Southeast Asia

*3 AAPH: AICA Asia Pacific Holding Group

1-2. Historical Consolidated Results

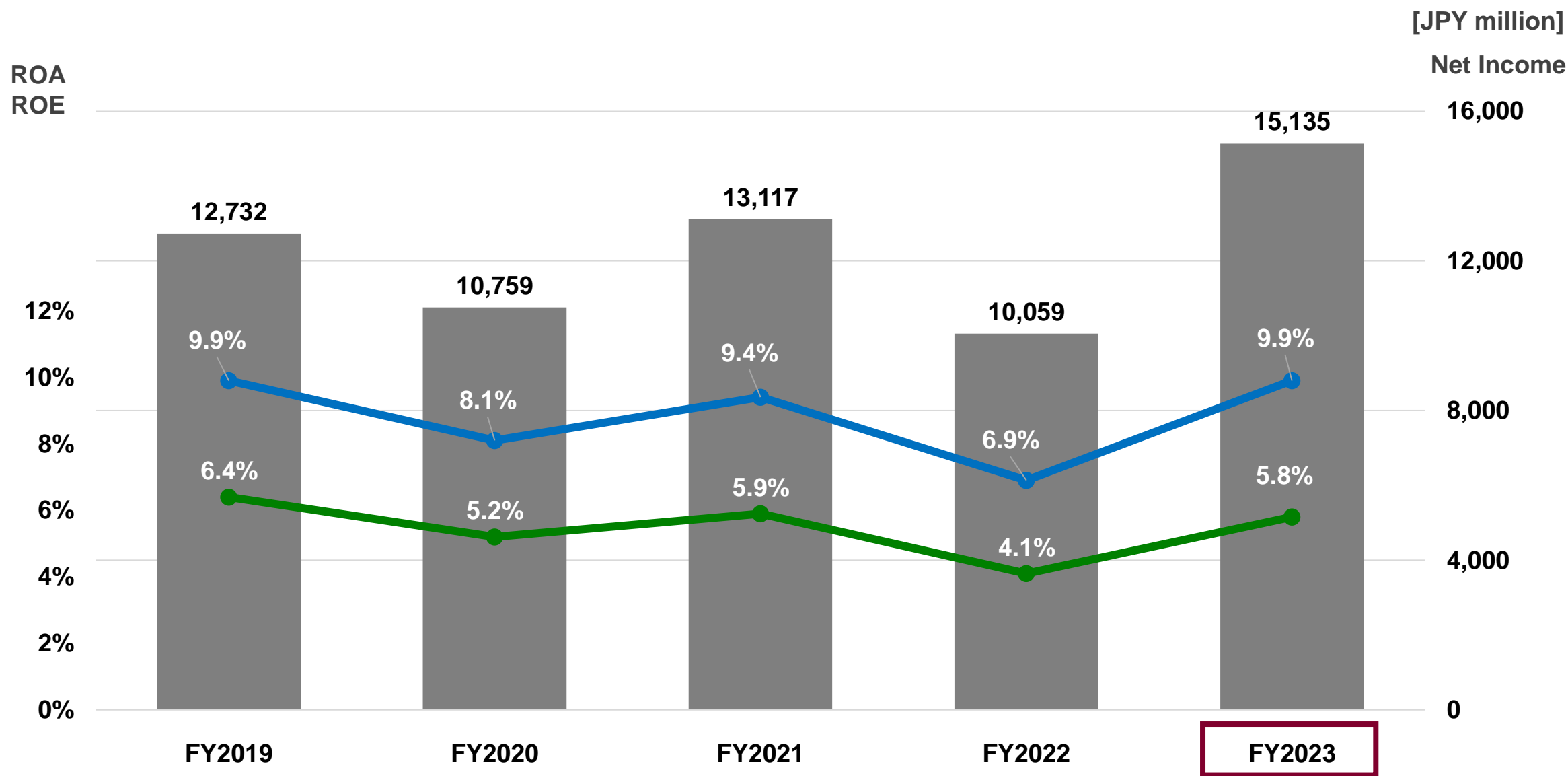
[JPY million]

Record highs in ordinary profit and net income



*Profit attributable to owners of parent

1-3. Trends of ROA and ROE



*Profit attributable to owners of parent

Net Income* ROA ROE

1-4. Key Data



	FY2021 Consolidated	FY2022 Consolidated	FY2023 Consolidated
R&D Expenditure	JPY 3.45 billion	JPY 3.99 billion	JPY 4.07 billion
Depreciation	JPY 6.41 billion	JPY 6.79 billion	JPY 7.04 billion
Capital Investment	JPY 7.11 billion	JPY 8.69 billion	JPY 9.36 billion
Outstanding Debts	JPY 17.05 billion	JPY 12.52 billion	JPY 11.51 billion
Employees at FY End	4,949	4,963	5,007
(Domestic Business)	1,579	1,590	1,562
(Overseas Business)	3,370	3,373	3,445

1-5. Results by Segment

[JPY million]

	Net Sales			Operating Profit			
	FY2022 Results	FY2023 Revised forecast*	FY2023 Results	FY2022 Results	FY2023 Revised forecast*	FY2023 Results	
Chemical Products	141,312	130,000	130,300	7,494	9,000	9,280	Amount
				5.3%	6.9%	7.1%	Profit Margin
Laminates & Building Materials	100,743	107,000	106,325	16,740	19,800	20,339	Amount
				16.6%	18.5%	19.1%	Profit Margin
			(Adjustments)	-3,678	-4,300	-4,333	Amount
Total	242,055	237,000	236,625	20,557	24,500	25,286	Amount
				8.5%	10.3%	10.7%	Profit Margin

*1 Revised forecast announced in January 2024

1-6. Overseas Sales by Segment



[JPY billion]

	FY2022 Results		FY2023 Results		
	Net Sales	Overseas Sales Ratio	Net Sales	YoY	Overseas Sales Ratio
Chemical Products	105.06	74.4%	92.79	-11.7%	71.2%
Laminates & Building Materials	18.88	18.7%	20.24	+7.2%	19.0%
Total	123.95	51.2%	113.04	-8.8%	47.8%

1. FY2023 Results Overview

2. FY2023 Results by Segment

3. FY2024 Forecast Overview

4. FY2024 Forecast by Segment

5. Progress of Medium-Term Business Plan
“Value Creation 3000 & 300”

2-1. Sales Breakdown for Chemical Products



[JPY billion]

