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August 8, 2024

Non-consolidated Financial Results for the Six Months Ended June 30, 2024 (Under Japanese GAAP)

Company name: AXIS CO.,LTD.
Listing: Tokyo Stock Exchange
Securities code: 4012
URL: https://www.axis-net.co.jp/
Representative: Hirofumi Ogura, CEO Chairman
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Telephone: +81-3-5501-1277

Scheduled date to file semi-annual securities report: August 8, 2024
Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Non-consolidated financial results for the six months ended June 30, 2024 (from January 1, 2024 to June 30, 2024)

(1) Non-consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2024	3,649	17.0	415	25.2	427	24.7	274	23.0
June 30, 2023	3,118	-	331	-	343	-	223	-

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2024	65.38	63.13
June 30, 2023	54.83	51.86

The Company has been reporting its financial results on a non-consolidated basis since the first quarter of the fiscal year ended December 2023. Therefore, year-on-year changes for the second quarter of the fiscal year ended December 2023 are not presented.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2024	4,367	3,239	74.2
December 31, 2023	4,064	3,003	73.9

Reference: Equity
As of June 30, 2024: ¥3,239 million
As of December 31, 2023: ¥3,003 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2023	-	0.00	-	18.00	18.00
Fiscal year ending December 31, 2024	-	0.00			
Fiscal year ending December 31, 2024 (Forecast)			-	25.00	25.00

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

3. Forecast of non-consolidated financial results for the year ending December 31, 2024 (from January 1, 2024 to December 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	7,504	14.0	752	15.2	765	14.8	526	13.7	125.11

Note: Revisions to the forecast of financial results most recently announced: None

*** Notes**

(1) Adoption of accounting treatment specific to the preparation of semi-annual non-consolidated financial statements: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of June 30, 2024	4,329,600 shares
As of December 31, 2023	4,238,200 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2024	100,000 shares
As of December 31, 2023	100,000 shares

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

Six months ended June 30, 2024	4,197,891 shares
Six months ended June 30, 2023	4,071,294 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements regarding future performance in this material are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable at the time this report was prepared. Therefore, the Company does not make promises about the achievements. Actual results may differ significantly from the forecasts due to various factors.

Quarterly Non-consolidated financial statements
(1) Quarterly Non-consolidated balance sheets

Thousands of yen	December 31, 2023	June 30, 2024
Assets		
Current assets		
Cash and deposits	2,466,643	2,782,879
Accounts receivable - trade and contract assets	941,352	930,312
Merchandise	4,771	746
Supplies	22,740	5,780
Other	48,752	76,811
Allowance for doubtful accounts	△1,656	△1,755
Current assets	3,482,603	3,794,774
Non-current assets		
Property, plant and equipment	77,888	71,090
Intangible assets		
Goodwill	215,300	200,452
Other	886	530
Intangible assets	216,187	200,983
Investments and other assets		
Other	288,845	301,632
Allowance for doubtful accounts	△900	△900
Investments and other assets	287,945	300,732
Non-current assets	582,021	572,806
Assets	4,064,625	4,367,581
Liabilities		
Current liabilities		
Accounts payable - trade	269,647	252,814
Income taxes payable	119,961	159,796
Other	411,194	437,805
Current liabilities	800,803	850,416
Non-current liabilities		
Provision for retirement benefits	260,493	277,406
Non-current liabilities	260,493	277,406
Liabilities	1,061,296	1,127,822
Net assets		
Shareholders' equity		
Share capital	45,521	63,755
Capital surplus	145,196	163,431
Retained earnings	2,822,986	3,022,947
Treasury shares	△10,375	△10,375
Shareholders' equity	3,003,329	3,239,758
Net assets	3,003,329	3,239,758
Liabilities and net assets	4,064,625	4,367,581

(2) Quarterly Non-consolidated statements of income

Quarterly Non-consolidated statements of income for the Six months ended June 30, 2023 and 2024

Thousands of yen	Six months ended June 30, 2023	Six months ended June 30, 2024
Net sales	3,118,219	3,649,676
Cost of sales	2,304,624	2,693,395
Gross profit (loss)	813,594	956,281
Selling, general and administrative expenses	482,026	541,200
Operating profit (loss)	331,568	415,081
Non-operating income		
Interest income	10	12
Subsidy income	10,045	10,395
Foreign exchange gains	1,382	2,155
Other	24	4
Non-operating income	11,462	12,567
Ordinary profit (loss)	343,030	427,648
Extraordinary losses		
Loss on retirement of non-current assets	452	—
Loss on extinguishment of tie-in shares	668	—
Extraordinary losses	1,121	—
Profit (loss) before income taxes	341,909	427,648
Income taxes - current	123,289	159,798
Income taxes - deferred	△4,589	△6,598
Income taxes	118,699	153,199
Profit (loss)	223,209	274,448

(3) Quarterly Non-consolidated statements of cash flows

For the six months ended June 30, 2023 and 2024

Thousands of yen	Six months ended June 30, 2023	Six months ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	341,909	427,648
Depreciation	7,513	8,132
Amortization of goodwill	15,310	14,848
Increase (decrease) in allowance for doubtful accounts	1,068	99
Interest income	△10	△12
Foreign exchange losses (gains)	△1,382	△2,155
Loss on retirement of non-current assets	452	—
Loss (gain) on extinguishment of tie-in shares	668	—
Decrease (increase) in trade receivables	65,912	12,485
Decrease (increase) in contract assets	28,768	△1,445
Decrease (increase) in inventories	△10,772	20,984
Increase (decrease) in trade payables	9,218	△16,833
Increase (decrease) in accounts payable - other	△2,870	16,154
Increase (decrease) in provision for retirement benefits	14,026	16,913
Other, net	△72,017	△23,949
Subtotal	397,793	472,869
Interest received	10	12
Income taxes paid	△95,725	△119,788
Net cash provided by (used in) operating activities	302,079	353,093
Cash flows from investing activities		
Purchase of property, plant and equipment	△25,084	△659
Payments of leasehold and guarantee deposits	△17,515	—
Proceeds from refund of leasehold and guarantee deposits	2,335	—
Other, net	△15	△335
Net cash provided by (used in) investing activities	△40,279	△994
Cash flows from financing activities		
Proceeds from issuance of shares	10,134	36,468
Dividends paid	△40,604	△74,487
Net cash provided by (used in) financing activities	△30,469	△38,019
Effect of exchange rate change on cash and cash equivalents	1,382	2,155
Net increase (decrease) in cash and cash equivalents	232,711	316,235
Cash and cash equivalents at beginning of period	1,935,693	2,466,643
Increase in cash and cash equivalents resulting from merger	127,385	—
Cash and cash equivalents at end of period	2,295,790	2,782,879

(4) Notes to quarterly Non-consolidated financial statements

(Notes for assumption of going concern)

None

(Notes for significant changes in the amount of shareholders' equity)

None