

**Translation**

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 9, 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  
 General Manager, Corporate Planning  
 Inquiries: Department, Administrative Headquarters Masaki Komori TEL 052-228-8181  
 Scheduled date of ordinary general meeting of shareholders: June 29, 2023  
 Scheduled date to file Securities Report: June 30, 2023  
 Scheduled date to commence dividend payments: June 30, 2023  
 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, 2023 (from April 1, 2022 to March 31, 2023)

#### (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, 2023	52,811	1.6	3,758	(32.1)	4,167	(29.7)	2,929	(30.7)
Year ended March 31, 2022	51,991	12.7	5,538	52.9	5,931	60.6	4,226	40.5

Note: Comprehensive income Year ended March 31, 2023 ¥4,030 million [(15.7)%]  
 Year ended March 31, 2022 ¥4,782 million [(2.9)%]

	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, 2023	179.32	–	5.1	6.0	7.1
Year ended March 31, 2022	258.64	–	7.8	8.9	10.7

#### (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, 2023	70,597	58,391	82.7	3,574.80
As of March 31, 2022	69,453	55,929	80.5	3,422.87

Reference: Equity As of March 31, 2023 ¥58,391 million  
 As of March 31, 2022 ¥55,929 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, 2023	(4,781)	(2,533)	(1,758)	13,756
Year ended March 31, 2022	1,872	3,729	(1,332)	22,577

## 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, 2022	–	35.00	–	56.00	91.00	1,486	35.2	2.7
Year ended March 31, 2023	–	40.00	–	40.00	80.00	1,306	44.6	2.3
Year ending March 31, 2024 (Forecast)	–	40.00	–	40.00	80.00		39.6	

## 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
Six months ending September 30, 2023	26,000	9.0	1,200	(9.4)	1,300	(22.9)	900	(28.5)	55.10
Full year	56,700	7.4	4,300	14.4	4,700	12.8	3,300	12.6	202.03

## 4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(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: Yes

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, 2023	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 March 31, 2023	1,885,849 shares	As of March 31, 2022	1,879,987 shares
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Average number of shares during the period

Year ended March 31, 2023	16,336,144 shares	Year ended March 31, 2022	16,340,488 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, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	23,649	14,325
Notes receivable - trade	676	728
Electronically recorded monetary claims - operating	3,280	3,084
Accounts receivable - trade	7,653	9,543
Contract assets	41	69
Securities	689	652
Finished goods	6,103	9,339
Work in process	1,824	2,836
Raw materials	8,241	9,528
Other	421	1,010
Allowance for doubtful accounts	(36)	(46)
Total current assets	52,545	51,070
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,231	6,477
Accumulated depreciation	(4,499)	(4,732)
Buildings and structures, net	1,732	1,745
Machinery, equipment and vehicles	2,683	2,820
Accumulated depreciation	(1,770)	(1,916)
Machinery, equipment and vehicles, net	913	904
Tools, furniture and fixtures	7,892	8,080
Accumulated depreciation	(7,140)	(7,431)
Tools, furniture and fixtures, net	751	649
Land	1,534	4,130
Leased assets	554	615
Accumulated depreciation	(255)	(285)
Leased assets, net	298	330
Construction in progress	1	26
Total property, plant and equipment	5,232	7,786
Intangible assets		
Other	0	0
Total intangible assets	0	0
Investments and other assets		
Investment securities	8,019	8,458
Deferred tax assets	2,482	2,341
Other	1,173	940
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	11,674	11,739
Total non-current assets	16,907	19,526
Total assets	69,453	70,597

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Electronically recorded obligations - operating	783	568
Accounts payable - trade	2,248	2,681
Lease liabilities	129	136
Income taxes payable	1,569	211
Contract liabilities	263	309
Provision for product warranties	1,013	363
Other	4,655	4,867
<b>Total current liabilities</b>	<b>10,663</b>	<b>9,139</b>
<b>Non-current liabilities</b>		
Lease liabilities	194	189
Deferred tax liabilities	82	24
Deferred tax liabilities for land revaluation	118	118
Retirement benefit liability	392	558
Other	2,071	2,174
<b>Total non-current liabilities</b>	<b>2,859</b>	<b>3,066</b>
<b>Total liabilities</b>	<b>13,523</b>	<b>12,205</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	45,837
Treasury shares	(3,217)	(3,218)
<b>Total shareholders' equity</b>	<b>52,056</b>	<b>53,416</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,101	2,184
Revaluation reserve for land	(426)	(426)
Foreign currency translation adjustment	2,127	3,288
Remeasurements of defined benefit plans	70	(72)
<b>Total accumulated other comprehensive income</b>	<b>3,873</b>	<b>4,974</b>
<b>Total net assets</b>	<b>55,929</b>	<b>58,391</b>
<b>Total liabilities and net assets</b>	<b>69,453</b>	<b>70,597</b>

