

May 8, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

Company name: AIPHONE CO., LTD.
 Listing: Tokyo Stock Exchange / Nagoya Stock Exchange
 Securities code: 6718
 URL: <https://www.aiphone.co.jp/>
 Representative: Tomio Suzuki, President (Representative Director) Executive Officer, General Manager,
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 Telephone: +81-52-228-8181
 Scheduled date of annual general meeting of shareholders: June 27, 2025
 Scheduled date to commence dividend payments: June 30, 2025
 Scheduled date to file annual securities report: June 30, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (Scheduled to be live-streamed online for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	63,316	3.2	3,814	(27.6)	4,162	(32.1)	3,619	(22.1)
March 31, 2024	61,334	16.1	5,268	40.2	6,130	47.1	4,645	58.6

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥3,973 million [(49.8)%]
 For the fiscal year ended March 31, 2024: ¥7,919 million [96.5%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2025	221.18	-	5.5	5.4	6.0
March 31, 2024	283.98	-	7.5	8.2	8.6

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2025	77,037	66,763	86.7	4,079.37
March 31, 2024	78,416	64,913	82.8	3,966.65

Reference: Equity
 As of March 31, 2025: ¥66,742 million
 As of March 31, 2024: ¥64,913 million

(3) Consolidated cash flows

Fiscal year ended	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
March 31, 2025	5,717	(729)	(2,414)	24,326
March 31, 2024	9,056	(58)	(1,699)	21,587

2. Cash dividends

Fiscal year ended	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	-	50.00	-	80.00	130.00	2,127	45.8	3.4
March 31, 2025	-	50.00	-	80.00	130.00	2,127	58.8	3.2
March 31, 2026 (Forecast)		50.00		80.00	130.00		57.5	

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	30,400	(1.9)	1,100	(48.0)	1,300	(37.2)	900	(46.9)	54.99
Fiscal year ending March 31, 2026	65,400	3.3	4,500	18.0	5,000	20.1	3,700	2.2	226.08

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of March 31, 2025	18,220,000 shares
As of March 31, 2024	18,220,000 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2025	1,853,891 shares
As of March 31, 2024	1,855,220 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	16,365,874 shares
Fiscal year ended March 31, 2024	16,357,189 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors. For matters related to earnings forecasts, please refer to "1. Please refer to "Summary of Operating Results for the Current Fiscal Year" (1) Summary of Operating Results for the Current Fiscal Year.

Consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	22,129	25,229
Notes receivable - trade	785	503
Electronically recorded monetary claims - operating	3,249	2,897
Accounts receivable - trade	9,553	10,044
Contract assets	122	43
Securities	598	299
Finished goods	7,183	5,449
Work in process	2,455	3,080
Raw materials	11,059	8,036
Other	784	829
Allowance for doubtful accounts	(87)	(79)
Total current assets	57,833	56,333
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,867	7,054
Accumulated depreciation	(5,011)	(5,213)
Buildings and structures, net	1,855	1,841
Machinery, equipment and vehicles	3,225	3,704
Accumulated depreciation	(2,351)	(2,701)
Machinery, equipment and vehicles, net	873	1,002
Tools, furniture and fixtures	8,443	8,647
Accumulated depreciation	(7,710)	(7,992)
Tools, furniture and fixtures, net	732	654
Land	4,171	4,175
Leased assets	800	844
Accumulated depreciation	(332)	(426)
Leased assets, net	468	417
Construction in progress	82	139
Total property, plant and equipment	8,184	8,231
Intangible assets		
Other	0	0
Total intangible assets	0	0
Investments and other assets		
Investment securities	9,632	9,059
Deferred tax assets	1,762	1,879
Retirement benefit asset	-	646
Other	1,004	888
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	12,398	12,472
Total non-current assets	20,582	20,704
Total assets	78,416	77,037

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Electronically recorded obligations - operating	713	418
Accounts payable - trade	1,932	2,186
Lease liabilities	209	170
Income taxes payable	1,029	289
Contract liabilities	361	363
Provision for product warranties	221	162
Other	5,972	5,273
Total current liabilities	10,441	8,863
Non-current liabilities		
Lease liabilities	250	243
Deferred tax liabilities	4	-
Deferred tax liabilities for land revaluation	118	121
Retirement benefit liability	425	479
Other	2,263	565
Total non-current liabilities	3,061	1,410
Total liabilities	13,502	10,274
Net assets		
Shareholders' equity		
Share capital	5,388	5,388
Capital surplus	5,430	5,432
Retained earnings	49,011	50,503
Treasury shares	(3,166)	(3,164)
Total shareholders' equity	56,664	58,160
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,453	3,023
Revaluation reserve for land	(426)	(429)
Foreign currency translation adjustment	5,119	5,471
Remeasurements of defined benefit plans	101	537
Total accumulated other comprehensive income	8,249	8,602
Total net assets	64,913	66,763
Total liabilities and net assets	78,416	77,037