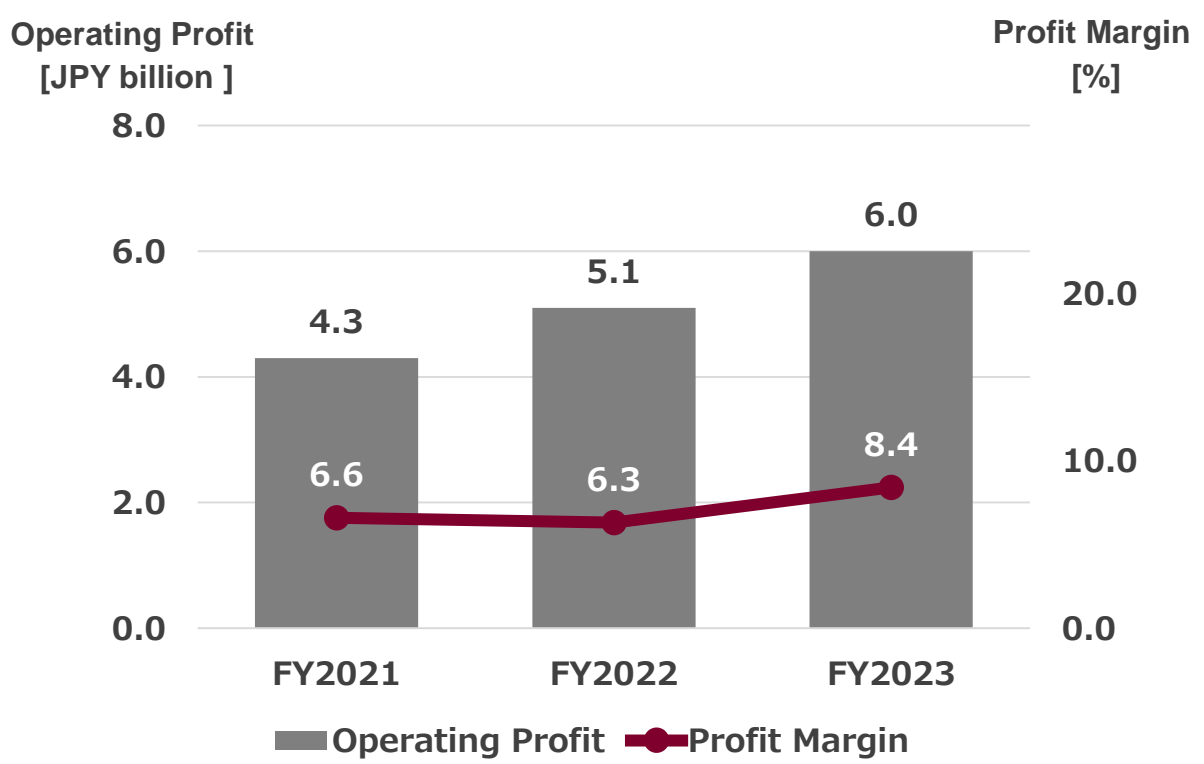
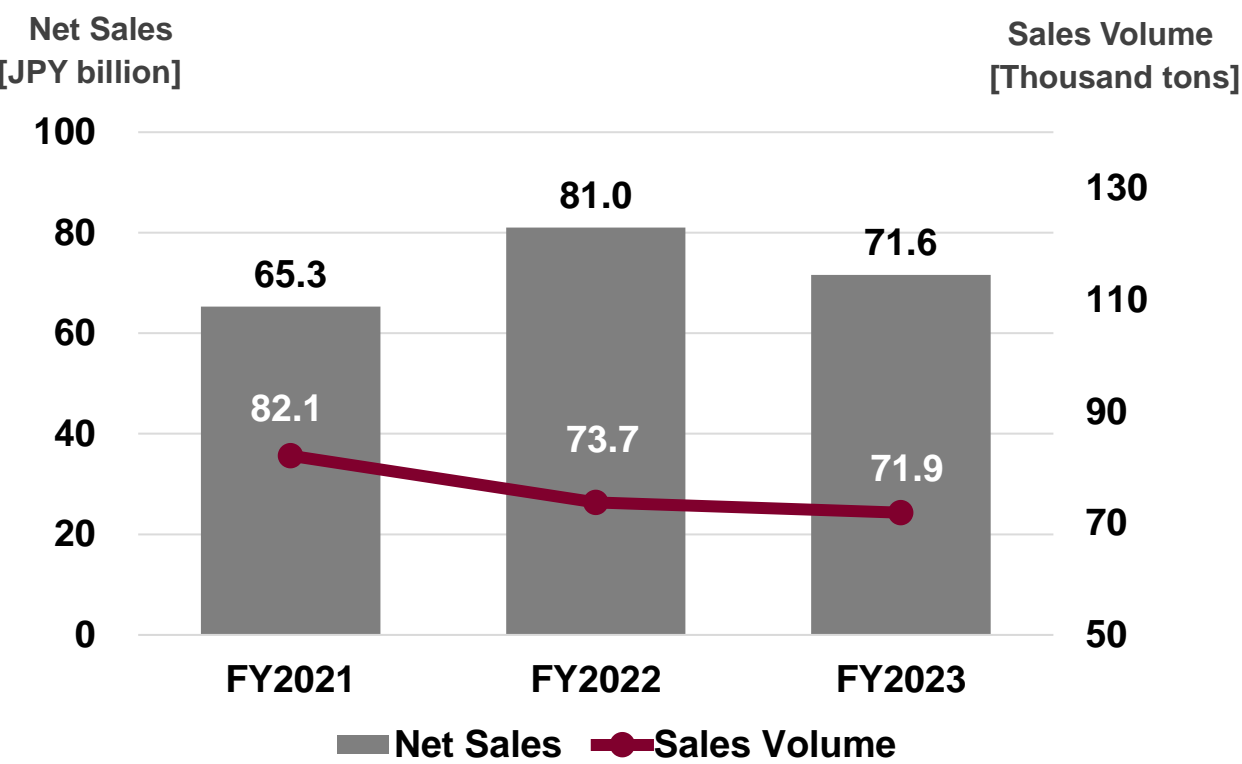
	FY2022	FY2023			
	Results	Revised Forecast*1	Results	vs Fcst.	YoY
Adhesives*2	101.50	91.83	91.94	100.1%	-9.4%
(Of which, AAPH*3 Group)	(81.07)	(71.27)	(71.63)	(100.5%)	(-11.6%)
Construction Resins*2	9.81	10.61	10.31	97.2%	+5.1%
Specialty & Performance Materials*2	17.70	15.61	15.86	101.7%	-10.4%
Other Products*2	12.28	11.95	12.17	101.9%	-0.9%
Total	141.31	130.00	130.30	100.2%	-7.8%

*1 Revised forecast announced in January 2024

*2 Changes in product group classification: Hot melts and acrylic compounds, which had been classified in the Specialty & Performance Materials / Other product groups, are classified into the Adhesives category as of FY2023.
Sales of KUNSHAN AICA KOGYO CO., LTD. and Shenyang AICA-HOPE Kogyo Co., Ltd., which had been classified directly under the Adhesives, Construction Resins, and Specialty & Performance Materials product groups, are now classified into AAPH sales as of FY2023.

*3 AAPH: AICA Asia Pacific Holding

2-2. Results for Chemical Products (AAPH* Group)



*Before elimination of goodwill and consolidation

FY2023
Net Sales: -12%
Sales Volume: -2%

FY2023
Operating Profit: +18%
(Increase in operating profit for 3 consecutive years)

*AAPH: AICA Asia Pacific Holding

2-3. Results for Chemical Products (Other than AAPH* Group)



Adhesives (Other than AAPH* Group) FY2023	
Net Sales	Operating Profit
JPY 20.30 billion (-0.6%)	Up

Construction Resins FY2023	
Net Sales	Operating Profit
JPY 10.31 billion (+5.1%)	Up

Specialty & Performance Materials (Japanese Business) FY2023	
Net Sales	Operating Profit
JPY 5.90 billion (+11.3%)	Up

EMC* Group FY2023	
Net Sales	Operating Profit
JPY 10.67 billion (-18.0%)	YoY: JPY +0.36 billion

