

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 1, 2023

Company name: AIPHONE CO., LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 6718 URL <https://www.aiphone.co.jp/>
 Representative: President (Representative Director) Tomio Suzuki
 General Manager, Corporate Planning
 Inquiries: Department, Administrative Headquarters Masaki Komori TEL 052-228-8181
 Scheduled date to file Quarterly Securities Report: August 4, 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 three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(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, 2023	14,018	24.7	1,481	71.8	1,830	60.2	1,511	75.0
Three months ended June 30, 2022	11,242	(6.0)	862	(45.7)	1,142	(33.3)	863	(33.9)

Note: Comprehensive income Three months ended June 30, 2023 ¥3,090 million [51.1%]
 Three months ended June 30, 2022 ¥2,045 million [133.1%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	92.52		–	
Three months ended June 30, 2022	52.83		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	72,093	60,828	84.4
As of March 31, 2023	70,597	58,391	82.7

Reference: Equity As of June 30, 2023 ¥60,828 million
 As of March 31, 2023 ¥58,391 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, 2023	–	40.00	–	40.00	80.00
Year ending March 31, 2024	–				
Year ending March 31, 2024 (Forecast)		40.00	–	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, 2024 (from April 1, 2023 to March 31, 2024)

	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, 2023	29,800	24.9	3,300	149.2	3,600	113.6	2,800	122.4	171.40
Full year	60,000	13.6	5,500	46.3	6,200	48.8	4,600	57.0	281.58

Note: Revisions to the forecast of financial results most recently announced: Yes

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023
(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: 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, 2023	18,220,000 shares	As of March 31, 2023	18,220,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	1,885,904 shares	As of March 31, 2023	1,885,849 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, 2023	16,334,115 shares	Three months ended June 30, 2022	16,340,013 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, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	14,325	15,847
Notes and accounts receivable - trade, and contract assets	10,341	9,408
Electronically recorded monetary claims - operating	3,084	2,725
Securities	652	400
Finished goods	9,339	10,350
Work in process	2,836	2,794
Raw materials	9,528	9,523
Other	1,010	1,034
Allowance for doubtful accounts	(46)	(51)
Total current assets	51,070	52,033
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,477	6,693
Accumulated depreciation	(4,732)	(4,857)
Buildings and structures, net	1,745	1,835
Machinery, equipment and vehicles	2,820	2,981
Accumulated depreciation	(1,916)	(2,099)
Machinery, equipment and vehicles, net	904	881
Tools, furniture and fixtures	8,080	8,257
Accumulated depreciation	(7,431)	(7,628)
Tools, furniture and fixtures, net	649	628
Land	4,130	4,156
Leased assets	615	645
Accumulated depreciation	(285)	(309)
Leased assets, net	330	335
Construction in progress	26	36
Total property, plant and equipment	7,786	7,874
Intangible assets		
Other	0	0
Total intangible assets	0	0
Investments and other assets		
Investment securities	8,458	8,980
Deferred tax assets	2,341	2,264
Other	940	940
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	11,739	12,185
Total non-current assets	19,526	20,060
Total assets	70,597	72,093

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Electronically recorded obligations - operating	568	663
Accounts payable - trade	2,681	1,993
Lease liabilities	136	136
Income taxes payable	211	686
Contract liabilities	309	386
Provision for product warranties	363	330
Provision for bonuses	–	570
Other	4,867	3,380
Total current liabilities	9,139	8,148
Non-current liabilities		
Lease liabilities	189	192
Deferred tax liabilities	24	26
Deferred tax liabilities for land revaluation	118	118
Retirement benefit liability	558	590
Other	2,174	2,188
Total non-current liabilities	3,066	3,116
Total liabilities	12,205	11,265
Net assets		
Shareholders' equity		
Share capital	5,388	5,388
Capital surplus	5,408	5,408
Retained earnings	45,837	46,695
Treasury shares	(3,218)	(3,218)
Total shareholders' equity	53,416	54,274
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,184	2,570
Revaluation reserve for land	(426)	(426)
Foreign currency translation adjustment	3,288	4,479
Remeasurements of defined benefit plans	(72)	(69)
Total accumulated other comprehensive income	4,974	6,554
Total net assets	58,391	60,828
Total liabilities and net assets	70,597	72,093

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, 2022	Three months ended June 30, 2023
Net sales	11,242	14,018
Cost of sales	5,863	7,563
Gross profit	5,378	6,454
Selling, general and administrative expenses	4,515	4,972
Operating profit	862	1,481
Non-operating income		
Interest income	6	27
Dividend income	99	113
Rental income from buildings	6	5
Foreign exchange gains	173	203
Other	6	9
Total non-operating income	292	359
Non-operating expenses		
Interest expenses	8	8
Other	3	1
Total non-operating expenses	12	10
Ordinary profit	1,142	1,830
Extraordinary income		
Gain on sale of non-current assets	15	0
Gain on sale of investment securities	30	180
Total extraordinary income	45	180
Extraordinary losses		
Loss on sale of non-current assets	0	–
Loss on retirement of non-current assets	3	0
Total extraordinary losses	3	0
Profit before income taxes	1,183	2,011
Income taxes	320	499
Profit	863	1,511
Profit attributable to owners of parent	863	1,511

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	863	1,511
Other comprehensive income		
Valuation difference on available-for-sale securities	(20)	385
Foreign currency translation adjustment	1,204	1,191
Remeasurements of defined benefit plans, net of tax	(2)	2
Total other comprehensive income	1,181	1,579
Comprehensive income	2,045	3,090
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,045	3,090