

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2019 (Based on Japanese GAAP)

April 25, 2019

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
 Inquiries: Department Yousuke Mori TEL 052-533-3135
 Scheduled date of ordinary general meeting of shareholders: June 25, 2019
 Scheduled date to file Securities Report: June 25, 2019
 Scheduled date to commence dividend payments: June 26, 2019
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

(1) Consolidated operating results

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	%
Year ended March 31, 2019	191,363	16.9	20,834	9.1	21,249	8.4	13,316	11.0
Year ended March 31, 2018	163,726	8.0	19,092	5.5	19,600	6.7	11,996	8.4

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2019	203.95	203.86	10.7	11.2	10.9
Year ended March 31, 2018	183.76	183.66	10.1	11.0	11.7

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2019	191,025	136,116	66.2	1,936.87
As of March 31, 2018	189,626	132,616	64.7	1,880.13

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2019	13,275	(8,147)	(7,557)	45,379
Year ended March 31, 2018	16,436	(7,950)	(7,406)	48,896

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2018	–	42.00	–	50.00	92.00	6,006	50.1	5.1
Year ended March 31, 2019	–	47.00	–	56.00	103.00	6,725	50.5	5.4
Year ending March 31, 2020 (Forecast)	–	49.00	–	57.00	106.00		50.2	

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
Six months ending September 30, 2019	95,200	4.8	10,300	6.5	10,500	3.9	6,400	5.9	98.02
Full year	200,000	4.5	21,800	4.6	22,000	3.5	13,800	3.6	211.35

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2019

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2019	67,590,664 shares	As of March 31, 2018	67,590,664 shares
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Number of treasury shares at the end of the period

As of March 31, 2019	2,296,226 shares	As of March 31, 2018	2,304,868 shares
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Average number of shares during the period

Year ended March 31, 2019	65,292,502 shares	Year ended March 31, 2018	65,286,300 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	49,521	45,587
Notes and accounts receivable - trade	59,259	60,309
Merchandise and finished goods	8,550	9,791
Work in process	1,046	1,004
Raw materials and supplies	6,404	7,446
Other	5,608	6,162
Allowance for doubtful accounts	(189)	(413)
Total current assets	130,200	129,888
Non-current assets		
Property, plant and equipment		
Buildings and structures	35,380	36,115
Accumulated depreciation	(23,724)	(23,975)
Buildings and structures, net	11,656	12,140
Machinery, equipment and vehicles	53,808	54,205
Accumulated depreciation	(43,467)	(44,169)
Machinery, equipment and vehicles, net	10,340	10,035
Tools, furniture and fixtures	9,009	10,241
Accumulated depreciation	(7,656)	(8,349)
Tools, furniture and fixtures, net	1,353	1,891
Land	14,203	13,816
Leased assets	279	294
Accumulated depreciation	(163)	(194)
Leased assets, net	116	99
Construction in progress	792	2,966
Total property, plant and equipment	38,464	40,949
Intangible assets		
Goodwill	168	319
Other	2,686	2,784
Total intangible assets	2,855	3,104
Investments and other assets		
Investment securities	16,287	14,828
Deferred tax assets	466	440
Retirement benefit asset	582	534
Other	788	1,292
Allowance for doubtful accounts	(17)	(12)
Total investments and other assets	18,107	17,082
Total non-current assets	59,426	61,136
Total assets	189,626	191,025

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	26,127	26,332
Electronically recorded obligations - operating	6,058	6,188
Short-term loans payable	4,052	4,556
Income taxes payable	3,492	2,694
Accrued consumption taxes	486	222
Provision for bonuses	1,763	1,833
Other	7,600	6,425
Total current liabilities	49,579	48,254
Non-current liabilities		
Long-term loans payable	777	432
Deferred tax liabilities	3,275	3,023
Retirement benefit liability	1,406	1,296
Other	1,971	1,902
Total non-current liabilities	7,430	6,655
Total liabilities	57,010	54,909
Net assets		
Shareholders' equity		
Capital stock	9,891	9,891
Capital surplus	13,279	13,279
Retained earnings	93,756	100,739
Treasury shares	(2,011)	(2,007)
Total shareholders' equity	114,917	121,904
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,402	4,307
Deferred gains or losses on hedges	(4)	(5)
Foreign currency translation adjustment	2,187	60
Remeasurements of defined benefit plans	243	199
Total accumulated other comprehensive income	7,828	4,562
Share acquisition rights	36	27
Non-controlling interests	9,833	9,622
Total net assets	132,616	136,116
Total liabilities and net assets	189,626	191,025

