

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2019 (Based on Japanese GAAP)

January 29, 2020

Company name: Aica Kogyo Company, Limited
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 4206 URL <http://www.aica.co.jp>
 Representative: President Yuji Ono
 Inquiries: General Manager, Financial Management Department Yousuke Mori TEL 052-533-3135
 Scheduled date to file Quarterly Securities Report: February 14, 2020
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2019 (from April 1, 2019 to December 31, 2019)

(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	%
Nine months ended December 31, 2019	140,872	0.1	15,552	2.2	16,253	3.5	10,051	6.3
Nine months ended December 31, 2018	140,703	17.9	15,221	5.2	15,699	4.5	9,458	5.4

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2019	153.93	153.87
Nine months ended December 31, 2018	144.86	144.80

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2019	200,366	142,071	64.1
As of March 31, 2019	191,025	136,116	66.2

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, 2019	–	47.00	–	56.00	103.00
Year ending March 31, 2020	–	49.00	–		
Year ending March 31, 2020 (Forecast)				57.00	106.00

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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
Full year	195,000	1.9	21,800	4.6	22,000	3.5	13,800	3.6	211.35

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2019
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (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: Yes
- 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 December 31, 2019	67,590,664 shares	As of March 31, 2019	67,590,664 shares
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Number of treasury shares at the end of the period

As of December 31, 2019	2,296,778 shares	As of March 31, 2019	2,296,226 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2019	65,294,181 shares	Nine months ended December 31, 2018	65,291,830 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	45,587	35,182
Notes and accounts receivable - trade	60,309	62,178
Merchandise and finished goods	9,791	10,239
Work in process	1,004	1,571
Raw materials and supplies	7,446	8,161
Other	6,162	7,943
Allowance for doubtful accounts	(413)	(514)
Total current assets	129,888	124,763
Non-current assets		
Property, plant and equipment	40,949	44,905
Intangible assets		
Goodwill	319	5,974
Other	2,784	6,726
Total intangible assets	3,104	12,700
Investments and other assets		
Other	17,095	18,010
Allowance for doubtful accounts	(12)	(12)
Total investments and other assets	17,082	17,997
Total non-current assets	61,136	75,603
Total assets	191,025	200,366
Liabilities		
Current liabilities		
Notes and accounts payable - trade	26,332	25,590
Electronically recorded obligations - operating	6,188	6,611
Short-term borrowings	4,556	5,351
Income taxes payable	2,694	1,520
Provision for bonuses	1,833	1,161
Other	6,648	9,280
Total current liabilities	48,254	49,516
Non-current liabilities		
Long-term borrowings	432	900
Retirement benefit liability	1,296	1,489
Other	4,925	6,388
Total non-current liabilities	6,655	8,778
Total liabilities	54,909	58,295
Net assets		
Shareholders' equity		
Share capital	9,891	9,891
Capital surplus	13,279	13,271
Retained earnings	100,739	104,104
Treasury shares	(2,007)	(2,009)
Total shareholders' equity	121,904	125,258

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,307	4,839
Deferred gains or losses on hedges	(5)	(2)
Foreign currency translation adjustment	60	(1,774)
Remeasurements of defined benefit plans	199	129
Total accumulated other comprehensive income	4,562	3,191
Share acquisition rights	27	27
Non-controlling interests	9,622	13,593
Total net assets	136,116	142,071
Total liabilities and net assets	191,025	200,366

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Net sales	140,703	140,872
Cost of sales	104,432	102,895
Gross profit	36,270	37,976
Selling, general and administrative expenses	21,048	22,424
Operating profit	15,221	15,552
Non-operating income		
Interest income	150	122
Dividend income	347	353
Other	547	837
Total non-operating income	1,044	1,314
Non-operating expenses		
Interest expenses	89	83
Sales discounts	125	127
Other	352	402
Total non-operating expenses	567	613
Ordinary profit	15,699	16,253
Extraordinary losses		
Loss on disaster	400	18
Total extraordinary losses	400	18
Profit before income taxes	15,299	16,234
Income taxes - current	4,275	4,620
Income taxes - deferred	694	449
Total income taxes	4,970	5,070
Profit	10,328	11,164
Profit attributable to non-controlling interests	870	1,113
Profit attributable to owners of parent	9,458	10,051

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	10,328	11,164
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,318)	531
Deferred gains or losses on hedges	(4)	3
Foreign currency translation adjustment	(2,373)	(1,982)
Remeasurements of defined benefit plans, net of tax	0	(69)
Share of other comprehensive income of entities accounted for using equity method	(52)	(46)
Total other comprehensive income	(3,748)	(1,564)
Comprehensive income	6,580	9,600
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,304	8,680
Comprehensive income attributable to non-controlling interests	275	920