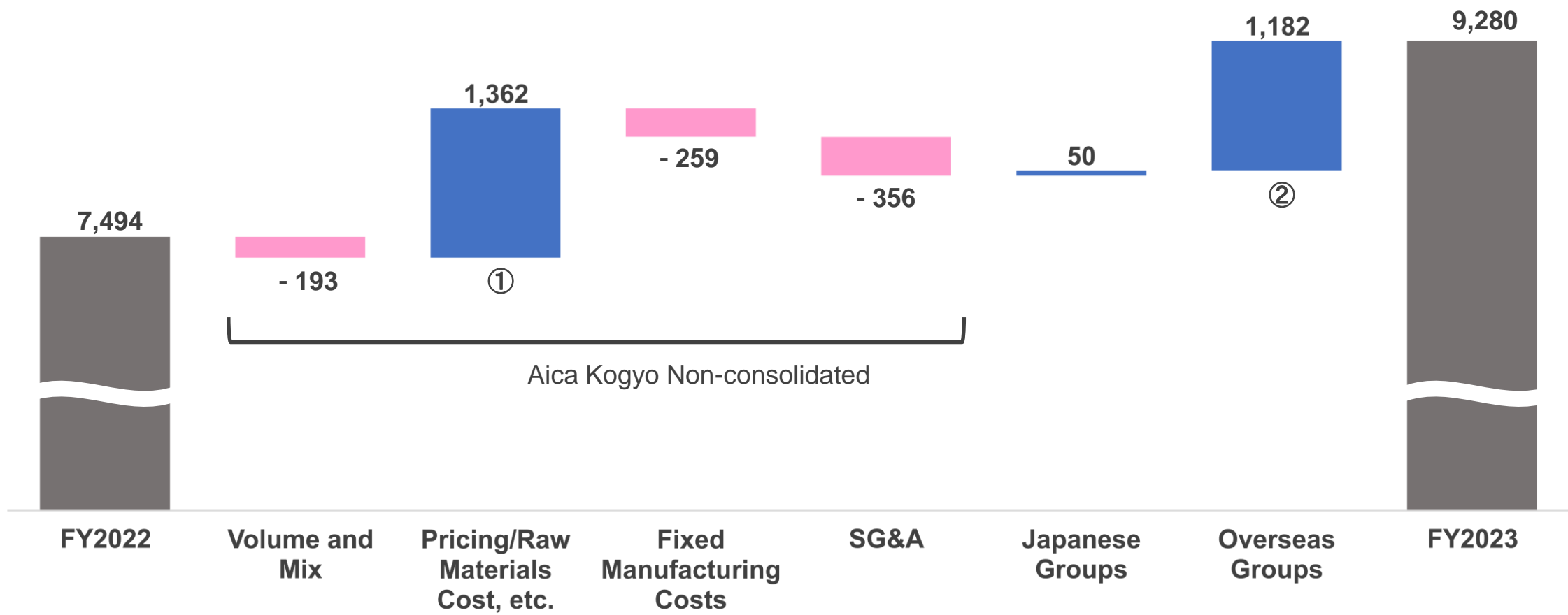
*AAPH: AICA Asia Pacific Holding

*Before elimination of goodwill and consolidation
*EMC: EVERMORE CHEMICAL INDUSTRY Group

2-4. Operating Profit Results for Chemical Products



[JPY million]



① Pricing/raw materials cost, etc.	
Raw materials cost, etc.:	-578
Price adjustments/cost reduction:	+1,935

② Overseas Groups	
AAPH* Group:	+798
EMC* Group:	+368

*Operating profit before deducting adjustments

*AAPH: AICA Asia Pacific Holding
*EMC: EVERMORE CHEMICAL INDUSTRY

2-5. Sales Breakdown for Laminates & Building Materials



[JPY billion]

	FY2022	FY2023			
	Results	Revised Forecast* ₁	Results	vs Fcst.	YoY
High Pressure Laminate (HPL)	32.20	34.27	34.32	100.2%	+6.6%
Decorative Polyester Boards, Decorative Films	12.50	12.53	12.41	99.1%	-0.7%
Melamine Fire Retardant Decorative Panel “CERARL”	21.74	23.71	23.25	98.1%	+6.9%
Fire Retardant/Noncombustible Decorative Panels	7.80	7.52	7.52	100.0%	-3.6%
Building and Housing Materials* ₂	26.48	28.97	28.80	99.4%	+8.8%
Total	100.74	107.00	106.32	99.4%	+5.5%

*1 Revised forecast announced in January 2024

*2 Changes in product group classification: Countertops, Postforming Products and Fittings as well as Interior Housing Materials are integrated into the Building and Housing Materials category as of FY2023.

Net Sales

FY2023
JPY 86.08 billion
(+5.2%)

<Products with Strong Sales>

- Architectural films: Altyno
- Melamine fire retardant decorative panel: CERARL
- Bathroom vanity set: Smart Sanitary



▲ Smart Sanitary

For reference: Japanese Construction Market (FY2023 Results)

Residential: -4%; Non-residential: -11%

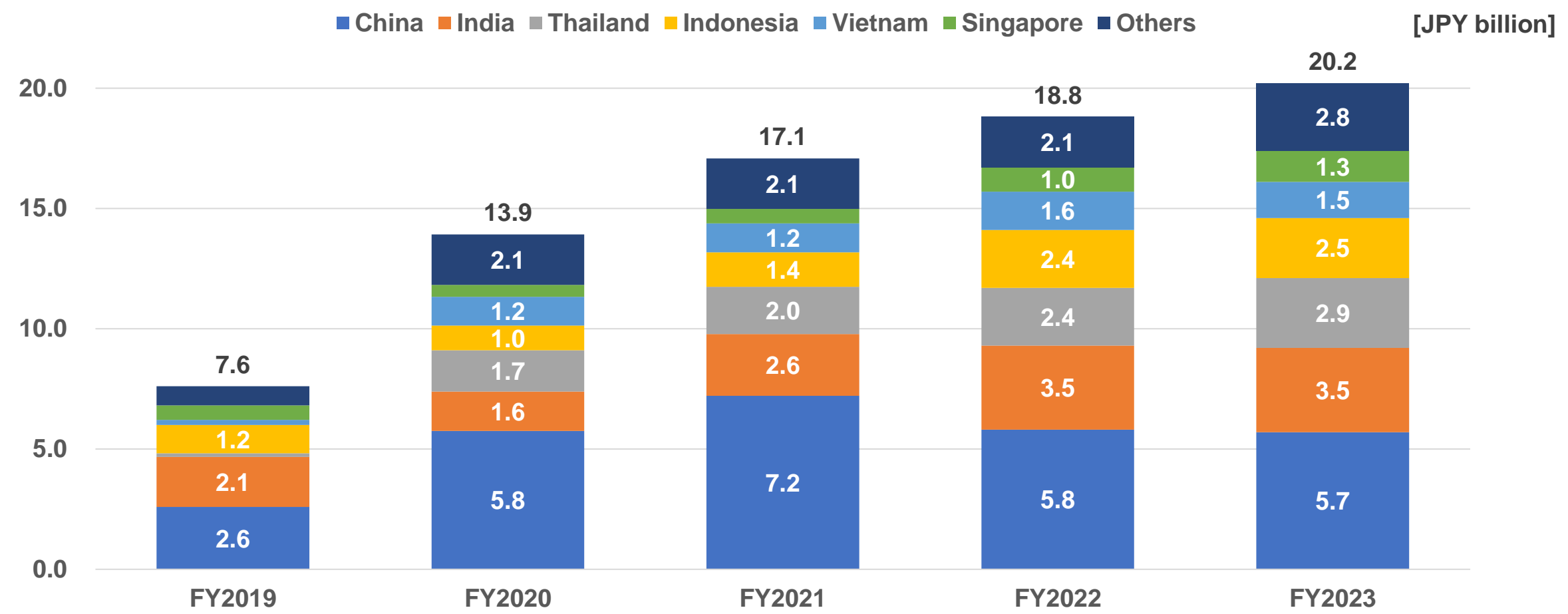
*Time lag with AICA products' demand period has been adjusted

Operating Profit

FY2023
YoY: JPY +2.06 billion

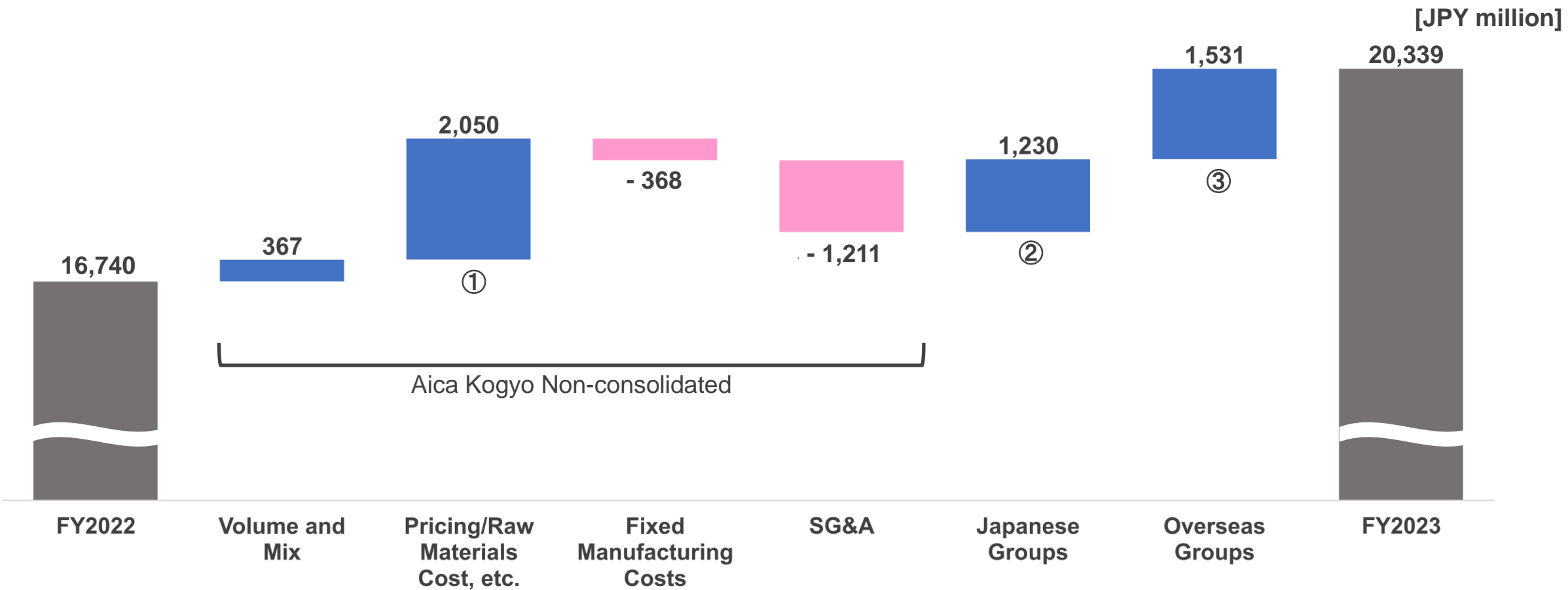
- Improved product mix
(Growth of high-value added products)
- Reduced costs
- Penetrated price revisions