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	61,334	63,316
Cost of sales	34,803	36,076
Gross profit	26,530	27,240
Selling, general and administrative expenses	21,262	23,425
Operating profit	5,268	3,814
Non-operating income		
Interest income	134	105
Dividend income	206	215
Rental income from buildings	23	25
Foreign exchange gains	345	-
Royalty income	150	150
Other	103	71
Total non-operating income	963	567
Non-operating expenses		
Interest expenses	38	11
Provision of allowance for doubtful accounts	42	-
Foreign exchange losses	-	170
Miscellaneous losses	10	-
Other	10	37
Total non-operating expenses	101	219
Ordinary profit	6,130	4,162
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	180	406
Total extraordinary income	180	407
Extraordinary losses		
Loss on sale of non-current assets	2	0
Loss on retirement of non-current assets	0	4
Loss on valuation of investment securities	128	23
Impairment losses	-	27
Total extraordinary losses	132	55
Profit before income taxes	6,179	4,513
Income taxes - current	1,580	1,079
Income taxes - deferred	(46)	(185)
Total income taxes	1,533	893
Profit	4,645	3,619
Profit attributable to owners of parent	4,645	3,619

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	4,645	3,619
Other comprehensive income		
Valuation difference on available-for-sale securities	1,269	(430)
Revaluation reserve for land	-	(3)
Foreign currency translation adjustment	1,831	351
Remeasurements of defined benefit plans, net of tax	174	435
Total other comprehensive income	3,274	353
Comprehensive income	7,919	3,973
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,919	3,973

Consolidated statement of changes in equity

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
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
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
Dividends of surplus						(1,471)
Profit attributable to owners of parent						4,645
Purchase of treasury shares						(0)
Disposal of treasury shares						74
Net changes in items other than shareholders' equity	1,269	-	1,831	174	3,274	3,274
Total changes during period	1,269	-	1,831	174	3,274	6,521
Balance at end of period	3,453	(426)	5,119	101	8,249	64,913

Consolidated statement of changes in equity

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,388	5,430	49,011	(3,166)	56,664
Dividends of surplus			(2,127)		(2,127)
Profit attributable to owners of parent			3,619		3,619
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		2		2	5
Net changes in items other than shareholders' equity					
Total changes during period	-	2	1,492	1	1,496
Balance at end of period	5,388	5,432	50,503	(3,164)	58,160

	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	3,453	(426)	5,119	101	8,249	64,913
Dividends of surplus						(2,127)
Profit attributable to owners of parent						3,619
Purchase of treasury shares						(1)
Disposal of treasury shares						5
Net changes in items other than shareholders' equity	(430)	(3)	351	435	353	353
Total changes during period	(430)	(3)	351	435	353	1,850
Balance at end of period	3,023	(429)	5,471	537	8,602	66,763

Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	6,179	4,513
Depreciation	1,021	1,225
Increase (decrease) in allowance for doubtful accounts	35	(8)
Decrease (increase) in retirement benefit asset	-	(646)
Increase (decrease) in retirement benefit liability	95	673
Increase (decrease) in provision for product warranties	(142)	(59)
Interest income	(134)	(105)
Dividend income	(206)	(215)
Foreign exchange losses (gains)	(44)	(54)
Interest expenses	38	11
Loss (gain) on valuation of investment securities	128	23
Loss (gain) on sale of investment securities	(180)	(406)
Loss (gain) on sale of property, plant and equipment	2	(0)
Loss on retirement of property, plant and equipment	0	4
Impairment losses	-	27
Decrease (increase) in trade receivables	346	149
Decrease (increase) in inventories	1,913	4,321
Increase (decrease) in trade payables	(915)	(74)
Other, net	1,484	(2,234)
Subtotal	9,620	7,145
Interest and dividends received	343	320
Interest paid	(38)	(11)
Income taxes paid	(868)	(1,736)
Net cash provided by (used in) operating activities	9,056	5,717
Cash flows from investing activities		
Payments into time deposits	(609)	(1,808)
Proceeds from withdrawal of time deposits	677	1,469
Proceeds from sale and redemption of securities	751	600
Purchase of property, plant and equipment	(782)	(1,080)
Proceeds from sale of property, plant and equipment	0	0
Purchase of investment securities	(209)	(410)
Proceeds from sale of investment securities	211	498
Loan advances	(98)	-
Net cash provided by (used in) investing activities	(58)	(729)
Cash flows from financing activities		
Purchase of treasury shares	(0)	(1)
Repayments of lease liabilities	(226)	(285)
Dividends paid	(1,471)	(2,127)
Net cash provided by (used in) financing activities	(1,699)	(2,414)
Effect of exchange rate change on cash and cash equivalents	533	165
Net increase (decrease) in cash and cash equivalents	7,830	2,739
Cash and cash equivalents at beginning of period	13,756	21,587
Cash and cash equivalents at end of period	21,587	24,326

(Notes on segment information, etc.)