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net sales	163,726	191,363
Cost of sales	116,112	141,856
Gross profit	47,614	49,506
Selling, general and administrative expenses		
Packing and transportation expenses	8,013	8,532
Advertising expenses	1,802	1,720
Salaries and bonuses	7,224	7,938
Provision for bonuses	952	935
Retirement benefit expenses	460	249
Welfare expenses	1,621	1,671
Depreciation	774	927
Rent expenses	556	682
Other	7,116	6,013
Total selling, general and administrative expenses	28,521	28,672
Operating profit	19,092	20,834
Non-operating income		
Interest income	162	178
Dividend income	350	365
Gain on bargain purchase	244	–
Other	669	734
Total non-operating income	1,426	1,279
Non-operating expenses		
Interest expenses	44	103
Sales discounts	161	133
Loss on disposal of non-current assets	331	146
Other	381	481
Total non-operating expenses	919	864
Ordinary profit	19,600	21,249
Extraordinary income		
Insurance income	–	282
Total extraordinary income	–	282
Extraordinary losses		
Loss on disaster	–	221
Total extraordinary losses	–	221
Profit before income taxes	19,600	21,310
Income taxes - current	6,510	6,614
Income taxes - deferred	(185)	243
Total income taxes	6,324	6,857
Profit	13,275	14,452
Profit attributable to non-controlling interests	1,278	1,136
Profit attributable to owners of parent	11,996	13,316

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Profit	13,275	14,452
Other comprehensive income		
Valuation difference on available-for-sale securities	1,180	(1,094)
Deferred gains or losses on hedges	5	(1)
Foreign currency translation adjustment	353	(2,581)
Remeasurements of defined benefit plans, net of tax	105	(43)
Share of other comprehensive income of entities accounted for using equity method	30	(47)
Total other comprehensive income	1,675	(3,768)
Comprehensive income	14,951	10,684
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,653	10,049
Comprehensive income attributable to non-controlling interests	1,297	634

Consolidated statements of changes in equity

Fiscal year ended March 31, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	9,891	13,271	87,570	(2,007)	108,726
Changes of items during period					
Dividends of surplus			(5,810)		(5,810)
Profit attributable to owners of parent			11,996		11,996
Purchase of treasury shares				(3)	(3)
Other		8			8
Net changes of items other than shareholders' equity					
Total changes of items during period	-	8	6,186	(3)	6,191
Balance at end of current period	9,891	13,279	93,756	(2,011)	114,917

	Accumulated other comprehensive income				
	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 current period	4,222	(9)	1,822	137	6,172
Changes of items during period					
Dividends of surplus					
Profit attributable to owners of parent					
Purchase of treasury shares					
Other					
Net changes of items other than shareholders' equity	1,180	5	365	105	1,656
Total changes of items during period	1,180	5	365	105	1,656
Balance at end of current period	5,402	(4)	2,187	243	7,828

	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of current period	36	4,749	119,685
Changes of items during period			
Dividends of surplus			(5,810)
Profit attributable to owners of parent			11,996
Purchase of treasury shares			(3)
Other			8
Net changes of items other than shareholders' equity	-	5,083	6,739
Total changes of items during period	-	5,083	12,931
Balance at end of current period	36	9,833	132,616

Fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	
Balance at beginning of current period	9,891	13,279	93,756	(2,011)	114,917
Changes of items during period					
Dividends of surplus			(6,333)		(6,333)
Profit attributable to owners of parent			13,316		13,316
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares		0		0	0
Change in ownership interest of parent due to transactions with non-controlling interests		(1)			(1)
Exercise of share acquisition rights		1		8	9
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(0)	6,983	3	6,987
Balance at end of current period	9,891	13,279	100,739	(2,007)	121,904