2-7. Sales Results for Laminates & Building Materials (Overseas Business) **AICA**



Sales have had an upward trend each year, with robust performances from Thailand, Indonesia, and Singapore in FY2023.

2-8. Operating Profit Results for Laminates & Building Materials



(1) Pricing/raw materials cost, etc.		
Raw materials cost, etc.:	-1,462	
Price adjustments/cost reduction:	+3,606	

(2) Japanese Groups		
AICA TECH KENZAI CO., LTD.:	+719	
AICA Harima Kogyo Co., Ltd.:	+341	
AICA Interior Kogyo Co., Ltd.:	+185	

(3) Overseas Groups		
AICA China*:	+977	
Wilsonart (Thailand) Company Limited:	+238	
P.T. AICA Indonesia:	+134	

*Operating profit before deducting adjustments

*AICA China: Wilsonart (Shanghai) Co., Ltd. and Sois Mendinni Industrial Technology (Shanghai) Co., Ltd.

1. FY2023 Results Overview
2. FY2023 Results by Segment
- 3. FY2024 Forecast Overview**
4. FY2024 Forecast by Segment
5. Progress of Medium-Term Business Plan
“Value Creation 3000 & 300”

Japanese Construction Market

*Time lag with AICA products' demand period has been adjusted

	Residential	Non-residential
FY2023 (Results)	-4.0%	-11.1%
FY2024 (Forecast)	-1.1%	-2.2%

Overseas Market

The Middle East unrest and prolonged adjustments in the Chinese real estate markets are driving uncertainty.

However, forecasts estimate sustainable economic growth throughout Asia.

Exchange Rate

*Since transactions are denominated in local currencies, only a few subsidiaries use US dollars

FY2023 (Results)	1 USD = JPY 140.54
FY2024 (Forecast)	1 USD = JPY 145.00

Japan Naphtha Prices

*Not all raw materials are tied to the cost of naphtha

FY2023 (Results)	JPY 67,500/kl
FY2024 (Forecast)	JPY 75,000/kl

3-2. FY2024 Full Year Forecast



[JPY million]						
	FY2023 Results		FY2024 Forecast			YoY
	Amount	Profit Margin	Amount	Profit Margin	YoY	YoY(Amount)
Net Sales	236,625	—	250,000	—	+5.7%	13,375
Operating Profit	25,286	10.7%	26,500	10.6%	+4.8%	1,214
Ordinary Profit	26,135	11.0%	27,500	11.0%	+5.2%	1,365
Net Income*	15,135	6.4%	15,500	6.2%	+2.4%	365
ROE	9.9%	—	9.3%	—	—	—
ROA	5.8%	—	5.6%	—	—	—
Earning Per Share	JPY 236.60	—	JPY 242.30	—	—	—
Net assets Per Share	JPY 2,529.07	—	JPY 2,658.36	—	—	—
R&D Expenditure	JPY 4.07 billion	—	JPY 4.35 billion	—	—	—
Depreciation	JPY 7.04 billion	—	JPY 7.50 billion	—	—	—
Capital Investment	JPY 9.36 billion	—	JPY 10.00 billion	—	—	—

*Profit attributable to owners of parent

3-3. FY2024 Forecast by Segment



[JPY million]

	Net Sales			Operating Profit			
	FY2023 Results	FY2024 Forecast	YoY	FY2023 Results	FY2024 Forecast	YoY	
Chemical Products	130,300	138,200	+6.1%	9,280	9,600	+3.4%	Amount
				7.1%	6.9%	—	Profit Margin
Laminates & Building Materials	106,325	111,800	+5.1%	20,339	21,300	+4.7%	Amount
				19.1%	19.1%	—	Profit Margin
(Adjustments)				-4,333	-4,400	—	Amount
Total	236,625	250,000	+5.7%	25,286	26,500	+4.8%	Amount
				10.7%	10.6%	—	Profit Margin

3-4. FY2024 H1 Forecast by Segment



[JPY million]

	Net Sales			Operating Profit			
	FY2023 H1 Results	FY2024 H1 Forecast	YoY	FY2023 H1 Results	FY2024 H1 Forecast	YoY	
Chemical Products	63,697	66,300	+4.1%	4,225	4,380	+3.7%	Amount
				6.6%	6.6%	—	Profit Margin
Laminates & Building Materials	49,610	53,700	+8.2%	9,090	9,815	+8.0%	Amount
				18.3%	18.3%	—	Profit Margin
(Adjustments)				-1,909	-2,195	—	Amount
Total	113,307	120,000	+5.9%	11,406	12,000	+5.2%	Amount
				10.1%	10.0%	—	Profit Margin

1. FY2023 Results Overview
2. FY2023 Results by Segment
3. FY2024 Forecast Overview
- 4. FY2024 Forecast by Segment**
5. Progress of Medium-Term Business Plan
“Value Creation 3000 & 300”

