Supplementary Materials

for the Fiscal Year Ended March 31, 2026

Achilles Corporation
(Securities code: 5142, Tokyo Stock Exchange Prime Market)

May 12, 2026

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https://www.achilles.jp/english/contact/

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Agenda

1. Financial Results
   for the fiscal year ended March 31, 2026

2. Financial Results Forecasts
   for the fiscal year ending March 31, 2027

3. Progress of the Mid-term Management Plan

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1. Financial Results for the fiscal year ended March 31, 2026

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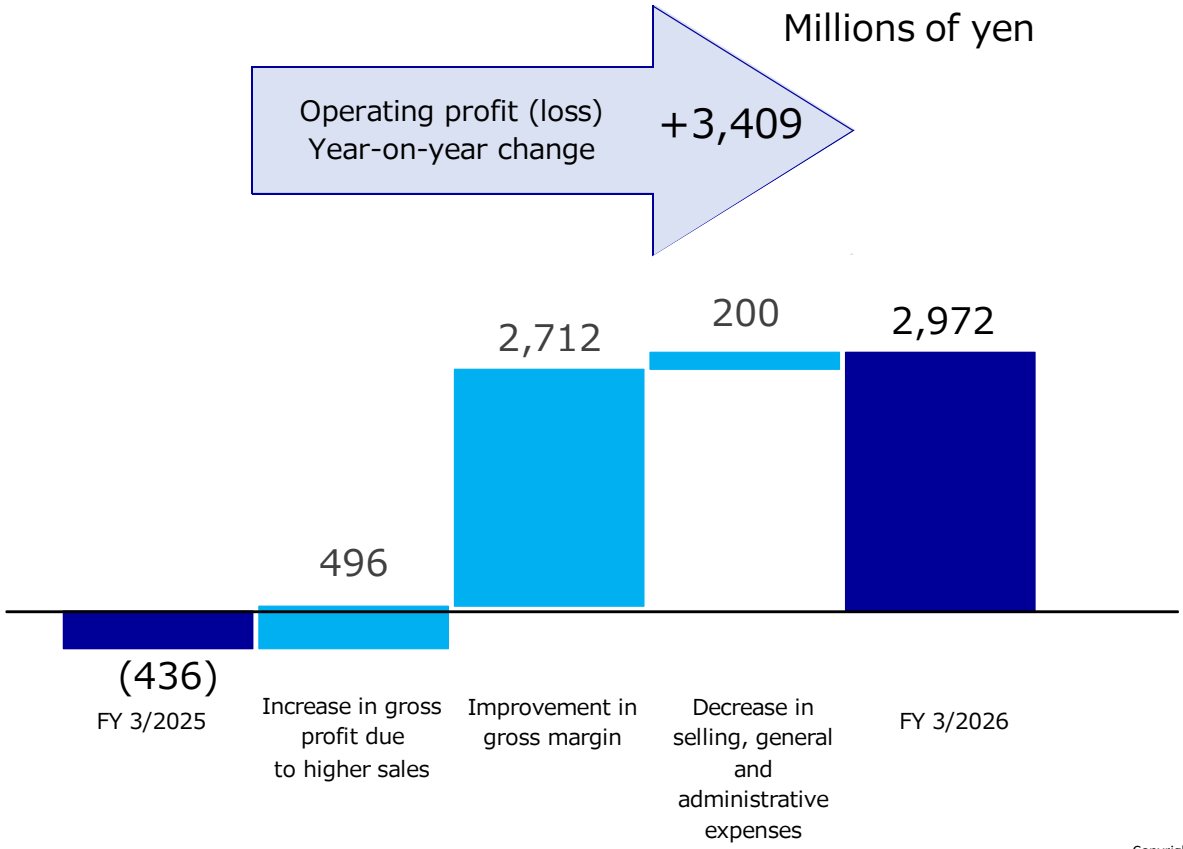
1 . Financial Results for the fiscal year ended March 31, 2026 －Consolidated statements of income

- Despite a decline in sales of Shoes and Automotive Materials, net sales increased due to strong performance in film products for the medical and electronics sector, as well as growth in components for wafer shipping supplies and manufacturing processes with in Industrial materials.
- Operating profit significantly improved, driven by a substantial increase in sales of high-margin film products for the medical sector and higher gross profit from expanded sales of industrial materials. These improvements were further supported by continued efforts to reduce manufacturing costs and company-wide expense management.
- Ordinary profit also saw a significant improvement, benefiting from a foreign exchange gain of 693 million yen and a share of profit of entities accounted for using equity method amounting to 181 million yen, among other non-operating income and expenses.
- Profit attributable to owners of parent increased substantially, despite recording an impairment loss of 905 million yen on fixed assets in the Disaster Response business. This was primarily due to overall improvements in profitability across the company.

(Millions of yen)

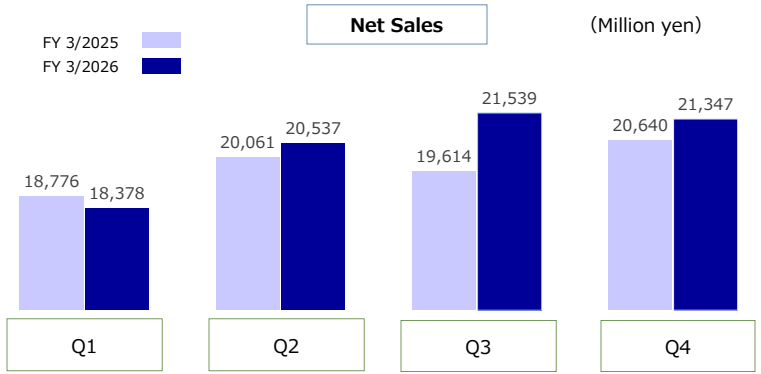
	FY 3/2025		FY 3/2026		Year-on-year changes		Forecasts	Changes
	Results	% to net sales	Results	% to net sales	Amount	Percentage	February 09, 2026	in amount
Net sales	79,093	–	81,802	–	2,709	3.4%	81,000	802
Gross profit	14,484	18.3%	17,692	21.6%	3,208	22.2%		
Selling, general and administrative expenses	14,920	18.9%	14,719	18.0%	(200)	(1.3%)		
Operating profit (loss)	(436)	(0.6%)	2,972	3.6%	3,409	–	2,300	672
Ordinary profit (loss)	(220)	(0.3%)	3,919	4.8%	4,140	–	2,550	1,369
Profit attributable to owners of parent	427	0.5%	2,116	2.6%	1,688	394.7%	1,450	666
Basic earnings per share(Yen)	30.67		154.87		124.20		106.10	

