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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 [Japanese GAAP]

November 11, 2024

Company name: Achilles Corporation

Listing: Tokyo

Securities code: 5142

URL: <https://www.achilles.jp>

Representative: Ichiro Hikage

President

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Scheduled date to file semi-annual securities report: November 14, 2024

Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 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 | % |
| Six months ended September 30, 2024 | 38,838 | 1.7 | (449) | - | (471) | - | 1,588 | 927.2 |
| September 30, 2023 | 38,182 | (6.4) | (519) | - | (45) | - | 154 | (7.3) |

(Note) Comprehensive income: Six months ended September 30, 2024: ¥ 3,431 million [209.6%]
Six months ended September 30, 2023: ¥ 1,108 million [(46.3)%]

| | Basic earnings per share | | Diluted earnings per share | |
|-------------------------------------|--------------------------|--|----------------------------|--|
| | Yen | | Yen | |
| Six months ended September 30, 2024 | 112.42 | | - | |
| September 30, 2023 | 10.41 | | - | |

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|--------------------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of September 30, 2024 | 84,040 | 42,127 | 50.1 | 3,023.27 |
| March 31, 2024 | 82,662 | 39,549 | 47.8 | 2,764.61 |

(Reference) Equity: As of September 30, 2024: ¥ 42,127 million
As of March 31, 2024: ¥ 39,549 million

2. Dividends

| | Annual dividends | | | | |
|--|------------------|-----------------|-----------------|----------|-------|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 31, 2024 | - | 0.00 | - | 20.00 | 20.00 |
| Fiscal year ending March 31, 2025 | - | 0.00 | | | |
| Fiscal year ending March 31, 2025 (Forecast) | | | - | 20.00 | 20.00 |

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(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 | | Basic earnings per share |
|-----------|-----------------|-----|------------------|---|-----------------|---|---|---|--------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Full year | 84,000 | 6.9 | 200 | - | 500 | - | 1,850 | - | 131.82 |

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

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

September 30, 2024: 14,562,714 shares

March 31, 2024: 15,362,714 shares

2) Number of treasury shares at the end of the period:

September 30, 2024: 628,216 shares

March 31, 2024: 1,056,951 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2024: 14,133,320 shares

Six months ended September 30, 2023: 14,857,402 shares

* The current quarterly (semi-annual) financial results are not subject to quarterly review procedures by certified public accountants or an auditing firm.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including earnings forecasts, contained in this document are based on information currently available to the Company and certain assumptions deemed to be reasonable. Actual results may differ materially due to various factors.

Semi-annual Consolidated Financial Statements
Semi-annual Consolidated Balance Sheets

(Millions of yen)

| | As of March 31, 2024 | As of September 30, 2024 |
|---|----------------------|--------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 6,852 | 8,539 |
| Notes receivable - trade | 2,427 | 1,619 |
| Electronically recorded monetary claims - operating | 6,518 | 6,717 |
| Accounts receivable - trade | 13,457 | 13,110 |
| Merchandise and finished goods | 9,971 | 9,162 |
| Work in process | 2,085 | 2,119 |
| Raw materials and supplies | 4,266 | 4,605 |
| Other | 1,753 | 1,813 |
| Allowance for doubtful accounts | (52) | (45) |
| Total current assets | 47,279 | 47,642 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 9,981 | 10,258 |
| Machinery, equipment and vehicles, net | 5,631 | 5,640 |
| Land | 4,168 | 4,109 |
| Construction in progress | 913 | 1,593 |
| Other, net | 1,344 | 1,473 |
| Total property, plant and equipment | 22,039 | 23,075 |
| Intangible assets | 398 | 406 |
| Investments and other assets | | |
| Investment securities | 3,158 | 3,180 |
| Retirement benefit asset | 8,969 | 8,877 |
| Deferred tax assets | 110 | 148 |
| Other | 757 | 774 |
| Allowance for doubtful accounts | (52) | (67) |
| Total investments and other assets | 12,944 | 12,915 |
| Total non-current assets | 35,382 | 36,397 |
| Total assets | 82,662 | 84,040 |

(Millions of yen)

| | As of March 31, 2024 | As of September 30, 2024 |
|---|----------------------|--------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 11,731 | 11,127 |
| Electronically recorded obligations - operating | 3,100 | 3,165 |
| Short-term borrowings | 4,400 | 4,400 |
| Accounts payable - other | 2,003 | 1,743 |
| Income taxes payable | 258 | 406 |
| Other | 3,668 | 3,267 |
| Total current liabilities | 25,162 | 24,110 |
| Non-current liabilities | | |
| Long-term borrowings | 10,250 | 10,250 |
| Deferred tax liabilities | 3,072 | 2,876 |
| Retirement benefit liability | 4,177 | 4,235 |
| Asset retirement obligations | 371 | 371 |
| Provision for PCB waste disposal expenses | 22 | 22 |
| Other | 55 | 46 |
| Total non-current liabilities | 17,949 | 17,802 |
| Total liabilities | 43,112 | 41,912 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 14,640 | 14,640 |
| Capital surplus | 4,097 | 3,660 |
| Retained earnings | 14,258 | 14,808 |
| Treasury shares | (1,560) | (936) |
| Total shareholders' equity | 31,437 | 32,172 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 574 | 548 |
| Deferred gains or losses on hedges | 5 | (8) |
| Foreign currency translation adjustment | 2,860 | 5,040 |
| Remeasurements of defined benefit plans | 4,671 | 4,375 |
| Total accumulated other comprehensive income | 8,112 | 9,954 |
| Total net assets | 39,549 | 42,127 |
| Total liabilities and net assets | 82,662 | 84,040 |

