# Supplementary Materials

# for the Six Months Ended September 30, 2026

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

Nov 12, 2026

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

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Agenda

1. Semi-annual Financial Results

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

3. Progress of the Medium-Term Management Plan



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# 1. Semi-annual Financial Results



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# 1 . Semi-annual Financial Results
## – Semi-annual consolidated statements of income (for the six months)

- In response to uncertainty over raw material supply and higher procurement costs arising from the situation in the Middle East, we worked to ensure stable procurement and product supply while promoting cost reduction initiatives and implementing appropriate price revisions.
- Net sales increased on a consolidated basis. Strong sales continued for film products for the electronics market, automotive interior materials for aircraft and automobiles, and semiconductor wafer transport materials, while urethane products, heat insulation materials, floor and wall coverings materials, and disaster prevention products also remained firm. In contrast, the Shoes business remained weak, due to Japan's declining birthrate, reduced sales floor space at department stores, and the impact of the termination of domestic production as part of a strategy to focus on key brands.
- Operating profit increased significantly, driven mainly by higher gross profit resulting from increased sales of film products for the electronics market, semiconductor wafer transport materials, and heat insulation materials. Further cost reduction efforts through production consolidation, reviews of raw materials and other initiatives also contributed.
- Ordinary profit increased substantially, reflecting the sharp rise in operating profit as well as non-operating income, including dividend income of ¥83 million and share of profit of entities accounted for using equity method of ¥76 million.
- Semi-annual profit attributable to owners of parent rose significantly, supported by increases in operating profit and ordinary profit, as well as gain on sale of investment securities of ¥1,383 million associated with the reduction of cross-shareholdings.

(Millions of yen)

| | For the 6months ended | | For the 6months ended | | Year-on-year changes | |
|---|---|---|---|---|---|---|
| | 9/2025 | % to net sales | 9/2026 | % to net sales | Amount | Percentage |
| Net sales | 38,915 | – | 42,663 | – | 3,748 | 9.6% |
| Gross profit | 8,361 | 21.5% | 9,958 | 23.3% | 1,596 | 19.1% |
| Selling, general and administrative expenses | 7,086 | 18.2% | 7,334 | 17.2% | 247 | 3.5% |
| Operating profit | 1,275 | 3.3% | 2,624 | 6.2% | 1,349 | 105.8% |
| Ordinary profit | 1,480 | 3.8% | 2,729 | 6.4% | 1,249 | 84.4% |
| Profit attributable to owners of parent | 1,349 | 3.5% | 2,749 | 6.4% | 1,400 | 103.8% |
| Basic earnings per share(Yen) | 98.73 | | 201.19 | | 102.46 | |



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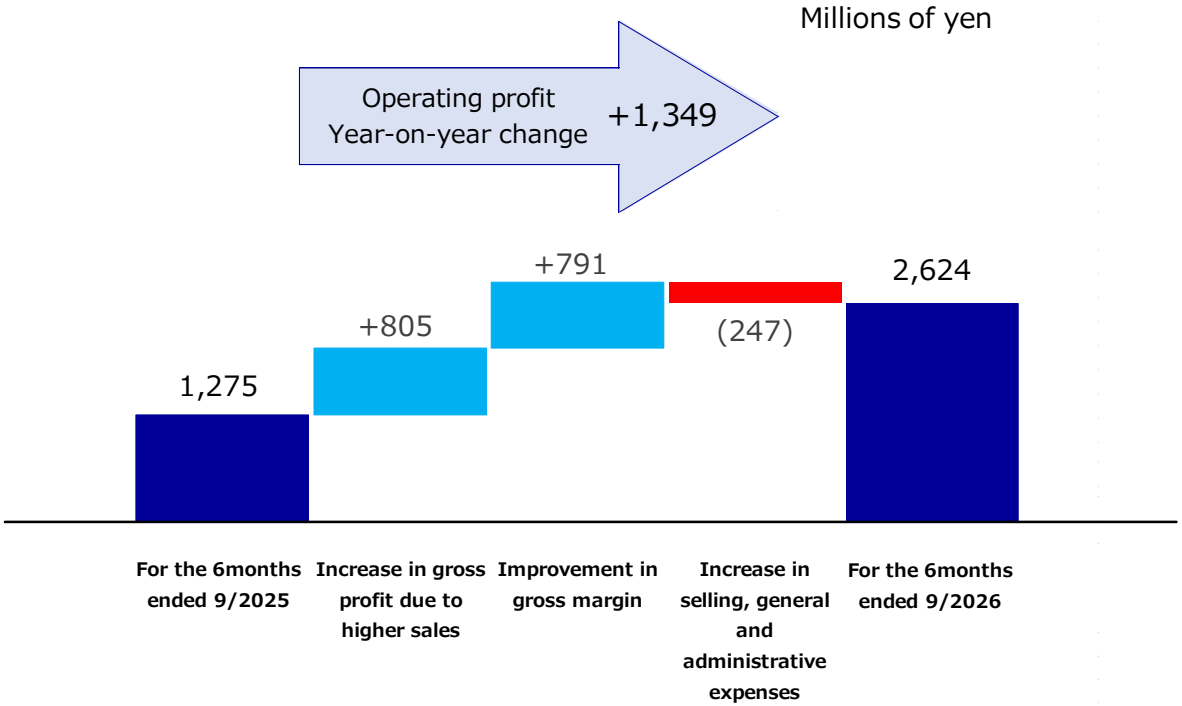
Higher gross profit resulting from increased sales and further cost reductions more than offset the increase in SG&A expenses, resulting in a significant increase in operating profit.