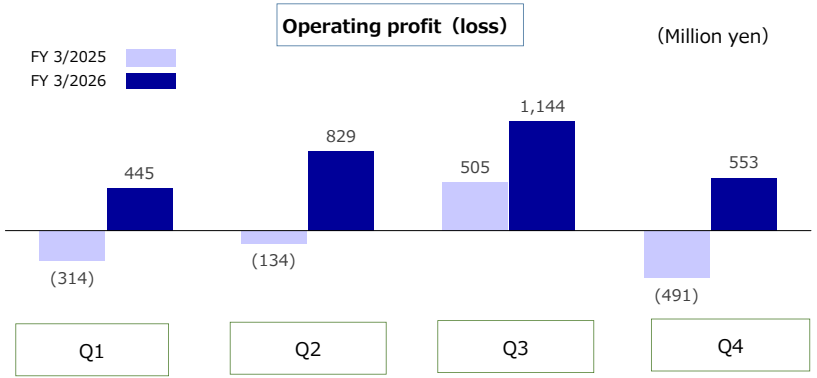
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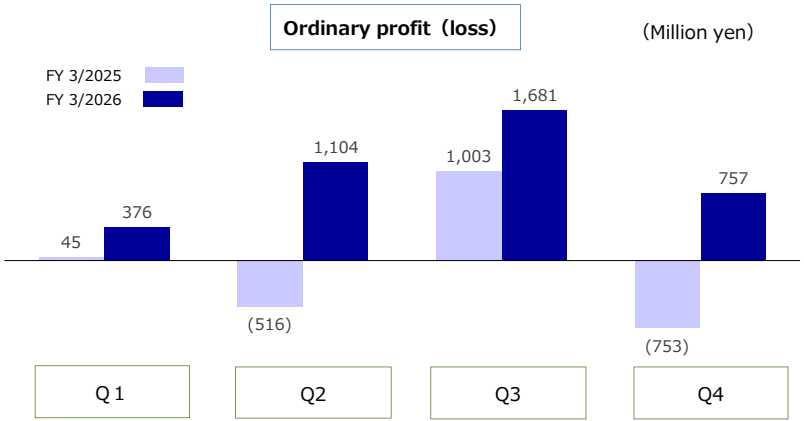


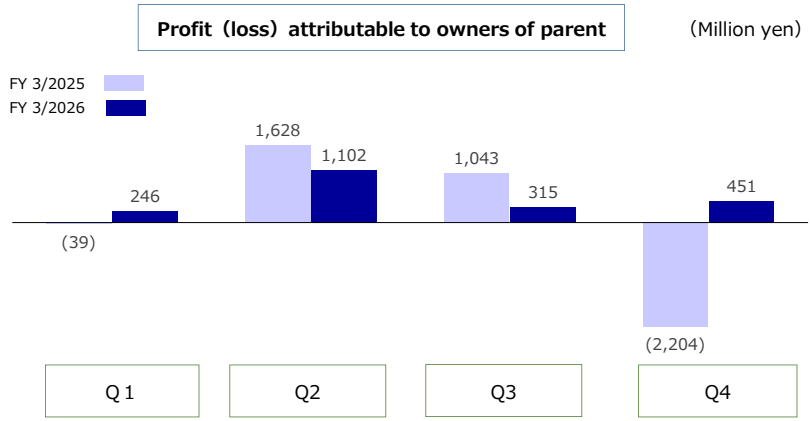
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1．Financial Results for the fiscal year ended March 31, 2026 －Quarterly trends



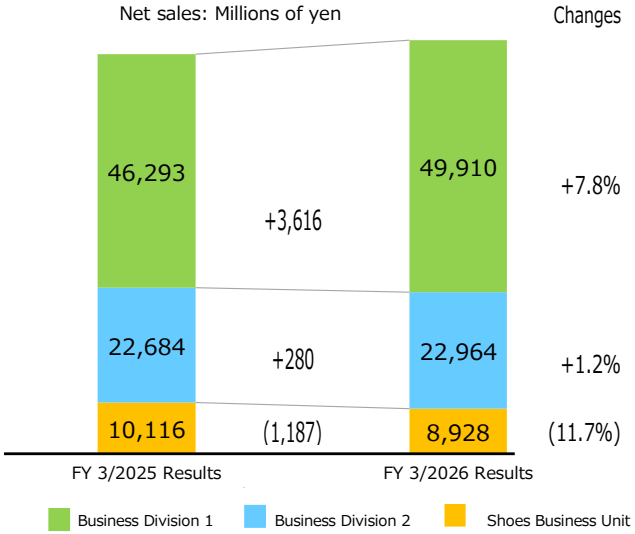


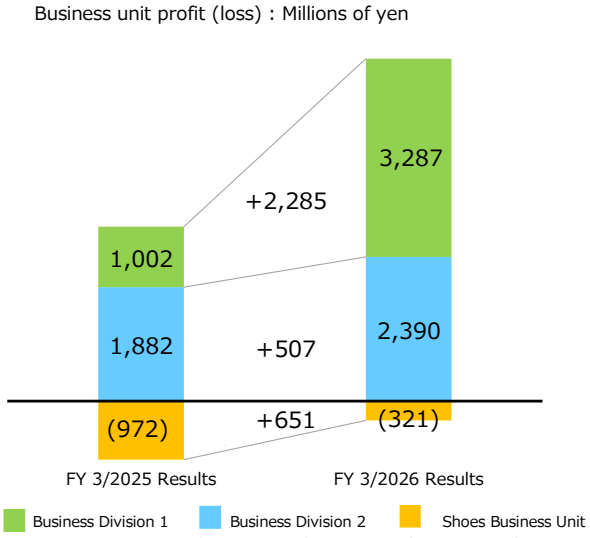




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1 . Financial Results for the fiscal year ended March 31, 2026 －Segment information





