

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 Year Ended March 31, 2021 (Based on Japanese GAAP)

April 30, 2021

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 Yousuke Mori TEL 052-533-3135
 Scheduled date of ordinary general meeting of shareholders: June 24, 2021
 Scheduled date to file Securities Report: June 25, 2021
 Scheduled date to commence dividend payments: June 25, 2021
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(1) Consolidated operating results

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	%
Year ended March 31, 2021	174,628	(8.8)	17,991	(13.7)	18,438	(13.6)	10,759	(15.5)
Year ended March 31, 2020	191,501	0.1	20,850	0.1	21,333	0.4	12,732	(4.4)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2021	164.79	164.73	8.1	8.9	10.3
Year ended March 31, 2020	195.01	194.93	9.9	10.7	10.9

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	207,363	150,505	65.0	2,064.24
As of March 31, 2020	206,439	146,221	63.1	1,994.03

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2021	19,713	(9,756)	(9,179)	41,185
Year ended March 31, 2020	18,240	(16,798)	(6,210)	40,644

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2020	–	49.00	–	57.00	106.00	6,921	54.4	5.4
Year ended March 31, 2021	–	49.00	–	58.00	107.00	6,986	64.9	5.3
Year ending March 31, 2022 (Forecast)	–	50.00	–	58.00	108.00		54.2	

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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, 2021	93,500	20.0	9,000	48.1	9,300	42.6	5,600	47.7	85.77
Full year	200,000	14.5	21,000	16.7	21,400	16.1	13,000	20.8	199.10

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2021

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2021	67,590,664 shares	As of March 31, 2020	67,590,664 shares
----------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of March 31, 2021	2,297,405 shares	As of March 31, 2020	2,296,827 shares
----------------------	------------------	----------------------	------------------

Average number of shares during the period

Year ended March 31, 2021	65,293,525 shares	Year ended March 31, 2020	65,294,096 shares
---------------------------	-------------------	---------------------------	-------------------

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	40,690	42,420
Notes and accounts receivable - trade	61,691	57,892
Merchandise and finished goods	10,153	9,537
Work in process	1,132	1,064
Raw materials and supplies	8,098	7,584
Other	8,002	8,582
Allowance for doubtful accounts	(620)	(612)
Total current assets	129,148	126,468
Non-current assets		
Property, plant and equipment		
Buildings and structures	40,229	41,244
Accumulated depreciation	(25,946)	(27,054)
Buildings and structures, net	14,282	14,190
Machinery, equipment and vehicles	60,851	62,149
Accumulated depreciation	(47,436)	(49,385)
Machinery, equipment and vehicles, net	13,414	12,764
Tools, furniture and fixtures	11,442	11,967
Accumulated depreciation	(9,270)	(9,936)
Tools, furniture and fixtures, net	2,171	2,030
Land	14,530	14,451
Leased assets	4,352	5,675
Accumulated depreciation	(350)	(525)
Leased assets, net	4,001	5,150
Construction in progress	1,965	2,163
Total property, plant and equipment	50,366	50,750
Intangible assets		
Goodwill	4,281	4,589
Other	7,780	7,931
Total intangible assets	12,062	12,520
Investments and other assets		
Investment securities	12,523	15,632
Deferred tax assets	449	445
Retirement benefit asset	251	255
Other	1,649	1,301
Allowance for doubtful accounts	(12)	(12)
Total investments and other assets	14,862	17,623
Total non-current assets	77,290	80,894
Total assets	206,439	207,363

