

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2020 (Based on Japanese GAAP)

July 31, 2020

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 7, 2020  
 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, 2020 (from April 1, 2020 to June 30, 2020)

#### (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, 2020	37,364	(14.2)	2,534	(42.5)	3,023	(34.4)	1,504	(45.9)
Three months ended June 30, 2019	43,558	2.0	4,405	1.1	4,608	0.8	2,781	5.2

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2020	23.04	23.03
Three months ended June 30, 2019	42.60	42.59

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2020	192,120	139,378	65.5
As of March 31, 2020	203,626	144,414	63.9

### 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, 2020	–	49.00	–	57.00	106.00
Year ending March 31, 2021	–				
Year ending March 31, 2021 (Forecast)		49.00	–	57.00	106.00

### 3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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, 2020	77,500	(15.6)	5,100	(49.0)	5,300	(49.5)	3,300	(49.9)	50.54
Full year	174,500	(8.9)	14,500	(30.5)	14,700	(31.1)	9,000	(29.3)	137.84

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2020  
 (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, 2020	67,590,664 shares	As of March 31, 2020	67,590,664 shares
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Number of treasury shares at the end of the period

As of June 30, 2020	2,296,935 shares	As of March 31, 2020	2,296,827 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, 2020	65,293,769 shares	Three months ended June 30, 2019	65,294,414 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	40,690	38,453
Notes and accounts receivable - trade	61,691	52,443
Merchandise and finished goods	10,153	11,185
Work in process	1,132	1,443
Raw materials and supplies	8,098	7,939
Other	8,002	6,835
Allowance for doubtful accounts	(620)	(670)
Total current assets	129,148	117,630
Non-current assets		
Property, plant and equipment	49,478	48,547
Intangible assets		
Goodwill	6,352	6,971
Other	3,784	4,014
Total intangible assets	10,136	10,985
Investments and other assets		
Other	14,874	14,969
Allowance for doubtful accounts	(12)	(12)
Total investments and other assets	14,862	14,956
Total non-current assets	74,477	74,490
Total assets	203,626	192,120
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	24,799	20,846
Electronically recorded obligations - operating	5,207	4,847
Short-term borrowings	5,947	5,367
Income taxes payable	3,616	4,457
Provision for bonuses	1,957	2,461
Other	10,040	7,726
Total current liabilities	51,568	45,706
Non-current liabilities		
Long-term borrowings	914	797
Retirement benefit liability	1,476	1,426
Other	5,252	4,812
Total non-current liabilities	7,643	7,036
Total liabilities	59,212	52,742
<b>Net assets</b>		
Shareholders' equity		
Share capital	9,891	9,891
Capital surplus	13,276	13,276
Retained earnings	106,786	104,555
Treasury shares	(2,009)	(2,009)
Total shareholders' equity	127,945	125,714

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,743	2,940
Deferred gains or losses on hedges	16	(0)
Foreign currency translation adjustment	(474)	(2,767)
Remeasurements of defined benefit plans	(33)	(43)
Total accumulated other comprehensive income	2,252	129
Share acquisition rights	27	27
Non-controlling interests	14,188	13,506
Total net assets	144,414	139,378
Total liabilities and net assets	203,626	192,120

**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, 2019	Three months ended June 30, 2020
Net sales	43,558	37,364
Cost of sales	32,097	27,425
Gross profit	11,460	9,938
Selling, general and administrative expenses	7,055	7,403
Operating profit	4,405	2,534
Non-operating income		
Interest income	47	45
Dividend income	161	148
Gain on sales of investment securities	–	536
Other	191	305
Total non-operating income	400	1,036
Non-operating expenses		
Interest expenses	28	36
Sales discounts	39	33
Delivery delay compensation	–	364
Other	128	113
Total non-operating expenses	196	547
Ordinary profit	4,608	3,023
Extraordinary losses		
Loss on disaster	18	–
Total extraordinary losses	18	–
Profit before income taxes	4,590	3,023
Income taxes - current	1,473	1,560
Income taxes - deferred	(37)	(330)
Total income taxes	1,435	1,229
Profit	3,154	1,794
Profit attributable to non-controlling interests	373	289
Profit attributable to owners of parent	2,781	1,504

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

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit	3,154	1,794
Other comprehensive income		
Valuation difference on available-for-sale securities	(457)	197
Deferred gains or losses on hedges	(0)	(17)
Foreign currency translation adjustment	363	(3,010)
Remeasurements of defined benefit plans, net of tax	(77)	(10)
Share of other comprehensive income of entities accounted for using equity method	5	8
Total other comprehensive income	(167)	(2,832)
Comprehensive income	2,987	(1,038)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,537	(618)
Comprehensive income attributable to non-controlling interests	450	(420)