- **Business Division 1** Despite a decline in sales of Automotive Materials for automotive interior components and Urethane products for bedding, revenue increased significantly due to strong growth in Film products for the medical and electronics sectors, as well as Industrial Materials for semiconductor wafer transport and manufacturing processes.
- **Business Division 2** Revenue increased, driven by higher sales of Heat Insulation Materials and Disaster Response products such as tents and mats, along with price revisions for Building Interior Materials.
- **Shoes Business Unit** Although new products focusing on functionality were introduced and price revisions were implemented for core brands, revenue decreased due to worsening market conditions caused by rising consumer prices and the impact of price revisions.

- **Business Division 1** Operating profit rose significantly, driven by higher gross profit from growth in high-margin film products for the medical sector and industrial materials. Profitability also improved through cost reduction efforts, including consolidated production.
- **Business Division 2** Operating profit increased due to higher gross profit resulting from increased sales of Heat Insulation Materials and Building Interior Materials.
- **Shoes Business Unit** Losses were significantly reduced through price revisions, procurement cost revisions, and expense reductions.

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1．Financial Results for the fiscal year ended March 31, 2026 －Consolidated balance sheets

(Millions of yen)

	As of 3/2025	As of 3/2026	Changes in amount
Current assets	45,720	46,645	925
Property,plant and equipment	20,244	19,269	(975)
Intangible assets	274	361	87
Investments and other assets	13,266	17,351	4,085
Total assets	79,504	83,628	4,123
Current liabilities	29,161	22,501	(6,659)
Non-current liabilities	11,006	17,843	6,836
Total liabilities	40,168	40,345	176
Net assets	39,336	43,282	3,946
Total liabilities and net assets	79,504	83,628	4,123
Equity ratio	49.5%	51.8%	2.3%
Net assets per share (Yen)	2,878.18	3,167.21	289.03

Breakdown	
・Cash and deposits	2,027
・Inventory	(884)
・Other current assets	(161)
・Buildings and structures	(901)
・Investment securities	1,682
・Retirement benefit asset	2,404
・Current portion of long-term borrowings (Current)	(5,750)
・Long-term borrowings (Non-current)	5,750
・Retained earnings	1,843
・Remeasurements of defined benefit plans	1,319
・Valuation difference on available-for-sale securities	1,153
・Foreign currency translation adjustment	(383)

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2. Financial Results Forecasts for the fiscal year ending March 31, 2027

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2. Financial Results Forecast for the fiscal year ending March 31, 2027

- The heightened tensions in the Middle East raise concerns about potential impacts on crude oil and naphtha procurement. As our group manufactures and sells products using plastics derived from naphtha, raw material procurement, pricing, and production activities may be affected.
- To minimize impacts, we are working with suppliers, including exploring alternative sourcing options. We are also addressing rising raw material, energy, and logistics costs through cost-reduction measures and appropriate price revisions. However, due to the difficulty of making a reasonable assessment, the potential effects of Middle East tensions are not included in our current forecasts.
- Despite ongoing uncertainty, we expect sales to grow next fiscal year, driven by strong performance in the medical film sector and semiconductor-related industrial materials. On the profit side, we have factored in proactive investments in human capital management and digital transformation (DX), as well as risks such as foreign exchange fluctuations.

(Million yen)

	FY 3/2026		FY 3/2027		Year-on-Year	
	Full year		Full year		Full year	
	Results	% to net sales	Forecast	% to net sales	Year-on-year changes	Growth Rate
Net sales	81,802	-	82,500	-	698	0.9%
Operating profit	2,972	3.6%	2,200	2.7%	(772)	(26.0%)
Ordinary profit	3,919	4.8%	2,000	2.4%	(1,919)	(49.0%)
Profit attributable to owners of parent	2,116	2.6%	1,300	1.6%	(816)	(38.6%)
Annual dividends	40 yen (Fiscal Year-End)		30 yen (Fiscal Year-End)	Forecast		

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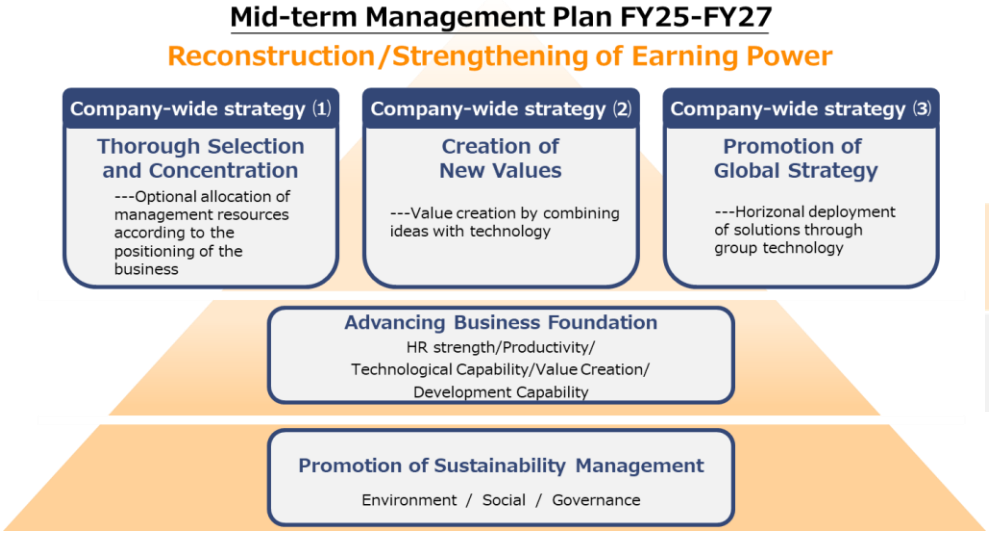
3. Progress of the Mid-term Management Plan

