

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 8, 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,
 Inquiries: Administrative Headquarters and Corporate Planning Department Naoki Isomura TEL 052-228-8181
 Scheduled date of ordinary general meeting of shareholders: June 27, 2024
 Scheduled date to file Securities Report: June 28, 2024
 Scheduled date to commence dividend payments: June 28, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

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	%
Year ended March 31, 2024	61,334	16.1	5,268	40.2	6,130	47.1	4,645	58.6
Year ended March 31, 2023	52,811	1.6	3,758	(32.1)	4,167	(29.7)	2,929	(30.7)

Note: Comprehensive income Year ended March 31, 2024 ¥7,919 million [96.5%]
 Year ended March 31, 2023 ¥4,030 million [(15.7)%]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	283.98	–	7.5	8.2	8.6
Year ended March 31, 2023	179.32	–	5.1	6.0	7.1

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	78,416	64,913	82.8	3,966.65
As of March 31, 2023	70,597	58,391	82.7	3,574.80

Reference: Equity As of March 31, 2024 ¥64,913 million
 As of March 31, 2023 ¥58,391 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	9,056	(58)	(1,699)	21,587
Year ended March 31, 2023	(4,781)	(2,533)	(1,758)	13,756

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	–	40.00	–	40.00	80.00	1,306	44.6	2.3
Year ended March 31, 2024	–	50.00	–	80.00	130.00	2,127	45.8	3.4
Year ending March 31, 2025 (Forecast)	–	50.00	–	80.00	130.00		59.1	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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, 2024	29,500	(2.2)	2,000	(33.8)	2,100	(40.1)	1,500	(43.2)	91.66
Full year	62,300	1.6	4,500	(14.6)	5,000	(18.4)	3,600	(22.5)	219.98

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	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 March 31, 2024	1,855,220 shares	As of March 31, 2023	1,885,849 shares
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Average number of shares during the period

Year ended March 31, 2024	16,357,189 shares	Year ended March 31, 2023	16,336,144 shares
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* Financial results reports are exempt from audit 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.

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	14,325	22,129
Notes receivable - trade	728	785
Electronically recorded monetary claims - operating	3,084	3,249
Accounts receivable - trade	9,543	9,553
Contract assets	69	122
Securities	652	598
Finished goods	9,339	7,183
Work in process	2,836	2,455
Raw materials	9,528	11,059
Other	1,010	784
Allowance for doubtful accounts	(46)	(87)
Total current assets	51,070	57,833
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,477	6,867
Accumulated depreciation	(4,732)	(5,011)
Buildings and structures, net	1,745	1,855
Machinery, equipment and vehicles	2,820	3,225
Accumulated depreciation	(1,916)	(2,351)
Machinery, equipment and vehicles, net	904	873
Tools, furniture and fixtures	8,080	8,443
Accumulated depreciation	(7,431)	(7,710)
Tools, furniture and fixtures, net	649	732
Land	4,130	4,171
Leased assets	615	800
Accumulated depreciation	(285)	(332)
Leased assets, net	330	468
Construction in progress	26	82
Total property, plant and equipment	7,786	8,184
Intangible assets		
Other	0	0
Total intangible assets	0	0
Investments and other assets		
Investment securities	8,458	9,632
Deferred tax assets	2,341	1,762
Other	940	1,004
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	11,739	12,398
Total non-current assets	19,526	20,582
Total assets	70,597	78,416

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Electronically recorded obligations - operating	568	713
Accounts payable - trade	2,681	1,932
Lease liabilities	136	209
Income taxes payable	211	1,029
Contract liabilities	309	361
Provision for product warranties	363	221
Other	4,867	5,972
Total current liabilities	9,139	10,441
Non-current liabilities		
Lease liabilities	189	250
Deferred tax liabilities	24	4
Deferred tax liabilities for land revaluation	118	118
Retirement benefit liability	558	425
Other	2,174	2,263
Total non-current liabilities	3,066	3,061
Total liabilities	12,205	13,502
Net assets		
Shareholders' equity		
Share capital	5,388	5,388
Capital surplus	5,408	5,430
Retained earnings	45,837	49,011
Treasury shares	(3,218)	(3,166)
Total shareholders' equity	53,416	56,664
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,184	3,453
Revaluation reserve for land	(426)	(426)
Foreign currency translation adjustment	3,288	5,119
Remeasurements of defined benefit plans	(72)	101
Total accumulated other comprehensive income	4,974	8,249
Total net assets	58,391	64,913
Total liabilities and net assets	70,597	78,416

