

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

November 1, 2022

Company name: AIPHONE CO., LTD.  
 Stock exchange listing: Tokyo, Nagoya  
 Stock code: 6718 URL <https://www.aiphone.co.jp/>  
 Representative: President Koji Kato  
 Director, General Manager of Corporate Planning Department Tomio Suzuki TEL 052-228-8181  
 Scheduled date to file Quarterly Securities Report: November 4, 2022  
 Scheduled date to commence dividend payments: December 2, 2022  
 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, 2022 (from April 1, 2022 to September 30, 2022)

#### (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, 2022	23,863	(5.8)	1,324	(59.3)	1,685	(50.9)	1,258	(54.7)
Six months ended September 30, 2021	25,334	24.6	3,256	174.7	3,429	194.7	2,778	212.1

Note: Comprehensive income Six months ended September 30, 2022 ¥2,960 million [24.0%]  
 Six months ended September 30, 2021 ¥2,388 million [69.9%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	77.05		-	
Six months ended September 30, 2021	170.03		-	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	70,127	57,975	82.7
As of March 31, 2022	69,453	55,929	80.5

Reference: Equity As of September 30, 2022 ¥57,975 million  
 As of March 31, 2022 ¥55,929 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, 2022	-	35.00	-	56.00	91.00
Year ending March 31, 2023	-	40.00	-	-	-
Year ending March 31, 2023 (Forecast)	-	-	-	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, 2023 (from April 1, 2022 to March 31, 2023)

	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	52,200	0.4	2,700	(51.2)	3,200	(46.0)	2,400	(43.2)	146.93

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

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022  
(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: Yes
- 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, 2022	18,220,000 shares	As of March 31, 2022	18,220,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	1,885,701 shares	As of March 31, 2022	1,879,987 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, 2022	16,338,091 shares	Six months ended September 30, 2021	16,340,905 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, 2022	As of September 30, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	23,649	17,886
Notes and accounts receivable - trade, and contract assets	8,371	8,319
Electronically recorded monetary claims - operating	3,280	2,492
Securities	689	600
Finished goods	6,103	7,156
Work in process	1,824	2,723
Raw materials	8,241	10,738
Other	421	645
Allowance for doubtful accounts	(36)	(45)
<b>Total current assets</b>	<b>52,545</b>	<b>50,516</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	6,231	6,560
Accumulated depreciation	(4,499)	(4,678)
Buildings and structures, net	1,732	1,882
Machinery, equipment and vehicles	2,683	2,790
Accumulated depreciation	(1,770)	(1,876)
Machinery, equipment and vehicles, net	913	914
Tools, furniture and fixtures	7,892	8,088
Accumulated depreciation	(7,140)	(7,395)
Tools, furniture and fixtures, net	751	692
Land	1,534	4,143
Leased assets	554	567
Accumulated depreciation	(255)	(273)
Leased assets, net	298	294
Construction in progress	1	15
<b>Total property, plant and equipment</b>	<b>5,232</b>	<b>7,942</b>
<b>Intangible assets</b>		
Other	0	0
<b>Total intangible assets</b>	<b>0</b>	<b>0</b>
<b>Investments and other assets</b>		
Investment securities	8,019	8,306
Deferred tax assets	2,482	2,416
Other	1,173	946
Allowance for doubtful accounts	(0)	(0)
<b>Total investments and other assets</b>	<b>11,674</b>	<b>11,668</b>
<b>Total non-current assets</b>	<b>16,907</b>	<b>19,611</b>
<b>Total assets</b>	<b>69,453</b>	<b>70,127</b>