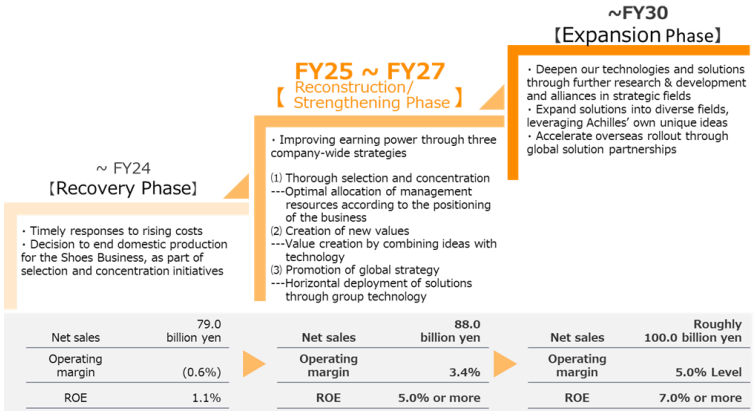
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Our Goal In FY2030

The Achilles Group values each employee's curiosity, diverse abilities, unique ideas, and inspiration, contributing to society through solutions that combine various technologies.

We are aiming to become a "Global Solution Provider" that delivers surprise, joy, and inspiration to the world, enriching people's lives.





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3-2. Financial Performance and Targets

- Net sales increased due to growth in core businesses, while cost reductions and price revisions contributed to higher profits. Both net sales and operating income exceeded initial projections in the first year.
- However, external uncertainties, such as the situation in the Middle East, changes in resource prices, and exchange rate fluctuations, have become more significant than we anticipated during the planning phase.
- Even with these external changes, we are not revising our plan at this time and will continue to carry it out steadily as originally planned.

(Billions of yen)

	FY2024 Results	FY2025 Forecasts*	FY2025 Results	FY2027 Forecasts	Image of FY2030 goals
Net sales	79.0	81.0	81.8	88.0	100.0
Sales Overseas	17.2	—	21.4	22.0	30.0
Operating profit	(0.4)	2.3	2.9	3.0	5.0
Operating profit margin	(0.6%)	2.8%	3.6%	3.4%	5.0%
ROE	1.1%	—	5.1%	5.0% or more	7.0% or more

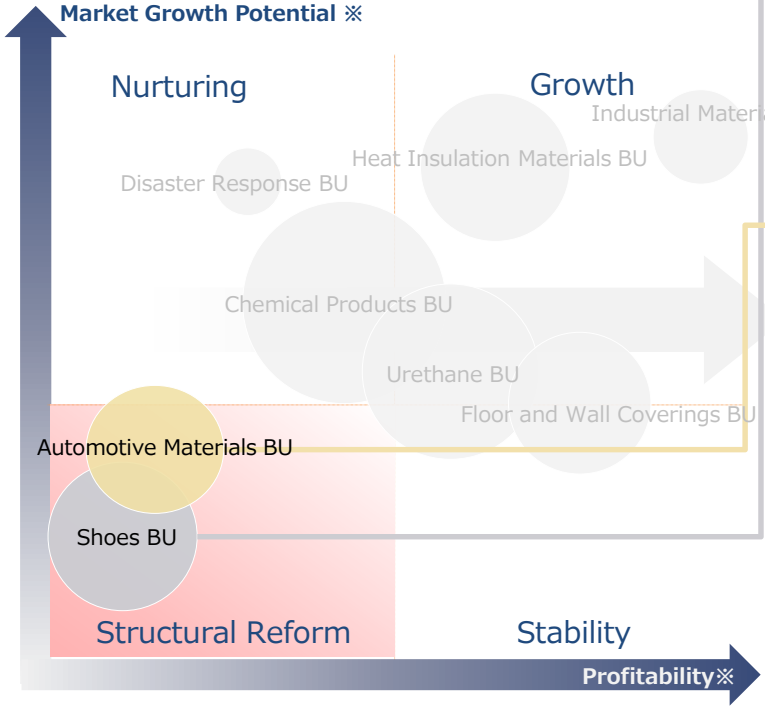
*The earnings forecast announced on February 9, 2026.

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3-3. Company-Wide Strategy(1) Selection and Concentration

- We will continue to promote key initiatives aimed at selection and concentration for the shoes business and the automotive materials business, both of which require structural reforms.

Mid-term Management Plan



Shoes Business

Strategy

- Implemented "Selection and Concentration" based on the 4P strategy.
- Aim to determine the feasibility of achieving profitability by FY2027.

Progress

- ✓ Focus on new product launches emphasizing functionality and price revisions.
- ✓ Expansion of promotional activities and enhancement of quality and design.

Automotive Materials Business

Strategy

- Reassessing the position of Achilles (Foshan) New Materials Co., Ltd.
- Strengthening differentiation based on consolidated production and functionality, as well as expanding business development across the entire mobility sector.

