

# Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2016 (Based on Japanese GAAP)

January 30, 2017

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  
 Inquiries: Satoshi Toudou TEL 052-409-8261  
 Department  
 Scheduled date to file Quarterly Securities Report: February 7, 2017  
 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 nine months ended December 31, 2016 (from April 1, 2016 to December 31, 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	%
Nine months ended December 31, 2016	110,053	1.7	13,557	16.9	13,841	15.8	8,441	17.3
Nine months ended December 31, 2015	108,167	3.6	11,594	6.0	11,949	3.8	7,194	(6.2)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2016	129.29	129.23
Nine months ended December 31, 2015	110.21	110.13

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2016	155,309	114,249	70.9
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	Yen	Yen	Yen	Yen
Year ended March 31, 2016	–	21.00	–	25.00	46.00
Year ending March 31, 2017	–	38.00	–		
Year ending March 31, 2017 (Forecast)				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
Full year	152,000	1.3	17,800	10.0	18,000	10.1	10,800	8.4	165.42

#### 4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 2016	67,590,664 shares	As of March 31, 2016	67,590,664 shares
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Number of treasury shares at the end of the period

As of December 31, 2016	2,303,652 shares	As of March 31, 2016	2,303,153 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, 2016	65,287,232 shares	Nine months ended December 31, 2015	65,277,569 shares
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## Quarterly consolidated financial statements

### Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Assets		
Current assets		
Cash and deposits	37,449	41,733
Notes and accounts receivable - trade	49,333	49,134
Merchandise and finished goods	6,391	6,524
Work in process	919	968
Raw materials and supplies	4,814	4,250
Other	4,363	4,923
Allowance for doubtful accounts	(241)	(225)
Total current assets	103,028	107,310
Non-current assets		
Property, plant and equipment	30,472	28,537
Intangible assets		
Goodwill	2,792	1,513
Other	2,172	1,938
Total intangible assets	4,965	3,452
Investments and other assets		
Other	15,002	16,026
Allowance for doubtful accounts	(34)	(17)
Total investments and other assets	14,968	16,008
Total non-current assets	50,405	47,998
Total assets	153,434	155,309
Liabilities		
Current liabilities		
Notes and accounts payable - trade	20,850	20,417
Electronically recorded obligations - operating	3,982	4,620
Short-term loans payable	513	694
Income taxes payable	2,394	1,856
Provision for bonuses	1,693	972
Other	5,210	6,166
Total current liabilities	34,644	34,728
Non-current liabilities		
Long-term loans payable	1,043	504
Net defined benefit liability	1,147	1,233
Other	4,098	4,593
Total non-current liabilities	6,289	6,331
Total liabilities	40,933	41,059

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Net assets		
Shareholders' equity		
Capital stock	9,891	9,891
Capital surplus	13,271	13,271
Retained earnings	80,618	84,946
Treasury shares	(2,005)	(2,006)
Total shareholders' equity	101,776	106,103
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,027	4,252
Deferred gains or losses on hedges	(4)	(6)
Foreign currency translation adjustment	3,092	(401)
Remeasurements of defined benefit plans	103	135
Total accumulated other comprehensive income	6,218	3,980
Subscription rights to shares	36	36
Non-controlling interests	4,469	4,128
Total net assets	112,501	114,249
Total liabilities and net assets	153,434	155,309

**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, 2015	Nine months ended December 31, 2016
Net sales	108,167	110,053
Cost of sales	78,013	76,829
Gross profit	30,154	33,224
Selling, general and administrative expenses	18,560	19,666
Operating income	11,594	13,557
Non-operating income		
Interest income	68	88
Dividend income	286	259
Other	679	510
Total non-operating income	1,033	857
Non-operating expenses		
Interest expenses	69	27
Sales discounts	103	113
Foreign exchange losses	164	120
Other	341	312
Total non-operating expenses	678	574
Ordinary income	11,949	13,841
Extraordinary losses		
Loss on sales of non-current assets	–	333
Total extraordinary losses	–	333
Profit before income taxes	11,949	13,507
Income taxes - current	3,626	4,236
Income taxes - deferred	505	192
Total income taxes	4,132	4,428
Profit	7,816	9,078
Profit attributable to non-controlling interests	622	637
Profit attributable to owners of parent	7,194	8,441

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

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Profit	7,816	9,078
Other comprehensive income		
Valuation difference on available-for-sale securities	323	1,225
Deferred gains or losses on hedges	5	(1)
Foreign currency translation adjustment	(2,214)	(4,046)
Remeasurements of defined benefit plans, net of tax	10	32
Share of other comprehensive income of entities accounted for using equity method	24	(28)
Total other comprehensive income	(1,849)	(2,819)
Comprehensive income	5,967	6,259
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,723	6,203
Comprehensive income attributable to non-controlling interests	243	56