

Translation

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

November 10, 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
 Executive Officer, General Manager, Naoki Isomura
 Inquiries: Administrative Headquarters TEL 052-228-8181
 Scheduled date to file Quarterly Securities Report: November 13, 2023
 Scheduled date to commence dividend payments: December 12, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 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	%
Six months ended September 30, 2023	30,151	26.3	3,020	128.1	3,504	108.0	2,639	109.6
Six months ended September 30, 2022	23,863	(5.8)	1,324	(59.3)	1,685	(50.9)	1,258	(54.7)

Note: Comprehensive income Six months ended September 30, 2023 ¥4,605 million [55.6%]
 Six months ended September 30, 2022 ¥2,960 million [24.0%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	161.42		-	
Six months ended September 30, 2022	77.05		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	74,982	62,417	83.2
As of March 31, 2023	70,597	58,391	82.7

Reference: Equity As of September 30, 2023 ¥62,417 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	-	50.00	-	-	-
Year ending March 31, 2024 (Forecast)	-	-	-	50.00	100.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

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
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: No

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 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 September 30, 2023	1,855,052 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)

Six months ended September 30, 2023	16,349,565 shares	Six months ended September 30, 2022	16,338,091 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 September 30, 2023
Assets		
Current assets		
Cash and deposits	14,325	19,658
Notes and accounts receivable - trade, and contract assets	10,341	10,513
Electronically recorded monetary claims - operating	3,084	2,988
Securities	652	500
Finished goods	9,339	8,716
Work in process	2,836	2,700
Raw materials	9,528	9,747
Other	1,010	486
Allowance for doubtful accounts	(46)	(54)
Total current assets	51,070	55,259
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,477	6,748
Accumulated depreciation	(4,732)	(4,900)
Buildings and structures, net	1,745	1,847
Machinery, equipment and vehicles	2,820	3,041
Accumulated depreciation	(1,916)	(2,207)
Machinery, equipment and vehicles, net	904	833
Tools, furniture and fixtures	8,080	8,211
Accumulated depreciation	(7,431)	(7,532)
Tools, furniture and fixtures, net	649	679
Land	4,130	4,164
Leased assets	615	701
Accumulated depreciation	(285)	(352)
Leased assets, net	330	349
Construction in progress	26	71
Total property, plant and equipment	7,786	7,945
Intangible assets		
Other	0	0
Total intangible assets	0	0
Investments and other assets		
Investment securities	8,458	8,500
Deferred tax assets	2,341	2,297
Other	940	980
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	11,739	11,777
Total non-current assets	19,526	19,723
Total assets	70,597	74,982

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Electronically recorded obligations - operating	568	576
Accounts payable - trade	2,681	1,874
Lease liabilities	136	151
Income taxes payable	211	1,172
Contract liabilities	309	344
Provision for product warranties	363	327
Other	4,867	4,928
Total current liabilities	9,139	9,376
Non-current liabilities		
Lease liabilities	189	188
Deferred tax liabilities	24	27
Deferred tax liabilities for land revaluation	118	118
Retirement benefit liability	558	606
Other	2,174	2,247
Total non-current liabilities	3,066	3,188
Total liabilities	12,205	12,565
Net assets		
Shareholders' equity		
Share capital	5,388	5,388
Capital surplus	5,408	5,430
Retained earnings	45,837	47,823
Treasury shares	(3,218)	(3,165)
Total shareholders' equity	53,416	55,476
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,184	2,629
Revaluation reserve for land	(426)	(426)
Foreign currency translation adjustment	3,288	4,804
Remeasurements of defined benefit plans	(72)	(66)
Total accumulated other comprehensive income	4,974	6,940
Total net assets	58,391	62,417
Total liabilities and net assets	70,597	74,982

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	23,863	30,151
Cost of sales	13,182	16,904
Gross profit	10,681	13,246
Selling, general and administrative expenses	9,357	10,226
Operating profit	1,324	3,020
Non-operating income		
Interest income	17	56
Dividend income	102	117
Rental income from buildings	12	11
Foreign exchange gains	222	301
Other	30	19
Total non-operating income	385	505
Non-operating expenses		
Interest expenses	17	18
Other	6	2
Total non-operating expenses	24	21
Ordinary profit	1,685	3,504
Extraordinary income		
Gain on sale of non-current assets	17	0
Gain on sale of investment securities	30	180
Total extraordinary income	47	180
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on retirement of non-current assets	4	0
Loss on valuation of investment securities	–	66
Total extraordinary losses	4	66
Profit before income taxes	1,727	3,618
Income taxes	468	979
Profit	1,258	2,639
Profit attributable to owners of parent	1,258	2,639

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	1,258	2,639
Other comprehensive income		
Valuation difference on available-for-sale securities	105	444
Foreign currency translation adjustment	1,604	1,515
Remeasurements of defined benefit plans, net of tax	(7)	5
Total other comprehensive income	1,701	1,966
Comprehensive income	2,960	4,605
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,960	4,605

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	1,727	3,618
Depreciation	463	483
Increase (decrease) in allowance for doubtful accounts	2	2
Increase (decrease) in retirement benefit liability	(22)	40
Increase (decrease) in provision for product warranties	(95)	(37)
Interest income	(17)	(56)
Dividend income	(102)	(117)
Foreign exchange losses (gains)	(64)	(89)
Interest expenses	17	18
Loss (gain) on valuation of investment securities	–	66
Loss (gain) on sale of investment securities	(30)	(180)
Loss (gain) on sale of non-current assets	(16)	(0)
Loss on retirement of non-current assets	4	0
Decrease (increase) in trade receivables	1,326	445
Decrease (increase) in inventories	(3,664)	1,291
Increase (decrease) in trade payables	17	(1,018)
Other, net	(849)	580
Subtotal	(1,302)	5,047
Interest and dividends received	125	175
Interest paid	(17)	(18)
Income taxes paid	(1,485)	(188)
Net cash provided by (used in) operating activities	(2,680)	5,015
Cash flows from investing activities		
Payments into time deposits	(227)	(154)
Proceeds from withdrawal of time deposits	543	546
Proceeds from sale and redemption of securities	586	651
Purchase of property, plant and equipment	(2,808)	(301)
Proceeds from sale of property, plant and equipment	16	0
Purchase of investment securities	(603)	(5)
Proceeds from sale of investment securities	–	211
Proceeds from cancellation of insurance funds	218	–
Net cash provided by (used in) investing activities	(2,274)	948
Cash flows from financing activities		
Purchase of treasury shares	(0)	(0)
Repayments of lease liabilities	(85)	(108)
Dividends paid	(915)	(653)
Net cash provided by (used in) financing activities	(1,000)	(762)
Effect of exchange rate change on cash and cash equivalents	472	495
Net increase (decrease) in cash and cash equivalents	(5,483)	5,697
Cash and cash equivalents at beginning of period	22,577	13,756
Cash and cash equivalents at end of period	17,094	19,453