Progress

- ✓ Optimizing the business structure by reviewing the production system at Achilles (Foshan) New Materials Co., Ltd. and reallocating resources to other manufacturing sites.
- ✓ Initiating the establishment of a global expansion framework (development, production, and sales) for vehicle interior materials using new manufacturing methods.
- ✓ Promoting sales of high flame-retardant interior materials for aircraft, primarily in North America, and developing new customers in the MRO* market, focusing on East Asia.

*MRO: Maintenance, Repair, and Overhaul

※ Market Growth Potential : Market growth potential estimated based on market research and analysis.

※ Profitability : Operating profit margin for FY2024.

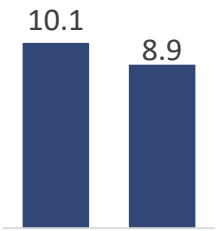
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3-3. Company-Wide Strategy(1) Selection and Concentration –Shoes Business–

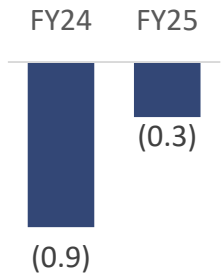
■ We focused on selection and concentration based on the 4P strategy. Sales revenue was approximately 8.9 billion yen, down 11.7% year-over-year. Segment profit improved to about 650 million yen, reducing the deficit by 67.0%. We will continue working steadily to achieve profitability.

4P strategy	Achievement
Product -Enhancing product value -Expansion of solution-oriented product lineup	✓Development of new products to meet health-conscious and functional needs ✓Establishment of the Shoes Global Management Center to enhance quality and design, with operations commencing on April 1, 2026.
Price -Optimization of product pricing -Promotion of cost reduction initiatives	✓Improved profitability through price and cost optimization
Place -Expansion of EC and overseas sales -Optimization of sales channels	✓Strengthened overseas expansion of “Sorbo” products with new stores in Hong Kong and Taiwan ✓Development and launch of products for in-house EC platforms
Promotion -Expansion of fan base through strengthened EC	✓Strengthened marketing structure ✓Expanded promotional activities using SNS and web advertising

Net sales



Business unit profit



Challenges	Current Initiatives
➢ Enhancing product development processes to reflect market needs	➢ Strengthening solution functionalities for climate change adaptation and safety ➢ Promotion of collaborative products with B2B companies and design enhancements
➢ Further price optimization to address fluctuations in raw material costs and exchange rates	➢ Optimizing pricing for high-value products that meet customer needs
➢ Optimization of sales channel mix	➢ Expanding exclusive products and pop-up stores to boost EC sales ➢ Expanding presence in East and Southeast Asia
➢ Strengthening customer touchpoints and expanding fan base through SNS and digital initiatives	➢ Promoting initiatives to increase PR action count ➢ Leveraging ambassadors for communication and collaboration with physical locations

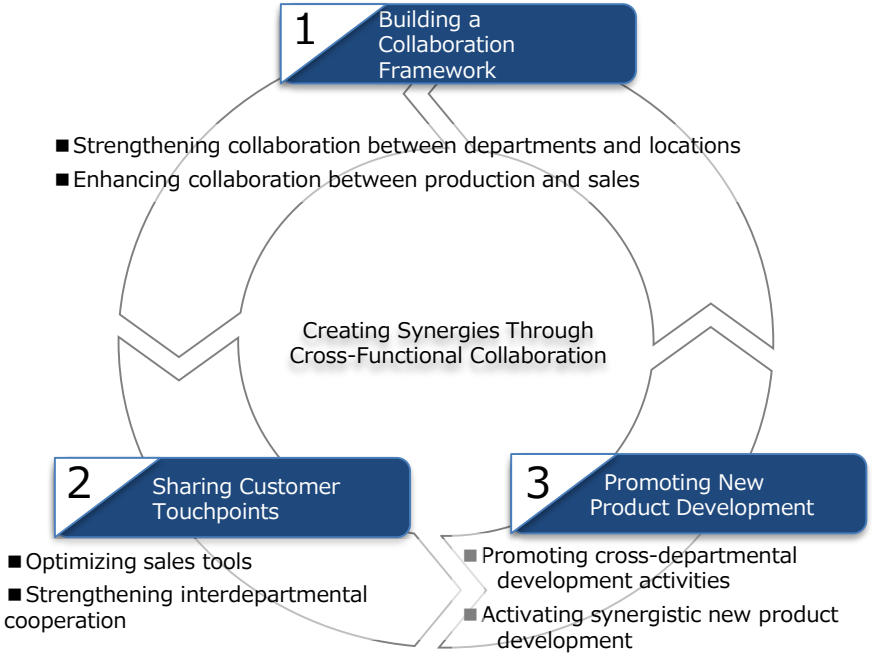
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3-3. Company-Wide Strategy(2) Creating New Value

- To create new value by combining ideas with technology, we reorganized our business structure in June 2025.
- To generate further synergies, we are advancing approaches to key market starting from cross-functional collaboration.

“Organizational Restructuring“ June 2025

The company's eight business divisions were reorganized into three, streamlining the structure to enhance market synergy.