Support Data for the Summary of Consolidated  
Financial Results for  
the Three Months Ended June 30, 2020

**Challenge & Creation**

July 31, 2020

**AICA KOGYO CO., LTD**

1. Summary of consolidated financial results for the Three Months Ended June 30, 2020



[Millions of yen]

	FY Mar/2020		FY Mar/2021				
	Q1	Profit margin	Q1	Profit margin	Growth Rate	Q1-Q2 Forecast	Progress rate
Net Sales	43,558	—	37,364	—	▲14.2%	77,500	48.2%
Operating Profit	4,405	10.1%	2,534	6.8%	▲42.5%	5,100	49.7%
Ordinary Profit	4,608	10.6%	3,023	8.1%	▲34.4%	5,300	57.0%
Profit attributable to owners of the parent	2,781	6.4%	1,504	4.0%	▲45.9%	3,300	45.6%

[Yen]

Profit per share	42.6	—	23.0	—	▲45.9%	50.5	45.6%
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## 2. Sales result at the Three Months Ended June 30, 2020 and the breakdown by business segment

[Millions of yen]

	Net Sales					Operating Profit					
	FY Mar/2020 Q1	FY Mar/2021 Q1	Difference	FY Mar/2021 Q1-Q2 Forecast	Progress rate	FY Mar/2020 Q1	FY Mar/2021 Q1	Difference	FY Mar/2021 Q1-Q2 Forecast	Progress rate	
Chemical Products	25,048	20,693	▲ 4,354	39,600	52.3%	1,856	1,293	▲ 563	2,375	54.4%	Amount
						7.4%	6.2%	▲ 0.6%	6.0%	—	Profit margin
Construction Materials	18,509	16,670	▲ 1,839	37,900	44.0%	3,249	1,913	▲ 1,336	4,362	43.9%	Amount
						17.6%	11.5%	▲ 0.6%	11.5%	—	Profit margin
(Non-allocation operating expenses→)						▲ 700	▲ 671	28	▲ 1,637	41.0%	Amount
TOTAL	43,558	37,364	▲ 6,193	77,500	48.2%	4,405	2,534	▲ 1,871	5,100	49.7%	Amount
						10.1%	6.8%	▲ 3.3%	6.6%	—	Profit margin

### 3. Results of domestic and overseas sales (breakdown by business segment) at the Three Months Ended June 30, 2020

[Millions of yen]

		Net Sales			
		FY Mar/2021 Q1-Q2		FY Mar/2021 Q1	
		Forecast	YoY	Result	Progress rate (Q1 per Q1-Q2 forecast)
Domestic sales		58,104.5	▲15%	27,252.7	46.9%
Overseas sales	Chemical Products	24,329.0	▲20%	12,698.6	52.2%
	Construction Materials	5,137.2	▲20%	2,586.7	50.4%

\* Excluding new consolidated companies

\* Sales before removing consolidated transactions

## 4. Chemical Products Segment : Sales Breakdown by Product

[Billions of yen]

	FY Mar/2020	FY Mar/2021	
	Q1	Q1	Growth Rate
Adhesive	15.6	12.98	▲ 16.8%
AAP <sup>(*)</sup>	12.43	10.31	▲ 17.0%
Construction Resin	2.18	1.91	▲ 12.5%
Speciality & Performance materials	4.77	3.58	▲ 25.1%
Others	2.48	2.21	▲ 10.8%
Total	25.04	20.69	▲ 17.4%

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

## 5. Construction Materials Segment : Sales Breakdown by Product

[Billions of yen]

	FY Mar/2020	FY Mar/2021	
	Q1	Q1	Growth Rate
Melamine Decorative Laminated Sheets	3.94	4.22	7.1%
Decorative Polyester Boards, Decorative Films	2.89	2.20	▲ 23.8%
Melamine Noncombustible Decorative Panel "Cerarl"	4.48	3.88	▲ 13.4%
Noncombustible Decorative Panel (Except "Cerarl" )	2.19	1.53	▲ 30.3%
Counterstops, Postforming products	3.74	3.68	▲ 1.7%
Fittings, Interior Housing Materials	1.24	1.13	▲ 8.4%
TOTAL	18.50	16.67	▲ 9.9%



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## CHALLENGE & CREATION

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.