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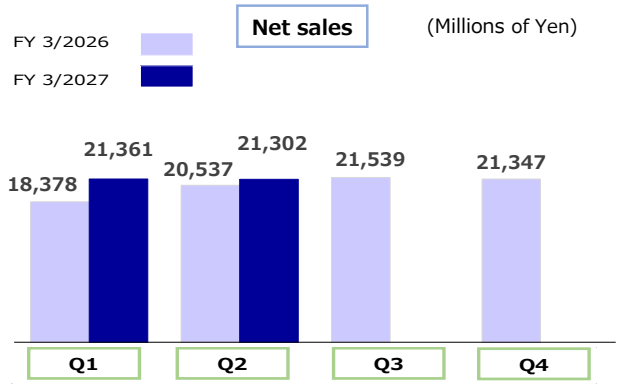
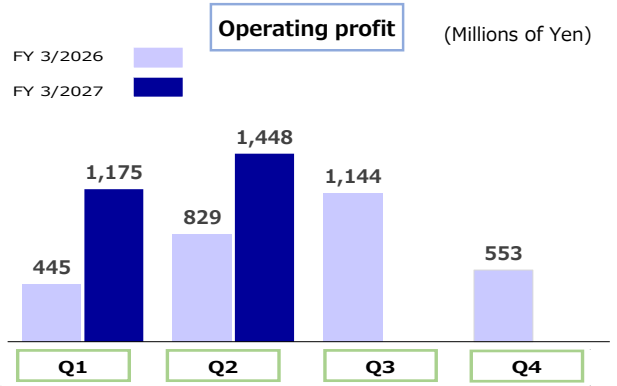
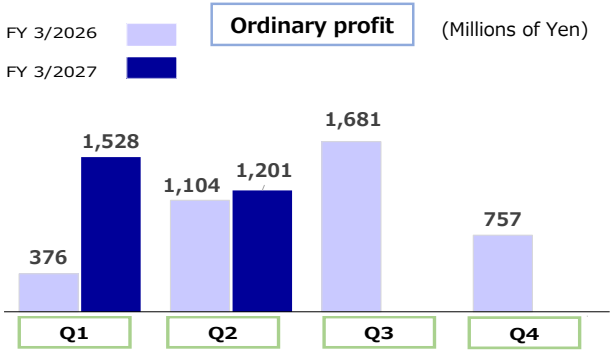
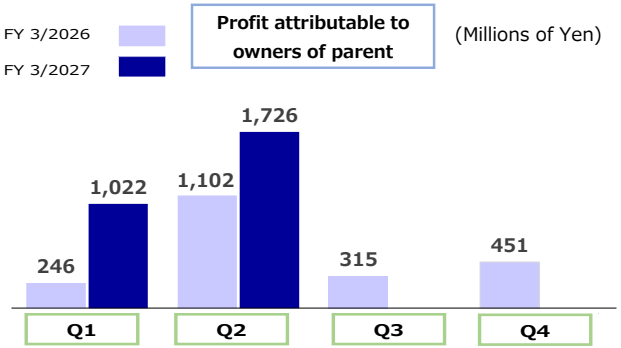
# 1. Semi-annual Financial Results – Quarterly Performance Trends