Key Market

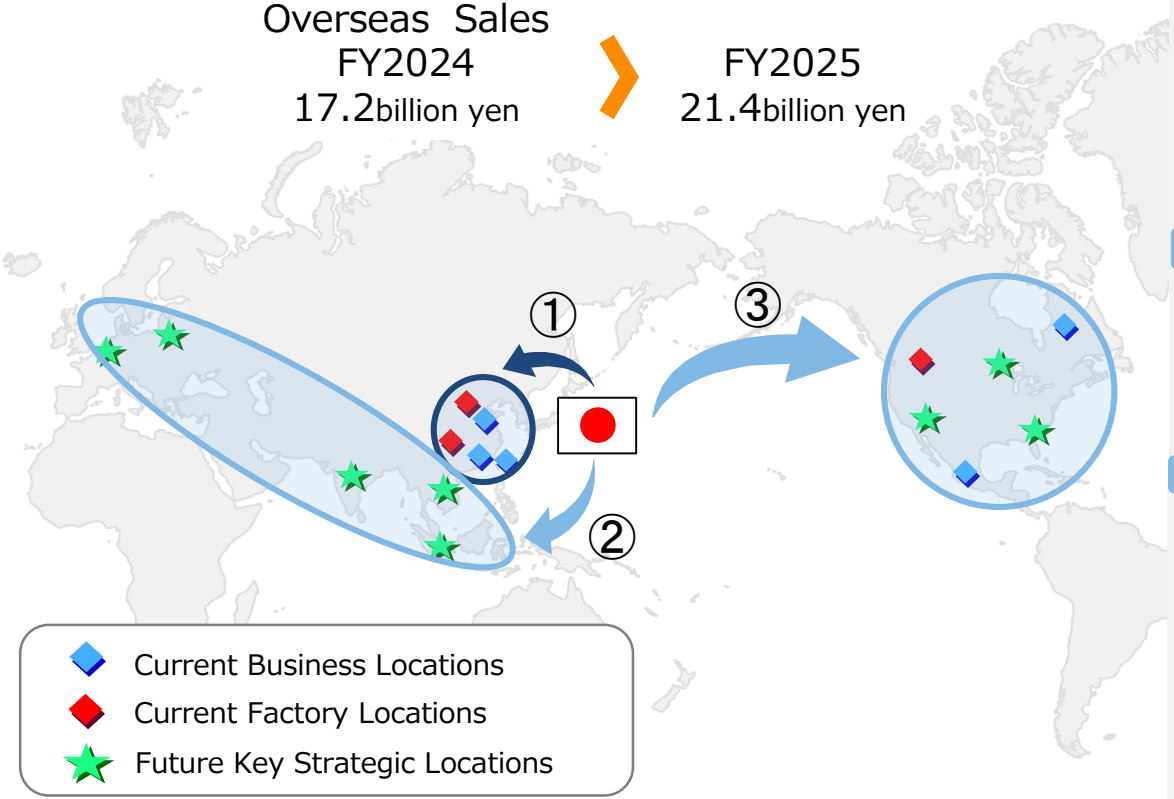
- Electronics
- Mobility
- Medicals & Healthcare
- Construction & Infrastructures
- Safety & Activities

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3-3. Company-Wide Strategy(3) Global Strategy Expansion

■ Strengthening collaboration between production and sales functions to address increasing demand volatility due to geopolitical risks and changes in trade environments.

Overseas Sales
FY2024
17.2billion yen
›
FY2025
21.4billion yen



❶ East Asia

- ✓Initiation of alliances for materials used in pharmaceutical manufacturing processes
- ✓Establishment of a new manufacturing method for automotive interior leather and commencement of specification-in activities
- ✓Brand recognition enhancement through Achilles Sorbo store opening in Hong Kong and expanded sales efforts in Taiwan

❷ Southeast Asia and Europe

- ✓Promotion of facility development activities to strengthen the foundation of the semiconductor business in Asia
- ✓Expansion of materials business for data centers.(Exhibition at Data Centre World Asia)
- ✓Efforts to increase market share of leisure boat materials in the European region

❸ North and Central America

- ✓Full-scale operation of medical manufacturing facilities at the North America site by 2026
- ✓Strengthening collaboration for localized production of automotive interior materials
- ✓Reorganization of sales and supply systems in the Safety Activities sector
- ✓Strengthening partnerships with semiconductor manufacturers and initiating collaboration with mega-tech companies to capture demand for generative AI and data center-related products
- ✓Launch of sales activities at the Mexico site

3-4. Advancement of Business Infrastructure

■ Promoting key initiatives for the advancement of business infrastructure to achieve corporate strategies and rebuild and strengthen profitability.

Rebuilding and Strengthening Profitability

Achievement of Corporate Strategies

Advancement of Business Foundations

Enhancement of HR Capabilities

- ✓Establishment of HR and general affairs headquarters and office center through organizational restructuring
- ✓System enhancement to support diverse workstyles (e.g., hourly paid leave, expansion of childcare programs)
- ✓Partial revisions to HR and compensation systems to enhance employee engagement
- ✓Strengthening talent development to achieve management goals

Enhancement of Productivity

- ✓Promotion of operational efficiency through the use of AI and digital technologies
- ✓Utilizing internal knowledge through integration of business tools
- ✓Initiatives for establishing a flexible production system
- ✓Deployment of the "smart process promotion movement" to drive process improvements

Enhancement of Technology

- ✓Establishment of the Innovation Technology Headquarters to advance equipment development for competitiveness and productivity enhancement
- ✓Optimization of manufacturing processes through process informatics
- ✓Development of AI-based image data evaluation models
- ✓Deployment of industrial engineering practices across the group

Enhancement of R&D

- ✓Development of a new biodegradable mulch film with enhanced biodegradation performance.
- ✓Development of a high-adhesion plating film formation technology for glass substrates with through-holes
- ✓Restructuring of the R&D framework and establishment of a collaborative system to promote key development themes

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3-5. Sustainability Management

■ We will continue to implement various initiatives across all ESG areas to enhance corporate value.

E Environment

- ✓ Reduction of power consumption through facility investments and real-time electricity management at factories.
- ✓ Development of the "I'MOG" Project, aimed at transforming scrap and waste materials from manufacturing process into upcycled products.



Exhibition at the Automotive Engineering Exposition NAGOYA



Seat Covers for VIP Seats for the Professional Volleyball Team Reve's Tochigi

S Society

- ✓ Launch of "Achilles Solar Clear," a film material designed to provide comfort and enhance energy efficiency as a solution to extreme heat conditions.
- ✓ Promotion of initiatives aimed at regional and social contributions.

Syunsoku Challenge 2025





On-site lecture series about feet and shoes.

