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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]

November 9, 2023

Company name: Achilles Corporation
 Stock exchange listing: Tokyo
 Code number: 5142
 URL: <https://www.achilles.jp>
 Representative: Ichiro Hikage President
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 Scheduled date of filing quarterly securities report: November 14, 2023
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: Yes
 Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	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, 2023	38,182	(6.4)	(519)	-	(45)	-	154	(7.3)
September 30, 2022	40,800	12.0	(102)	-	489	(42.8)	166	(67.7)

(Note) Comprehensive income: Six months ended September 30, 2023: ¥ 1,108 million [(46.3)%]
 Six months ended September 30, 2022: ¥ 2,064 million [110.2%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	10.41	-
September 30, 2022	10.73	-

(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, 2023	84,939	46,021	54.2	3,145.82
March 31, 2023	86,220	46,206	53.6	3,058.80

(Reference) Equity: As of September 30, 2023: ¥ 46,021 million
 As of March 31, 2023: ¥ 46,206 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, 2023	-	0.00	-	40.00	40.00
Fiscal year ending March 31, 2024	-	0.00			
Fiscal year ending March 31, 2024 (Forecast)			-	40.00	40.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024(April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	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	82,500	(0.5)	0	-	400	-	400	-	27.13

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2023: No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

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

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

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

September 30, 2023: 15,362,714 shares

March 31, 2023: 15,362,714 shares

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

September 30, 2023: 733,415 shares

March 31, 2023: 256,655 shares

3) Average number of shares outstanding during the period:

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

Six months ended September 30, 2022: 15,543,226 shares

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

* Explanation relating to the appropriate use of forecasts of business results and other items of note

The forecasts included in this document are based on the currently available information and certain assumptions that we believe reasonable.

Actual results may differ from projections due to various factors.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	6,887	5,760
Notes receivable - trade	2,909	2,212
Electronically recorded monetary claims - operating	5,884	6,124
Accounts receivable - trade	14,909	13,354
Merchandise and finished goods	10,913	11,138
Work in process	1,915	2,203
Raw materials and supplies	3,954	4,121
Other	1,841	1,743
Allowance for doubtful accounts	(34)	(48)
Total current assets	49,181	46,610
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,685	12,125
Machinery, equipment and vehicles, net	7,092	7,720
Land	4,166	4,169
Construction in progress	1,799	1,708
Other, net	1,427	1,489
Total property, plant and equipment	26,171	27,214
Intangible assets	393	414
Investments and other assets		
Investment securities	2,599	2,920
Retirement benefit asset	5,299	5,174
Deferred tax assets	1,757	1,768
Other	869	888
Allowance for doubtful accounts	(52)	(52)
Total investments and other assets	10,474	10,700
Total non-current assets	37,039	38,328
Total assets	86,220	84,939

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,065	11,509
Electronically recorded obligations - operating	3,353	3,048
Short-term borrowings	3,600	2,900
Accounts payable - other	2,266	1,935
Income taxes payable	244	252
Other	3,982	3,984
Total current liabilities	27,512	23,630
Non-current liabilities		
Long-term borrowings	7,500	10,250
Deferred tax liabilities	502	450
Retirement benefit liability	4,056	4,120
Asset retirement obligations	369	370
Provision for pcb waste disposal expenses	38	23
Other	34	71
Total non-current liabilities	12,502	15,287
Total liabilities	40,014	38,918
Net assets		
Shareholders' equity		
Share capital	14,640	14,640
Capital surplus	4,097	4,097
Retained earnings	23,073	22,624
Treasury shares	(373)	(1,062)
Total shareholders' equity	41,439	40,300
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	281	477
Deferred gains or losses on hedges	(66)	29
Foreign currency translation adjustment	2,279	3,121
Remeasurements of defined benefit plans	2,271	2,091
Total accumulated other comprehensive income	4,766	5,720
Total net assets	46,206	46,021
Total liabilities and net assets	86,220	84,939

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales	40,800	38,182
Cost of sales	33,090	31,089
Gross profit	7,709	7,093
Selling, general and administrative expenses		
Transportation and storage costs	3,117	2,853
Advertising and promotion expenses	393	396
Provision of allowance for doubtful accounts	(24)	14
Salaries and allowances and welfare expenses	2,813	2,704
Retirement benefit expenses	3	3
Travel, transportation and communication expenses	214	244
Depreciation	205	277
Other	1,088	1,118
Total selling, general and administrative expenses	7,812	7,612
Operating loss	(102)	(519)
Non-operating income		
Interest income	11	3
Dividend income	21	19
Share of profit of entities accounted for using equity method	57	79
Foreign exchange gains	373	306
Rental income from real estate	45	42
Other	134	98
Total non-operating income	644	549
Non-operating expenses		
Interest expenses	19	33
Compensation expenses	8	18
Other	24	23
Total non-operating expenses	52	75
Ordinary profit (loss)	489	(45)
Extraordinary income		
Gain on sale of non-current assets	5	486
Gain on sale of investment securities	4	-
Total extraordinary income	9	486
Extraordinary losses		
Loss on retirement of non-current assets	51	56
Total extraordinary losses	51	56
Profit before income taxes	447	384
Income taxes - current	212	303
Income taxes - deferred	68	(73)
Total income taxes	280	229
Profit	166	154
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	166	154

Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	166	154
Other comprehensive income		
Valuation difference on available-for-sale securities	(32)	195
Deferred gains or losses on hedges	136	95
Foreign currency translation adjustment	1,802	763
Remeasurements of defined benefit plans, net of tax	(194)	(180)
Share of other comprehensive income of entities accounted for using equity method	184	79
Total other comprehensive income	1,897	953
Comprehensive income	2,064	1,108
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,064	1,108
Comprehensive income attributable to non-controlling interests	-	-

Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	447	384
Depreciation	1,581	1,570
Increase (decrease) in allowance for doubtful accounts	(24)	14
Interest and dividend income	(33)	(23)
Interest expenses	19	33
Foreign exchange losses (gains)	(102)	(195)
Share of loss (profit) of entities accounted for using equity method	(57)	(79)
Loss (gain) on sale and retirement of non-current assets	45	(430)
Loss (gain) on sale of investment securities	(4)	-
Decrease (increase) in trade receivables	(434)	2,287
Decrease (increase) in inventories	(1,782)	(432)
Increase (decrease) in trade payables	1,311	(3,053)
Increase (decrease) in accrued consumption taxes	(353)	174
Increase (decrease) in retirement benefit liability	43	64
Decrease (increase) in other assets	79	145
Increase (decrease) in other liabilities	(550)	(738)
Subtotal	186	(278)
Interest and dividends received	283	203
Interest paid	(20)	(30)
Proceeds from insurance income	4	-
Income taxes paid	(497)	(218)
Net cash provided by (used in) operating activities	(44)	(324)
Cash flows from investing activities		
Decrease (increase) in time deposits	1	(0)
Purchase of non-current assets	(2,809)	(2,137)
Proceeds from sale of non-current assets	6	488
Purchase of investment securities	(1)	(101)
Proceeds from sale of investment securities	10	-
Net cash provided by (used in) investing activities	(2,793)	(1,750)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	700	(700)
Proceeds from long-term borrowings	4,500	2,750
Purchase of treasury shares	(322)	(689)
Dividends paid	(625)	(604)
Net cash provided by (used in) financing activities	4,251	756
Effect of exchange rate change on cash and cash equivalents	557	190
Net increase (decrease) in cash and cash equivalents	1,970	(1,127)
Cash and cash equivalents at beginning of period	7,588	6,886
Cash and cash equivalents at end of period	9,559	5,759