4-1 Sales Results and Forecast Breakdown for Chemical Products

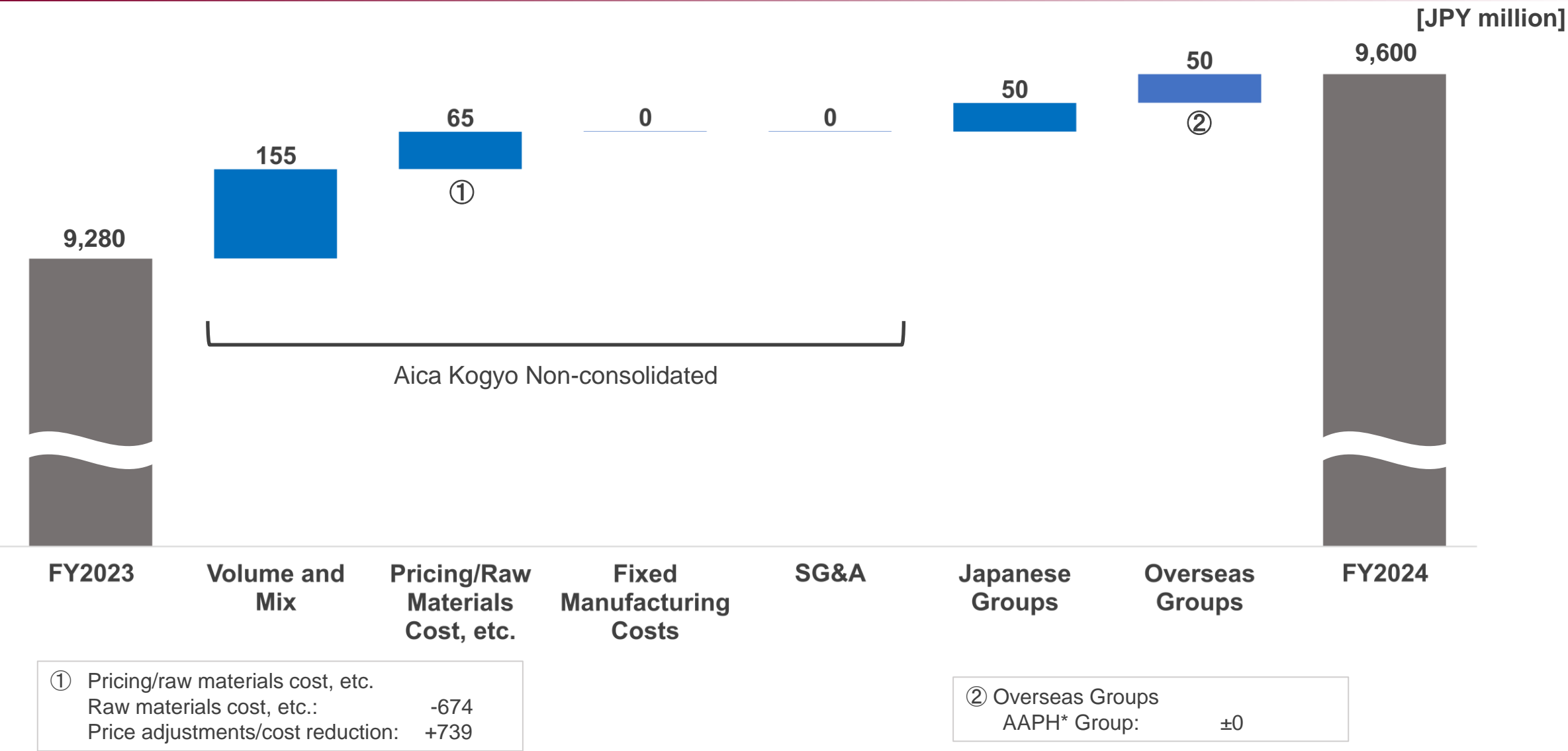
AICA

[JPY billion]

	FY2023 (Results)		FY2024 (Forecast)			
	H1	Full Year	H1	YoY	Full Year	YoY
Adhesives	45.11	91.94	46.50	+3.1%	97.0	+5.5%
(Of which, AAPH* Group)	(35.05)	(71.63)	(36.20)	(+3.3%)	(75.8)	(+5.8%)
Construction Resins	4.99	10.31	5.25	+5.2%	11.0	+6.6%
Specialty & Performance Materials	7.47	15.86	8.25	+10.3%	17.6	+10.9%
Other Products	6.11	12.17	6.30	+3.0%	12.6	+3.5%
Total	63.69	130.30	66.30	+4.1%	138.2	+6.1%

*AAPH: AICA Asia Pacific Holding

4-2. Operating Profit Forecast for Chemical Products



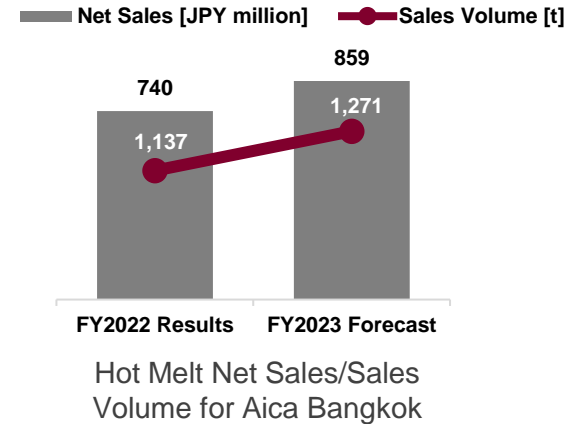
*Operating profit before deducting adjustments

*AAPH: AICA Asia Pacific Holding

4-3. Plans for Chemical Products (Overseas Business)

AAPH* Group

- Expand industrial resins in Thailand
 - Favorable hot melts business for Aica Bangkok
 - Focus on sales expansion for automotive lamps, filters, and packaging
- Strong efforts aiming for further business expansion in China
 - Chinese markets will slightly impact AAPH, but sales have been steady
⇒ FY2023 Q3: Sales volume +2.3% YoY, FY2024 Q3: Sales volume +2.5% YoY (forecast)
 - Expand sales of industrial resins with new plant of Aica Guangdong Co., Ltd. up and running as of September 2023
 - Capture demand for phenolic resins for bamboo with new plant of Aica Fujian Co., Ltd. schedule to start operations in September 2024



Hot melt for headlamps



New Aica Guangdong plant

EMC* Group

- Further improve revenues and focus on high-value added products
 - Expand sales of hot melts for construction materials
 - Establish third production line for UV-curable monomer and expand sales of UV-curable-coating agent



UV-curable coating agent used here for product labels

*AAPH: AICA Asia Pacific Holding

*EMC: EVERMORE CHEMICAL INDUSTRY

4-4. Plans for Chemical Products (Japanese Business)

■ Develop/expand sales of floor coating materials for plants

- Solicit orders from large semiconductor manufacturing plants
- Adding a lineup of methods for low-outgas type floor coating materials

⇒ Expand use in more semiconductor plants



Floor coating material: jolyace



Floor coating material: jolyace

■ Creation and expansion of growth businesses (expand sales of automotive 3D decorative hard-coating films)

- Expand results for interior use. Exploring new overseas customers to further expand our sales.
- Satisfy automotive manufacturer specifications for exterior use. Our aim is early actualization.



3D decorative hard-coating films for exteriors

■ Continue structural reforms toward a highly profitable business model

- Continue thorough management of the profitability of each of our resins
- Consistently improve the profit margin by reducing costs, revising prices, consolidating products, and other practical means

4-5. Sales Results and Forecast Breakdown for Laminates & Building Materials



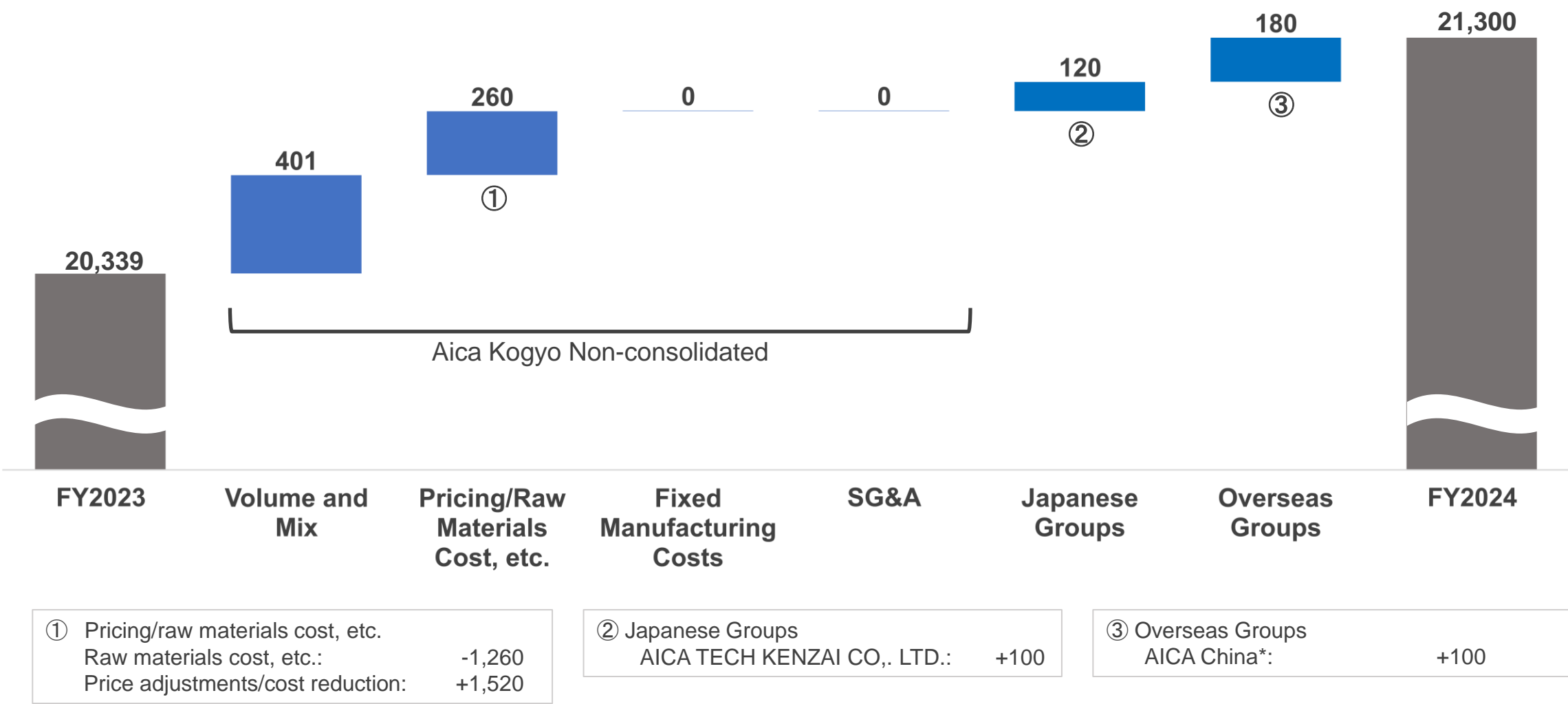
[JPY billion]

