

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 7, 2023

Company name: AIPHONE CO., LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 6718 URL <https://www.aiphone.co.jp/>
 Representative: President Koji Kato
 Director, General Manager of Corporate Planning Department Tomio Suzuki TEL 052-228-8181
 Scheduled date to file Quarterly Securities Report: February 9, 2023
 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, 2022 (from April 1, 2022 to December 31, 2022)

(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, 2022	36,499	(4.0)	2,206	(52.9)	2,454	(50.3)	1,843	(52.2)
Nine months ended December 31, 2021	38,020	18.1	4,687	132.0	4,940	150.1	3,860	161.8

Note: Comprehensive income
 Nine months ended December 31, 2022 ¥2,871 million [(20.8)%]
 Nine months ended December 31, 2021 ¥3,622 million [56.1%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	112.87		–	
Nine months ended December 31, 2021	236.25		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	68,696	57,231	83.3
As of March 31, 2022	69,453	55,929	80.5

Reference: Equity
 As of December 31, 2022 ¥57,231 million
 As of March 31, 2022 ¥55,929 million

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, 2022	–	35.00	–	56.00	91.00
Year ending March 31, 2023	–	40.00	–		
Year ending March 31, 2023 (Forecast)				40.00	80.00

Note: Revisions to the forecast of cash dividends most recently announced: No

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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	52,200	0.4	2,700	(51.2)	3,200	(46.0)	2,400	(43.2)	146.93

Note: Revisions to the forecast of financial results most recently announced: No

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2022
(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: Yes
- (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: Yes
- 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, 2022	18,220,000 shares	As of March 31, 2022	18,220,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	1,885,785 shares	As of March 31, 2022	1,879,987 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, 2022	16,336,809 shares	Nine months ended December 31, 2021	16,340,647 shares
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* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Explanation of proper use of financial results forecast, and other special matters

The forward-looking statements, including the financial results forecast shown in this document, are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. As such, they do not constitute guarantees by the Company of future performance. Actual performance and other results may differ materially due to various factors.

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	23,649	13,307
Notes and accounts receivable - trade, and contract assets	8,371	8,304
Electronically recorded monetary claims - operating	3,280	2,926
Securities	689	651
Finished goods	6,103	9,128
Work in process	1,824	3,136
Raw materials	8,241	10,204
Other	421	1,343
Allowance for doubtful accounts	(36)	(40)
Total current assets	52,545	48,962
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,231	6,440
Accumulated depreciation	(4,499)	(4,672)
Buildings and structures, net	1,732	1,768
Machinery, equipment and vehicles	2,683	2,724
Accumulated depreciation	(1,770)	(1,842)
Machinery, equipment and vehicles, net	913	882
Tools, furniture and fixtures	7,892	7,996
Accumulated depreciation	(7,140)	(7,339)
Tools, furniture and fixtures, net	751	656
Land	1,534	4,124
Leased assets	554	581
Accumulated depreciation	(255)	(305)
Leased assets, net	298	275
Construction in progress	1	26
Total property, plant and equipment	5,232	7,734
Intangible assets		
Other	0	0
Total intangible assets	0	0
Investments and other assets		
Investment securities	8,019	8,645
Deferred tax assets	2,482	2,422
Other	1,173	933
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	11,674	12,000
Total non-current assets	16,907	19,734
Total assets	69,453	68,696

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Electronically recorded obligations - operating	783	673
Accounts payable - trade	2,248	2,691
Lease liabilities	129	122
Income taxes payable	1,569	38
Contract liabilities	263	481
Provision for product warranties	1,013	858
Provision for bonuses	–	599
Other	4,655	3,126
Total current liabilities	10,663	8,592
Non-current liabilities		
Lease liabilities	194	167
Deferred tax liabilities	82	89
Deferred tax liabilities for land revaluation	118	118
Retirement benefit liability	392	372
Other	2,071	2,124
Total non-current liabilities	2,859	2,872
Total liabilities	13,523	11,465
Net assets		
Shareholders' equity		
Share capital	5,388	5,388
Capital surplus	5,408	5,408
Retained earnings	44,476	44,752
Treasury shares	(3,217)	(3,218)
Total shareholders' equity	52,056	52,331
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,101	2,302
Revaluation reserve for land	(426)	(426)
Foreign currency translation adjustment	2,127	2,964
Remeasurements of defined benefit plans	70	59
Total accumulated other comprehensive income	3,873	4,900
Total net assets	55,929	57,231
Total liabilities and net assets	69,453	68,696

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, 2021	Nine months ended December 31, 2022
Net sales	38,020	36,499
Cost of sales	20,046	20,297
Gross profit	17,974	16,201
Selling, general and administrative expenses	13,287	13,995
Operating profit	4,687	2,206
Non-operating income		
Interest income	12	40
Dividend income	148	175
Rental income from buildings	26	18
Foreign exchange gains	78	14
Other	24	36
Total non-operating income	290	284
Non-operating expenses		
Interest expenses	24	27
Other	12	10
Total non-operating expenses	36	37
Ordinary profit	4,940	2,454
Extraordinary income		
Gain on sale of non-current assets	364	19
Gain on sale of investment securities	–	30
Total extraordinary income	364	49
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on retirement of non-current assets	18	4
Impairment losses	65	–
Total extraordinary losses	83	5
Profit before income taxes	5,221	2,498
Income taxes	1,361	654
Profit	3,860	1,843
Profit attributable to owners of parent	3,860	1,843

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	3,860	1,843
Other comprehensive income		
Valuation difference on available-for-sale securities	(286)	201
Foreign currency translation adjustment	43	836
Remeasurements of defined benefit plans, net of tax	5	(11)
Total other comprehensive income	(237)	1,027
Comprehensive income	3,622	2,871
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,622	2,871