	Accumulated other comprehensive income				Total accumulated other comprehensive income
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	
Balance at beginning of current period	5,402	(4)	2,187	243	7,828
Changes of items during period					
Dividends of surplus					
Profit attributable to owners of parent					
Purchase of treasury shares					
Disposal of treasury shares					
Change in ownership interest of parent due to transactions with non-controlling interests					
Exercise of share acquisition rights					
Net changes of items other than shareholders' equity	(1,094)	(1)	(2,127)	(43)	(3,266)
Total changes of items during period	(1,094)	(1)	(2,127)	(43)	(3,266)
Balance at end of current period	4,307	(5)	60	199	4,562

	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of current period	36	9,833	132,616
Changes of items during period			
Dividends of surplus			(6,333)
Profit attributable to owners of parent			13,316
Purchase of treasury shares			(4)
Disposal of treasury shares			0
Change in ownership interest of parent due to transactions with non-controlling interests			(1)
Exercise of share acquisition rights			9
Net changes of items other than shareholders' equity	(9)	(211)	(3,487)
Total changes of items during period	(9)	(211)	3,499
Balance at end of current period	27	9,622	136,116

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from operating activities		
Profit before income taxes	19,600	21,310
Depreciation	3,638	4,207
Increase (decrease) in allowance for doubtful accounts	(90)	233
Increase (decrease) in provision for bonuses	(1)	80
Increase (decrease) in retirement benefit liability	144	(81)
Interest and dividend income	(512)	(544)
Interest expenses	44	103
Decrease (increase) in notes and accounts receivable - trade	(3,630)	(1,742)
Decrease (increase) in inventories	(1,072)	(2,710)
Decrease (increase) in other current assets	(753)	(108)
Increase (decrease) in notes and accounts payable - trade	3,587	785
Increase (decrease) in other current liabilities	118	(1,714)
Other, net	1,453	24
Subtotal	22,526	19,843
Interest and dividend income received	536	571
Interest expenses paid	(79)	(102)
Income taxes paid	(6,547)	(7,037)
Net cash provided by (used in) operating activities	16,436	13,275
Cash flows from investing activities		
Payments into time deposits	(20)	(161)
Proceeds from withdrawal of time deposits	–	578
Purchase of property, plant and equipment	(4,088)	(7,019)
Purchase of intangible assets	(225)	(571)
Purchase of investment securities	(508)	(266)
Proceeds from sales of investment securities	574	251
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(3,477)	–
Other, net	(204)	(958)
Net cash provided by (used in) investing activities	(7,950)	(8,147)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(332)	198
Repayments of long-term loans payable	(187)	(311)
Cash dividends paid	(5,805)	(6,328)
Dividends paid to non-controlling interests	(594)	(822)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(426)	(231)
Repayments of lease obligations	(56)	(56)
Other, net	(3)	(4)
Net cash provided by (used in) financing activities	(7,406)	(7,557)
Effect of exchange rate change on cash and cash equivalents	194	(1,087)
Net increase (decrease) in cash and cash equivalents	1,274	(3,516)
Cash and cash equivalents at beginning of period	47,622	48,896
Cash and cash equivalents at end of period	48,896	45,379

Support Data for the Summary of Consolidated
Financial Results for
the Year Ended March 31, 2019

Challenge & Creation

April 25, 2019

AICA KOGYO CO., LTD

1. Summary of consolidated financial results for the year ended March 31, 2019



[Millions of yen]

	FY Mar/2018		FY Mar/2019				
	Results	Profit margin	Budget	Results	Profit margin	Growth Rate	Achievement Rate
Net Sales	163,726		185,000	191,363		16.9%	103.4%
Operating Profit	19,092	11.7%	20,800	20,834	10.9%	9.1%	100.2%
Ordinary Profit	19,600	12.0%	21,000	21,249	11.1%	8.4%	101.2%
Net Income *	11,996	7.3%	13,400	13,316	7.0%	11.0%	99.4%

* Profit attributable to owners of parent

[Unit per share: Yen]

ROE	10.1%	-	10.6%	10.7%	-	-	100.9%
Earnings per share	183.76	-	205.25	203.95	-	-	99.4%
Shareholder's equity per share	1,880.13	-	1,987.39	1,936.87	-	-	97.5%

Growth Percent :

Net Sales	+16.9%	Increased net sales in 9 consecutive fiscal year
Operating Profit	+9.1%	Increased profit in 10 consecutive fiscal year
Ordinary Profit	+8.4%	Increased profit in 10 consecutive fiscal year
Net Income ※	+11.0%	Increased profit for 3 consecutive fiscal year

※ Profit attributable to owners of parent.

