Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 15, 2024

Company name: ATSUGI CO., LTD.
Stock exchange listing: Tokyo
Stock code: 3529 URL https://www.atsugi.co.jp/
Representative: President Shinji Nikko
Inquiries: Director,Executive Officer, Administration division General manager Masahiro Furukawa TEL 046-235-8107
Scheduled date of ordinary general meeting of shareholders: June 27, 2024
Scheduled date to file Securities Report: June 27, 2024
Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: No
Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 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	%
Year ended March 31, 2024	21,209	3.4	(425)	–	(51)	–	1,331	–
Year ended March 31, 2023	20,503	(4.4)	(2,131)	–	(1,583)	–	(1,215)	–

	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, 2024	83.12	–	4.1	(0.1)	(2.0)
Year ended March 31, 2023	(75.87)	–	(3.9)	(3.8)	(10.4)

(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, 2024	42,014	33,441	79.6	2,087.43
As of March 31, 2023	40,688	30,932	76.0	1,930.44

(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, 2024	(1,344)	456	(472)	3,850
Year ended March 31, 2023	(1,356)	760	(471)	4,749

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, 2023	–	0.00	–	0.00	0.00	–	–	–
Year ended March 31, 2024	–	0.00	–	0.00	0.00	–	–	–
Year ending March 31, 2025 (Forecast)	–	0.00	–	0.00	0.00		–	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from 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		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	24,000	13.2	500	–	600	–	1,600	20.1	99.86

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024 (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:	No
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, 2024	17,319,568 shares	As of March 31, 2023	17,319,568 shares

Number of treasury shares at the end of the period

As of March 31, 2024	1,299,322 shares	As of March 31, 2023	1,296,128 shares

Average number of shares during the period

Year ended March 31, 2024	16,021,860 shares	Year ended March 31, 2023	16,024,210 shares

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	4,787	3,870
Notes and accounts receivable - trade	4,241	4,185
Merchandise and finished goods	4,179	5,010
Work in process	1,029	1,072
Raw materials and supplies	635	652
Other	1,713	2,220
Allowance for doubtful accounts	(24)	(26)
Total current assets	16,562	16,983
Non-current assets		
Property, plant and equipment		
Buildings and structures	14,734	10,364
Accumulated depreciation	(13,049)	(8,725)
Buildings and structures, net	1,685	1,639
Machinery, equipment and vehicles	12,642	12,466
Accumulated depreciation	(10,825)	(10,561)
Machinery, equipment and vehicles, net	1,817	1,905
Land	12,011	11,982
Construction in progress	420	1,216
Other	744	561
Accumulated depreciation	(658)	(489)
Other, net	86	72
Total property, plant and equipment	16,020	16,815
Intangible assets		
Landuse right	468	430
Software	74	107
Software in progress	794	1,126
Other	1	4
Total intangible assets	1,338	1,669
Investments and other assets		
Investment securities	6,621	6,076
Deferred tax assets	0	25
Other	144	443
Total investments and other assets	6,767	6,544
Total non-current assets	24,126	25,030
Total assets	40,688	42,014

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,957	1,434
Current portion of long-term borrowings	470	470
Income taxes payable	138	135
Provision for bonuses	43	44
Other	2,681	2,020
Total current liabilities	5,291	4,104
Non-current liabilities		
Long-term borrowings	909	439
Deferred tax liabilities	1,052	1,578
Deferred tax liabilities for land revaluation	1,286	1,286
Retirement benefit liability	967	894
Other	249	270
Total non-current liabilities	4,465	4,468
Total liabilities	9,756	8,572
Net assets		
Shareholders' equity		
Share capital	20,000	20,000
Capital surplus	10,272	10,272
Retained earnings	(2,076)	(734)
Treasury shares	(1,466)	(1,468)
Total shareholders' equity	26,728	28,069
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,839	2,172
Deferred gains or losses on hedges	411	785
Revaluation reserve for land	388	388
Foreign currency translation adjustment	1,563	2,025
Total accumulated other comprehensive income	4,203	5,371
Total net assets	30,932	33,441
Total liabilities and net assets	40,688	42,014

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

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	20,503	21,209
Cost of sales	15,125	14,359
Gross profit	5,378	6,849
Selling, general and administrative expenses	7,509	7,275
Operating loss	(2,131)	(425)
Non-operating income		
Interest and dividend income	231	176
Foreign exchange gains	235	119
Other	109	96
Total non-operating income	575	393
Non-operating expenses		
Interest expenses	8	9
Commission expenses	5	1
Taxes and dues	3	1
Other	9	6
Total non-operating expenses	27	19
Ordinary loss	(1,583)	(51)
Extraordinary income		
Gain on sale of non-current assets	49	1,329
Gain on sale of investment securities	507	643
Insurance claim income	–	20
Total extraordinary income	557	1,992
Extraordinary losses		
Theft loss	–	18
Loss on sale of non-current assets	24	10
Loss on retirement of non-current assets	27	1
Impairment losses	51	–
Loss on valuation of investment securities	42	–
Loss on sale of investment securities	0	–
Total extraordinary losses	146	31
Profit (loss) before income taxes	(1,171)	1,909
Income taxes - current	78	446
Income taxes - deferred	(34)	131
Total income taxes	43	577
Profit (loss)	(1,215)	1,331
Profit (loss) attributable to owners of parent	(1,215)	1,331