	FY2023 (Results)		FY2024 (Forecast)			
	H1	Full Year	H1	YoY	Full Year	YoY
High Pressure Laminates (HPL)	15.91	34.32	17.70	+11.2%	37.00	+7.8%
Decorative Polyester Boards, Decorative Films	5.84	12.41	6.10	+4.3%	12.70	+2.3%
Melamine Fire Retardant Decorative Panels “CERARL”	10.81	23.25	11.80	+9.1%	24.30	+4.5%
Fire Retardant/Noncombustible Decorative Panels	3.46	7.52	3.50	+0.9%	7.70	+2.4%
Building and Housing Materials	13.56	28.80	14.60	+7.6%	30.10	+4.5%
Total	49.61	106.32	53.70	+8.2%	111.80	+5.1%

4-6. Operating Profit Forecast for Laminates & Building Materials



[JPY million]



*Operating profit before deducting adjustments

*AICA China : Wilsonart (Shanghai) Co., Ltd. And
Sois Mendinni Industrial Technology (Shanghai) Co., Ltd.

Expansion of Existing Businesses

■ Continuing to expand sales of high-added value products

- Non-residential market: **CERARL CELLENT**
- Bathroom vanity set: **Smart Sanitary**, etc.

■ Expand Fiore Stone production lines

- AICA Interior Kogyo Co., Ltd is constructing a new plant building at its Ibaraki plant to increase Fiore Stone engineered stone (quartz) production lines
- Investment: Approx. JPY 770 million
- Scheduled start of operations: Fall 2024



▲ AICA Interior Kogyo Ibaraki plant

Entry into New Markets

■ Increase results in floor markets

- Launched MELAMINE TILE in 2019

Expanding the adoption at commercial facilities, restaurants, etc.



▲ MELAMINE TILE

■ Increase results in ceiling markets

- Method to apply CERARL on ceilings was developed in 2022, alongside the launch of KABITECT with excellent mold-resistant performance.
- Targeting JPY 1,000 million in sales five years later.

KABITECT is cultivating new demand in food plants and other facilities, expanding adoption



▲ New CERARL installation method



▲ KABITECT

Growth in Southeast Asian Businesses

■ Deployment of Japan Technology

- Optimize production bases
- Strategies of differentiation in high-end markets

■ Start operations of new Vietnam plant

- Install High Pressure Laminate (HPL) manufacturing equipment at Aica Laminates Vietnam and complete construction of the new plant and warehouse
- Investment: Approx.
JPY 1,300 million
- Start of operations: January 2024



▲ New Aica Laminates Vietnam plant

Growth in Indian/Chinese Businesses

■ Grow India businesses

- Reinforce production equipment to expand market share in India
- Expand sales in the Middle East via the Dubai Branch
(Plan to achieve sales of JPY 550 million by FY2025)



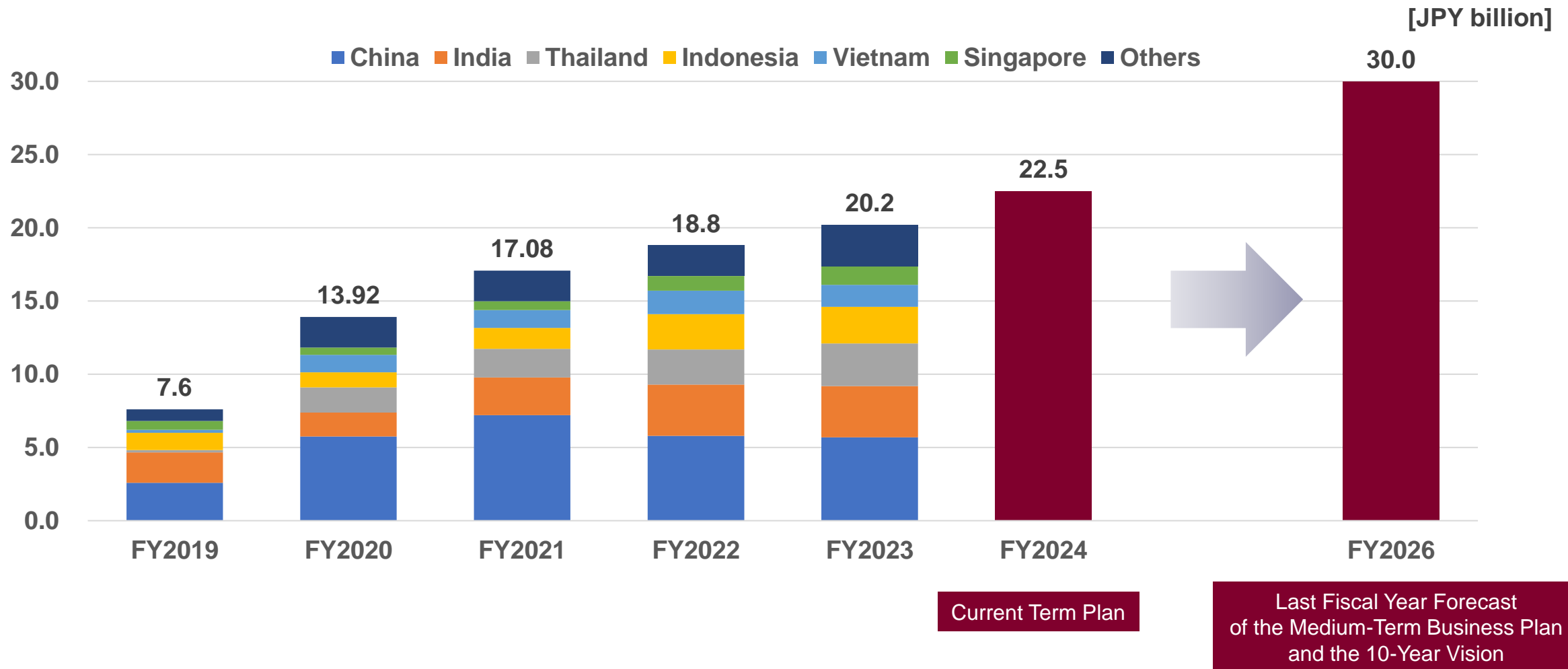
▲ Aica Laminates India Pvt. Ltd.

■ Grow Chinese businesses

- Enhance the AICA brand in Chinese Laminates market
- Expand sales of fire retardant decorative panels
- Increase production efficiency and reduce costs



4-9. Plans for Laminates & Building Materials (Overseas Business) AICA



JPY 22.5 billion for the current term plan, aiming JPY 30.0 billion yen for the final year of the Medium-Term Business Plan & 10-years Vision

1. FY2023 Results Overview
2. FY2023 Results by Segment
3. FY2024 Forecast Overview
4. FY2024 Forecast by Segment
- 5. Progress of Medium-Term Business Plan
“Value Creation 3000 & 300”**

5-1. Progress of Medium-term Business Plan (Financial Targets)



[JPY million]

	Previous Plan	Year 1		Year 2	Year 4
	FY2022 (Results)	FY2023 (Revised Forecast*3)	FY2023 (Results)	FY2024 (Forecast)	
Net Sales	2,420	2,370	2,366	2,500	3,000
Ordinary Profit	220	255	261	275	300
AS Products Sales*1 *2	193	220	217	240	280
Overseas Sales Ratio	51.2%	50% or more	47.8%	50% or more	50% or more
ROE	6.9%	9.5%	9.9%	9.3%	Approx. 10%
ROIC	8.1%	8.9%	8.9%	9.0%	Approx. 8%

