

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

April 30, 2024

Company name: Aica Kogyo Company, Limited
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 4206 URL <https://www.aica.co.jp>
 Representative: President Kenji Ebihara
 General Manager, Financial Management
 Inquiries: Department Yousuke Mori TEL 052-533-3135
 Scheduled date of ordinary general meeting of shareholders: June 25, 2024
 Scheduled date to file Securities Report: June 26, 2024
 Scheduled date to commence dividend payments: June 26, 2024
 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, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2024	236,625	(2.2)	25,286	23.0	26,135	18.3	15,135	50.5
Year ended March 31, 2023	242,055	12.8	20,557	1.0	22,088	1.1	10,059	(23.3)

	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, 2024	236.60	236.53	9.9	10.0	10.7
Year ended March 31, 2023	157.27	157.21	6.9	9.0	8.5

(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, 2024	274,739	176,543	58.9	2,529.07
As of March 31, 2023	250,049	158,074	58.1	2,270.08

(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, 2024	28,482	(7,574)	(11,167)	59,637
Year ended March 31, 2023	19,852	(9,061)	(9,355)	47,943

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, 2023	—	50.00	—	59.00	109.00	6,977	69.3	4.8
Year ended March 31, 2024	—	52.00	—	60.00	112.00	7,170	47.3	4.7
Year ending March 31, 2025 (Forecast)	—	53.00	—	60.00	113.00		46.6	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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, 2024	120,000	5.9	12,000	5.2	12,500	3.8	7,500	1.5	117.24
Full year	250,000	5.7	26,500	4.8	27,500	5.2	15,500	2.4	242.30

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(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, 2024	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 March 31, 2024	3,619,653 shares	As of March 31, 2023	3,627,311 shares
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Average number of shares during the period

Year ended March 31, 2024	63,969,116 shares	Year ended March 31, 2023	63,962,043 shares
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Consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	50,993	62,022
Notes receivable - trade	21,419	23,449
Accounts receivable - trade	48,250	48,824
Merchandise and finished goods	15,867	16,010
Work in process	1,575	1,816
Raw materials and supplies	13,979	13,897
Other	8,129	7,563
Allowance for doubtful accounts	(934)	(962)
Total current assets	159,279	172,621
Non-current assets		
Property, plant and equipment		
Buildings and structures	45,710	50,854
Accumulated depreciation and impairment	(30,705)	(33,264)
Buildings and structures, net	15,004	17,589
Machinery, equipment and vehicles	69,925	76,087
Accumulated depreciation and impairment	(57,300)	(59,827)
Machinery, equipment and vehicles, net	12,625	16,259
Tools, furniture and fixtures	14,263	14,917
Accumulated depreciation and impairment	(12,135)	(12,473)
Tools, furniture and fixtures, net	2,127	2,444
Land	17,032	18,913
Leased assets	7,394	8,655
Accumulated depreciation	(854)	(1,243)
Leased assets, net	6,540	7,412
Construction in progress	7,541	4,386
Total property, plant and equipment	60,872	67,006
Intangible assets		
Goodwill	3,617	2,782
Other	8,915	8,653
Total intangible assets	12,532	11,436
Investments and other assets		
Investment securities	14,927	20,288
Deferred tax assets	589	679
Retirement benefit asset	561	985
Other	1,287	1,722
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	17,365	23,675
Total non-current assets	90,769	102,117
Total assets	250,049	274,739

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	28,824	31,447
Electronically recorded obligations - operating	6,126	4,516
Short-term borrowings	7,299	6,025
Income taxes payable	4,058	4,760
Accrued consumption taxes	687	972
Provision for bonuses	2,147	2,854
buy-sell transaction liabilities	2,165	2,333
Other	8,359	9,911
Total current liabilities	59,669	62,822
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	18,072	18,054
Long-term borrowings	4,222	4,465
Deferred tax liabilities	5,431	7,460
Retirement benefit liability	1,577	1,878
Other	3,002	3,514
Total non-current liabilities	32,305	35,373
Total liabilities	91,974	98,195
Net assets		
Shareholders' equity		
Share capital	9,891	9,891
Capital surplus	8,541	8,545
Retained earnings	119,695	127,725
Treasury shares	(6,141)	(6,129)
Total shareholders' equity	131,986	140,033
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,270	7,999
Deferred gains or losses on hedges	(12)	3
Foreign currency translation adjustment	8,962	13,470
Remeasurements of defined benefit plans	(5)	280
Total accumulated other comprehensive income	13,215	21,753
Share acquisition rights	23	19
Non-controlling interests	12,848	14,736
Total net assets	158,074	176,543
Total liabilities and net assets	250,049	274,739

