

Achilles Corporation

Securities code: 5142,
Tokyo Stock Exchange Prime Market

Financial Results Briefing for the Fiscal Year Ended March 31, 2026

June 8, 2026

1. A combination of structural reforms and our growth strategy enabled us to significantly improve performance

- We used the restructuring of our business organizations as an opportunity to thoroughly select and concentrate our businesses.
- Our performance was driven by a growing business, and our operating profit margin improved significantly.
- There was also steady progress in the structural reform of the shoes business.

2. The improvement in profitability will be used to grow in and after the current fiscal year

- The financial results for the fiscal year ended March 31, 2026 exceeded our forecasts, which had been revised upward.
- We formulated careful and prudent forecasts for the fiscal year ending March 31, 2027 that factor in uncertainties.
- We maintain our policy regarding growth investments.

3. High value-added sectors drove growth and steady progress was made in the medium-term management plan

- Films for the medical sector and semiconductor-related products grew powerfully.
- We made steady progress in the medium-term management plan.
- We accelerated initiatives while keeping our performance targets unchanged.

Agenda

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Section 1

Business Summary and Initiatives to Improve Profitability

1. Company Profile



Company name: Achilles Corporation

Listed exchange (securities code): TSE Prime Market (5142)

Established: May 1947

Capital: 14,600,000,000 yen

Representative: Ichiro Hikage, Representative Director and President

Head office: Shinjuku Front Tower, 2-21-1 Kitashinjuku, Shinjuku-ku, Tokyo

Business: Business Division 1: Synthetic leather, Cabron, laminated goods, films, polyurethane, and industrial materials
Business Division 2: Heat insulation materials, flooring, wall materials, disaster-related products, and processed rubber products
Shoes: Shoe products

Major locations in Japan: Kansai Branch Office, Hokkaido Sales Office, Kyushu Sales Office, Ashikaga Factory, Shiga Factory, Bibai Factory, and Kyushu Factory

Major overseas locations: Seattle (in the U.S.), Hong Kong, Shanghai, Foshan, and Taiwan

2. Our Core Technologies

Creating a diverse array of **films**



Integrating **foams** into materials



Melting resins and solidifying them in **molds**



We operate a wide variety of businesses founded on plastic processing technologies.

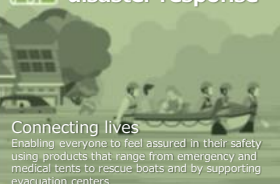
We possess a wide array of elemental technologies based on our three core film-forming, foaming, and molding technologies. By combining these technologies in multiple ways, we manufacture products with various properties in various shapes.

Using these productization technologies that form the foundation of our business activities, we have released a diverse array of products for a wide range of industries.

3. Our Business Domains and Major Products



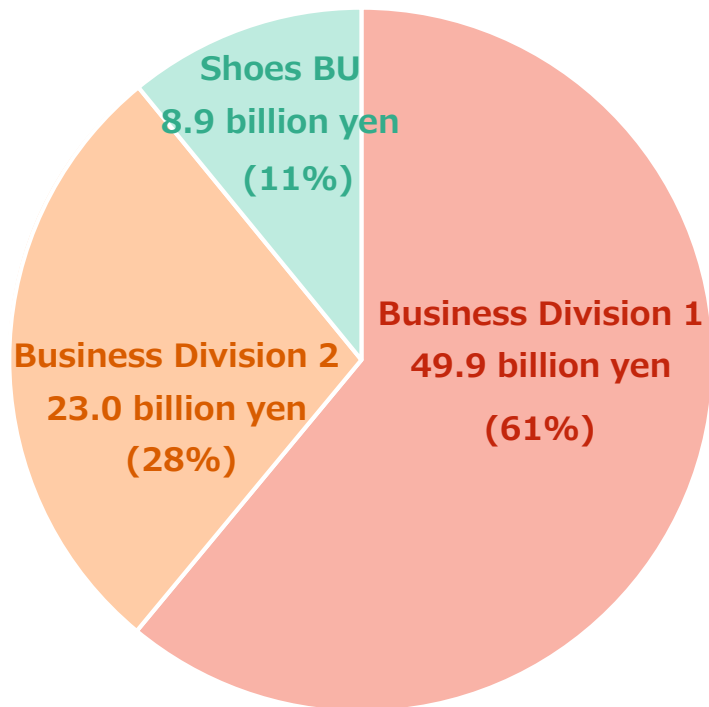
Our products support the everyday lives of consumers and a wide array of industries. They also provide value in life-saving settings.

