

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Based on Japanese GAAP)

January 30, 2019

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: February 5, 2019
 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 nine months ended December 31, 2018 (from April 1, 2018 to December 31, 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	%
Nine months ended December 31, 2018	140,703	17.9	15,221	5.2	15,699	4.5	9,458	5.4
Nine months ended December 31, 2017	119,347	8.4	14,474	6.8	15,015	8.5	8,971	6.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2018	144.86		144.80	
Nine months ended December 31, 2017	137.42		137.34	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2018	186,071	132,303	66.0
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	Yen	Yen	Yen	Yen
Year ended March 31, 2018	–	42.00	–	50.00	92.00
Year ending March 31, 2019	–	47.00	–		
Year ending March 31, 2019 (Forecast)				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
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 nine months ended December 31, 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 December 31, 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 December 31, 2018	2,295,825 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)

Nine months ended December 31, 2018	65,291,830 shares	Nine months ended December 31, 2017	65,286,448 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	49,521	43,227
Notes and accounts receivable - trade	59,259	59,371
Merchandise and finished goods	8,550	10,220
Work in process	1,046	1,104
Raw materials and supplies	6,404	7,525
Other	5,608	5,973
Allowance for doubtful accounts	(189)	(415)
Total current assets	130,200	127,007
Non-current assets		
Property, plant and equipment	38,464	39,617
Intangible assets		
Goodwill	168	347
Other	2,686	2,615
Total intangible assets	2,855	2,963
Investments and other assets		
Other	18,125	16,495
Allowance for doubtful accounts	(17)	(12)
Total investments and other assets	18,107	16,483
Total non-current assets	59,426	59,064
Total assets	189,626	186,071
Liabilities		
Current liabilities		
Notes and accounts payable - trade	26,127	27,077
Electronically recorded obligations - operating	6,058	6,390
Short-term loans payable	4,052	4,499
Income taxes payable	3,492	672
Provision for bonuses	1,763	1,092
Other	8,086	6,795
Total current liabilities	49,579	46,528
Non-current liabilities		
Long-term loans payable	777	520
Net defined benefit liability	1,406	1,427
Other	5,246	5,291
Total non-current liabilities	7,430	7,239
Total liabilities	57,010	53,768

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Net assets		
Shareholders' equity		
Capital stock	9,891	9,891
Capital surplus	13,279	13,280
Retained earnings	93,756	96,881
Treasury shares	(2,011)	(2,005)
Total shareholders' equity	114,917	118,048
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,402	4,084
Deferred gains or losses on hedges	(4)	(8)
Foreign currency translation adjustment	2,187	355
Remeasurements of defined benefit plans	243	243
Total accumulated other comprehensive income	7,828	4,674
Share acquisition rights	36	27
Non-controlling interests	9,833	9,552
Total net assets	132,616	132,303
Total liabilities and net assets	189,626	186,071

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, 2017	Nine months ended December 31, 2018
Net sales	119,347	140,703
Cost of sales	84,696	104,432
Gross profit	34,650	36,270
Selling, general and administrative expenses	20,176	21,048
Operating profit	14,474	15,221
Non-operating income		
Interest income	120	150
Dividend income	335	347
Other	472	547
Total non-operating income	928	1,044
Non-operating expenses		
Interest expenses	44	89
Sales discounts	120	125
Other	221	352
Total non-operating expenses	386	567
Ordinary profit	15,015	15,699
Extraordinary losses		
Loss on disaster	-	400
Total extraordinary losses	-	400
Profit before income taxes	15,015	15,299
Income taxes - current	4,530	4,275
Income taxes - deferred	547	694
Total income taxes	5,077	4,970
Profit	9,938	10,328
Profit attributable to non-controlling interests	966	870
Profit attributable to owners of parent	8,971	9,458

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	9,938	10,328
Other comprehensive income		
Valuation difference on available-for-sale securities	2,080	(1,318)
Deferred gains or losses on hedges	6	(4)
Foreign currency translation adjustment	192	(2,373)
Remeasurements of defined benefit plans, net of tax	31	0
Share of other comprehensive income of entities accounted for using equity method	22	(52)
Total other comprehensive income	2,333	(3,748)
Comprehensive income	12,271	6,580
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,323	6,304
Comprehensive income attributable to non-controlling interests	947	275

Support Data for the Summary of Consolidated
Financial Results for
the Nine Months Ended December 31, 2018

