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Summary of Consolidated Financial Results for the Year Ended March 31, 2023 [Japanese GAAP]

May 12, 2023

Company name: Achilles Corporation

Stock exchange listing: Tokyo

Code number: 5142

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

Representative: Ichiro Hikage

President

Contact: Kazuaki Kouno

Director

Phone: 03-5338-8238

Scheduled date of Annual General Meeting of Shareholders: June 29, 2023

Scheduled date of commencing dividend payments: June 30, 2023

Scheduled date of filing annual securities report: June 29, 2023

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: No

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 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	%
Fiscal year ended March 31, 2023	82,917	9.2	(713)	-	(117)	-	(1,204)	-
March 31, 2022	75,953	-	855	-	1,595	-	1,525	-

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥ (169) million [-%]
Fiscal year ended March 31, 2022: ¥ 2,247 million [-%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2023	(78.21)	-	(2.6)	(0.1)	(0.9)
March 31, 2022	97.12	-	3.2	2.0	1.1

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2023: ¥ 150 million
Fiscal year ended March 31, 2022: ¥ 182 million

(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	86,220	46,206	53.6	3,058.80
March 31, 2022	80,123	47,728	59.6	3,049.81

(Reference) Equity: As of March 31, 2023: ¥ 46,206 million
As of March 31, 2022: ¥ 47,728 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 the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2023	(1,072)	(4,484)	4,547	6,886
March 31, 2022	4,707	(5,030)	(860)	7,588

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2022	-	0.00	-	40.00	40.00	625	41.2	1.3
March 31, 2023	-	0.00	-	40.00	40.00	604	-	1.3
Fiscal year ending March 31, 2024 (Forecast)	-	0.00	-	40.00	40.00		50.4	

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
Six months ending September 30, 2023	40,000	(2.0)	0	-	200	(59.1)	500	199.8	33.10
Full year	84,000	1.3	1,000	-	1,400	-	1,200	-	79.44

* Notes:

(1) Changes in significant subsidiaries during the period under audit (changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) 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

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

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

March 31, 2023: 15,362,714 shares

March 31, 2022: 15,862,714 shares

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

March 31, 2023: 256,655 shares

March 31, 2022: 213,100 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2023: 15,404,112 shares

Fiscal Year ended March 31, 2022: 15,704,195 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	65,643	7.5	(1,149)	-	(177)	-	(1,036)	-
March 31, 2022	61,073	-	280	-	1,520	-	1,123	-

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	(67.28)	-
March 31, 2022	71.56	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2023	72,604	35,000	48.2	2,316.99
March 31, 2022	68,096	37,520	55.1	2,397.54

(Reference) Equity: As of March 31, 2023: ¥ 35,000 million
As of March 31, 2022: ¥ 37,520 million

* The consolidated financial results are not subject to audit 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.

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	7,590	6,887
Notes receivable - trade	3,454	2,909
Electronically recorded monetary claims - operating	4,591	5,884
Accounts receivable - trade	13,864	14,909
Merchandise and finished goods	9,271	10,913
Work in process	1,690	1,915
Raw materials and supplies	2,530	3,954
Other	1,485	1,841
Allowance for doubtful accounts	(50)	(34)
Total current assets	44,428	49,181
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,536	11,685
Machinery, equipment and vehicles, net	5,655	7,092
Land	4,157	4,166
Construction in progress	2,680	1,799
Other, net	1,468	1,427
Total property, plant and equipment	25,499	26,171
Intangible assets	400	393
Investments and other assets		
Investment securities	2,863	2,599
Retirement benefit asset	4,908	5,299
Deferred tax assets	1,290	1,757
Other	784	869
Allowance for doubtful accounts	(51)	(52)
Total investments and other assets	9,795	10,474
Total non-current assets	35,694	37,039
Total assets	80,123	86,220

