

Translation

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

November 8, 2024

Company name: Ashimori Industry Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 3526 URL <https://www.ashimori.co.jp>
 Representative: President Hiromasa Zaitso
 Inquiries: General Manager, Finance&Accounting Dept. Kazuma Shichisawa TEL 06-6105-1863
 Scheduled date to file Semi-annual Securities Report: November 8, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 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	34,523	10.7	2,127	96.1	1,747	9.9	275	(78.7)
Six months ended September 30, 2023	31,182	7.2	1,085	144.1	1,589	36.0	1,294	24.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2024	45.81		45.79	
Six months ended September 30, 2023	215.56		215.11	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	52,240	22,820	43.6
As of March 31, 2024	53,861	22,566	41.8

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2024	–	0.00	–	100.00	100.00
Year ending March 31, 2025	–	0.00			
Year ending March 31, 2025 (Forecast)			–	100.00	100.00

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	68,000	(0.6)	4,500	19.9	4,100	(2.4)	2,000	(37.8)	333.02

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	6,056,939 shares	As of March 31, 2024	6,056,939 shares
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Number of treasury shares at the end of the period

As of September 30, 2024	37,625 shares	As of March 31, 2024	50,933 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2024	6,012,612 shares	Six months ended September 30, 2023	6,005,799 shares
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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	5,290	5,764
Notes and accounts receivable - trade, and contract assets	13,012	12,343
Electronically recorded monetary claims - operating	1,840	1,188
Merchandise and finished goods	2,600	2,652
Work in process	1,428	1,382
Raw materials and supplies	9,135	8,709
Other	1,414	1,409
Allowance for doubtful accounts	(68)	(67)
Total current assets	34,652	33,382
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,451	5,481
Machinery, equipment and vehicles, net	3,102	2,932
Tools, furniture and fixtures, net	1,223	1,248
Land	5,868	5,694
Leased assets, net	52	85
Construction in progress	85	258
Total property, plant and equipment	15,783	15,699
Intangible assets		
Goodwill	435	353
Other	364	401
Total intangible assets	799	755
Investments and other assets		
Investment securities	1,646	1,419
Deferred tax assets	249	241
Retirement benefit asset	505	517
Other	239	238
Allowance for doubtful accounts	(15)	(14)
Total investments and other assets	2,625	2,403
Total non-current assets	19,209	18,858
Total assets	53,861	52,240

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,435	5,669
Electronically recorded obligations - operating	5,561	3,363
Short-term borrowings	2,135	3,538
Current portion of long-term borrowings	2,801	2,672
Current portion of bonds payable	3,000	3,000
Lease liabilities	18	15
Accounts payable - other	1,284	973
Income taxes payable	474	545
Accrued consumption taxes	172	128
Provision for bonuses	636	765
Provision for bonuses for directors (and other officers)	62	–
Provision for product warranties	67	549
Other provisions	35	47
Other	1,239	1,460
Total current liabilities	23,924	22,729
Non-current liabilities		
Long-term borrowings	5,000	3,969
Lease liabilities	52	64
Retirement benefit liability	1,938	1,952
Provision for product warranties	–	503
Asset retirement obligations	29	29
Deferred tax liabilities	265	87
Other	84	84
Total non-current liabilities	7,370	6,690
Total liabilities	31,295	29,420
Net assets		
Shareholders' equity		
Share capital	8,388	8,388
Capital surplus	1,632	1,632
Retained earnings	10,901	10,565
Treasury shares	(148)	(109)
Total shareholders' equity	20,774	20,477
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	519	345
Deferred gains or losses on hedges	–	150
Foreign currency translation adjustment	1,022	1,610
Remeasurements of defined benefit plans	202	195
Total accumulated other comprehensive income	1,743	2,302
Share acquisition rights	24	16
Non-controlling interests	24	24
Total net assets	22,566	22,820
Total liabilities and net assets	53,861	52,240