Support Data for the Summary of Consolidated
Financial Results for
the Nine Months Ended December 31, 2019

Challenge & Creation

January 29, 2020

AICA KOGYO CO., LTD

1. Summary of consolidated financial results for the Nine Months Ended December 31, 2019



[Millions of yen]

	FY Mar/2019 Q1-Q3		FY Mar/2020 Q1-Q3		
	Results	Profit margin	Results	Profit margin	Growth Rate
Net Sales	140,703		140,872		0.1%
Operating Profit	15,221	10.8%	15,552	11.0%	2.2%
Ordinary Profit	15,699	11.2%	16,253	11.5%	3.5%
Profit attributable to owners of the parent	9,458	6.7%	10,051	7.1%	6.3%
					[Yen]
Profit per share	144.86	—	153.93	—	6.3%

Net Sales•Operating Profit•Ordinary Profit : Increased **10** consecutive accounting year
Profit for the period※ : Increased **4** consecutive accounting year

Net Sales : Reached a record high for the **7th** year in a row.
Operating Profit • Ordinary Profit : Reached a record high for the **8th** year in a row.
Profit for the period※ : Reached a record high for the **4th** year in a row.

※ Profit attributable to owners of the parent

2. Sales result at the Nine Months Ended December 31, 2019 and the breakdown by business segment

[Millions of yen]

	Net Sales			Operating Profit			
	FY Mar/2019 Q1-Q3	FY Mar/2020 Q1-Q3	Difference	FY Mar/2019 Q1-Q3	FY Mar/2020 Q1-Q3	Difference	
Chemical Products	80,864	77,795	▲ 3,069	5,734	6,272	538	Amount
				7.1%	8.1%	1.0%	Profit margin
Construction Materials	59,838	63,076	3,238	11,457	11,374	▲ 83	Amount
				19.1%	18.0%	▲ 1.1%	Profit margin
(Non-allocation operating expenses→)				▲ 1,970	▲ 2,094	▲ 124	Amount
TOTAL	140,703	140,872	169	15,221	15,552	331	Amount
				10.8%	11.0%	0.2%	Profit margin

3. Chemical Products Segment : Sales Breakdown by Product

[Billions of yen]

	FY Mar/2019		FY Mar/2020			
	Q1-Q3	Full Year	Q1-Q3	Growth Rate	Full Year Forecast	Achievement Rate
Adhesive	48.33	65.92	47.72	▲ 1.3%	67.00	71.2%
AAP ^(*)	38.2	52.11	37.53	▲ 1.7%	53.00	70.8%
Construction Resin	7.19	9.58	7.05	▲ 2.0%	9.80	72.0%
Speciality & Performance materials	17.33	23.16	15.38	▲ 11.3%	21.70	70.9%
Others	7.99	10.39	7.63	▲ 4.5%	10.20	74.8%
Total	80.86	109.06	77.79	▲ 3.8%	108.70	71.6%

(*)AAP: AICA Asia Pacific Holding Pte. Ltd. (Singapore)

4. Construction Materials Segment : Sales Breakdown by Product

[Billions of yen]

	FY Mar/2019		FY Mar/2020			
	Q1-Q3	Full Year	Q1-Q3	Growth Rate	Full Year Forecast	Achievement Rate
Melamine Decorative Laminated Sheets	12.39	17.34	13.88	12.1%	20.20	68.7%
Decorative Polyester Boards, Decorative Films	9.81	13.73	9.26	▲ 5.7%	13.20	70.2%
Melamine Noncombustible Decorative Panel "Cerarl"	14.34	19.70	15.32	6.8%	20.90	73.3%
Noncombustible Decorative Panel (Except "Cerarl")	7.21	9.74	8.21	13.9%	10.00	82.1%
Counterstops, Postforming products	12.15	16.35	12.54	3.2%	16.90	74.2%
Fittings, Interior Housing Materials	3.91	5.41	3.85	▲ 1.7%	5.10	75.5%
TOTAL	59.83	82.30	63.07	5.4%	86.30	73.1%



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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 made based on the judgment of the manager of Aica Kogyo Co., Ltd. using current available information. The actual result can be difference from the current prospect because of various important elements, so please avoid depending on fully to only this prospect.

This document is not a thing for investment inducement. We request that the decision about the investment will be performed by the judgment of each user.