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	12,551	14,065
Electronically recorded obligations - operating	2,902	3,353
Short-term borrowings	2,200	3,600
Accounts payable - other	2,387	2,266
Income taxes payable	405	244
Asset retirement obligations	33	-
Other	3,926	3,982
Total current liabilities	24,406	27,512
Non-current liabilities		
Long-term borrowings	3,000	7,500
Deferred tax liabilities	448	502
Retirement benefit liability	4,085	4,056
Asset retirement obligations	370	369
Provision for PCB waste disposal expenses	39	38
Other	44	34
Total non-current liabilities	7,988	12,502
Total liabilities	32,395	40,014
Net assets		
Shareholders' equity		
Share capital	14,640	14,640
Capital surplus	4,838	4,097
Retained earnings	24,904	23,073
Treasury shares	(386)	(373)
Total shareholders' equity	43,997	41,439
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	408	281
Deferred gains or losses on hedges	5	(66)
Foreign currency translation adjustment	1,087	2,279
Remeasurements of defined benefit plans	2,229	2,271
Total accumulated other comprehensive income	3,731	4,766
Total net assets	47,728	46,206
Total liabilities and net assets	80,123	86,220

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net sales	75,953	82,917
Cost of sales	60,293	68,066
Gross profit	15,660	14,850
Selling, general and administrative expenses		
Transportation and storage costs	6,063	6,336
Advertising and promotion expenses	645	740
Provision of allowance for doubtful accounts	30	(15)
Salaries and allowances and welfare expenses	5,443	5,460
Retirement benefit expenses	20	10
Travel, transportation and communication expenses	327	427
Depreciation	203	433
Other	2,069	2,170
Total selling, general and administrative expenses	14,804	15,563
Operating profit (loss)	855	(713)
Non-operating income		
Interest income	27	19
Dividend income	45	41
Share of profit of entities accounted for using equity method	182	150
Foreign exchange gains	294	163
Rental income from real estate	91	91
Other	224	256
Total non-operating income	866	723
Non-operating expenses		
Interest expenses	32	47
Compensation expenses	45	25
Other	49	55
Total non-operating expenses	127	127
Ordinary profit (loss)	1,595	(117)

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Extraordinary income		
Gain on sale of non-current assets	640	6
Gain on sale of investment securities	206	231
Subsidy income	81	85
Total extraordinary income	927	323
Extraordinary losses		
Loss on sale of non-current assets	-	0
Impairment losses	-	1,312
Loss on retirement of non-current assets	159	136
Loss on sale of investment securities	32	1
Loss on valuation of investment securities	100	-
Total extraordinary losses	292	1,449
Profit (loss) before income taxes	2,229	(1,243)
Income taxes - current	598	334
Income taxes - deferred	105	(373)
Total income taxes	704	(38)
Profit (loss)	1,525	(1,204)
Profit attributable to non-controlling interests	-	-
Profit (loss) attributable to owners of parent	1,525	(1,204)

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit (loss)	1,525	(1,204)
Other comprehensive income		
Valuation difference on available-for-sale securities	(278)	(126)
Deferred gains or losses on hedges	(81)	(71)
Foreign currency translation adjustment	1,127	1,081
Remeasurements of defined benefit plans, net of tax	(189)	42
Share of other comprehensive income of entities accounted for using equity method	143	109
Total other comprehensive income	721	1,035
Comprehensive income	2,247	(169)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,247	(169)
Comprehensive income attributable to non-controlling interests	-	-

Consolidated Statements of Changes in Equity

For the 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	14,640	4,838	24,209	(311)	43,377
Cumulative effects of changes in accounting policies			(45)		(45)
Restated balance	14,640	4,838	24,164	(311)	43,332
Changes during period					
Dividends of surplus			(785)		(785)
Profit (loss) attributable to owners of parent			1,525		1,525
Purchase of treasury shares				(75)	(75)
Cancellation of treasury shares					-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	739	(75)	664
Balance at end of period	14,640	4,838	24,904	(386)	43,997