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	24,799	23,469
Electronically recorded obligations - operating	5,207	4,887
Short-term borrowings	5,947	6,015
Income taxes payable	3,616	3,428
Accrued consumption taxes	915	1,147
Provision for bonuses	1,957	2,090
Other	9,124	6,485
Total current liabilities	51,568	47,524
Non-current liabilities		
Long-term borrowings	914	1,255
Deferred tax liabilities	3,897	4,373
Retirement benefit liability	1,476	1,486
Other	2,361	2,218
Total non-current liabilities	8,649	9,333
Total liabilities	60,218	56,858
Net assets		
Shareholders' equity		
Share capital	9,891	9,891
Capital surplus	13,276	13,280
Retained earnings	106,786	110,563
Treasury shares	(2,009)	(2,011)
Total shareholders' equity	127,945	131,724
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,743	4,594
Deferred gains or losses on hedges	16	(0)
Foreign currency translation adjustment	(474)	(1,512)
Remeasurements of defined benefit plans	(33)	(26)
Total accumulated other comprehensive income	2,252	3,055
Share acquisition rights	27	27
Non-controlling interests	15,995	15,697
Total net assets	146,221	150,505
Total liabilities and net assets	206,439	207,363

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	191,501	174,628
Cost of sales	139,564	125,095
Gross profit	51,936	49,532
Selling, general and administrative expenses		
Packing and transportation costs	8,985	8,277
Advertising expenses	1,819	1,628
Salaries and bonuses	8,633	8,850
Provision for bonuses	949	1,050
Retirement benefit expenses	350	391
Welfare expenses	1,728	1,856
Depreciation	1,102	1,793
Rent expenses	703	752
Other	6,812	6,940
Total selling, general and administrative expenses	31,085	31,541
Operating profit	20,850	17,991
Non-operating income		
Interest income	172	194
Dividend income	371	336
Gain on sale of investment securities	216	571
Subsidy	–	236
Other	685	685
Total non-operating income	1,446	2,024
Non-operating expenses		
Interest expenses	125	138
Sales discounts	136	139
Compensation for delayed delivery	283	552
Foreign exchange losses	73	175
Other	345	571
Total non-operating expenses	963	1,576
Ordinary profit	21,333	18,438
Extraordinary income		
Insurance claim income	522	–
Total extraordinary income	522	–
Extraordinary losses		
Business restructuring costs	–	279
Loss on disaster	500	–
Total extraordinary losses	500	279
Profit before income taxes	21,355	18,159
Income taxes - current	7,047	6,467
Income taxes - deferred	140	(296)
Total income taxes	7,187	6,171
Profit	14,167	11,988
Profit attributable to non-controlling interests	1,434	1,228
Profit attributable to owners of parent	12,732	10,759

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	14,167	11,988
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,564)	1,851
Deferred gains or losses on hedges	22	(17)
Foreign currency translation adjustment	(293)	(1,464)
Remeasurements of defined benefit plans, net of tax	(232)	7
Share of other comprehensive income of entities accounted for using equity method	(101)	(1)
Total other comprehensive income	(2,169)	375
Comprehensive income	11,998	12,363
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,423	11,563
Comprehensive income attributable to non-controlling interests	1,574	800

Consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,891	13,279	100,739	(2,007)	121,904
Changes during period					
Dividends of surplus			(6,855)		(6,855)
Profit attributable to owners of parent			12,732		12,732
Purchase of treasury shares				(2)	(2)
Change in scope of consolidation			169		169
Change in ownership interest of parent due to transactions with non-controlling interests		(3)			(3)
Net changes in items other than shareholders' equity					
Total changes during period	–	(3)	6,046	(2)	6,041
Balance at end of period	9,891	13,276	106,786	(2,009)	127,945

	Accumulated other comprehensive income				
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance at beginning of period	4,307	(5)	60	199	4,562
Changes during period					
Dividends of surplus					
Profit attributable to owners of parent					
Purchase of treasury shares					
Change in scope of consolidation					
Change in ownership interest of parent due to transactions with non-controlling interests					
Net changes in items other than shareholders' equity	(1,564)	22	(534)	(232)	(2,309)
Total changes during period	(1,564)	22	(534)	(232)	(2,309)
Balance at end of period	2,743	16	(474)	(33)	2,252