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Electronically recorded obligations - operating	783	558
Accounts payable - trade	2,248	2,728
Lease liabilities	129	123
Income taxes payable	1,569	479
Contract liabilities	263	343
Provision for product warranties	1,013	919
Other	4,655	4,111
<b>Total current liabilities</b>	<b>10,663</b>	<b>9,263</b>
<b>Non-current liabilities</b>		
Lease liabilities	194	185
Deferred tax liabilities	82	97
Deferred tax liabilities for land revaluation	118	118
Retirement benefit liability	392	371
Other	2,071	2,116
<b>Total non-current liabilities</b>	<b>2,859</b>	<b>2,889</b>
<b>Total liabilities</b>	<b>13,523</b>	<b>12,152</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	5,388	5,388
Capital surplus	5,408	5,408
Retained earnings	44,476	44,820
Treasury shares	(3,217)	(3,217)
<b>Total shareholders' equity</b>	<b>52,056</b>	<b>52,400</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,101	2,206
Revaluation reserve for land	(426)	(426)
Foreign currency translation adjustment	2,127	3,731
Remeasurements of defined benefit plans	70	63
<b>Total accumulated other comprehensive income</b>	<b>3,873</b>	<b>5,574</b>
<b>Total net assets</b>	<b>55,929</b>	<b>57,975</b>
<b>Total liabilities and net assets</b>	<b>69,453</b>	<b>70,127</b>

## 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, 2021	Six months ended September 30, 2022
Net sales	25,334	23,863
Cost of sales	13,094	13,182
Gross profit	12,240	10,681
Selling, general and administrative expenses	8,983	9,357
Operating profit	3,256	1,324
Non-operating income		
Interest income	7	17
Dividend income	83	102
Rental income from buildings	20	12
Foreign exchange gains	74	222
Other	10	30
Total non-operating income	196	385
Non-operating expenses		
Interest expenses	16	17
Other	6	6
Total non-operating expenses	23	24
Ordinary profit	3,429	1,685
Extraordinary income		
Gain on sale of non-current assets	363	17
Gain on sale of investment securities	–	30
Total extraordinary income	363	47
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on retirement of non-current assets	14	4
Impairment losses	64	–
Total extraordinary losses	79	4
Profit before income taxes	3,713	1,727
Income taxes	935	468
Profit	2,778	1,258
Profit attributable to owners of parent	2,778	1,258

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	2,778	1,258
Other comprehensive income		
Valuation difference on available-for-sale securities	5	105
Foreign currency translation adjustment	(403)	1,604
Remeasurements of defined benefit plans, net of tax	7	(7)
Total other comprehensive income	(390)	1,701
Comprehensive income	2,388	2,960
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,388	2,960

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	3,713	1,727
Depreciation	443	463
Increase (decrease) in allowance for doubtful accounts	4	2
Increase (decrease) in retirement benefit liability	4	(22)
Increase (decrease) in provision for product warranties	322	(95)
Interest income	(7)	(17)
Dividend income	(83)	(102)
Foreign exchange losses (gains)	(34)	(64)
Interest expenses	16	17
Loss (gain) on sale of investment securities	–	(30)
Loss (gain) on sale of non-current assets	(363)	(16)
Loss on retirement of non-current assets	14	4
Impairment losses	64	–
Decrease (increase) in trade receivables	348	1,326
Decrease (increase) in inventories	(2,000)	(3,664)
Increase (decrease) in trade payables	(638)	17
Other, net	(615)	(849)
Subtotal	1,189	(1,302)
Interest and dividends received	101	125
Interest paid	(16)	(17)
Income taxes paid	(505)	(1,485)
Net cash provided by (used in) operating activities	769	(2,680)
Cash flows from investing activities		
Payments into time deposits	(695)	(227)
Proceeds from withdrawal of time deposits	694	543
Proceeds from sale and redemption of securities	99	586
Purchase of property, plant and equipment	(238)	(2,808)
Proceeds from sale of property, plant and equipment	3,589	16
Purchase of investment securities	(305)	(603)
Proceeds from sale of investment property	577	–
Proceeds from cancellation of insurance funds	–	218
Net cash provided by (used in) investing activities	3,721	(2,274)
Cash flows from financing activities		
Purchase of treasury shares	(0)	(0)
Repayments of lease liabilities	(48)	(85)
Dividends paid	(653)	(915)
Net cash provided by (used in) financing activities	(702)	(1,000)
Effect of exchange rate change on cash and cash equivalents	(113)	472
Net increase (decrease) in cash and cash equivalents	3,674	(5,483)
Cash and cash equivalents at beginning of period	17,998	22,577
Cash and cash equivalents at end of period	21,673	17,094