Net Sales, Operating profit, Ordinary profit

; set a new all-time high for **7** consecutive fiscal years

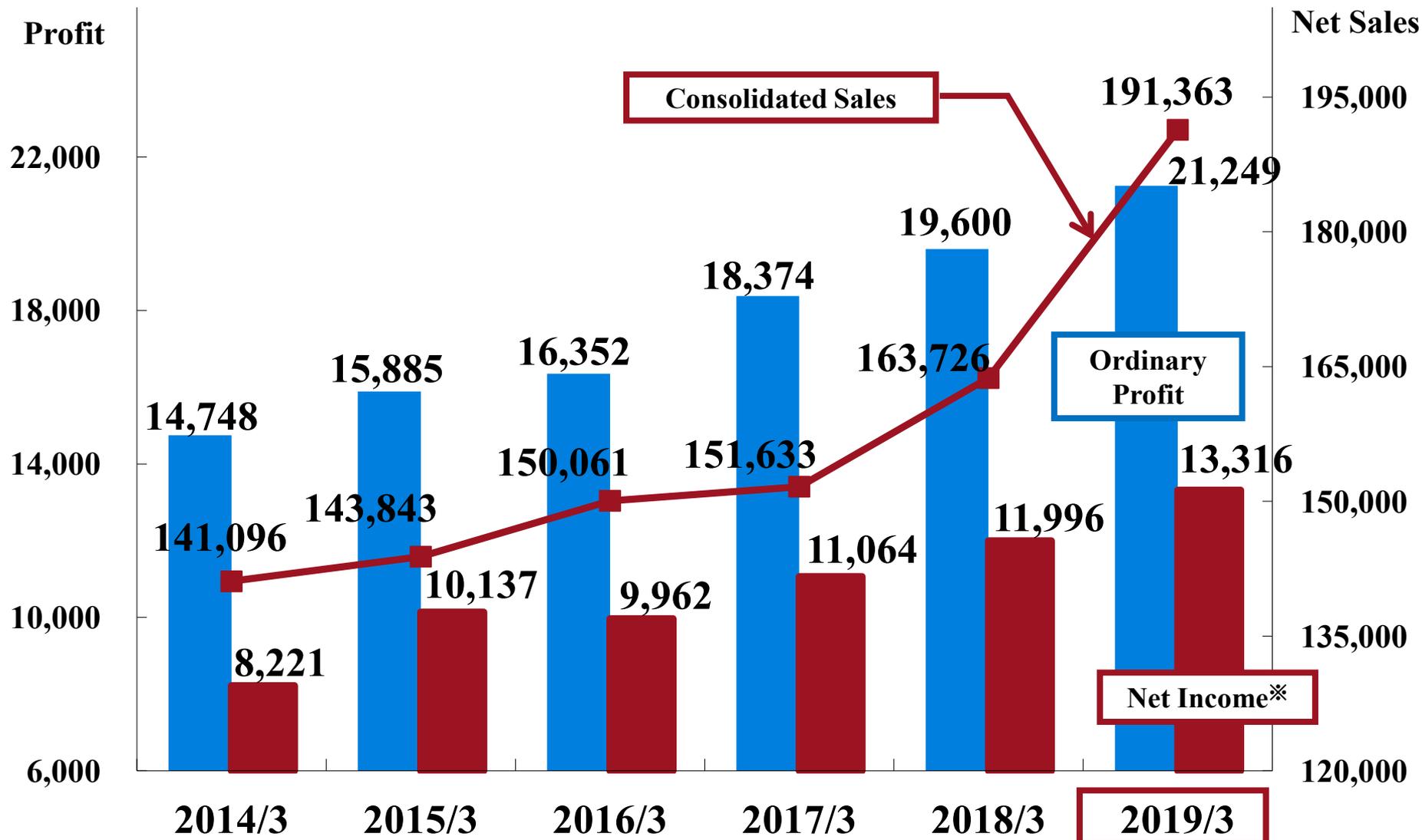
Net Income

; set a new all-time high for **3** consecutive fiscal years

- Domestic Operations : Both residential and non-residential market continues strong.
- Overseas Operations : AICA Asia Pacific Holding (AAP) sales continues strong.
Consolidation of Evermore Chemical (EMC) and Thai Chemical (TCC) contributed.
HPL sales in Southeast Asian markets continues strong.