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	686	87	(183)	2,418	3,009	46,386
Cumulative effects of changes in accounting policies						(45)
Restated balance	686	87	(183)	2,418	3,009	46,341
Changes during period						
Dividends of surplus						(785)
Profit (loss) attributable to owners of parent						1,525
Purchase of treasury shares						(75)
Cancellation of treasury shares						-
Net changes in items other than shareholders' equity	(278)	(81)	1,271	(189)	721	721
Total changes during period	(278)	(81)	1,271	(189)	721	1,386
Balance at end of period	408	5	1,087	2,229	3,731	47,728

For the 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	14,640	4,838	24,904	(386)	43,997
Cumulative effects of changes in accounting policies					-
Restated balance	14,640	4,838	24,904	(386)	43,997
Changes during period					
Dividends of surplus			(625)		(625)
Profit (loss) attributable to owners of parent			(1,204)		(1,204)
Purchase of treasury shares				(726)	(726)
Cancellation of treasury shares		(740)		740	-
Net changes in items other than shareholders' equity					
Total changes during period	-	(740)	(1,830)	13	(2,557)
Balance at end of period	14,640	4,097	23,073	(373)	41,439

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	408	5	1,087	2,229	3,731	47,728
Cumulative effects of changes in accounting policies						-
Restated balance	408	5	1,087	2,229	3,731	47,728
Changes during period						
Dividends of surplus						(625)
Profit (loss) attributable to owners of parent						(1,204)
Purchase of treasury shares						(726)
Cancellation of treasury shares						-
Net changes in items other than shareholders' equity	(126)	(71)	1,191	42	1,035	1,035
Total changes during period	(126)	(71)	1,191	42	1,035	(1,521)
Balance at end of period	281	(66)	2,279	2,271	4,766	46,206

Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit (loss) before income taxes	2,229	(1,243)
Depreciation	3,160	3,329
Impairment losses	-	1,312
Increase (decrease) in allowance for doubtful accounts	29	(15)
Interest and dividend income	(73)	(61)
Interest expenses	32	47
Foreign exchange losses (gains)	(184)	(42)
Share of loss (profit) of entities accounted for using equity method	(182)	(150)
Loss (gain) on sale and retirement of non-current assets	(480)	129
Loss (gain) on sale of investment securities	(173)	(230)
Loss (gain) on valuation of investment securities	100	-
Subsidy income	(81)	(85)
Decrease (increase) in trade receivables	207	(1,546)
Decrease (increase) in inventories	(937)	(2,967)
Increase (decrease) in trade payables	1,858	1,785
Increase (decrease) in accrued consumption taxes	(441)	(341)
Increase (decrease) in retirement benefit liability	98	(33)
Decrease (increase) in other assets	293	154
Increase (decrease) in other liabilities	(627)	(840)
Subtotal	4,828	(800)
Interest and dividends received	291	311
Interest paid	(31)	(48)
Proceeds from insurance income	87	5
Subsidies received	81	85
Income taxes paid	(550)	(625)
Net cash provided by (used in) operating activities	4,707	(1,072)
Cash flows from investing activities		
Decrease (increase) in time deposits	(0)	1
Purchase of non-current assets	(6,113)	(4,838)
Proceeds from sale of non-current assets	667	6
Purchase of investment securities	(21)	(3)
Proceeds from sale of investment securities	436	347
Proceeds from collection of loans receivable	0	0
Net cash provided by (used in) investing activities	(5,030)	(4,484)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(450)	1,400
Proceeds from long-term borrowings	450	4,500
Purchase of treasury shares	(75)	(726)
Dividends paid	(785)	(625)
Net cash provided by (used in) financing activities	(860)	4,547
Effect of exchange rate change on cash and cash equivalents	642	308
Net increase (decrease) in cash and cash equivalents	(541)	(701)
Cash and cash equivalents at beginning of period	8,129	7,588
Cash and cash equivalents at end of period	7,588	6,886