 Infrastructure  Supporting social infrastructure Contributing to disaster prevention and mitigation through repair work and aging management for roads, tunnels, bridges, levees, etc.	Maintenance and repair work (aging management)  	 Manufacturing equipment  Supporting manufacturing professionals Improving the quality and safety of manufacturing sites using diverse materials and products	Partitioning film curtains  Large molded products 	 Interiors and living spaces  Making every day comfortable Proposing new lifestyles using highly functional interior materials, bedding, and interior products	Housing interior materials  Bedding (mattresses) 
 Construction and civil engineering  People- and Earth-friendly Creating comfortable living spaces using environmentally friendly heat-insulating housing materials	Building heat insulation materials  Landscaping materials 	 Electrical machinery and electronics  Contributing to electronics Supporting the manufacturing of precision machines, including electrical machinery, electronic equipment, and medical and analytical equipment	Products related to wafer transfer/protection 	 Medical care and disaster response  Connecting lives Enabling everyone to feel assured in their safety using products that range from emergency and medical tents to rescue boats and by supporting evacuation centers	Medical films (for illustration purposes only)  Air tents 
 Agriculture, livestock farming, and fishery  Enhancing the joy of harvesting Supporting producers with environmentally friendly products that maintain optimal growth environments	Biodegradable film 	 Vehicles  Pursuing both comfort and safety Interior materials of reliable quality for wide range of applications, from automobiles to railway cars and aircraft	Interior materials for automobiles, etc. 	 Sports and leisure  For healthy and enjoyable lives Providing products that support leisure and health, including sports shoes and leisure boats	Shoes  Boats 

4. Net Sales by Business Segment

**Results for the fiscal year
ended March 31, 2026**

Consolidated net sales: 81.8 billion yen



Reference: We began working in new segments
in the fiscal year ended March 31, 2026.

New segments	BU	Major products
Business Division 1	Automotive Materials	Automotive interior materials and furniture materials
	Chemical Products	Functional films and agricultural materials
	Urethane	Soft urethane foam
	Industrial Materials	Antistatic products (related to semiconductors)
Business Division 2	Heat Insulation Materials	Rigid urethane insulation board
	Floor and Wall Coverings	Construction and housing interior materials (wallpaper and flooring)
	Disaster Response	Air tents and rescue boats
Shoes BU	Shoes	SYUNSOKU, Achilles SORBO, and BROOKS

BU: Business Unit

5. Overview of the Medium-Term Management Plan (FY2025 to FY2027)



Up to FY2024 (Recovery Phase)

- Responding to rising costs in a timely manner
- Domestic production ended in the shoes business as part of selection and concentration activities

FY2025 to FY2027 (Rebuilding and Enhancement Phase)

- Improving profitability by implementing three company-wide strategies

(1) Thorough selection and concentration

Optimal allocation of management resources based on the position of each business

(2) Creation of new value

Creating value by combining technologies based on creative ideas

(3) Promotion of our global strategy

Horizontal deployment of solutions leveraging the Group's technologies

Up to FY2030 (Expansion Phase)

- Honing technologies and solutions through R&D for priority sectors and alliances
- Expanding solutions to diverse sectors using ideas unique to Achilles
- Accelerating overseas expansion through global solution partnerships