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

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	51,991	52,811
Cost of sales	28,029	30,229
Gross profit	23,962	22,581
Selling, general and administrative expenses	18,424	18,822
Operating profit	5,538	3,758
Non-operating income		
Interest income	14	62
Dividend income	148	175
Rental income from buildings	33	24
Foreign exchange gains	174	–
Royalty income	–	150
Other	70	58
Total non-operating income	441	472
Non-operating expenses		
Interest expenses	32	37
Foreign exchange losses	–	12
Other	15	13
Total non-operating expenses	47	62
Ordinary profit	5,931	4,167
Extraordinary income		
Gain on sale of non-current assets	365	19
Gain on sale of investment securities	–	106
Total extraordinary income	365	126
Extraordinary losses		
Loss on sale of non-current assets	1	3
Loss on retirement of non-current assets	16	5
Loss on valuation of investment securities	185	–
Impairment losses	65	–
Total extraordinary losses	268	8
Profit before income taxes	6,028	4,285
Income taxes - current	2,080	1,182
Income taxes - deferred	(278)	173
Total income taxes	1,801	1,356
Profit	4,226	2,929
Profit attributable to owners of parent	4,226	2,929

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	4,226	2,929
Other comprehensive income		
Valuation difference on available-for-sale securities	(516)	83
Foreign currency translation adjustment	1,056	1,160
Remeasurements of defined benefit plans, net of tax	16	(143)
Total other comprehensive income	555	1,101
Comprehensive income	4,782	4,030
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,782	4,030

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(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	41,372	(3,216)	48,953
Cumulative effects of changes in accounting policies			104		104
Restated balance	5,388	5,408	41,476	(3,216)	49,057
Changes during period					
Dividends of surplus			(1,225)		(1,225)
Profit attributable to owners of parent			4,226		4,226
Purchase of treasury shares				(1)	(1)
Reversal of revaluation reserve for land					
Net changes in items other than shareholders' equity					
Total changes during period	–	–	3,000	(1)	2,999
Balance at end of period	5,388	5,408	44,476	(3,217)	52,056

	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	2,617	(426)	1,071	54	3,317	52,270
Cumulative effects of changes in accounting policies						104
Restated balance	2,617	(426)	1,071	54	3,317	52,374
Changes during period						
Dividends of surplus						(1,225)
Profit attributable to owners of parent						4,226
Purchase of treasury shares						(1)
Reversal of revaluation reserve for land						–
Net changes in items other than shareholders' equity	(516)	–	1,056	16	555	555
Total changes during period	(516)	–	1,056	16	555	3,555
Balance at end of period	2,101	(426)	2,127	70	3,873	55,929

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
Cumulative effects of changes in accounting policies					–
Restated balance	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)
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
Cumulative effects of changes in accounting policies						–
Restated balance	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)
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



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	6,028	4,285
Depreciation	951	964
Increase (decrease) in allowance for doubtful accounts	(1)	7
Increase (decrease) in retirement benefit liability	(45)	5
Increase (decrease) in provision for product warranties	394	(650)
Interest income	(14)	(62)
Dividend income	(148)	(175)
Foreign exchange losses (gains)	(21)	55
Interest expenses	32	37
Loss (gain) on valuation of investment securities	185	–
Loss (gain) on sale of investment securities	–	(106)
Loss (gain) on sale of property, plant and equipment	(364)	(16)
Loss on retirement of property, plant and equipment	16	5
Impairment losses	65	–
Decrease (increase) in trade receivables	249	(1,522)
Decrease (increase) in inventories	(4,771)	(4,935)
Increase (decrease) in trade payables	34	41
Other, net	261	(379)
Subtotal	2,852	(2,445)
Interest and dividends received	154	236
Interest paid	(38)	(37)
Income taxes paid	(1,096)	(2,535)
Net cash provided by (used in) operating activities	1,872	(4,781)
Cash flows from investing activities		
Payments into time deposits	(1,517)	(799)
Proceeds from withdrawal of time deposits	2,242	1,349
Proceeds from sale and redemption of securities	199	838
Purchase of property, plant and equipment	(555)	(3,148)
Proceeds from sale of property, plant and equipment	3,590	26
Purchase of investment securities	(727)	(1,018)
Loan advances	(80)	–
Proceeds from sale of investment property	577	–
Proceeds from cancellation of insurance funds	–	218
Net cash provided by (used in) investing activities	3,729	(2,533)
Cash flows from financing activities		
Purchase of treasury shares	(1)	(0)
Repayments of lease liabilities	(105)	(189)
Dividends paid	(1,225)	(1,568)
Net cash provided by (used in) financing activities	(1,332)	(1,758)
Effect of exchange rate change on cash and cash equivalents	309	251
Net increase (decrease) in cash and cash equivalents	4,578	(8,821)
Cash and cash equivalents at beginning of period	17,998	22,577
Cash and cash equivalents at end of period	22,577	13,756