*1 AICA Solution, product that resolves social issues *2 Aica Kogyo (non-consolidated) *3 Revised forecast announced in January 2024

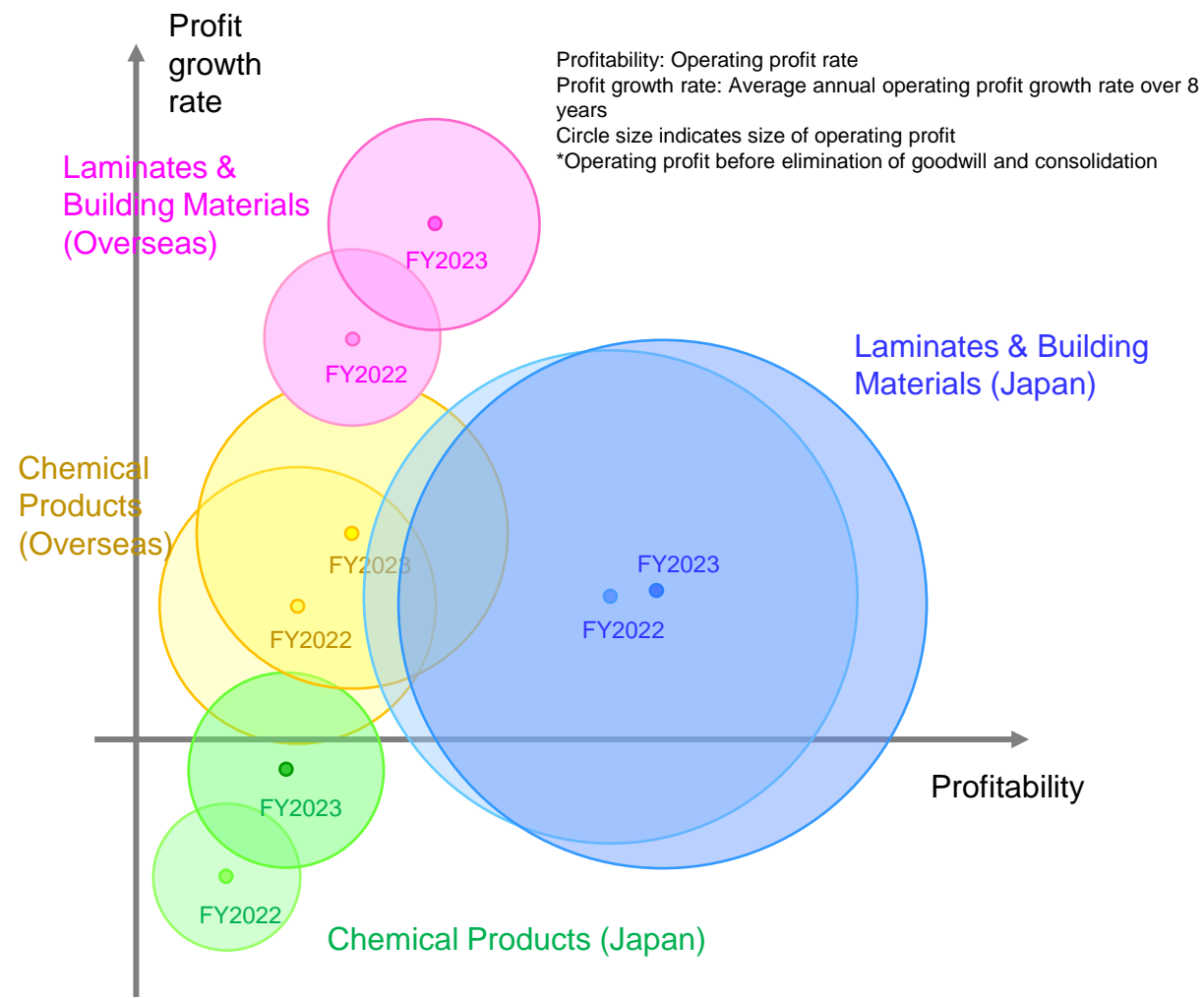
5-2. Progress of Medium-term Business Plan (Targets by Segment)



[JPY million]									
		Previous Plan	Year 1				Year 2		Year 4
		FY2022 (Results)	FY2023 (Revised forecast*)	FY2023 (Results)	YoY	vs Fcst.	FY2024 (Forecast)	YoY	FY2026 (Forecast)
Chemical Products	Net Sales	141,312	130,000	130,300	-7.8%	100.2%	138,200	+6.1%	175,000
	Operating Profit	7,494	9,000	9,280	+23.8%	103.1%	9,600	+3.4%	12,000
	% vs Net Sales	5.3%	6.9%	7.1%	—	—	6.9%	—	6.9%
	EBITDA	11,119	13,100	13,406	+20.6%	102.3%	13,765	+2.7%	17,300
	% vs Net Sales	7.9%	10.1%	10.3%	—	—	10.0%	—	9.9%
Laminates & Building Materials	Net Sales	100,743	107,000	106,325	+5.5%	99.4%	111,800	+5.1%	125,000
	Operating Profit	16,740	19,800	20,339	+21.5%	102.7%	21,300	+4.7%	22,500
	% vs Net Sales	16.6%	18.5%	19.1%	—	—	19.1%	—	18.0%
	EBITDA	19,910	22,400	23,254	+16.8%	103.8%	24,410	+5.0%	26,400
	% vs Net Sales	19.8%	20.9%	21.9%	—	—	21.8%	—	21.1%

*1 Revised forecast announced in January 2024

■ Profitability and Growth Analysis by Business



■ Initiatives to Improve Profitability

Segment	Initiatives
Chemical Products (Japan)	<ul style="list-style-type: none">Managing the profitability of each of our resin thoroughlyPromote cost reductions, consolidate products, and set appropriate prices
Chemical Products (Overseas)	<ul style="list-style-type: none">Expand our share and improve production efficiency through capital investmentsExpand sales of phenolic resins, hot melts, and other high-value added products
Laminates & Building Materials (Japan)	<ul style="list-style-type: none">Expand sales of AS and other high-value added productsExpand our share of High Pressure Laminate (HPL), CERARL, and other products with a high profit margin
Laminates & Building Materials (Overseas)	<ul style="list-style-type: none">Improve production efficiency and optimize Group-wide production through capital investmentsExpand sales of CERARL and other high-value added products

Our initiatives have been effective from the first year. We will continue to focus on improving sustainable profitability

5-4. Progress of Medium-term Business Plan (Materiality 1/2)



Item	Scope	FY2023 Results	FY2026 Targets
(1) Provide economic value	AICA Group	Net sales: JPY 236.6 billion Ordinary profit: JPY 26.1 billion	Net sales: JPY 300.0 billion Ordinary profit: JPY 30.0 billion
		ROE: 9.9% ROIC: 8.9%	ROE: Approx. 10% ROIC: Approx. 8%
		Plan to increase year-on-year dividend JPY 3 to JPY 112 (15 consecutive years' dividend increases, without 26 consecutive years' dividend reductions)	Continue progressive dividends without reducing dividends
(2) Solving social issues with products	Aica Kogyo	Net sales of AS products: JPY 21.7 billion	Net Sales of AS products: JPY 28.0 billion or more
	AICA Group	Established a method to crush waste of CERARL and High Pressure Laminate (HPL) to use as raw materials for HPL Displayed as “recycled High Pressure Laminate (HPL)” at exhibitions	Develop new recycling methods for mainstay products
(3) Responding to climate change	AICA Group	Greenhouse gas emissions: Reduce 3% from FY2022	Greenhouse gas emissions: Reduce 14% from FY2022
		Started third-party pre-assurance screenings for Scope 3 emissions at overseas Group companies Established calculations rules taking into account transactions within the Group	Set Scope 3 emission reduction targets and formulate reduction measures
	Aica Kogyo	Adopted the LCA database overseas and conducted CFP assessments of mainstay products	Disclose CFP data pertaining to our mainstay products and develop products that reduce our CFP

5-4. Progress of Medium-term Business Plan (Materiality 2/2)