Our FY2030 Goal Vision 2030

	FY 3/2025	FY 3/2026	FY 3/2027 forecasts	FY 3/2028 forecasts	Rough FY 3/2031 targets
Net sales	79.0 billion yen	81.8 billion yen	82.5 billion yen	88.0 billion yen	100.0 billion yen range
Overseas sales included in the above	17.2 billion yen	21.4 billion yen	--	22.0 billion yen	30.0 billion yen range
Operating profit	(0.4) billion yen	2.9 billion yen	2.2 billion yen	3.0 billion yen	5.0 billion yen range
Operating profit margin	(0.6)%	3.6 %	2.7 %	3.4 %	5.0% level
ROE	1.1 %	5.1 %	--	5.0% or higher	7.0% or higher

6. Position of the Medium-Term Management Plan

Our FY2030 Goal (Vision 2030)

At the Achilles Group, we value the curiosity of each one of our employees, their diverse abilities, unique ideas, and inspirations, and we contribute to society leveraging solutions created by combining various technologies.

We aim to be a Global Solution Provider that enriches people's lives by enabling the world to experience surprise, joy, and inspiration.

Up to FY2024
Recovery Phase

FY2025 to FY2027
Rebuilding and Enhancement
Phase

Up to FY2030
Expansion Phase

Rebuilding and enhancing profitability

Company-wide strategy (1)

Thorough selection and concentration of businesses
Optimal allocation of management resources based on the position of each business

Company-wide strategy (2)

Creation of new value
Combining technologies based on creative ideas

Company-wide strategy (3)

Promotion of our global strategy
Horizontal deployment of solutions using the Group's technologies

Shift to an advanced business foundation

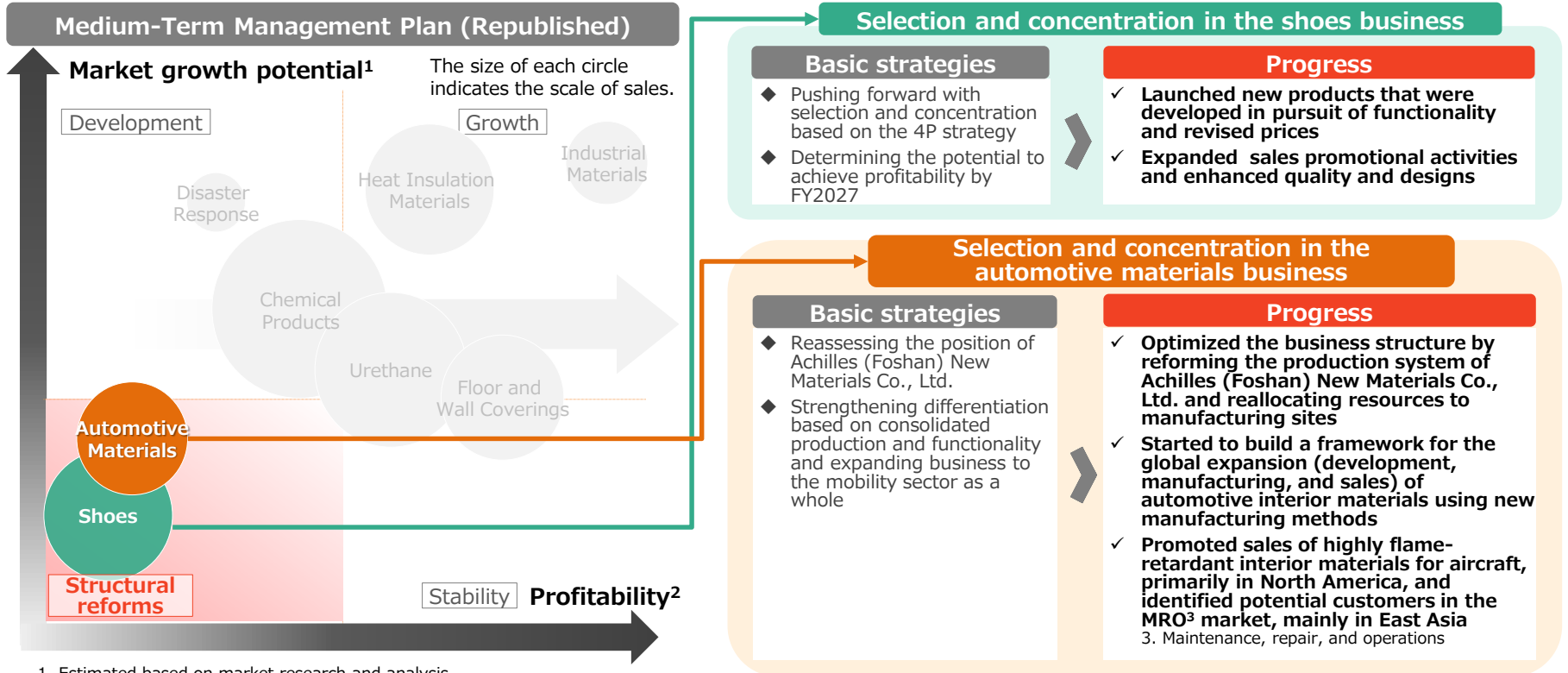
The strength of human resources, productivity, technological capabilities, value creation, and development capabilities

