

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 Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

February 6, 2024

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: February 9, 2024
 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, 2023 (from April 1, 2023 to December 31, 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	%
Nine months ended December 31, 2023	44,907	23.0	3,997	81.2	4,514	84.0	3,275	77.6
Nine months ended December 31, 2022	36,499	(4.0)	2,206	(52.9)	2,454	(50.3)	1,843	(52.2)

Note: Comprehensive income
 Nine months ended December 31, 2023 ¥5,071 million [76.7%]
 Nine months ended December 31, 2022 ¥2,871 million [(20.8)%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	200.29		–	
Nine months ended December 31, 2022	112.87		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	75,277	62,065	82.4
As of March 31, 2023	70,597	58,391	82.7

Reference: Equity
 As of December 31, 2023 ¥62,065 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)				80.00	130.00

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)

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	60,100	13.8	4,500	19.7	5,100	22.4	3,700	26.3	226.31

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

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 2023	18,220,000 shares	As of March 31, 2023	18,220,000 shares
-------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of December 31, 2023	1,855,171 shares	As of March 31, 2023	1,885,849 shares
-------------------------	------------------	----------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2023	16,354,658 shares	Nine months ended December 31, 2022	16,336,809 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

* 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 December 31, 2023
Assets		
Current assets		
Cash and deposits	14,325	19,698
Notes and accounts receivable - trade, and contract assets	10,341	9,572
Electronically recorded monetary claims - operating	3,084	3,256
Securities	652	697
Finished goods	9,339	8,492
Work in process	2,836	2,720
Raw materials	9,528	10,522
Other	1,010	571
Allowance for doubtful accounts	(46)	(43)
Total current assets	51,070	55,489
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,477	6,674
Accumulated depreciation	(4,732)	(4,917)
Buildings and structures, net	1,745	1,757
Machinery, equipment and vehicles	2,820	3,072
Accumulated depreciation	(1,916)	(2,232)
Machinery, equipment and vehicles, net	904	840
Tools, furniture and fixtures	8,080	8,276
Accumulated depreciation	(7,431)	(7,603)
Tools, furniture and fixtures, net	649	672
Land	4,130	4,153
Leased assets	615	737
Accumulated depreciation	(285)	(370)
Leased assets, net	330	366
Construction in progress	26	77
Total property, plant and equipment	7,786	7,868
Intangible assets		
Other	0	0
Total intangible assets	0	0
Investments and other assets		
Investment securities	8,458	8,799
Deferred tax assets	2,341	2,140
Other	940	980
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	11,739	11,919
Total non-current assets	19,526	19,788
Total assets	70,597	75,277

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Electronically recorded obligations - operating	568	1,126
Accounts payable - trade	2,681	2,420
Lease liabilities	136	166
Income taxes payable	211	778
Contract liabilities	309	388
Provision for product warranties	363	319
Provision for bonuses	–	643
Other	4,867	4,153
Total current liabilities	9,139	9,996
Non-current liabilities		
Lease liabilities	189	191
Deferred tax liabilities	24	26
Deferred tax liabilities for land revaluation	118	118
Retirement benefit liability	558	624
Other	2,174	2,255
Total non-current liabilities	3,066	3,215
Total liabilities	12,205	13,212
Net assets		
Shareholders' equity		
Share capital	5,388	5,388
Capital surplus	5,408	5,430
Retained earnings	45,837	47,641
Treasury shares	(3,218)	(3,166)
Total shareholders' equity	53,416	55,294
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,184	2,863
Revaluation reserve for land	(426)	(426)
Foreign currency translation adjustment	3,288	4,397
Remeasurements of defined benefit plans	(72)	(63)
Total accumulated other comprehensive income	4,974	6,770
Total net assets	58,391	62,065
Total liabilities and net assets	70,597	75,277

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, 2022	Nine months ended December 31, 2023
Net sales	36,499	44,907
Cost of sales	20,297	25,257
Gross profit	16,201	19,649
Selling, general and administrative expenses	13,995	15,652
Operating profit	2,206	3,997
Non-operating income		
Interest income	40	88
Dividend income	175	206
Rental income from buildings	18	17
Foreign exchange gains	14	206
Other	36	34
Total non-operating income	284	554
Non-operating expenses		
Interest expenses	27	28
Other	10	8
Total non-operating expenses	37	36
Ordinary profit	2,454	4,514
Extraordinary income		
Gain on sale of non-current assets	19	0
Gain on sale of investment securities	30	180
Total extraordinary income	49	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	–	110
Total extraordinary losses	5	111
Profit before income taxes	2,498	4,583
Income taxes	654	1,308
Profit	1,843	3,275
Profit attributable to owners of parent	1,843	3,275

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	1,843	3,275
Other comprehensive income		
Valuation difference on available-for-sale securities	201	678
Foreign currency translation adjustment	836	1,108
Remeasurements of defined benefit plans, net of tax	(11)	8
Total other comprehensive income	1,027	1,796
Comprehensive income	2,871	5,071
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,871	5,071