Item	Scope	FY2023 Results	FY2026 Targets
(4) Building a human capital foundation	Aica Kogyo	Labor productivity (added value ÷ number of employees): JPY 22.5 million/person (FY2022: JPY 21.0 million/person)	Labor productivity: JPY 22.8 million or more per person
		HR Investments: JPY 990 million	HR Investments: JPY 4.0 billion or more (4 years cumulative total)
		Employees with experience overseas assignment: 86 in total	Employees with experience overseas assignment: 100 or more
		Percentage of women recruited to new graduate career-track positions: 35% over two years (FY2023/FY2024)	Percentage of women recruited to new graduate career-track positions: 30% or more (4 years cumulative total)
		Childcare leave acquisition rate: (Male) 59.1% (Female) 100%	Childcare leave acquisition rate: (Male) 70% or more (Female) 100%
	AICA Group	Conducted, collected, and analyzed independent engagement surveys Conduct surveys every other year at Group companies *FY2022: 3.9 points	Engagement Score: 4.0 points or more
(5) DX* implementation	Aica Kogyo	Capital investment and digitization investment that will contribute to automation and labor-saving: JPY 220 million	Capital investment and digitization investment that will contribute to automation and labor-saving: JPY 1.00 billion or more (4 years cumulative total)
(6) Strengthen governance	AICA Group	Established and published our human rights policy Added human rights items to the CSR questionnaire and conducted that survey with domestic suppliers In the process of considering plans to carry out human rights due diligence	Enhance policies, regulations, and systems related to group governance, including strengthening efforts to respect human rights, and strengthen audits
		Conducted BCP drills once per year at all production sites worldwide	Conduct BCP drills for natural disasters at all consolidated production sites at least once a year
	Aica Kogyo	Conducted sustainability surveys of suppliers and scheduled on-site audits as necessary based on the results	Conduct sustainability surveys of suppliers on a regular basis and address issues
	AICA Group	Completed update of firewall and VPN software, and implementation of EDR software.	Deepen information security measures and expand/strengthen them throughout the group
(7) Quality assurance and occupational safety	AICA Group	Considered measures to address remaining efforts in Japan and completed initiatives at two-thirds of sites overseas	Achieve the defect reduction targets set at all sites
		Number of serious work-related accidents: 0	Number of serious work-related accidents: 0
		Number of lost-time accidents: 19	Number of lost-time accidents: 10 or less

* DX: Digital Transformation

5-5. Progress of Medium-term Business Plan (Capital Policy)



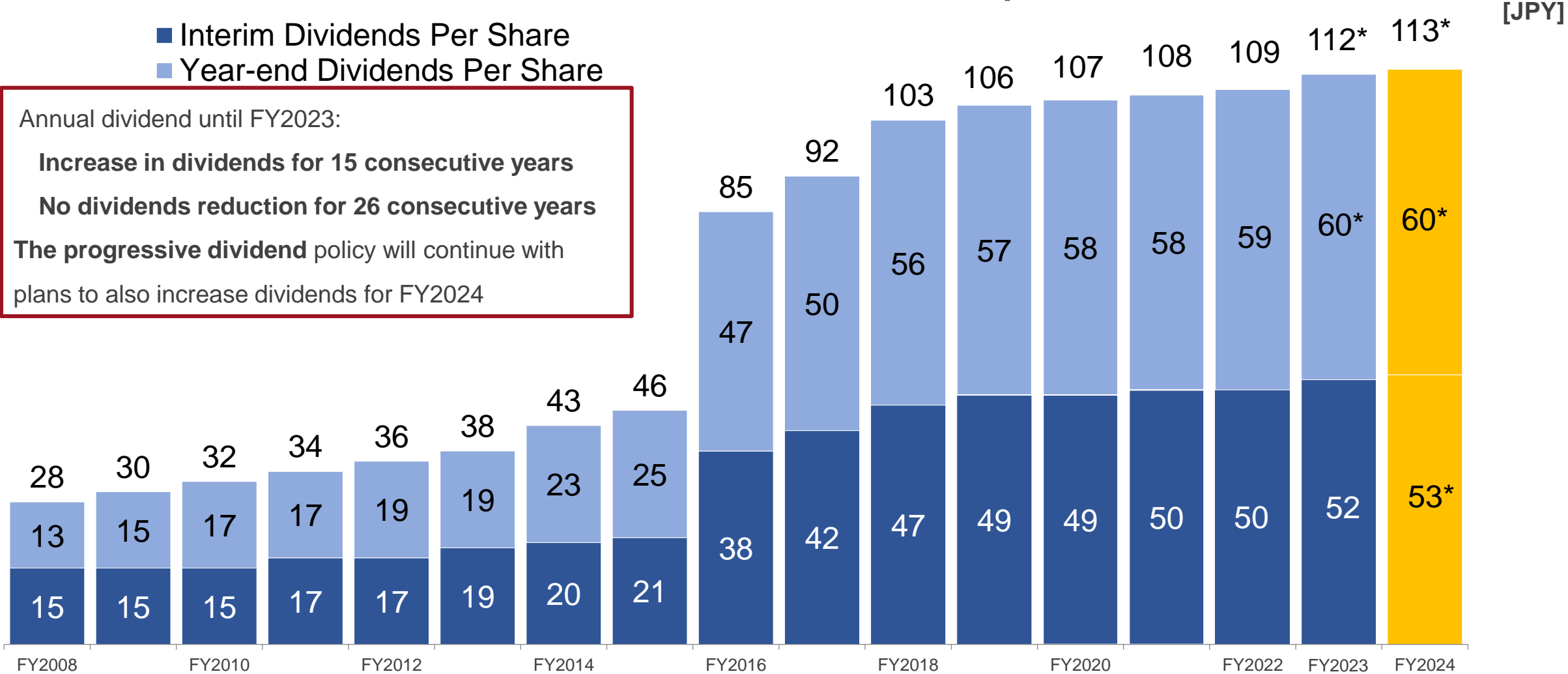
		Previous Plan	New Medium-Term Business Plan	
		FY2022 (Results)	Policy	FY2023 (Results)
Maintain Financial Soundness	Cash and cash equivalents	JPY 50.99 billion	Secure on-hand liquidity equivalent to about two to three months of sales to strengthen risk tolerance	JPY 62.02 billion
	Equity ratio Rating	58.1% Rating A*	Maintain the proper rating and sustain a capital adequacy ratio of 50% or more	58.9% Rating A+*
Improve Capital Efficiency	ROE ROIC	ROE 6.9% ROIC 8.1% Shareholders' equity costs: 6.3% WACC 5.5%	ROE > ROIC > WACC structure Create ROE and ROIC that exceed the cost of capital ROE of approx. 10%; ROIC of approx. 8%	ROE 9.9% ROIC 8.9% Shareholders' equity costs: 6.2% WACC 5.6%
	FCF	JPY 7.06 billion (Two fiscal year average)	Secure free cash flow to support aggressive investment for growth and increased shareholder returns	JPY 20.90 billion

*Japan Credit Rating Agency (JCR)

		Previous Plan	New Medium-Term Business Plan	
		FY2022 (Results)	FY2023 (Results)	FY2026 Forecast (Plan/4-years cumulative total)
Investment Plan (4-years cumulative total)	Capital Investment	JPY 8.69 billion	JPY 9.36 billion	JPY 40.00 billion
	Business Investment	JPY 10.45 billion	JPY 1.40 billion	JPY 20.00 billion
	R&D Investment	JPY 3.99 billion	JPY 4.07 billion	JPY 17.50 billion
	Environmental Investment	-	JPY 0.29 billion	JPY 2.00 billion
	Human Capital Investment	JPY 0.87 billion	JPY 0.99 billion	JPY 4.00 billion

5-6. Dividends Per Share

FY2023 dividends have been revised to increase JPY 3 to JPY 112 rather than the JPY 1 annual increase in the initial plan



*The General Meeting of Shareholders officially scheduled for June will determine dividends for FY2023. Dividends for FY2024 are current forecast values



アイカ工業株式会社

The matters such as current plan, prospect, strategy, or conviction which indicated in this report, but not historical fact are only the expectation of the future achievement, and there are the risks or unexpected factors.

This information has been made based on the judgment of the manager of Aica Kogyo Co., Ltd. using current available information. The actual results may be different from the current forecast because of various important elements, so please avoid depending entirely on this forecast.

This document is not designed to induce investment. We request that decisions about investment be made on the basis of each user's own judgment.