In both the first and second quarters, net sales, operating profit, ordinary profit, and profit attributable to owners of parent exceeded the corresponding periods of the previous fiscal year. Although concerns remain regarding the impact of the situation in the Middle East, film products and anti-static products are expected to remain strong going forward.



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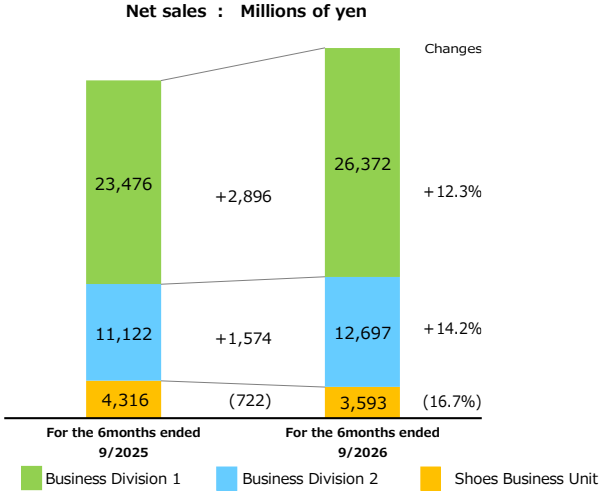
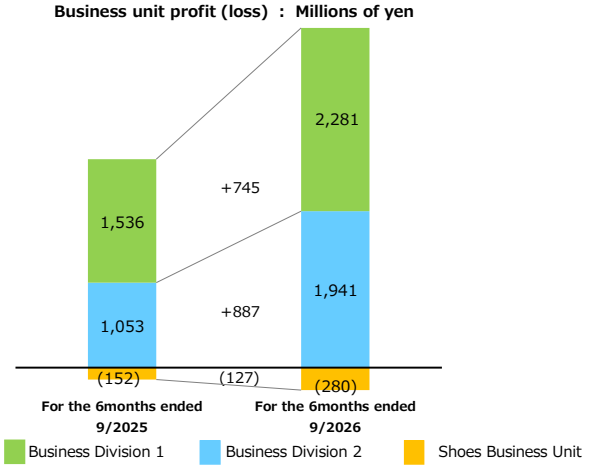
# 1. Semi-annual Financial Results – Segment Information




- **Business Division 1** Sales increased, supported by strong sales of automotive interior materials for automobiles and aircraft, film products for the electronics market, urethane products for vehicles, and anti-static products such as semiconductor wafer transport materials.
- **Business Division 2** Sales increased due to higher demand for heat insulation materials, floor and wall coverings materials, and disaster prevention products amid concerns over future supply caused by the heightened tensions in the Middle East, as well as price revisions reflecting higher raw material costs.
- **Shoes Business Unit** Although the newly opened Achilles SORBO shop in Hong Kong performed well, sales decreased due to continuing weak consumer spending in Japan associated with the declining birthrate and reduced sales floor space at department stores, as well as the impact of the termination of domestic production.

- **Business Division 1** Operating profit increased due to higher gross profit from increased sales of film products for the electronics market and semiconductor wafer transport materials, as well as further cost reduction efforts including production consolidation, reductions in raw material loss and energy consumption, and reviews of raw materials.
- **Business Division 2** Operating profit increased due to higher gross profit from increased sales of heat insulation materials, as well as further cost reduction efforts including reviews of raw materials, production consolidation, and reductions in raw material loss.
- **Shoes Business Unit** Although efforts were made to revise selling prices, reduce selling expenses, and further cut costs, losses widened due to lower sales and the recording of inventory valuation losses in line with our strategic focus on key brands.



