

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

October 30, 2023

Company name: Aica Kogyo Company, Limited  
 Stock exchange listing: Tokyo, Nagoya  
 Stock code: 4206 URL <https://www.aica.co.jp>  
 Representative: President Kenji Ebihara  
 Inquiries: General Manager, Financial Management Department Yousuke Mori TEL 052-533-3135  
 Scheduled date to file Quarterly Securities Report: November 9, 2023  
 Scheduled date to commence dividend payments: December 4, 2023  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(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	%
Six months ended September 30, 2023	113,307	(3.7)	11,406	20.9	12,047	17.0	7,390	14.8
Six months ended September 30, 2022	117,704	19.3	9,437	0.1	10,294	1.4	6,436	2.7

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	115.53	115.49
Six months ended September 30, 2022	100.62	100.59

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	266,239	170,326	58.5
As of March 31, 2023	250,049	158,074	58.1

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, 2023	—	50.00	—	59.00	109.00
Year ending March 31, 2024	—	52.00			
Year ending March 31, 2024 (Forecast)			—	59.00	111.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	250,000	3.3	21,500	4.6	22,500	1.9	13,200	31.2	206.37

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023  
(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 September 30, 2023	67,590,664 shares	As of March 31, 2023	67,590,664 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	3,619,478 shares	As of March 31, 2023	3,627,311 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	63,967,252 shares	Six months ended September 30, 2022	63,960,806 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	50,993	60,170
Notes receivable - trade	21,419	20,426
Accounts receivable - trade	48,250	48,032
Merchandise and finished goods	15,867	17,056
Work in process	1,575	1,771
Raw materials and supplies	13,979	13,493
Other	8,129	8,767
Allowance for doubtful accounts	(934)	(1,218)
Total current assets	159,279	168,500
Non-current assets		
Property, plant and equipment	60,872	64,566
Intangible assets		
Goodwill	3,617	3,454
Other	8,915	8,656
Total intangible assets	12,532	12,110
Investments and other assets		
Other	17,366	21,170
Allowance for doubtful accounts	(1)	(108)
Total investments and other assets	17,365	21,061
Total non-current assets	90,769	97,738
Total assets	250,049	266,239
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	28,824	29,356
Electronically recorded obligations - operating	6,126	7,285
Short-term borrowings	7,299	7,218
Income taxes payable	4,058	3,582
Provision for bonuses	2,147	1,947
buy-sell transaction liabilities	2,165	2,446
Other	9,047	10,090
Total current liabilities	59,669	61,926
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	18,072	18,063
Long-term borrowings	4,222	4,194
Retirement benefit liability	1,577	1,935
Other	8,434	9,792
Total non-current liabilities	32,305	33,986
Total liabilities	91,974	95,912

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Net assets		
Shareholders' equity		
Share capital	9,891	9,891
Capital surplus	8,541	8,545
Retained earnings	119,695	123,308
Treasury shares	(6,141)	(6,128)
Total shareholders' equity	131,986	135,617
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,270	6,456
Deferred gains or losses on hedges	(12)	(2)
Foreign currency translation adjustment	8,962	13,600
Remeasurements of defined benefit plans	(5)	(26)
Total accumulated other comprehensive income	13,215	20,028
Share acquisition rights	23	19
Non-controlling interests	12,848	14,660
Total net assets	158,074	170,326
Total liabilities and net assets	250,049	266,239

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	117,704	113,307
Cost of sales	90,493	83,511
Gross profit	27,211	29,796
Selling, general and administrative expenses	17,773	18,390
Operating profit	9,437	11,406
Non-operating income		
Interest income	90	232
Dividend income	214	212
Foreign exchange gains	362	149
Other	576	400
Total non-operating income	1,243	995
Non-operating expenses		
Interest expenses	127	110
Loss on disposal of non-current assets	29	93
Other	230	151
Total non-operating expenses	387	354
Ordinary income	10,294	12,047
Profit before income taxes	10,294	12,047
Income taxes - current	3,111	3,869
Income taxes - deferred	308	153
Total income taxes	3,420	4,023
Profit	6,873	8,024
Profit attributable to non-controlling interests	437	633
Profit attributable to owners of parent	6,436	7,390

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	6,873	8,024
Other comprehensive income		
Valuation difference on available-for-sale securities	(395)	2,185
Deferred gains or losses on hedges	(14)	10
Foreign currency translation adjustment	11,169	5,880
Remeasurements of defined benefit plans, net of tax	(34)	(20)
Share of other comprehensive income of entities accounted for using equity method	(16)	(80)
Total other comprehensive income	10,709	7,974
Comprehensive income	17,582	15,998
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	15,158	14,203
Comprehensive income attributable to non-controlling interests	2,424	1,795

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	10,294	12,047
Depreciation	3,305	3,277
Increase (decrease) in allowance for doubtful accounts	157	326
Increase (decrease) in provision for bonuses	(230)	(231)
Increase (decrease) in retirement benefit liability	(33)	31
Interest and dividend income	(304)	(445)
Interest expenses	127	110
Decrease (increase) in trade receivables	2,363	3,176
Decrease (increase) in inventories	(4,305)	1,010
Decrease (increase) in other current assets	(1,124)	(490)
Increase (decrease) in trade payables	254	273
Increase (decrease) in other current liabilities	(340)	155
Other, net	474	418
Subtotal	10,638	19,659
Interest and dividends received	303	482
Interest paid	(120)	(94)
Income taxes paid	(3,574)	(4,417)
Net cash provided by (used in) operating activities	7,247	15,630
Cash flows from investing activities		
Payments into time deposits	(514)	–
Proceeds from withdrawal of time deposits	50	1,536
Purchase of property, plant and equipment	(4,032)	(2,843)
Purchase of intangible assets	(547)	(213)
Purchase of securities	–	(999)
Proceeds from sale of securities	–	1,399
Purchase of investment securities	(6)	(16)
Proceeds from sale of investment securities	174	1
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(101)	(53)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	–	265
Other, net	(42)	(260)
Net cash provided by (used in) investing activities	(5,020)	(1,184)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(5,295)	(546)
Repayments of long-term borrowings	(225)	(721)
Proceeds from long-term borrowings	1,508	303
Convertible Bond	18,090	–
Dividends paid	(3,789)	(3,776)
Dividends paid to non-controlling interests	(432)	(706)
Repayments of lease liabilities	(162)	(205)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(10,092)	–
Purchase of treasury shares	(4,001)	(1)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(4,400)	(5,655)
Effect of exchange rate change on cash and cash equivalents	2,717	1,755
Net increase (decrease) in cash and cash equivalents	544	10,546
Cash and cash equivalents at beginning of period	44,997	47,943
Cash and cash equivalents at end of period	45,542	58,490