Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (Based on Japanese GAAP)

October 30, 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 to file Semi-annual Securities Report: November 12, 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 six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(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	%
Six months ended September 30, 2024	10,318	(3.2)	(453)	–	(134)	–	299	(72.5)
Six months ended September 30, 2023	10,659	8.6	(212)	–	(34)	–	1,087	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	18.68	–
Six months ended September 30, 2023	67.90	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	41,310	32,942	79.7
As of March 31, 2024	42,014	33,441	79.6

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
Year ended March 31, 2024	–	0.00	–	0.00	0.00
Year ending March 31, 2025	–	0.00			
Year ending March 31, 2025 (Forecast)			–	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) Significant changes in the scope of consolidation during the six months ended September 30, 2024: No

(2) Application of special accounting methods for preparing semi-annual consolidated financial statements: No

(3) 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:	Yes
Changes in accounting policies due to other reasons:	No
Changes in accounting estimates:	No
Restatement of prior period financial statements:	No

(4) Number of issued shares (common shares)

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

As of September 30, 2024	17,319,568 shares	As of March 31, 2024	17,319,568 shares

Number of treasury shares at the end of the period

As of September 30, 2024	1,300,591 shares	As of March 31, 2024	1,299,322 shares

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2024	16,019,527 shares	Six months ended September 30, 2023	16,022,646 shares

Semi-annual consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	3,870	3,261
Notes and accounts receivable - trade	4,185	3,738
Merchandise and finished goods	5,010	5,658
Work in process	1,072	1,145
Raw materials and supplies	652	461
Other	2,220	1,919
Allowance for doubtful accounts	(26)	(26)
Total current assets	16,983	16,158
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,639	1,595
Machinery, equipment and vehicles, net	1,905	1,798
Land	11,982	11,982
Construction in progress	1,216	2,569
Other, net	72	54
Total property, plant and equipment	16,815	17,999
Intangible assets	1,669	1,678
Investments and other assets		
Investment securities	6,076	5,221
Deferred tax assets	25	15
Other	443	237
Total investments and other assets	6,544	5,474
Total non-current assets	25,030	25,152
Total assets	42,014	41,310

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,434	1,339
Short-term borrowings	–	614
Current portion of long-term borrowings	470	470
Income taxes payable	135	110
Provision for bonuses	44	53
Other	2,020	1,970
Total current liabilities	4,104	4,559
Non-current liabilities		
Long-term borrowings	439	203
Deferred tax liabilities	1,578	1,190
Deferred tax liabilities for land revaluation	1,286	1,286
Retirement benefit liability	894	878
Other	270	249
Total non-current liabilities	4,468	3,809
Total liabilities	8,572	8,368
Net assets		
Shareholders' equity		
Share capital	20,000	20,000
Capital surplus	10,272	10,272
Retained earnings	(734)	(435)
Treasury shares	(1,468)	(1,469)
Total shareholders' equity	28,069	28,367
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,172	1,897
Deferred gains or losses on hedges	785	450
Revaluation reserve for land	388	388
Foreign currency translation adjustment	2,025	1,838
Total accumulated other comprehensive income	5,371	4,574
Total net assets	33,441	32,942
Total liabilities and net assets	42,014	41,310

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	10,659	10,318
Cost of sales	7,268	7,022
Gross profit	3,390	3,295
Selling, general and administrative expenses	3,603	3,749
Operating loss	(212)	(453)
Non-operating income		
Interest and dividend income	96	81
Foreign exchange gains	35	240
Other	55	26
Total non-operating income	187	348
Non-operating expenses		
Interest expenses	3	12
Taxes and dues	0	8
Other	5	8
Total non-operating expenses	9	29
Ordinary loss	(34)	(134)
Extraordinary income		
Gain on sale of non-current assets	1,305	–
Gain on sale of investment securities	315	458
Total extraordinary income	1,620	458
Extraordinary losses		
Theft loss	18	–
Loss on retirement of non-current assets	1	39
Loss on sale of non-current assets	1	–
Loss on sale of investment securities	–	3
Total extraordinary losses	21	43
Profit before income taxes	1,565	280
Income taxes - current	378	109
Income taxes - deferred	98	(128)
Total income taxes	477	(18)
Profit	1,087	299
Profit attributable to owners of parent	1,087	299

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	1,087	299
Other comprehensive income		
Valuation difference on available-for-sale securities	281	(274)
Deferred gains or losses on hedges	637	(334)
Foreign currency translation adjustment	360	(187)
Total other comprehensive income	1,279	(797)
Comprehensive income	2,367	(498)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,367	(498)

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	1,565	280
Depreciation	224	284
Increase (decrease) in allowance for doubtful accounts	0	(0)
Increase (decrease) in provision for bonuses	(3)	9
Increase (decrease) in retirement benefit liability	(70)	(15)
Interest and dividend income	(96)	(81)
Interest expenses	3	12
Loss (gain) on sale of investment securities	(315)	(454)
Theft loss	18	–
Loss on retirement of property, plant and equipment	1	39
Loss (gain) on sale of property, plant and equipment	(934)	–
Loss (gain) on sale of intangible assets	(370)	–
Decrease (increase) in trade receivables	(52)	426
Decrease (increase) in inventories	(1,180)	(563)
Increase (decrease) in trade payables	164	(41)
Increase (decrease) in accrued consumption taxes	125	(83)
Other, net	(749)	(469)
Subtotal	(1,669)	(657)
Interest and dividends received	96	81
Interest paid	(3)	(11)
Income taxes paid	(20)	(117)
Net cash provided by (used in) operating activities	(1,597)	(705)
Cash flows from investing activities		
Payments into time deposits	(20)	(20)
Proceeds from withdrawal of time deposits	41	20
Purchase of property, plant and equipment	(287)	(1,438)
Proceeds from sale of property, plant and equipment	156	–
Purchase of intangible assets	(521)	(149)
Proceeds from sale of intangible assets	48	–
Purchase of investment securities	(17)	(16)
Proceeds from sale of investment securities	838	947
Subsidies received	–	409
Proceeds from collection of loans receivable	0	–
Other, net	–	(115)
Net cash provided by (used in) investing activities	237	(363)
Cash flows from financing activities		
Dividends paid	(0)	–
Purchase of treasury shares	(0)	(0)
Proceeds from short-term borrowings	–	614
Repayments of long-term borrowings	(235)	(235)
Repayments of lease liabilities	–	(54)
Net cash provided by (used in) financing activities	(235)	323
Effect of exchange rate change on cash and cash equivalents	292	136
Net increase (decrease) in cash and cash equivalents	(1,302)	(608)
Cash and cash equivalents at beginning of period	4,749	3,850
Cash and cash equivalents at end of period	3,446	3,241