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# 1. Semi-annual Financial Results – Semi-annual Consolidated Balance Sheets

(Millions of yen)

| | As of 03/2026 | As of 09/2026 | Changes in amount |
|---|---|---|---|
| Current assets | 46,645 | 52,715 | 6,070 |
| Property,plant and equipment | 19,269 | 19,468 | 198 |
| Intangible assets | 361 | 396 | 34 |
| Investments and other assets | 17,351 | 14,993 | (2,358) |
| Total assets | 83,628 | 87,573 | 3,945 |
| Current liabilities | 22,501 | 29,084 | 6,582 |
| Non-current liabilities | 17,843 | 12,880 | (4,963) |
| Total liabilities | 40,345 | 41,964 | 1,619 |
| Net assets | 43,282 | 45,609 | 2,326 |
| Total liabilities and net assets | 83,628 | 87,573 | 3,945 |
| Equity ratio | 51.8% | 52.1% | 0.3% |
| Net assets per share (Yen) | 3,167.21 | 3,337.71 | 170.50 |

| Breakdown | |
|---|---|
| ・Cash and deposits | 3,817 |
| ・Trade receivables | 1,461 |
| ・Inventory | 1,352 |
| ・Other current assets | (539) |
| ・Investment securities | (2,303) |
| ・Current portion of long-term loans payable (Current) | 4,500 |
| ・Trade and other payables | 1,581 |
| ・Income taxes payable | 827 |
| ・Long-term borrowings (Non-current) | (4,500) |
| ・Deferred tax liabilities | (464) |
| ・Retained earnings | 2,202 |
| ・Foreign currency translation adjustment | 728 |
| ・Remeasurements of defined benefit plans | (328) |
| ・Valuation difference on available-for-sale securities | (281) |



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



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# 2. Financial Results Forecast for the Fiscal Year Ending March 31, 2027 – Revision from the Forecast Announced on August 7, 2026

- Although the business environment is expected to remain uncertain due in part to the situation in the Middle East, film products for the electronics market and anti-static products such as semiconductor wafer transport materials, which performed well during the second quarter, are expected to remain strong going forward.
- Based on these factors, net sales, operating profit, ordinary profit, and profit attributable to owners of parent are all expected to exceed the previously announced forecasts.
- Regarding the year-end dividend forecast, based on the dividend policy set forth in our Medium-Term Management Plan (FY25–FY27)—a dividend payout ratio of 30% or more and dividends per share of ¥50—the forecast was initially set at ¥30 per share. It was then revised upward to ¥50 per share in light of the expected recording of extraordinary income from the sale of investment securities under our policy on reduction of cross-shareholdings. Furthermore, following the upward revision of our full-year earnings forecast, we are now revising the forecast upward again to ¥60 per share.

Announced on Aug 7,2026

(Millions of yen)

| | FY 3/2027 Previous Forecast | Difference | FY 3/2027 Revised Forecast | FY 3/2026 Results | Year-on year changes |
|---|---|---|---|---|---|
| Net sales | 82,500 | 4,500 | 87,000 | 81,802 | 5,198 |
| Operating profit | 2,200 | 2,400 | 4,600 | 2,972 | 1,628 |
| Ordinary profit | 2,000 | 2,500 | 4,500 | 3,919 | 581 |
| Profit attributable to owners of parent | 2,200 | 1,600 | 3,800 | 2,116 | 1,684 |
| Annual dividends per share | 50 Yen (Year-end) | 10 Yen Increase | 60 Yen (Year-end) | 40 Yen (Year-end) | |



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# 3. Progress of the Medium-Term Management Plan



