

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2017 (Based on Japanese GAAP)

July 27, 2017

Company name: Aica Kogyo Company, Limited
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 4206 URL <http://www.aica.co.jp>
 Representative: President Yuji Ono
 General Manager, Financial Management Department
 Inquiries: Toyoaki Ichikawa TEL 052-409-8261
 Scheduled date to file Quarterly Securities Report: August 4, 2017
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2017 (from April 1, 2017 to June 30, 2017)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2017	36,619	8.5	4,004	14.6	4,203	17.2	2,409	14.5
Three months ended June 30, 2016	33,753	5.6	3,493	13.8	3,586	9.4	2,104	8.2

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2017	36.90	36.88
Three months ended June 30, 2016	32.24	32.22

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2017	162,223	119,128	70.4
As of March 31, 2017	164,634	119,685	69.8

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2017	–	38.00	–	47.00	85.00
Year ending March 31, 2018	–				
Year ending March 31, 2018 (Forecast)		40.00	–	48.00	88.00

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2017	75,000	3.1	8,900	2.7	9,000	2.9	5,450	4.0	83.48
Full year	156,000	2.9	18,600	2.8	18,800	2.3	11,400	3.0	174.61

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2017
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2017	67,590,664 shares	As of March 31, 2017	67,590,664 shares
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Number of treasury shares at the end of the period

As of June 30, 2017	2,303,979 shares	As of March 31, 2017	2,303,875 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2017	65,286,720 shares	Three months ended June 30, 2016	65,287,367 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Assets		
Current assets		
Cash and deposits	47,646	46,018
Notes and accounts receivable - trade	50,549	48,151
Merchandise and finished goods	6,292	7,021
Work in process	956	1,127
Raw materials and supplies	4,901	4,774
Other	5,272	6,065
Allowance for doubtful accounts	(281)	(272)
Total current assets	115,338	112,886
Non-current assets		
Property, plant and equipment	30,024	29,775
Intangible assets		
Goodwill	1,318	984
Other	1,941	1,903
Total intangible assets	3,259	2,887
Investments and other assets		
Other	16,030	16,690
Allowance for doubtful accounts	(17)	(17)
Total investments and other assets	16,012	16,673
Total non-current assets	49,296	49,336
Total assets	164,634	162,223
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,541	20,559
Electronically recorded obligations - operating	4,456	4,692
Short-term loans payable	1,314	1,348
Income taxes payable	3,255	1,888
Provision for bonuses	1,760	2,243
Other	6,268	5,663
Total current liabilities	38,596	36,395
Non-current liabilities		
Long-term loans payable	532	466
Net defined benefit liability	1,190	1,328
Other	4,629	4,905
Total non-current liabilities	6,352	6,699
Total liabilities	44,949	43,094
Net assets		
Shareholders' equity		
Capital stock	9,891	9,891
Capital surplus	13,271	13,271
Retained earnings	87,570	86,911
Treasury shares	(2,007)	(2,007)
Total shareholders' equity	108,726	108,066

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,222	4,764
Deferred gains or losses on hedges	(9)	0
Foreign currency translation adjustment	1,822	1,283
Remeasurements of defined benefit plans	137	147
Total accumulated other comprehensive income	6,172	6,196
Subscription rights to shares	36	36
Non-controlling interests	4,749	4,829
Total net assets	119,685	119,128
Total liabilities and net assets	164,634	162,223

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Net sales	33,753	36,619
Cost of sales	23,840	26,094
Gross profit	9,912	10,525
Selling, general and administrative expenses	6,419	6,521
Operating profit	3,493	4,004
Non-operating income		
Interest income	29	36
Dividend income	120	175
Other	170	162
Total non-operating income	319	374
Non-operating expenses		
Interest expenses	11	10
Sales discounts	38	40
Commission fee	–	61
Foreign exchange losses	53	1
Loss on valuation of investment securities	68	–
Other	55	61
Total non-operating expenses	226	174
Ordinary profit	3,586	4,203
Profit before income taxes	3,586	4,203
Income taxes - current	1,375	1,557
Income taxes - deferred	(140)	(59)
Total income taxes	1,235	1,498
Profit	2,351	2,705
Profit attributable to non-controlling interests	246	295
Profit attributable to owners of parent	2,104	2,409

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Profit	2,351	2,705
Other comprehensive income		
Valuation difference on available-for-sale securities	(377)	541
Deferred gains or losses on hedges	(7)	9
Foreign currency translation adjustment	(1,340)	(663)
Remeasurements of defined benefit plans, net of tax	10	10
Share of other comprehensive income of entities accounted for using equity method	(12)	(4)
Total other comprehensive income	(1,727)	(106)
Comprehensive income	623	2,599
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	581	2,432
Comprehensive income attributable to non-controlling interests	42	166