Semi-annual Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

| | For the six months ended September 30, 2023 | For the six months ended September 30, 2024 |
|---|--|--|
| Net sales | 38,182 | 38,838 |
| Cost of sales | 31,089 | 31,904 |
| Gross profit | 7,093 | 6,934 |
| Selling, general and administrative expenses | | |
| Transportation and storage costs | 2,853 | 2,840 |
| Advertising and promotion expenses | 396 | 350 |
| Provision of allowance for doubtful accounts | 14 | 7 |
| Salaries and allowances and welfare expenses | 2,704 | 2,783 |
| Retirement benefit expenses | 3 | (55) |
| Travel, transportation and communication expenses | 244 | 247 |
| Depreciation | 277 | 197 |
| Other | 1,118 | 1,011 |
| Total selling, general and administrative expenses | 7,612 | 7,383 |
| Operating loss | (519) | (449) |
| Non-operating income | | |
| Interest income | 3 | 24 |
| Dividend income | 19 | 23 |
| Share of profit of entities accounted for using equity method | 79 | 114 |
| Foreign exchange gains | 306 | - |
| Rental income from real estate | 42 | 24 |
| Other | 98 | 112 |
| Total non-operating income | 549 | 298 |
| Non-operating expenses | | |
| Interest expenses | 33 | 54 |
| Foreign exchange losses | - | 195 |
| Compensation expenses | 18 | 21 |
| Other | 23 | 47 |
| Total non-operating expenses | 75 | 320 |
| Ordinary loss | (45) | (471) |
| Extraordinary income | | |
| Gain on sale of non-current assets | 486 | 2,304 |
| Total extraordinary income | 486 | 2,304 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 56 | 28 |
| Total extraordinary losses | 56 | 28 |
| Profit before income taxes | 384 | 1,804 |
| Income taxes - current | 303 | 317 |
| Income taxes - deferred | (73) | (101) |
| Total income taxes | 229 | 215 |
| Profit | 154 | 1,588 |
| Profit attributable to non-controlling interests | - | - |
| Profit attributable to owners of parent | 154 | 1,588 |

(Millions of yen)

| | For the six months ended September 30, 2023 | For the six months ended September 30, 2024 |
|--|--|--|
| Profit | 154 | 1,588 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 195 | (26) |
| Deferred gains or losses on hedges | 95 | (14) |
| Foreign currency translation adjustment | 763 | 2,016 |
| Remeasurements of defined benefit plans, net of tax | (180) | (295) |
| Share of other comprehensive income of entities accounted for using equity method | 79 | 162 |
| Total other comprehensive income | 953 | 1,842 |
| Comprehensive income | 1,108 | 3,431 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 1,108 | 3,431 |
| Comprehensive income attributable to non-controlling interests | - | - |

Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

| | For the six months ended September 30, 2023 | For the six months ended September 30, 2024 |
|--|--|--|
| Cash flows from operating activities | | |
| Profit before income taxes | 384 | 1,804 |
| Depreciation | 1,570 | 1,409 |
| Increase (decrease) in allowance for doubtful accounts | 14 | 7 |
| Interest and dividend income | (23) | (47) |
| Interest expenses | 33 | 54 |
| Foreign exchange losses (gains) | (195) | 174 |
| Share of loss (profit) of entities accounted for using equity method | (79) | (114) |
| Loss (gain) on sale and retirement of non-current assets | (430) | (2,275) |
| Decrease (increase) in trade receivables | 2,287 | 1,207 |
| Decrease (increase) in inventories | (432) | 814 |
| Increase (decrease) in trade payables | (3,053) | (722) |
| Increase (decrease) in accrued consumption taxes | 174 | (332) |
| Increase (decrease) in retirement benefit liability | 64 | 57 |
| Decrease (increase) in other assets | 145 | 107 |
| Increase (decrease) in other liabilities | (738) | (376) |
| Subtotal | (278) | 1,768 |
| Interest and dividends received | 203 | 234 |
| Interest paid | (30) | (60) |
| Income taxes paid | (218) | (153) |
| Net cash provided by (used in) operating activities | (324) | 1,789 |
| Cash flows from investing activities | | |
| Decrease (increase) in time deposits | (0) | (1,001) |
| Purchase of non-current assets | (2,137) | (2,099) |
| Proceeds from sale of non-current assets | 488 | 2,376 |
| Purchase of investment securities | (101) | (0) |
| Net cash provided by (used in) investing activities | (1,750) | (724) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | (700) | - |
| Proceeds from long-term borrowings | 2,750 | - |
| Purchase of treasury shares | (689) | (567) |
| Dividends paid | (604) | (286) |
| Net cash provided by (used in) financing activities | 756 | (853) |
| Effect of exchange rate change on cash and cash equivalents | 190 | 475 |
| Net increase (decrease) in cash and cash equivalents | (1,127) | 686 |
| Cash and cash equivalents at beginning of period | 6,886 | 6,851 |
| Cash and cash equivalents at end of period | 5,759 | 7,537 |