

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2016 (Based on Japanese GAAP)

July 28, 2016

Company name: Aica Kogyo Company, Limited
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 4206 URL <http://www.aica.co.jp>
 Representative: President Yuji Ono
 Managing Director, Financial Management Department Satoshi Toudou TEL 052-409-8261
 Scheduled date to file Quarterly Securities Report: August 5, 2016
 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, 2016 (from April 1, 2016 to June 30, 2016)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2016	33,753	5.6	3,493	13.8	3,586	9.4	2,104	8.2
Three months ended June 30, 2015	31,952	0.2	3,068	6.3	3,279	6.9	1,945	(29.9)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2016	32.24		32.22	
Three months ended June 30, 2015	29.82		29.79	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2016	149,230	111,340	71.7
As of March 31, 2016	153,434	112,501	70.4

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2016	–	21.00	–	25.00	46.00
Year ending March 31, 2017	–	–	–	–	–
Year ending March 31, 2017 (Forecast)	–	38.00	–	42.00	80.00

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		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, 2016	74,500	6.9	7,750	7.4	7,850	2.8	4,900	6.3	75.05
Full year	155,000	3.3	16,750	3.5	17,000	4.0	10,400	4.4	159.30

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2016
 (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: 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 June 30, 2016	67,590,664 shares	As of March 31, 2016	67,590,664 shares
---------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of June 30, 2016	2,303,334 shares	As of March 31, 2016	2,303,153 shares
---------------------	------------------	----------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2016	65,287,367 shares	Three months ended June 30, 2015	65,256,975 shares
----------------------------------	-------------------	----------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
Assets		
Current assets		
Cash and deposits	37,449	38,894
Notes and accounts receivable - trade	49,333	44,800
Merchandise and finished goods	6,391	6,743
Work in process	919	1,077
Raw materials and supplies	4,814	4,299
Other	4,363	5,055
Allowance for doubtful accounts	(241)	(225)
Total current assets	103,028	100,643
Non-current assets		
Property, plant and equipment	30,472	29,750
Intangible assets		
Goodwill	2,792	2,389
Other	2,172	2,040
Total intangible assets	4,965	4,430
Investments and other assets		
Other	15,002	14,441
Allowance for doubtful accounts	(34)	(35)
Total investments and other assets	14,968	14,406
Total non-current assets	50,405	48,587
Total assets	153,434	149,230
Liabilities		
Current liabilities		
Notes and accounts payable - trade	20,850	18,392
Electronically recorded obligations - operating	3,982	4,005
Short-term loans payable	513	574
Income taxes payable	2,394	1,521
Provision for bonuses	1,693	2,120
Other	5,210	5,296
Total current liabilities	34,644	31,910
Non-current liabilities		
Long-term loans payable	1,043	933
Net defined benefit liability	1,147	1,144
Other	4,098	3,901
Total non-current liabilities	6,289	5,979
Total liabilities	40,933	37,889

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
Net assets		
Shareholders' equity		
Capital stock	9,891	9,891
Capital surplus	13,271	13,271
Retained earnings	80,618	81,091
Treasury shares	(2,005)	(2,005)
Total shareholders' equity	101,776	102,248
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,027	2,649
Deferred gains or losses on hedges	(4)	(12)
Foreign currency translation adjustment	3,092	1,943
Remeasurements of defined benefit plans	103	114
Total accumulated other comprehensive income	6,218	4,695
Subscription rights to shares	36	36
Non-controlling interests	4,469	4,359
Total net assets	112,501	111,340
Total liabilities and net assets	153,434	149,230

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, 2015	Three months ended June 30, 2016
Net sales	31,952	33,753
Cost of sales	23,084	23,840
Gross profit	8,867	9,912
Selling, general and administrative expenses	5,799	6,419
Operating income	3,068	3,493
Non-operating income		
Interest income	24	29
Dividend income	117	120
Other	225	170
Total non-operating income	367	319
Non-operating expenses		
Interest expenses	35	11
Sales discounts	31	38
Foreign exchange losses	52	53
Loss on valuation of investment securities	-	68
Other	36	55
Total non-operating expenses	156	226
Ordinary income	3,279	3,586
Profit before income taxes	3,279	3,586
Income taxes - current	1,158	1,375
Income taxes - deferred	(53)	(140)
Total income taxes	1,105	1,235
Profit	2,173	2,351
Profit attributable to non-controlling interests	228	246
Profit attributable to owners of parent	1,945	2,104

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Profit	2,173	2,351
Other comprehensive income		
Valuation difference on available-for-sale securities	437	(377)
Deferred gains or losses on hedges	2	(7)
Foreign currency translation adjustment	(600)	(1,340)
Remeasurements of defined benefit plans, net of tax	(7)	10
Share of other comprehensive income of entities accounted for using equity method	7	(12)
Total other comprehensive income	(161)	(1,727)
Comprehensive income	2,012	623
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,872	581
Comprehensive income attributable to non-controlling interests	140	42