Promotion of sustainability management

The environment, society, and corporate governance

7. Company-wide Strategy (1): Thorough Selection and Concentration of Businesses

- ◆ We will continue to move forward with priority selection and concentration measures within the shoes business and the automotive materials business, which require structural reform.



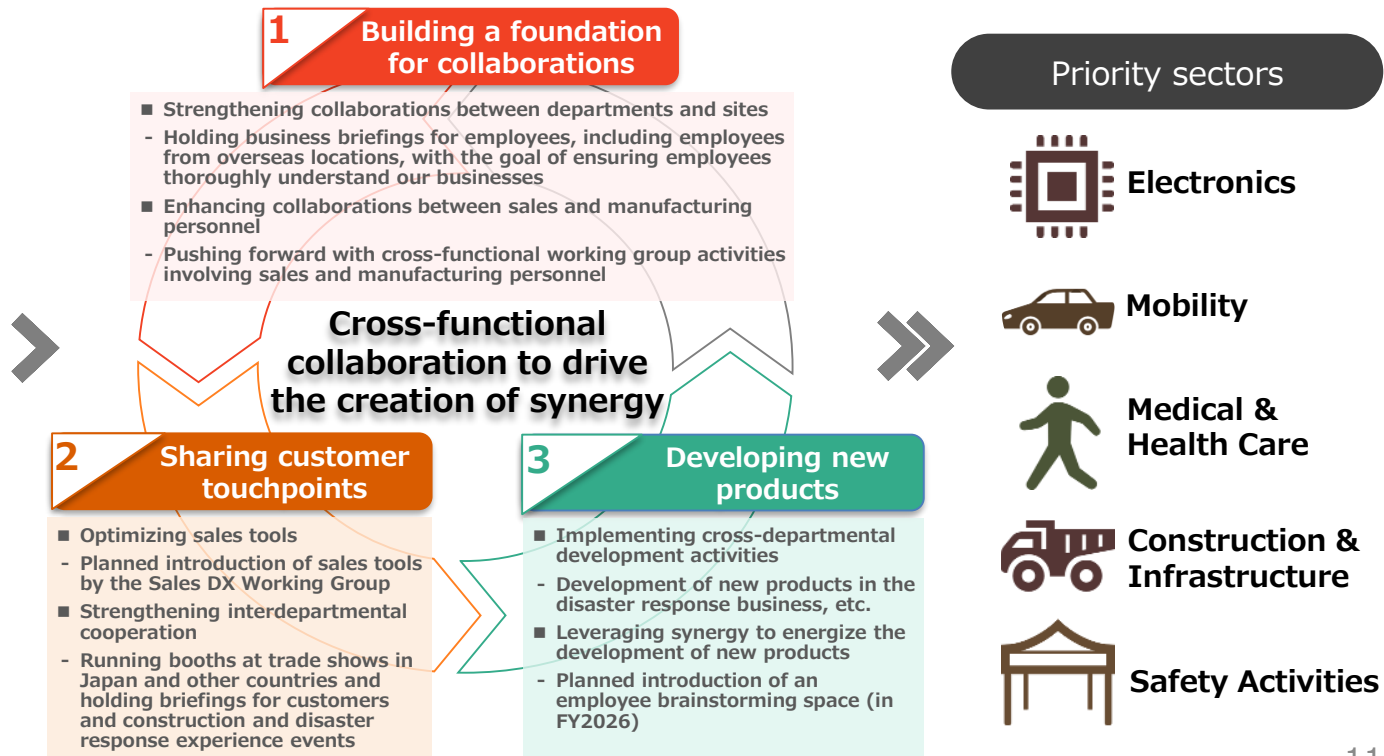
1. Estimated based on market research and analysis
2. Operating profit margin for FY2024