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

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	242,055	236,625
Cost of sales	185,257	172,485
Gross profit	56,798	64,139
Selling, general and administrative expenses		
Packing and transportation costs	9,257	8,795
Advertising expenses	1,842	2,388
Salaries and bonuses	9,885	10,700
Provision for bonuses	976	1,361
Retirement benefit expenses	237	394
Welfare expenses	2,103	2,242
Depreciation	2,446	2,434
Rent expenses	858	900
Other	8,633	9,636
Total selling, general and administrative expenses	36,241	38,853
Operating profit	20,557	25,286
Non-operating income		
Interest income	240	511
Dividend income	720	467
Other	1,462	998
Total non-operating income	2,423	1,977
Non-operating expenses		
Interest expenses	275	224
Loss on disposal of non-current assets	119	180
Other	498	724
Total non-operating expenses	892	1,128
Ordinary profit	22,088	26,135
Extraordinary income		
Gain on bargain purchase	–	644
Total extraordinary income	–	644
Extraordinary losses		
Business restructuring costs	–	995
Impairment losses	3,531	–
Total extraordinary losses	3,531	995
Profit before income taxes	18,556	25,784
Income taxes - current	7,662	9,060
Income taxes - deferred	(32)	(24)
Total income taxes	7,630	9,035
Profit	10,926	16,749
Profit attributable to non-controlling interests	867	1,614
Profit attributable to owners of parent	10,059	15,135

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	10,926	16,749
Other comprehensive income		
Valuation difference on available-for-sale securities	291	3,729
Deferred gains or losses on hedges	(23)	16
Foreign currency translation adjustment	6,935	5,498
Remeasurements of defined benefit plans, net of tax	(219)	283
Share of other comprehensive income of entities accounted for using equity method	18	(118)
Total other comprehensive income	7,002	9,408
Comprehensive income	17,928	26,158
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	15,715	23,673
Comprehensive income attributable to non-controlling interests	2,212	2,484

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,891	13,294	116,626	(2,150)	137,663
Changes during period					
Dividends of surplus			(6,990)		(6,990)
Profit attributable to owners of parent			10,059		10,059
Purchase of treasury shares				(4,001)	(4,001)
Disposal of treasury shares		5		9	14
Exercise of share acquisition rights					–
Disposal of treasury stock by stock benefit trust				0	0
Change in ownership interest of parent due to transactions with non-controlling interests		(4,759)			(4,759)
Net changes in items other than shareholders' equity					–
Total changes during period	–	(4,753)	3,068	(3,991)	(5,676)
Balance at end of period	9,891	8,541	119,695	(6,141)	131,986

	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 period	3,979	11	3,353	214	7,558
Changes during period					
Dividends of surplus					–
Profit attributable to owners of parent					–
Purchase of treasury shares					–
Disposal of treasury shares					–
Exercise of share acquisition rights					–
Disposal of treasury stock by stock benefit trust					–
Change in ownership interest of parent due to transactions with non-controlling interests					–
Net changes in items other than shareholders' equity	291	(23)	5,608	(219)	5,656
Total changes during period	291	(23)	5,608	(219)	5,656
Balance at end of period	4,270	(12)	8,962	(5)	13,215

	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of period	23	17,489	162,734
Changes during period			
Dividends of surplus			(6,990)
Profit attributable to owners of parent			10,059
Purchase of treasury shares			(4,001)
Disposal of treasury shares			14
Exercise of share acquisition rights			–
Disposal of treasury stock by stock benefit trust			0
Change in ownership interest of parent due to transactions with non-controlling interests			(4,759)
Net changes in items other than shareholders' equity		(4,640)	1,016
Total changes during period	–	(4,640)	(4,660)
Balance at end of period	23	12,848	158,074