Segment Information

1 Overview of Reporting Segments

The Group's reporting segments are those of the constituent units of the Company and its consolidated subsidiaries for which separate financial information is available, and is subject to periodic review by the Board of Directors and the Management Committee in order to determine the allocation of management resources and evaluate business performance.

The Group conducts sales activities in a single business field that manufactures and sells telecommunications equipment, and products are produced by Aiphone Communications (Thailand) in Thailand and Aiphone Communications (Vietnam) in Vietnam. In North America, Aiphone Corporation and Aiphone S.A.S. and Aiphone UK sell the product. Each of these subsidiaries is an independent management unit, and we formulate a comprehensive strategy for each region and develop business activities for the products (parts) we handle.

2. Method of calculating the amount of sales, profits or losses, assets, liabilities, and other items for each reporting segment

The accounting methods for the reported business segments are generally the same as those described in the "Fundamental Important Matters for the Preparation of Consolidated Financial Statements."

Earnings for reporting segments are based on operating income, while internal revenues and transfers between segments are based on prevailing market prices.

3. Information on the amount of sales, profits or losses, assets, liabilities, and other items for each reporting segment

The previous fiscal year (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segments						Other (Note) 1	Total	Adjustment amount (Note) 2	Amount recorded in consolidated financial statements (Note)3
	Japan	North America	Europe	Thailand	Vietnam	Total				
Sales										
Revenues from external customers	43,910	11,897	4,146	-	-	59,955	1,379	61,334	-	61,334
Transactions with other segments	10,463	21	1	9,571	5,857	25,915	0	25,915	(25,915)	-
Total	54,374	11,918	4,147	9,571	5,857	85,870	1,379	87,249	(25,915)	61,334
Segment profit (loss)	4,834	317	(37)	200	286	5,603	27	5,630	(362)	5,268
Segment Assets	61,920	8,627	3,236	9,786	4,458	88,029	850	88,880	(10,464)	78,416
Segment Debt	11,970	2,265	1,149	1,274	1,458	18,118	194	18,313	(4,810)	13,502
Other items										
Depreciation	321	51	77	282	215	948	31	980	-	980
Increase in property, plant and equipment and intangible assets	462	156	81	305	108	1,114	56	1,170	-	1,170

Note 1 The "Other" category is a business segment that is not included in the reporting segments and includes business activities in Australia and Singapore.

2 The adjustment amount is as follows.

(1) Adjustments for segment profits or losses are due to the elimination of inter-segment transactions.

(2) The amount of adjustments to segment assets is due to the elimination of inter-segment transactions and company-wide assets. The amount of company-wide assets was 1,040 million yen in the current fiscal year, and bank stocks were included in long-term investment funds (investment securities).

(3) The adjustment of segment liabilities is due to the elimination of inter-segment transactions.

3 Segment profit or loss (loss) is adjusted for operating income in the consolidated financial statements.

	Reportable segments						Other (Note) 1	Total	Adjustment amount (Note) 2	Amount recorded in consolidated financial statements (Note)3
	Japan	North America	Europe	Thailand	Vietnam	Total				
Sales										
Revenues from external customers	45,593	11,777	4,335	-	-	61,706	1,609	63,316	-	63,316
Transactions with other segments	10,602	139	4	11,219	6,552	28,518	0	28,518	(28,518)	-
Total	56,195	11,917	4,339	11,219	6,552	90,224	1,609	91,834	(28,518)	63,316
Segment profit (loss)	2,556	(13)	(65)	620	351	3,450	70	3,520	293	3,814
Segment Assets	59,401	7,608	3,141	10,850	3,997	84,999	880	85,879	(8,841)	77,037
Segment Debt	8,950	1,381	1,125	1,377	785	13,620	206	13,827	(3,552)	10,274
Other items										
Depreciation	413	63	199	272	201	1,150	32	1,183	-	1,183
Increase in property, plant and equipment and intangible assets	555	113	196	284	45	1,195	26	1,221	-	1,221

Note 1 The "Other" category is a business segment that is not included in the reporting segments and includes business activities in Australia and Singapore.

2 The adjustment amount is as follows.

(1) Adjustments for segment profits or losses are due to the elimination of inter-segment transactions.

(2) The amount of adjustments to segment assets is due to the elimination of inter-segment transactions and company-wide assets. The amount of company-wide assets was 1,286 million yen in the current fiscal year, and bank stocks were included in long-term investment funds (investment securities).

(3) The adjustment of segment liabilities is due to the elimination of inter-segment transactions.

3 Segment profit or loss (loss) is adjusted for operating income in the consolidated financial statements.

Information on impairment losses on fixed assets by reporting segment

The previous fiscal year (April 1, 2023 to March 31, 2024)

Not applicable.

The current fiscal year (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segments						Other	Unallocated amounts and elimination	Total
	Japan	North America	Europe	Thailand	Vietnam	Total			
Impairment losses	-	-	-	27	-	27	-	-	27