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit (loss)	(1,215)	1,331
Other comprehensive income		
Valuation difference on available-for-sale securities	(10)	332
Deferred gains or losses on hedges	(48)	373
Foreign currency translation adjustment	62	462
Total other comprehensive income	2	1,168
Comprehensive income	(1,212)	2,500
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,212)	2,500

Consolidated statements of changes in equity

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	20,000	12,042	(2,630)	(1,466)	27,945
Changes during period					
Deficit disposition		(1,770)	1,770		–
Profit (loss) attributable to owners of parent			(1,215)		(1,215)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(0)		0	0
Other			(0)		(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	(1,770)	554	(0)	(1,216)
Balance at end of period	20,000	10,272	(2,076)	(1,466)	26,728

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	1,850	459	388	1,500	4,200	32,145
Changes during period						
Deficit disposition						–
Profit (loss) attributable to owners of parent						(1,215)
Purchase of treasury shares						(0)
Disposal of treasury shares						0
Other						(0)
Net changes in items other than shareholders' equity	(10)	(48)	–	62	2	2
Total changes during period	(10)	(48)	–	62	2	(1,213)
Balance at end of period	1,839	411	388	1,563	4,203	30,932

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	20,000	10,272	(2,076)	(1,466)	26,728
Changes during period					
Profit (loss) attributable to owners of parent			1,331		1,331
Purchase of treasury shares				(1)	(1)
Change in scope of consolidation			10		10
Other			(0)		(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,341	(1)	1,340
Balance at end of period	20,000	10,272	(734)	(1,468)	28,069

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	1,839	411	388	1,563	4,203	30,932
Changes during period						
Profit (loss) attributable to owners of parent						1,331
Purchase of treasury shares						(1)
Change in scope of consolidation						10
Other						(0)
Net changes in items other than shareholders' equity	332	373	–	462	1,168	1,168
Total changes during period	332	373	–	462	1,168	2,508
Balance at end of period	2,172	785	388	2,025	5,371	33,441

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit (loss) before income taxes	(1,171)	1,909
Depreciation	448	429
Impairment losses	51	–
Increase (decrease) in allowance for doubtful accounts	(1)	2
Increase (decrease) in provision for bonuses	(33)	0
Increase (decrease) in retirement benefit liability	(123)	(72)
Interest and dividend income	(231)	(176)
Interest expenses	8	9
Loss (gain) on sale of investment securities	(507)	(643)
Loss (gain) on valuation of investment securities	42	–
Insurance claim income	–	(20)
Theft loss	–	18
Loss on retirement of property, plant and equipment	27	1
Loss (gain) on sale of property, plant and equipment	(25)	(939)
Loss (gain) on sale of intangible assets	–	(378)
Decrease (increase) in trade receivables	(29)	138
Decrease (increase) in inventories	684	(765)
Increase (decrease) in trade payables	(97)	(609)
Increase (decrease) in accrued consumption taxes	(131)	111
Other, net	(433)	(109)
Subtotal	(1,522)	(1,092)
Interest and dividends received	231	180
Interest paid	(8)	(6)
Proceeds from insurance income	–	20
Payments associated with Theft loss	–	(18)
Income taxes paid	(56)	(427)
Net cash provided by (used in) operating activities	(1,356)	(1,344)
Cash flows from investing activities		
Payments into time deposits	(38)	(41)
Proceeds from withdrawal of time deposits	815	62
Purchase of property, plant and equipment	(1,216)	(1,280)
Proceeds from sale of property, plant and equipment	695	586
Purchase of intangible assets	(633)	(873)
Proceeds from sale of intangible assets	138	276
Purchase of investment securities	(35)	(34)
Proceeds from sale of investment securities	1,032	1,760
Loan advances	–	(0)
Proceeds from collection of loans receivable	1	0
Net cash provided by (used in) investing activities	760	456

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Dividends paid	(0)	(0)
Purchase of treasury shares	(0)	(1)
Repayments of long-term borrowings	(470)	(470)
Net cash provided by (used in) financing activities	(471)	(472)
Effect of exchange rate change on cash and cash equivalents	316	460
Net increase (decrease) in cash and cash equivalents	(751)	(899)
Cash and cash equivalents at beginning of period	5,500	4,749
Cash and cash equivalents at end of period	4,749	3,850