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,891	8,541	119,695	(6,141)	131,986
Changes during period					
Dividends of surplus			(7,105)		(7,105)
Profit attributable to owners of parent			15,135		15,135
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		6		7	13
Exercise of share acquisition rights		(1)		5	4
Disposal of treasury stock by stock benefit trust				1	1
Change in ownership interest of parent due to transactions with non-controlling interests					–
Net changes in items other than shareholders' equity					–
Total changes during period	–	4	8,029	12	8,046
Balance at end of period	9,891	8,545	127,725	(6,129)	140,033

	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 period	4,270	(12)	8,962	(5)	13,215
Changes during period					
Dividends of surplus					–
Profit attributable to owners of parent					–
Purchase of treasury shares					–
Disposal of treasury shares					–
Exercise of share acquisition rights					–
Disposal of treasury stock by stock benefit trust					–
Change in ownership interest of parent due to transactions with non-controlling interests					–
Net changes in items other than shareholders' equity	3,729	16	4,507	285	8,538
Total changes during period	3,729	16	4,507	285	8,538
Balance at end of period	7,999	3	13,470	280	21,753

	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of period	23	12,848	158,074
Changes during period			
Dividends of surplus			(7,105)
Profit attributable to owners of parent			15,135
Purchase of treasury shares			(2)
Disposal of treasury shares			13
Exercise of share acquisition rights	(4)		0
Disposal of treasury stock by stock benefit trust			1
Change in ownership interest of parent due to transactions with non-controlling interests			–
Net changes in items other than shareholders' equity		1,888	10,426
Total changes during period	(4)	1,888	18,469
Balance at end of period	19	14,736	176,543

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	18,556	25,784
Depreciation	7,149	7,070
Gain on bargain purchase	–	(644)
Business restructuring costs	–	995
Increase (decrease) in allowance for doubtful accounts	137	(23)
Increase (decrease) in provision for bonuses	63	670
Increase (decrease) in retirement benefit liability	(158)	124
Interest and dividend income	(961)	(978)
Interest expenses	275	224
Impairment losses	3,531	–
Decrease (increase) in trade receivables	1,548	(717)
Decrease (increase) in inventories	(1,484)	1,432
Decrease (increase) in other current assets	(39)	57
Increase (decrease) in trade payables	(3,135)	(393)
Increase (decrease) in other current liabilities	171	1,500
Other, net	562	1,080
Subtotal	26,218	36,182
Interest and dividends received	850	1,046
Interest paid	(267)	(205)
Income taxes paid	(6,949)	(8,540)
Net cash provided by (used in) operating activities	19,852	28,482
Cash flows from investing activities		
Payments into time deposits	(667)	(71)
Proceeds from withdrawal of time deposits	51	967
Purchase of property, plant and equipment	(7,646)	(8,475)
Purchase of intangible assets	(938)	(636)
Purchase of securities	–	(1,999)
Proceeds from sale of securities	–	2,399
Purchase of investment securities	(11)	(218)
Proceeds from sale of investment securities	536	1
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(101)	(266)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	–	265
Other, net	(283)	460
Net cash provided by (used in) investing activities	(9,061)	(7,574)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(7,659)	(1,685)
Repayments of long-term borrowings	(454)	(1,670)
Proceeds from long-term borrowings	3,022	1,131
Proceeds from issuance of convertible bonds with subscription rights to shares	18,090	–
Dividends paid	(6,980)	(7,105)
Dividends paid to non-controlling interests	(804)	(1,405)
Repayments of lease liabilities	(429)	(427)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(10,138)	–
Purchase of treasury shares	(4,001)	(2)
Other, net	0	(1)
Net cash provided by (used in) financing activities	(9,355)	(11,167)
Effect of exchange rate change on cash and cash equivalents	1,510	1,953
Net increase (decrease) in cash and cash equivalents	2,946	11,693
Cash and cash equivalents at beginning of period	44,997	47,943
Cash and cash equivalents at end of period	47,943	59,637