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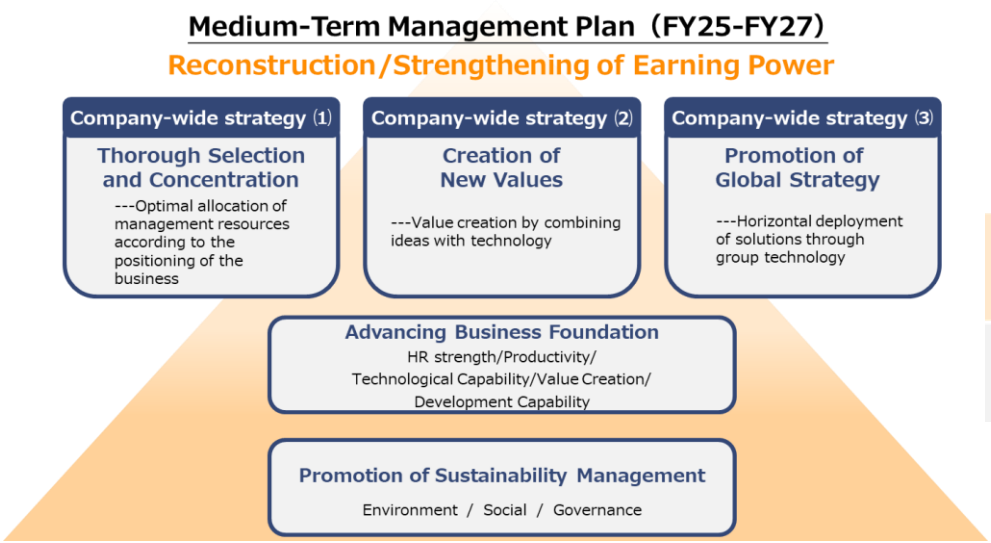
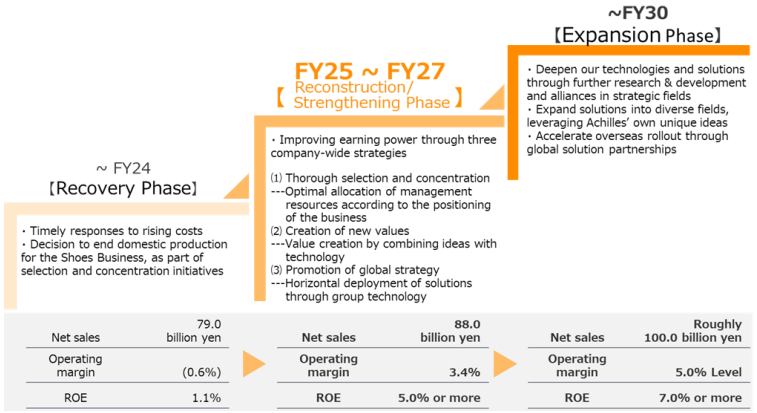
# The Medium-Term Management Plan (FY25–FY27)
# 3-1. The Positioning of the Medium-Term Management Plan

## 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

- Consolidated semi-annual results of FY2026, the second year of the Medium-Term Management Plan (FY25–FY27), exceeded the same period of the previous fiscal year.
- The full-year FY2026 forecasts for both net sales and profit were revised upward. Although the uncertain business environment, including the situation in the Middle East, is expected to continue, products in priority areas that drove semi-annual results are expected to remain strong.
- Based on current performance, we believe the likelihood of achieving the FY2027 plan, the final year of the Medium-Term Management Plan, has increased.

(100 Millions of yen)

| | FY2024 Results | FY2025 Results | FY2026 Semi-annual Results | FY2026 (Full-year) Previous Forecast*1 | FY2026 (Full-year) Current Forecasts*2 | FY2027 Plan*3 | Image of FY2030 goals |
|---|---|---|---|---|---|---|---|
| Net sales | 790 | 818 | **426** | 825 | 870 | 880 | 1,000 |
| Sales Overseas | 172 | 214 | **107** | - | - | 220 | 300 |
| Operating profit | (4) | 29 | **26** | 22 | 46 | 30 | 50 |
| Operating profit margin | (0.6%) | 3.6% | **6.2%** | 2.7% | 5.3% | 3.4% | 5.0% |
| ROE | 1.1% | 5.1% | **-** | - | - | 5.0% or more | 7.0% or more |

*1 Forecast announced on August 7, 2026

*2 Forecast announced on November 12, 2026

*3 The plan formulated in May 2025



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# 3-3. Corporate Strategy Topics (Selection and Concentration)

- Company-wide initiatives, including product line consolidation, are steadily improving profitability.
- We will continue to promote key initiatives under the company-wide “Selection and Concentration” strategy for the Automotive Materials Business and the Shoes Business, both of which require structural reform.