3. Historical consolidated results for the year ended March 31, 2019

[Millions of yen]



※Profit attributable to owners of parent.

4. Sales result at the year ended March 31, 2019 and the breakdown by business segment

[Millions of yen]

	Net Sales			Operating Profit			
	FY Mar/2018	FY Mar/2019	Difference	FY Mar/2018	FY Mar/2019	Difference	
Chemical Products	82,911	109,062	26,151	6,537	7,444	906	Amount
				7.9%	6.8%	▲ 1.1%	Profit Margin
Construction Materials	80,815	82,300	1,485	15,623	16,169	546	Amount
				19.3%	19.6%	0.3%	Profit margin
(Non-allocation operating expenses→)				▲ 3,068	▲ 2,779	288	Amount
TOTAL	163,726	191,363	27,636	19,092	20,834	1,742	Amount
				11.7%	10.9%	▲ 0.8%	Profit margin

5. Expected sales record at the fiscal year ended March 31, 2020

[Millions of yen]

	FY Mar/2019 (Results)		FY Mar/2020 (Budget)			
	Q1-Q2	Q1-Q4	Q1-Q2	Growth rate (Difference)	Q1-Q4	Growth rate (Difference)
Net Sales	90,832	191,363	95,200	4.8%	200,000	4.5%
Chemical Products	52,176	109,062	54,500	4.5%	114,700	5.2%
Construction Materials	38,656	82,300	40,700	5.3%	85,300	3.6%
Operating Profit	9,670	20,834	10,300	6.5%	21,800	4.6%
Profit Margin	10.6%	10.9%	10.8%	0.2%	10.9%	—
Ordinary Profit	10,109	21,249	10,500	3.9%	22,000	3.5%
Profit Margin	11.1%	11.1%	11.0%	▲0.1%	11.0%	▲0.1%
Net Income※	6,044	13,316	6,400	5.9%	13,800	3.6%
Profit Margin	6.7%	7.0%	6.7%	—	6.9%	▲0.1%

※ Profit attributable to owners of parent

We aim to achieve the targets in medium-term business

plan  a year ahead of schedule.

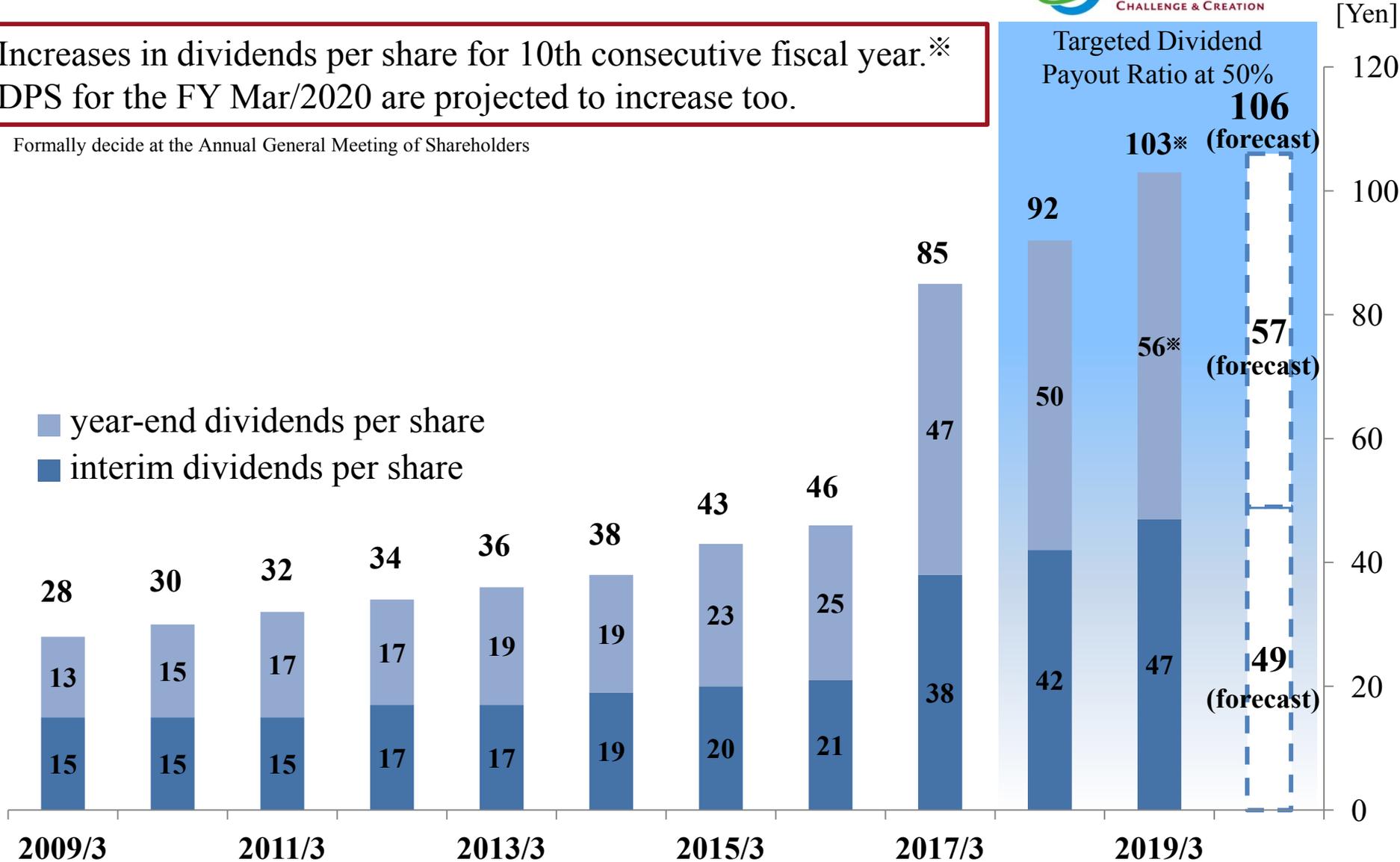
[Billions of yen]