G Governance

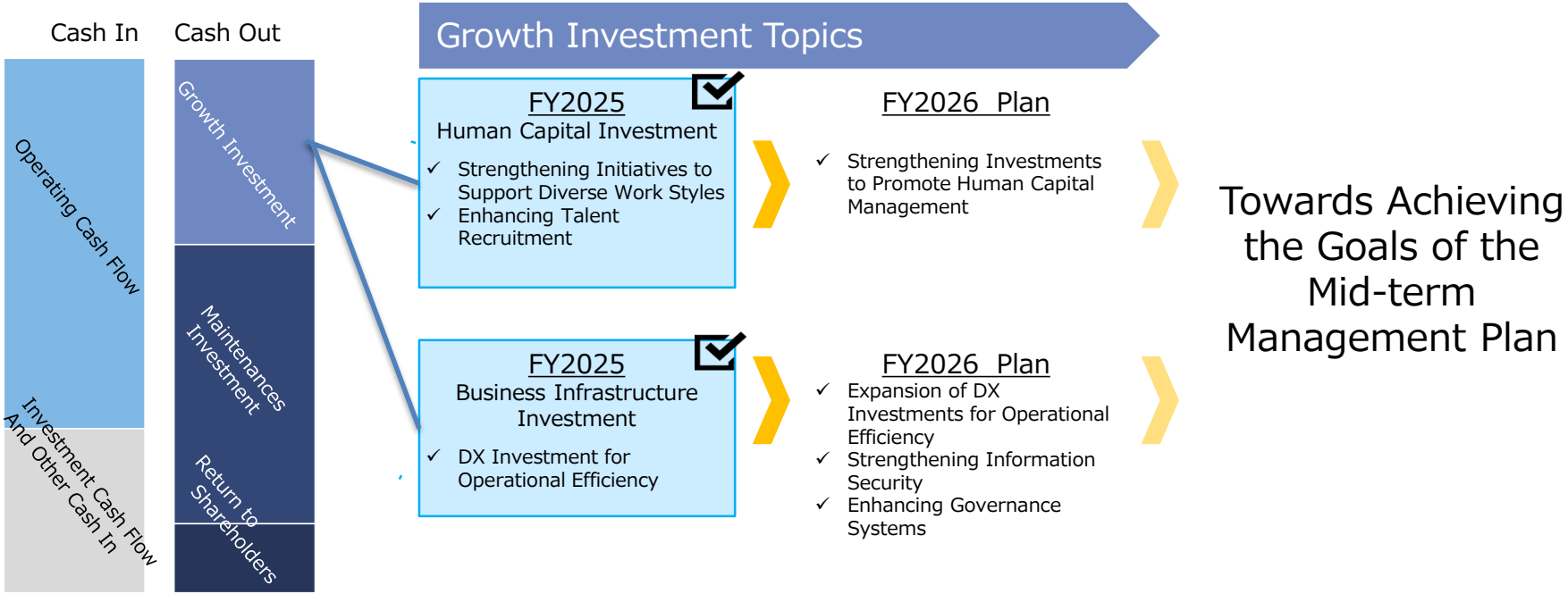
- ✓ Continuous implementation of measures to strengthen governance
- ✓ Scheduled appointment of an external director*
- ✓ Enhanced information sharing based on board evaluations
- ✓ Strengthening governance systems for overseas operations in line with global strategy promotion
- ✓ Launch of a new web page for individual investors

*The appointment of the external director is subject to formal approval at the 106th annual general shareholders' meeting.

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3-6. Investment Plan

- In FY2025, growth investments in human capital and business infrastructure were successfully implemented.
- To achieve the goals outlined in the mid-term management plan, we will focus on strengthening proactive investments in human capital management and advancing digital transformation (DX) in 2026.

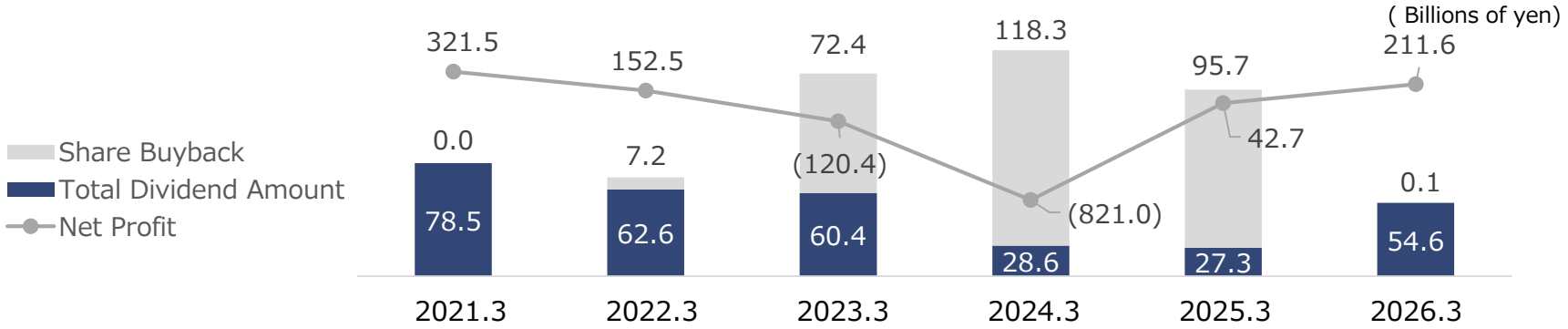


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3-7. Shareholder Return Policy

■ While maintaining a policy of continuous and stable dividend payments, we will also flexibly execute share buybacks to enhance overall shareholder returns.

Basic Policy	**Dividend**	• Considering recent business performance, we will prioritize the following dividend policies for the time being: a dividend payout ratio of 30% or higher and a dividend per share of 50 yen.
	Share Buyback	• These policies will be implemented flexibly, taking into account factors such as business performance and stock price conditions.