8. Company-wide Strategy (2): Creation of New Value

- ◆ We restructured our business organizations in June 2025 to create new value by combining technologies based on creative ideas.
- ◆ To create more synergy, we will implement cross-functional collaborations to approach priority sectors.

“Organizational Restructuring” June 2025

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

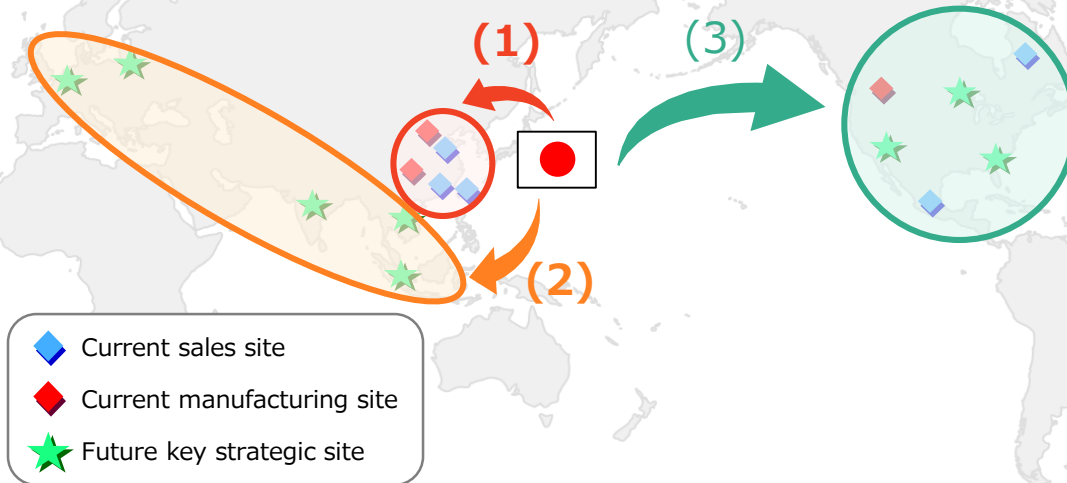


9. Company-wide Strategy (3): Promotion of Our Global Strategy

- ◆ We will strengthen collaborations in both manufacturing and sales to address the increasing volatility of demand in each country due to geopolitical risks, changes in the trade environment, etc.

FY2024 Overseas sales
17.2 billion yen

FY2025 Overseas sales
21.4 billion yen



(1) East Asia

- ✓ Establishing alliances for materials used in pharmaceutical manufacturing process
- ✓ Establishing a new manufacturing method for automotive interior leather and starting activities to have our materials included in the specifications of products in the design phase
- ✓ Increasing brand visibility by opening an Achilles SORBO store in Hong Kong and strengthening sales promotion activities in Taiwan

(2) Southeast Asia, West Asia, and Europe

- ✓ Developing facilities to strengthen the foundation of the semiconductor business in Asia
- ✓ Pushing forward with activities to expand the materials business for data centers (exhibiting at Data Centre World Asia)
- ✓ Implementing initiatives to increase leisure boat materials market share in Europe

(3) North and Central America

- ✓ Starting full-scale operation of facilities for manufacturing medical products at the North American site in 2026
- ✓ Strengthening collaborations for the local production of automotive interior materials
- ✓ Pushing forward with the reconstruction of sales and supply systems in the Safety Activities sector
- ✓ Strengthening business relationships with semiconductor manufacturers and starting joint initiatives with mega-tech companies to tap into demand related to generative AI and data centers
- ✓ Launching sales activities at our site in Mexico