	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of period	27	9,622	136,116
Changes during period			
Dividends of surplus			(6,855)
Profit attributable to owners of parent			12,732
Purchase of treasury shares			(2)
Change in scope of consolidation			169
Change in ownership interest of parent due to transactions with non-controlling interests			(3)
Net changes in items other than shareholders' equity	–	6,373	4,063
Total changes during period	–	6,373	10,105
Balance at end of period	27	15,995	146,221

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,891	13,276	106,786	(2,009)	127,945
Changes during period					
Dividends of surplus			(6,921)		(6,921)
Profit attributable to owners of parent			10,759		10,759
Purchase of treasury shares				(2)	(2)
Change in scope of consolidation			(61)		(61)
Change in ownership interest of parent due to transactions with non-controlling interests		4			4
Net changes in items other than shareholders' equity					
Total changes during period	–	4	3,776	(2)	3,779
Balance at end of period	9,891	13,280	110,563	(2,011)	131,724

	Accumulated other comprehensive income				
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance at beginning of period	2,743	16	(474)	(33)	2,252
Changes during period					
Dividends of surplus					
Profit attributable to owners of parent					
Purchase of treasury shares					
Change in scope of consolidation					
Change in ownership interest of parent due to transactions with non-controlling interests					
Net changes in items other than shareholders' equity	1,851	(17)	(1,037)	7	803
Total changes during period	1,851	(17)	(1,037)	7	803
Balance at end of period	4,594	(0)	(1,512)	(26)	3,055

	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of period	27	15,995	146,221
Changes during period			
Dividends of surplus			(6,921)
Profit attributable to owners of parent			10,759
Purchase of treasury shares			(2)
Change in scope of consolidation			(61)
Change in ownership interest of parent due to transactions with non-controlling interests			4
Net changes in items other than shareholders' equity	–	(298)	504
Total changes during period	–	(298)	4,284
Balance at end of period	27	15,697	150,505

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	21,355	18,159
Depreciation	4,664	5,773
Increase (decrease) in allowance for doubtful accounts	197	(40)
Increase (decrease) in provision for bonuses	21	142
Increase (decrease) in retirement benefit liability	172	151
Interest and dividend income	(543)	(531)
Interest expenses	125	138
Decrease (increase) in trade receivables	178	3,857
Decrease (increase) in inventories	659	1,075
Decrease (increase) in other current assets	(237)	972
Increase (decrease) in trade payables	(3,669)	(1,813)
Increase (decrease) in other current liabilities	1,327	(2,422)
Other, net	(268)	417
Subtotal	23,981	25,883
Interest and dividends received	552	544
Interest paid	(126)	(137)
Income taxes paid	(6,167)	(6,577)
Net cash provided by (used in) operating activities	18,240	19,713
Cash flows from investing activities		
Payments into time deposits	(21)	(1,282)
Proceeds from withdrawal of time deposits	190	102
Purchase of property, plant and equipment	(5,863)	(5,560)
Purchase of intangible assets	(2,304)	(1,306)
Purchase of securities	–	(1,000)
Purchase of investment securities	(612)	(1,492)
Proceeds from sale of investment securities	737	1,533
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(7,033)	(294)
Purchase of shares of subsidiaries and associates	(29)	–
Other, net	(1,859)	(456)
Net cash provided by (used in) investing activities	(16,798)	(9,756)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,439	(141)
Repayments of long-term borrowings	(305)	(585)
Proceeds from long-term borrowings	823	973
Dividends paid	(6,850)	(6,921)
Dividends paid to non-controlling interests	(879)	(1,067)
Repayments of lease obligations	(171)	(181)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(264)	(1,253)
Other, net	(2)	(1)
Net cash provided by (used in) financing activities	(6,210)	(9,179)
Effect of exchange rate change on cash and cash equivalents	(100)	(236)
Net increase (decrease) in cash and cash equivalents	(4,869)	541
Cash and cash equivalents at beginning of period	45,379	40,644
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	133	–
Cash and cash equivalents at end of period	40,644	41,185