

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2018 (Based on Japanese GAAP)

July 26, 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
 Inquiries: General Manager, Financial Management Department Yousuke Mori TEL 052-533-3135
 Scheduled date to file Quarterly Securities Report: August 6, 2018
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 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, 2018 (from April 1, 2018 to June 30, 2018)

(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	%
Three months ended June 30, 2018	42,703	16.6	4,358	8.8	4,570	8.7	2,643	9.7
Three months ended June 30, 2017	36,619	8.5	4,004	14.6	4,203	17.2	2,409	14.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2018	40.49		40.47	
Three months ended June 30, 2017	36.90		36.88	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2018	185,139	130,645	65.4
As of March 31, 2018	189,626	132,616	64.7

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, 2018	–	42.00	–	50.00	92.00
Year ending March 31, 2019	–				
Year ending March 31, 2019 (Forecast)		47.00	–	56.00	103.00

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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, 2018	88,000	12.8	9,800	5.4	9,900	3.2	6,300	10.0	96.50
Full year	185,000	13.0	20,800	8.9	21,000	7.1	13,400	11.7	205.25

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2018
 (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 June 30, 2018	67,590,664 shares	As of March 31, 2018	67,590,664 shares
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Number of treasury shares at the end of the period

As of June 30, 2018	2,305,269 shares	As of March 31, 2018	2,304,868 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2018	65,285,532 shares	Three months ended June 30, 2017	65,286,720 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	49,521	45,697
Notes and accounts receivable - trade	59,259	57,852
Merchandise and finished goods	8,550	9,469
Work in process	1,046	1,076
Raw materials and supplies	6,404	6,203
Other	5,608	5,360
Allowance for doubtful accounts	(189)	(369)
Total current assets	130,200	125,291
Non-current assets		
Property, plant and equipment	38,464	38,293
Intangible assets		
Goodwill	168	372
Other	2,686	2,622
Total intangible assets	2,855	2,995
Investments and other assets		
Other	18,125	18,576
Allowance for doubtful accounts	(17)	(17)
Total investments and other assets	18,107	18,559
Total non-current assets	59,426	59,848
Total assets	189,626	185,139
Liabilities		
Current liabilities		
Notes and accounts payable - trade	26,127	25,795
Electronically recorded obligations - operating	6,058	6,159
Short-term loans payable	4,052	3,768
Income taxes payable	3,492	1,596
Provision for bonuses	1,763	2,364
Other	8,086	7,331
Total current liabilities	49,579	47,015
Non-current liabilities		
Long-term loans payable	777	658
Net defined benefit liability	1,406	1,383
Other	5,246	5,436
Total non-current liabilities	7,430	7,478
Total liabilities	57,010	54,493
Net assets		
Shareholders' equity		
Capital stock	9,891	9,891
Capital surplus	13,279	13,279
Retained earnings	93,756	93,135
Treasury shares	(2,011)	(2,012)
Total shareholders' equity	114,917	114,294

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,402	5,527
Deferred gains or losses on hedges	(4)	(3)
Foreign currency translation adjustment	2,187	991
Remeasurements of defined benefit plans	243	243
Total accumulated other comprehensive income	7,828	6,758
Share acquisition rights	36	36
Non-controlling interests	9,833	9,556
Total net assets	132,616	130,645
Total liabilities and net assets	189,626	185,139

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, 2017	Three months ended June 30, 2018
Net sales	36,619	42,703
Cost of sales	26,094	31,507
Gross profit	10,525	11,195
Selling, general and administrative expenses	6,521	6,837
Operating profit	4,004	4,358
Non-operating income		
Interest income	36	45
Dividend income	175	165
Other	162	198
Total non-operating income	374	409
Non-operating expenses		
Interest expenses	10	29
Sales discounts	40	38
Other	124	128
Total non-operating expenses	174	196
Ordinary profit	4,203	4,570
Profit before income taxes	4,203	4,570
Income taxes - current	1,557	1,530
Income taxes - deferred	(59)	122
Total income taxes	1,498	1,652
Profit	2,705	2,918
Profit attributable to non-controlling interests	295	274
Profit attributable to owners of parent	2,409	2,643

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit	2,705	2,918
Other comprehensive income		
Valuation difference on available-for-sale securities	541	124
Deferred gains or losses on hedges	9	0
Foreign currency translation adjustment	(663)	(1,658)
Remeasurements of defined benefit plans, net of tax	10	0
Share of other comprehensive income of entities accounted for using equity method	(4)	(2)
Total other comprehensive income	(106)	(1,535)
Comprehensive income	2,599	1,382
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,432	1,572
Comprehensive income attributable to non-controlling interests	166	(189)