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August 9, 2022

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Under Japanese GAAP)

Company name: ACHILLES CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 5142
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 Scheduled date to file quarterly securities report: August 10, 2022
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: None

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

1. Consolidated financial results for the three months ended June 30, 2022 (from April 1, 2022 to June 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	%
Three months ended								
June 30, 2022	19,132	7.6	(57)	—	331	(23.1)	133	(41.7)
June 30, 2021	17,783	—	314	—	431	—	228	—

Note: Comprehensive income For the three months ended June 30, 2022: ¥907 million [35.5%]
 For the three months ended June 30, 2021: ¥669 million [—%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
June 30, 2022	8.55	—
June 30, 2021	14.56	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2022	81,797	47,881	58.5	3,078.67
As of March 31, 2022	80,123	47,728	59.6	3,049.81

Reference: Equity As of June 30, 2022: ¥47,881 million As of March 31, 2022: ¥47,728 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	—	0.00	—	40.00	40.00
Fiscal year ending March 31, 2023	—				
Fiscal year ending March 31, 2023 (Forecast)		0.00	—	40.00	40.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2022	41,000	12.5	(1,200)	—	(700)	—	(700)	—	(44.98)
Full year	86,000	13.2	100	(88.3)	800	(49.8)	200	(86.9)	12.87

Note: Revisions to the earnings forecast most recently announced: Yes

4. Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Newly included: — companies Excluded: — companies

(2) Adoption of accounting treatment specific to the preparation of quarterly 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: None

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)

As of June 30, 2022	15,862,714 shares	As of March 31, 2022	15,862,714 shares
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② Number of treasury shares at the end of the period

As of June 30, 2022	310,066 shares	As of March 31, 2022	213,100 shares
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③ Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

As of June 30, 2022	15,601,083 shares	As of June 30, 2021	15,708,399 shares
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* The current quarterly financial results are not subject to quarterly review procedures by certified public accountants or by 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, etc. may differ from projections due to a variety of reasons.

Consolidated Quarterly Financial Statements and Notes

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	7,590	6,438
Notes receivable - trade	3,454	3,634
Electronically recorded monetary claims - operating	4,591	5,085
Accounts receivable - trade	13,864	13,086
Merchandise and finished goods	9,271	9,970
Work in process	1,690	1,943
Raw materials and supplies	2,530	3,239
Other	1,485	1,753
Allowance for doubtful accounts	(50)	(29)
Current assets	44,428	45,123
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,536	11,918
Machinery, equipment and vehicles, net	5,655	5,550
Land	4,157	4,161
Construction in progress	2,680	3,366
Other, net	1,468	1,534
Property, plant and equipment	25,499	26,532
Intangible assets	400	420
Investments and other assets		
Investment securities	2,863	2,932
Retirement benefit asset	4,908	4,844
Deferred tax assets	1,290	1,214
Other	784	781
Allowance for doubtful accounts	(51)	(51)
Investments and other assets	9,795	9,722
Non-current assets	35,694	36,674
Assets	80,123	81,797

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	12,551	13,580
Electronically recorded obligations - operating	2,902	2,929
Short-term borrowings	2,200	3,400
Accounts payable - other	2,387	2,092
Income taxes payable	405	199
Asset retirement obligations	33	19
Other	3,926	3,665
Current liabilities	24,406	25,886
Non-current liabilities		
Long-term borrowings	3,000	3,000
Deferred tax liabilities	448	487
Retirement benefit liability	4,085	4,083
Asset retirement obligations	370	370
Reserve for PCB waste disposal cost	39	39
Other	44	48
Non-current liabilities	7,988	8,029
Non-current liabilities	32,395	33,916
Net assets		
Shareholders' equity		
Share capital	14,640	14,640
Capital surplus	4,838	4,838
Retained earnings	24,904	24,412
Treasury shares	(386)	(514)
Shareholders' equity	43,997	43,376
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	408	381
Deferred gains or losses on hedges	5	86
Foreign currency translation adjustment	1,087	1,904
Remeasurements of defined benefit plans	2,229	2,132
Total of other accumulated comprehensive income	3,731	4,504
Net assets	47,728	47,881
Liabilities and net assets	80,123	81,797

(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive IncomeConsolidated Quarterly Statements of Income
Three months ended June 30, 2022

	(Millions of yen)	
	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	17,783	19,132
Cost of sales	13,954	15,313
Gross profit	3,829	3,819
Selling, general and administrative expenses		
Transportation and storage costs	1,362	1,532
Advertising and promotion expenses	165	211
Provision of allowance for doubtful accounts	(3)	(21)
Salaries and allowances and welfare expenses	1,364	1,401
Retirement benefit expenses	2	0
Travel, transportation and communication expenses	59	90
Depreciation	61	111
Other	504	548
Total of selling, general and administrative expenses	3,515	3,876
Operating profit (loss)	314	(57)
Non-operating income		
Interest income	2	2
Dividend income	20	19
Share of profit of entities accounted for using equity method	52	34
Foreign exchange gains	4	259
Rental income from real estate	22	22
Other	66	76
Total of non-operating income	169	414
Non-operating expenses		
Interest expenses	7	8
Compensation expenses	32	3
Other	11	13
Total of non-operating expenses	52	25
Ordinary profit	431	331
Extraordinary income		
Gain on sales of non-current assets	0	5
Gain on sales of investment securities	—	4
Total of extraordinary income	0	9
Extraordinary losses		
Loss on retirement of non-current assets	56	7
Total of extraordinary losses	56	7
Profit before income taxes	375	333
Income taxes - current	69	66
Income taxes - deferred	77	133
Total of income taxes	146	200
Profit	228	133
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	228	133

Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	Three months ended	Three months ended
	June 30, 2021	June 30, 2022
Profit	228	133
Other comprehensive income		
Valuation difference on available-for-sale securities	(122)	(26)
Deferred gains or losses on hedges	(35)	80
Foreign currency translation adjustment	619	731
Remeasurements of defined benefit plans, net of tax	(97)	(97)
Share of other comprehensive income of entities accounted for using equity method	75	85
Total other comprehensive income	440	773
Comprehensive income	669	907
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	669	907
Comprehensive income attributable to non-controlling interests	—	—