## “Selection and Concentration” in the Automotive Materials Business

### Strategy

◆ Reassess the positioning of Achilles (Foshan) New Materials Co., Ltd.

◆ Improve profitability through consolidated production, functionality-based differentiation, and expansion across the mobility market.

### Progress

✓ Ended production at Achilles (Foshan) New Materials Co., Ltd. at the end of September to eliminate losses.
*The impact of the production termination on consolidated results for the fiscal year ending March 2027 is expected to be minor.

### Going Forward

✓ Consolidate manufacturing at our facilities and our Chinese joint venture to optimize production in China.

✓ Promote global expansion based on functionality, considering entry into Mexico, India, and Thailand, including potential collaboration.

✓ Accelerate expansion across the mobility market, including aircraft. Growth of the aircraft MRO market and the shift from genuine to synthetic leather provide tailwinds
*MRO: Maintenance, Repair, and Overhaul

## “Selection and Concentration” in the Shoes Business

### Strategy

◆ Product
- Enhance added value
- Expand solution-oriented products

◆ Price
- Optimize product pricing
- Promote cost reduction

◆ Place
- Expand e-commerce and overseas sales
- Optimize sales channels

◆ Promotion
- Expand the fan base through stronger e-commerce

◆ Assess the prospects for achieving profitability by FY2027

### Progress

◆ Product
- Promote corporate collaboration products
- Launch functional solution products addressing climate change and safety

◆ Price
- Promote pricing strategies suited to high-value-added products

◆ Place
- Build recognition for the Achilles SORBO brand through the Hong Kong store and stronger sales in Taiwan

◆ Promotion
- Launch the official SYUNSOKU LINE account and regularly communicate product PR and campaign information

### Going Forward

✓ Continue the 4P strategy.
✓ Plan to launch the new Achilles SORBO “Wellness” series addressing health-conscious demand.
➡ Accelerate structural reform toward profitability in FY2027.


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# 3-4. Corporate Strategy Topics (Creating New Value and Global Strategy Expansion)

- Promote further synergy creation and solution proposals for priority areas through cross-functional collaboration.
- Advancing strategies across both production and sales to respond to demand fluctuations in each country arising from geopolitical risks and changes in the trade environment.

## Creation of New Values

### 1 Building a Collaboration Framework

- **Strengthening collaboration between departments and locations**
  - Expand opportunities for knowledge sharing, including internal BU briefings, to generate synergies
- **Enhancing collaboration between production and sales**
  - Continue cross-functional working group activities

**Creating Synergies Through Cross-Functional Collaboration**

### 2 Sharing Customer Touchpoints

- **Optimizing sales tools**
  - Continue implementation planning through the Sales DX Working Group
- **Strengthening interdepartmental cooperation**
  - Exhibit strategically at domestic and overseas trade shows across BUs

### 3 Promoting New Product Development

- **Provide new value and propose solutions**
  - Develop products aligned with rapid advances in generative AI and advanced semiconductors, including contactless and next-generation substrate needs
  - Pursue differentiation in thermal control
  - Address school insulation renovation needs, including use as evacuation shelters
  - Expand insulation products into the cold-chain market

## Promotion of Global Strategy

✓Established an “Overseas Business Strategy Office,” primarily staffed by members from our overseas offices.

### ❶ East Asia

✓Consolidate production sites in China (Ended production at Achilles (Foshan) New Materials Co., Ltd.)
✓Began exploring local production of semiconductor wafer transport materials.

### ❷ Southeast and West Asia and Europe

✓Enhance Achilles SORBO brand recognition through a Hong Kong store and stronger sales in Taiwan.
✓Begin studies to develop markets in India and Thailand (Electronics and Mobility).

### ❸ North and Central America

✓Commence full-scale operation of medical film equipment at the North American site.
✓Establish a sales system with Tohatsu America Corporation for boats in North America.
✓Establish ACHILLES KOHKOKU LATIN AMERICA, S.A. DE C.V. in Mexico and develop a supply system in North and Central America, including potential collaboration.