	1st year	2nd year	3rd year	4th year
	FY Mar/2018 (Results)	FY Mar/2019 (Results)	FY Mar/2020 (Budget)	FY Mar/2021 (Original Budget)
Net sales	163.7	191.3	200.0	200.0
Ordinary Profit	19.6	21.2	22.0	22.0
ROE	10.1%	10.7%	10.6%	Over 10%
Overseas Sales Ratio	33.4%	42.0%	Over 42%	Over 35%

7. Dividends per share

Increases in dividends per share for 10th consecutive fiscal year.*
 DPS for the FY Mar/2020 are projected to increase too.

* Formally decide at the Annual General Meeting of Shareholders



Targeted Dividend Payout Ratio at 50%
106

Planned dividends per share for FY Mar/2020 is a forecast as of 2019/4.

【Reference】 Chemical Products Segment : Sales Breakdown by Product **AICA**

[Billions of yen]

	FY Mar/2018	FY Mar/2019			
	Results	Budget	Results	Achivement Rate	Growth Rate
Adhesive	53.97	62.10	65.92	106.2%	22.1%
AAP ^(*)	40.56	48.80	52.11	106.8%	28.5%
Construction Resin	9.52	9.43	9.58	101.6%	0.6%
Speciality & Performance materials	9.80	21.90	23.16	105.8%	136.3%
Others	9.61	9.77	10.39	106.3%	8.1%
Total	82.91	103.20	109.06	105.7%	31.5%

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

【Reference】 Construction Materials Segment : Sales Breakdown by Product **AICA**

[Billions of yen]

	FY Mar/2018	FY Mar/2019			
	Results	Budget	Results	Achivement Rate	Growth Rate
Melamine Decorative Laminated Sheets (HPL)	16.63	17.15	17.34	101.1%	4.2%
Decorative Polyester Boards, Decorative Films, etc	14.34	14.30	13.73	96.0%	▲4.2%
Melamine Noncombustible Decorative Panel "Cerarl"	19.18	19.20	19.70	102.6%	2.7%
Noncombustible Decorative Panel (Except "Cerarl")	9.25	9.75	9.74	99.9%	5.4%
Counterstops, Postforming products	15.63	15.90	16.35	102.8%	4.6%
Fittings, Interior Housing Materials	5.76	5.50	5.41	98.4%	▲6.0%
TOTAL	80.81	81.80	82.3	100.6%	1.8%



C&C2000

CHALLENGE & CREATION

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.