Challenge & Creation

January 30, 2019

AICA KOGYO CO., LTD

1. Summary of consolidated financial results for the Nine Months Ended December 31, 2018



[Millions of yen]

	FY Mar/2018 Q1-Q3		FY Mar/2019 Q1-Q3		
	Results	Profit margin	Results	Profit margin	Growth Rate
Net Sales	119,347		140,703		17.9%
Operating Profit	14,474	12.1%	15,221	10.8%	5.2%
Ordinary Profit	15,015	12.6%	15,699	11.2%	4.5%
Profit attributable to owners of the parent	8,971	7.5%	9,458	6.7%	5.4%

[Yen]

Profit per share	137.42	—	144.86	—	5.4%
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Net Sales • Operating Profit • Ordinary Profit : Increased **9** consecutive accounting year

Profit for the period※ : Increased **3** consecutive accounting year

Net Sales : Increased **6** consecutive accounting year and set a new all-time high.

Operating Profit • Ordinary Profit : Increased **7** consecutive accounting year and set a new all-time high.

Profit for the period※ : Increased **3** consecutive accounting year and set a new all-time high.

※ Profit attributable to owners of the parent

2. Sales result at the Nine Months Ended December 31, 2018 and the breakdown by business segment

[Millions of yen]

	Net Sales			Operating Profit			
	FY Mar/2018 Q1-Q3	FY Mar/2019 Q1-Q3	Difference	FY Mar/2018 Q1-Q3	FY Mar/2019 Q1-Q3	Difference	
Chemical Products	60,846	80,864	20,017	5,211	5,734	523	Amount
				8.6%	7.1%	▲ 1.5%	Profit margin
Construction Materials	58,500	59,838	1,337	11,174	11,457	282	Amount
				19.1%	19.1%	0.0%	Profit margin
(Non-allocation operating expenses→)				▲ 1,911	▲ 1,970	▲ 59	Amount
TOTAL	119,347	140,703	21,355	14,474	15,221	747	Amount
				12.1%	10.8%	▲ 1.3%	Profit margin

3. Chemical Products Segment : Sales Breakdown by Product

[Billions of yen]

	FY Mar/2018		FY Mar/2019			
	Q1-Q3	Full Year	Q1-Q3	Growth Rate	Full Year Forecast	Achievement Rate
Adhesive	39.23	53.97	48.33	23.2%	62.10	77.8%
AAP ^(*)	29.32	40.56	38.20	30.3%	48.80	78.3%
Construction Resin	7.12	9.52	7.19	1.0%	9.43	76.3%
Speciality & Performance materials	7.37	9.80	17.33	135.0%	21.90	79.2%
Others	7.10	9.61	7.99	12.5%	9.77	81.8%
Total	60.84	82.91	80.86	32.9%	103.20	78.4%

(*)AAP: AICA Asia Pacific Holding Pte. Ltd. (Singapore)

4. Construction Materials Segment : Sales Breakdown by Product

[Billions of yen]

	FY Mar/2018		FY Mar/2019			
	Q1-Q3	Full Year	Q1-Q3	Growth Rate	Full Year Forecast	Achievement Rate
Melamine Decorative Laminated Sheets	11.86	16.63	12.39	4.5%	17.15	72.3%
Decorative Polyester Boards, Decorative Films	9.97	14.34	9.81	▲1.6%	14.30	68.7%
Melamine Noncombustible Decorative Panel "Cerarl"	14.00	19.18	14.34	2.4%	19.20	74.7%
Noncombustible Decorative Panel (Except "Cerarl")	6.87	9.25	7.21	4.9%	9.75	74.0%
Counterstops, Postforming products	11.55	15.63	12.15	5.2%	15.90	76.4%
Fittings, Interior Housing Materials	4.22	5.76	3.91	▲7.4%	5.50	71.2%
TOTAL	58.50	80.81	59.83	2.3%	81.80	73.2%



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The matters such as current plan, prospect, strategy, or conviction which indicated in this report but not historical fact are only the expectation of the future achievement, and there are the risks or unexpected factors.

This information has made based on the judgment of the manager of Aica Kogyo Co., Ltd. using current available information. The actual result can be difference from the current prospect because of various important elements, so please avoid depending on fully to only this prospect.

This document is not a thing for investment inducement. We request that the decision about the investment will be performed by the judgment of each user.