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# 3-5. Corporate Strategy Topics (Advancement of Business Infrastructure and Sustainability Management)

## Advancement of Business Infrastructure

### Enhancement of HR Capabilities

- ✓ Promote mid-career recruitment (expanding diversity and expertise)
- ✓ Implement global talent development training
- ✓ Launch the third management capability development program



### Enhancement of Productivity

- ✓ Promote the establishment of a flexible production system
- ✓ Promote a project to improve hot work environments
- ✓ Promote digital transformation in back-office operations



### Enhancement of Technology

- ✓ Promote collaboration between the Innovation Technology Headquarters and Production Solutions Headquarters; promoting manufacturing process automation
- ✓ Promote cross-business and cross-regional technology exchange




### Enhancement of R&D

- ✓ Advance high-density plating technology for glass substrates, with a view to adoption in next-generation semiconductors
- ✓ Reorganize the R&D Headquarters to strengthen company-wide, cross-functional development



## Sustainability Management

### E Environment

- ✓ Promote energy-saving activities, including reducing energy use through equipment upgrades.
- ✓ Advance products using recycled PVC.
- ✓ Participate in a Ministry of Agriculture, Forestry and Fisheries project using biodegradable film for pest fumigation as a quarantine measure.



### S Social

- ✓ Expand products that help solve social issues.
- ✓ Support municipal events, including providing first-aid and disaster-relief tents.
- ✓ Respond to evacuation and daily-life support needs following the Kumamoto earthquake using products from multiple businesses, including disaster-relief tents and shoes.





### G Governance

- ✓ Increase the number of outside directors from four to five.
- ✓ Enhance disclosure and communications:
  - Hold a financial results briefing for institutional investors and analysts
  - Exhibit at an IR fair for individual investors





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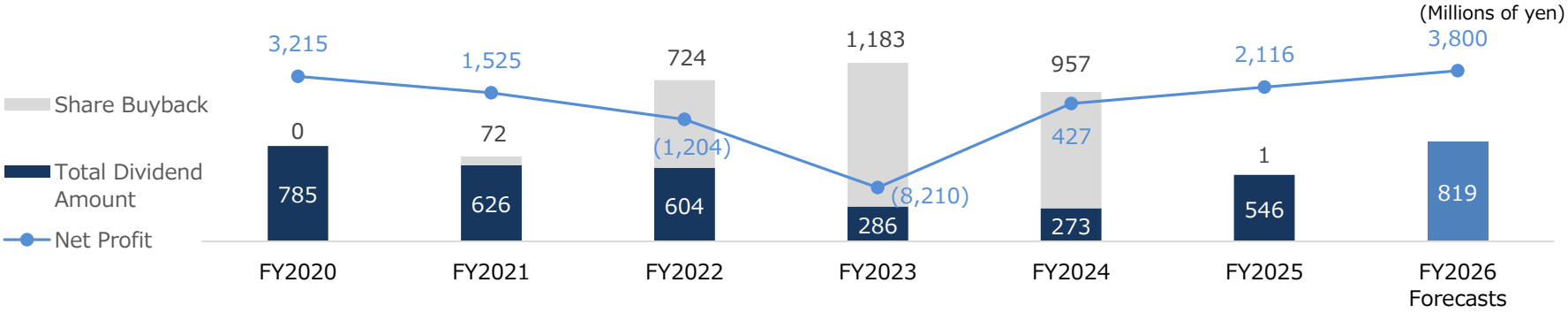
# 3-6. Shareholder Return Policy

- We have revised our forecast for the fiscal year-end dividend upward by 10 yen from the previous forecast* to 60 yen per share.
  *On August 7, 2026, we revised the forecast to 50 yen per share in light of the expected recording of extraordinary income from the sale of investment securities under our policy on reduction of cross-shareholdings.
- We will continue to maintain a policy of continuous and stable dividend payments while keeping the following basic policy set out in the Medium-Term Management Plan.

| | | |
|---|---|---|
| **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** | • This policy will be implemented flexibly, taking into account factors such as business performance and stock price conditions. |




| | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 Forecasts |
|---|---|---|---|---|---|---|---|
| DPS (JPY) | 50 | 40 | 40 | 20 | 20 | 40 | 60 |
| Dividend Payout Ratio(%) | 24.4 | 41.2 | – | – | 65.2 | 25.8 | 21.6 |
| Total Shareholder Return Ratio(%) | 24.4 | 45.9 | – | – | 293.5 | 25.9 | 21.6 |