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	52,811	61,334
Cost of sales	30,229	34,803
Gross profit	22,581	26,530
Selling, general and administrative expenses	18,822	21,262
Operating profit	3,758	5,268
Non-operating income		
Interest income	62	134
Dividend income	175	206
Rental income from buildings	24	23
Foreign exchange gains	–	345
Royalty income	150	150
Other	58	103
Total non-operating income	472	963
Non-operating expenses		
Interest expenses	37	38
Provision of allowance for doubtful accounts	–	42
Foreign exchange losses	12	–
Miscellaneous losses	–	10
Other	13	10
Total non-operating expenses	62	101
Ordinary profit	4,167	6,130
Extraordinary income		
Gain on sale of non-current assets	19	0
Gain on sale of investment securities	106	180
Total extraordinary income	126	180
Extraordinary losses		
Loss on sale of non-current assets	3	2
Loss on retirement of non-current assets	5	0
Loss on valuation of investment securities	–	128
Total extraordinary losses	8	132
Profit before income taxes	4,285	6,179
Income taxes - current	1,182	1,580
Income taxes - deferred	173	(46)
Total income taxes	1,356	1,533
Profit	2,929	4,645
Profit attributable to owners of parent	2,929	4,645

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	2,929	4,645
Other comprehensive income		
Valuation difference on available-for-sale securities	83	1,269
Foreign currency translation adjustment	1,160	1,831
Remeasurements of defined benefit plans, net of tax	(143)	174
Total other comprehensive income	1,101	3,274
Comprehensive income	4,030	7,919
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,030	7,919

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,388	5,408	44,476	(3,217)	52,056
Changes during period					
Dividends of surplus			(1,568)		(1,568)
Profit attributable to owners of parent			2,929		2,929
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares					
Reversal of revaluation reserve for land			(0)		(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,360	(0)	1,360
Balance at end of period	5,388	5,408	45,837	(3,218)	53,416

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	2,101	(426)	2,127	70	3,873	55,929
Changes during period						
Dividends of surplus						(1,568)
Profit attributable to owners of parent						2,929
Purchase of treasury shares						(0)
Disposal of treasury shares						
Reversal of revaluation reserve for land						(0)
Net changes in items other than shareholders' equity	83	0	1,160	(143)	1,101	1,101
Total changes during period	83	0	1,160	(143)	1,101	2,461
Balance at end of period	2,184	(426)	3,288	(72)	4,974	58,391

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,388	5,408	45,837	(3,218)	53,416
Changes during period					
Dividends of surplus			(1,471)		(1,471)
Profit attributable to owners of parent			4,645		4,645
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		21		52	74
Reversal of revaluation reserve for land					
Net changes in items other than shareholders' equity					
Total changes during period	–	21	3,173	51	3,247
Balance at end of period	5,388	5,430	49,011	(3,166)	56,664

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	2,184	(426)	3,288	(72)	4,974	58,391
Changes during period						
Dividends of surplus						(1,471)
Profit attributable to owners of parent						4,645
Purchase of treasury shares						(0)
Disposal of treasury shares						74
Reversal of revaluation reserve for land						
Net changes in items other than shareholders' equity	1,269	0	1,831	174	3,274	3,274
Total changes during period	1,269	0	1,831	174	3,274	6,521
Balance at end of period	3,453	(426)	5,119	101	8,249	64,913

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	4,285	6,179
Depreciation	964	1,021
Increase (decrease) in allowance for doubtful accounts	7	35
Increase (decrease) in retirement benefit liability	5	95
Increase (decrease) in provision for product warranties	(650)	(142)
Interest income	(62)	(134)
Dividend income	(175)	(206)
Foreign exchange losses (gains)	55	(44)
Interest expenses	37	38
Loss (gain) on valuation of investment securities	–	128
Loss (gain) on sale of investment securities	(106)	(180)
Loss (gain) on sale of property, plant and equipment	(16)	2
Loss on retirement of property, plant and equipment	5	0
Decrease (increase) in trade receivables	(1,522)	346
Decrease (increase) in inventories	(4,935)	1,913
Increase (decrease) in trade payables	41	(915)
Other, net	(379)	1,484
Subtotal	(2,445)	9,620
Interest and dividends received	236	343
Interest paid	(37)	(38)
Income taxes paid	(2,535)	(868)
Net cash provided by (used in) operating activities	(4,781)	9,056
Cash flows from investing activities		
Payments into time deposits	(799)	(609)
Proceeds from withdrawal of time deposits	1,349	677
Proceeds from sale and redemption of securities	838	751
Purchase of property, plant and equipment	(3,148)	(782)
Proceeds from sale of property, plant and equipment	26	0
Purchase of investment securities	(1,018)	(209)
Proceeds from sale of investment securities	–	211
Loan advances	–	(98)
Proceeds from cancellation of insurance funds	218	–
Net cash provided by (used in) investing activities	(2,533)	(58)
Cash flows from financing activities		
Purchase of treasury shares	(0)	(0)
Repayments of lease liabilities	(189)	(226)
Dividends paid	(1,568)	(1,471)
Net cash provided by (used in) financing activities	(1,758)	(1,699)
Effect of exchange rate change on cash and cash equivalents	251	533
Net increase (decrease) in cash and cash equivalents	(8,821)	7,830
Cash and cash equivalents at beginning of period	22,577	13,756
Cash and cash equivalents at end of period	13,756	21,587