

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2017 (Based on Japanese GAAP)

January 29, 2018

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 Toyoaki Ichikawa TEL 052-533-3135
 Scheduled date to file Quarterly Securities Report: February 6, 2018
 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, 2017 (from April 1, 2017 to December 31, 2017)

(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	%
Nine months ended December 31, 2017	119,347	8.4	14,474	6.8	15,015	8.5	8,971	6.3
Nine months ended December 31, 2016	110,053	1.7	13,557	16.9	13,841	15.8	8,441	17.3

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2017	137.42	137.34
Nine months ended December 31, 2016	129.29	129.23

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2017	170,849	125,444	70.5
As of March 31, 2017	164,634	119,685	69.8

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, 2017	–	38.00	–	47.00	85.00
Year ending March 31, 2018	–	42.00	–		
Year ending March 31, 2018 (Forecast)				48.00	90.00

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

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	159,000	4.9	19,000	5.0	19,400	5.6	11,700	5.7	179.21

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2017
 (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 December 31, 2017	67,590,664 shares	As of March 31, 2017	67,590,664 shares
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Number of treasury shares at the end of the period

As of December 31, 2017	2,304,635 shares	As of March 31, 2017	2,303,875 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, 2017	65,286,448 shares	Nine months ended December 31, 2016	65,287,232 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and deposits	47,646	47,593
Notes and accounts receivable - trade	50,549	52,918
Merchandise and finished goods	6,292	7,036
Work in process	956	1,120
Raw materials and supplies	4,901	5,175
Other	5,272	5,703
Allowance for doubtful accounts	(281)	(253)
Total current assets	115,338	119,294
Non-current assets		
Property, plant and equipment	30,024	30,016
Intangible assets		
Goodwill	1,318	341
Other	1,941	2,061
Total intangible assets	3,259	2,402
Investments and other assets		
Investment securities	14,510	17,389
Other	1,519	1,764
Allowance for doubtful accounts	(17)	(17)
Total investments and other assets	16,012	19,135
Total non-current assets	49,296	51,555
Total assets	164,634	170,849
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,541	22,343
Electronically recorded obligations - operating	4,456	6,195
Short-term loans payable	1,314	1,165
Income taxes payable	3,255	1,431
Provision for bonuses	1,760	984
Other	6,268	6,086
Total current liabilities	38,596	38,207
Non-current liabilities		
Long-term loans payable	532	374
Net defined benefit liability	1,190	1,222
Other	4,629	5,601
Total non-current liabilities	6,352	7,197
Total liabilities	44,949	45,405

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Net assets		
Shareholders' equity		
Capital stock	9,891	9,891
Capital surplus	13,271	13,279
Retained earnings	87,570	90,731
Treasury shares	(2,007)	(2,010)
Total shareholders' equity	108,726	111,892
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,222	6,303
Deferred gains or losses on hedges	(9)	(3)
Foreign currency translation adjustment	1,822	2,056
Remeasurements of defined benefit plans	137	168
Total accumulated other comprehensive income	6,172	8,524
Subscription rights to shares	36	36
Non-controlling interests	4,749	4,990
Total net assets	119,685	125,444
Total liabilities and net assets	164,634	170,849

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, 2016	Nine months ended December 31, 2017
Net sales	110,053	119,347
Cost of sales	76,829	84,696
Gross profit	33,224	34,650
Selling, general and administrative expenses	19,666	20,176
Operating profit	13,557	14,474
Non-operating income		
Interest income	88	120
Dividend income	259	335
Other	510	472
Total non-operating income	857	928
Non-operating expenses		
Interest expenses	27	44
Sales discounts	113	120
Foreign exchange losses	120	7
Other	312	213
Total non-operating expenses	574	386
Ordinary profit	13,841	15,015
Extraordinary losses		
Loss on sales of non-current assets	333	-
Total extraordinary losses	333	-
Profit before income taxes	13,507	15,015
Income taxes - current	4,236	4,530
Income taxes - deferred	192	547
Total income taxes	4,428	5,077
Profit	9,078	9,938
Profit attributable to non-controlling interests	637	966
Profit attributable to owners of parent	8,441	8,971

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Profit	9,078	9,938
Other comprehensive income		
Valuation difference on available-for-sale securities	1,225	2,080
Deferred gains or losses on hedges	(1)	6
Foreign currency translation adjustment	(4,046)	192
Remeasurements of defined benefit plans, net of tax	32	31
Share of other comprehensive income of entities accounted for using equity method	(28)	22
Total other comprehensive income	(2,819)	2,333
Comprehensive income	6,259	12,271
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,203	11,323
Comprehensive income attributable to non-controlling interests	56	947