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	31,182	34,523
Cost of sales	26,518	28,808
Gross profit	4,664	5,715
Selling, general and administrative expenses	3,579	3,587
Operating profit	1,085	2,127
Non-operating income		
Interest income	11	21
Dividend income	17	19
Rental income	23	20
Foreign exchange gains	533	–
Subsidy income	15	13
Other	52	60
Total non-operating income	654	136
Non-operating expenses		
Interest expenses	100	78
Rental costs	6	6
Share of loss of entities accounted for using equity method	36	16
Foreign exchange losses	–	357
Other	7	57
Total non-operating expenses	149	516
Ordinary profit	1,589	1,747
Extraordinary income		
Gain on sale of investment securities	132	74
Total extraordinary income	132	74
Extraordinary losses		
Product warranty loss	–	994
Loss on valuation of inventories	–	96
Loss on product compensation	–	29
Total extraordinary losses	–	1,120
Profit before income taxes	1,722	701
Income taxes - current	219	583
Income taxes - deferred	202	(157)
Total income taxes	421	425
Profit	1,300	275
Profit attributable to non-controlling interests	5	0
Profit attributable to owners of parent	1,294	275

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	1,300	275
Other comprehensive income		
Valuation difference on available-for-sale securities	126	(174)
Deferred gains or losses on hedges	(698)	150
Foreign currency translation adjustment	821	542
Remeasurements of defined benefit plans	(3)	(6)
Share of other comprehensive income of entities accounted for using equity method	21	45
Total other comprehensive income	267	558
Comprehensive income	1,567	834
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,561	833
Comprehensive income attributable to non-controlling interests	5	0

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	1,722	701
Depreciation	856	864
Amortization of goodwill	81	81
Increase (decrease) in provision for product warranties	(53)	986
Increase (decrease) in net defined benefit asset or liability	(0)	(31)
Interest and dividend income	(28)	(40)
Interest expenses	100	78
Foreign exchange losses (gains)	(156)	134
Share of loss (profit) of entities accounted for using equity method	36	16
Loss (gain) on sale of investment securities	(132)	(74)
Decrease (increase) in trade receivables	2,128	1,481
Decrease (increase) in inventories	(1,534)	668
Increase (decrease) in trade payables	(2,154)	(3,114)
Decrease (increase) in other current assets	750	(2)
Increase (decrease) in other current liabilities	482	201
Increase (decrease) in accounts payable - other	229	(200)
Increase (decrease) in accrued consumption taxes	(267)	(43)
Other, net	(612)	423
Subtotal	1,446	2,130
Interest and dividends received	28	48
Interest paid	(100)	(78)
Income taxes paid	(435)	(476)
Income taxes refund	40	2
Net cash provided by (used in) operating activities	979	1,627
Cash flows from investing activities		
Payments into time deposits	(17)	(10)
Proceeds from withdrawal of time deposits	144	24
Purchase of property, plant and equipment	(551)	(1,010)
Proceeds from sale of property, plant and equipment	34	156
Purchase of intangible assets	(50)	(58)
Purchase of investment securities	(6)	(9)
Proceeds from sale of investment securities	158	81
Other, net	0	0
Net cash provided by (used in) investing activities	(287)	(824)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(480)	1,041
Proceeds from long-term borrowings	1,700	600
Repayments of long-term borrowings	(1,355)	(1,711)
Purchase of treasury shares	(0)	(1)
Proceeds from disposal of treasury shares	0	–
Repayments of lease liabilities	(12)	(8)
Dividends paid	(300)	(600)
Other, net	–	168
Net cash provided by (used in) financing activities	(448)	(512)
Effect of exchange rate change on cash and cash equivalents	239	198
Net increase (decrease) in cash and cash equivalents	481	489
Cash and cash equivalents at beginning of period	4,402	5,255
Cash and cash equivalents at end of period	4,883	5,744