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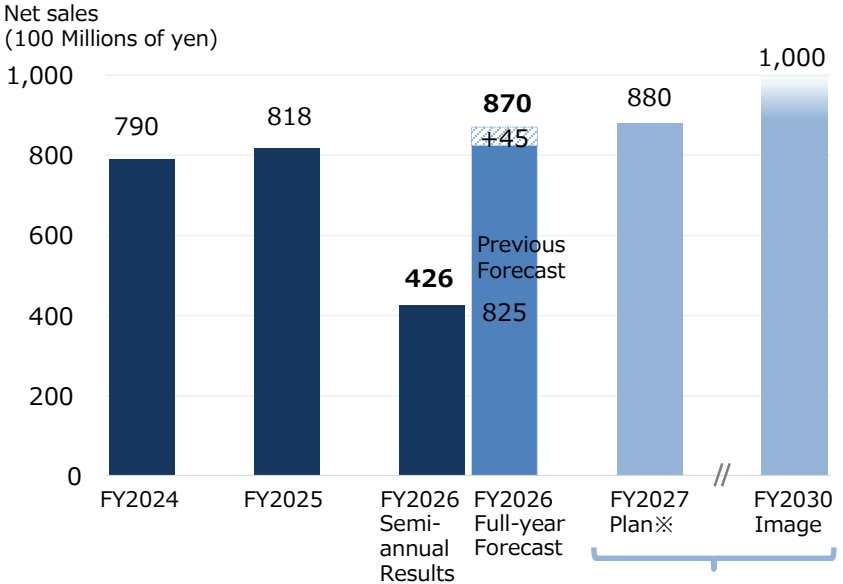
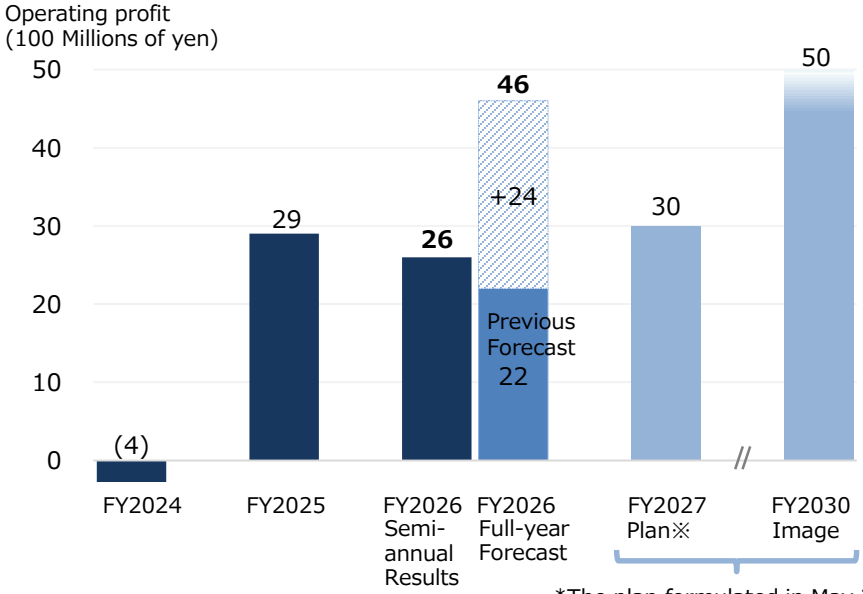
# 3-7. Trends in Net Sales and Operating Profit

- The trend of higher net sales and profits continued in the semi-annual period of FY2026. Amid a highly uncertain business environment due to the situation in the Middle East, we worked to ensure stable supply and implement appropriate sales price revisions. Products in our priority areas continued to perform well, resulting in higher gross profit. Productivity improvements and cost reductions also contributed to profit growth.
- We revised our full-year FY2026 earnings forecast upward. Although the business environment is expected to remain uncertain, we expect products in our priority areas to continue performing steadily.
- We believe the Medium-Term Management Plan is progressing steadily.




*The plan formulated in May 2025

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