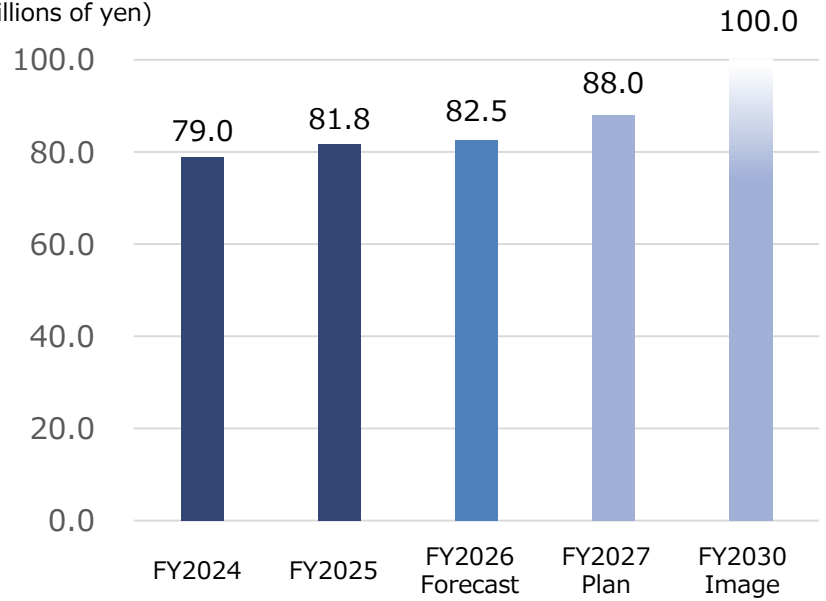
	2021.3	2022.3	2023.3	2024.3	2025.3	2026.3
DPS (JPY)	50	40	40	20	20	40
Dividend Payout Ratio (%)	24.4	41.2	–	–	65.2	25.8
Total Shareholder Return Ratio (%)	24.4	45.9	–	–	293.5	25.9

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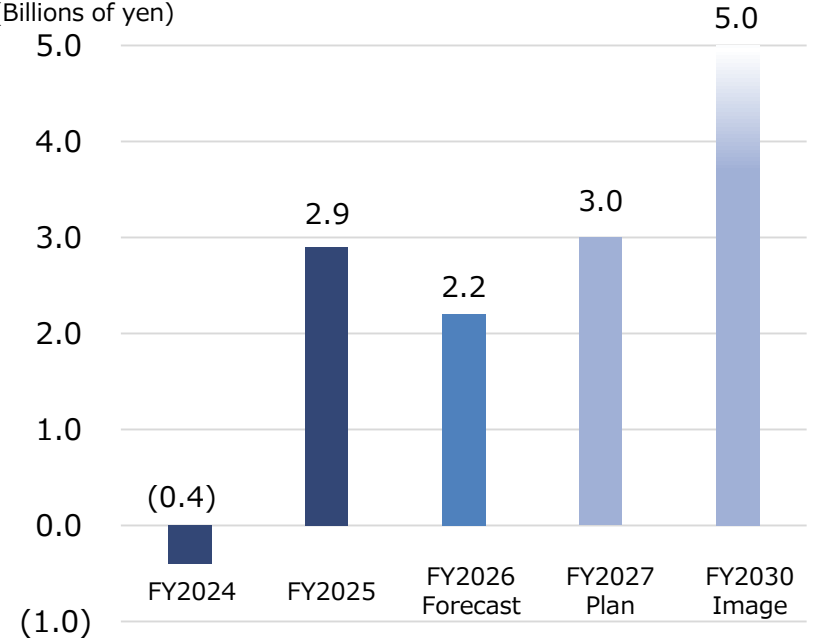
3-8. Transition of Management Targets

- For the current fiscal year, strong sales in film products for the medical and electronics sectors, as well as industrial materials for semiconductor wafer transport and manufacturing processes, combined with cost reduction and expense control efforts, resulted in sales revenue of 81.8 billion yen and operating profit of 2.97 billion yen.
- For fiscal year 2026, we forecast sales revenue of 82.5 billion yen and operating profit of 2.2 billion yen, reflecting proactive investments in human capital management and digital transformation (DX) as outlined in the mid-term management plan, while considering risks such as foreign exchange fluctuations. Potential impacts from heightened tensions in the Middle East are not included in this forecast due to the difficulty of making a reasonable assessment at this time.

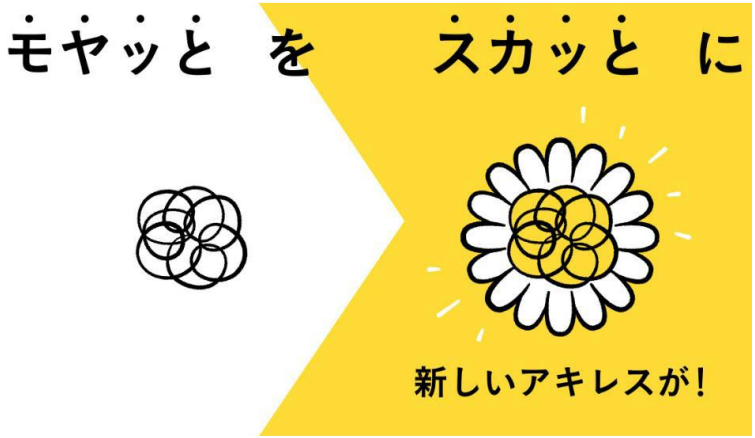
Net sales
(Billions of yen)



Operating profit
(Billions of yen)



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The forward-looking statements, including performance forecasts, contained in this document are based on information currently available to the company and certain assumptions deemed reasonable. Actual performance and other results may vary significantly due to various factors.

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