10. Shift to an Advanced Business Foundation and Sustainability Management

Establishing new departments that facilitate improvement from a group-wide perspective to shift to an advanced business foundation

Production Solutions Head Office

Managing production from the perspective of company-wide optimization

- Optimizing, automating, and digitally transforming production processes
- Reducing cost
- Establishing a flexible production system transcending the boundaries between factories

Innovation and Technology Head Office

Driving innovation in production across the manufacturing departments

- Pushing forward with the digital transformation (DX) of production, development of technology, overseas production support, etc. in a company-wide manner
- Implementing activities with a focus on enhancing competitiveness, productivity, flexibility, and sustainability

Office Center, HR and Administration Head Office

Playing a core role in human capital management

- Enhancing human resource infrastructure
- Building an environment that enables every employee to have job satisfaction
- Increasing the sophistication of discipline and safety management systems

Major sustainability management initiatives

Environment (E)

- Reducing greenhouse gas emissions
- Increasing the number of environmentally friendly products

Social (S)

- Implementing human rights due diligence
- Increasing products oriented toward solving social issues

Corporate governance (G)

- Establishing an IR and Corporate Planning Head Office
- Continuing Governance Committee operations

Section 2

Overview of Financial Results for the Fiscal Year Ended March 31, 2026

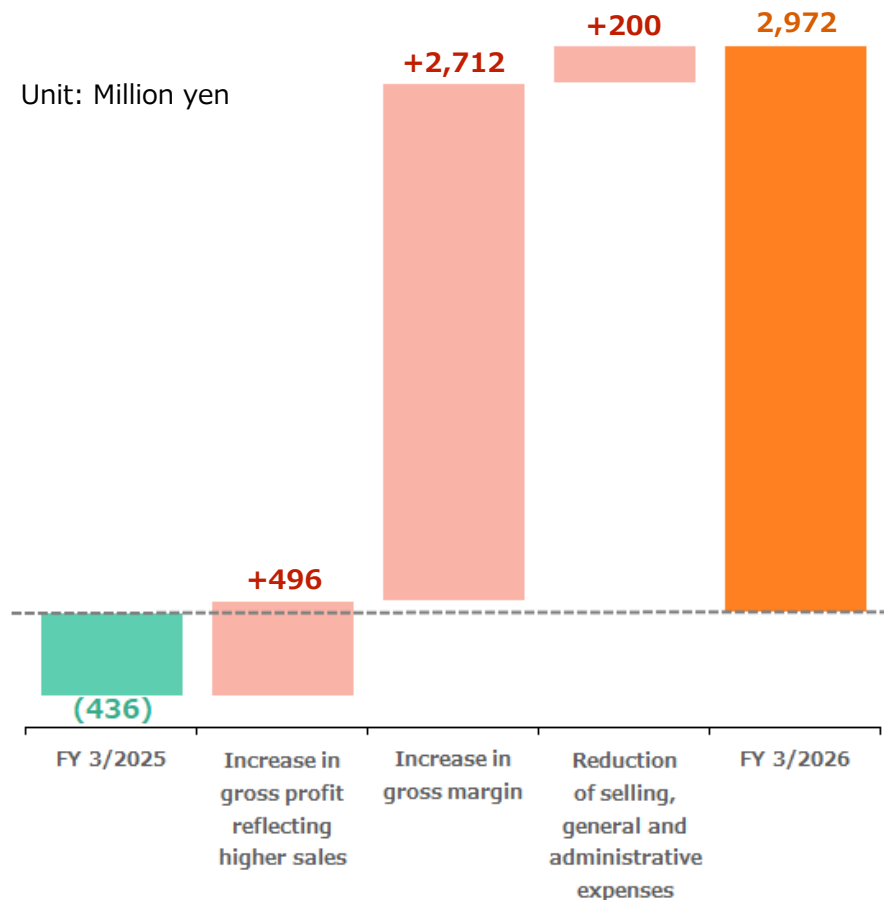
11. Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2026



(Million yen)	FY 3/2025		FY 3/2026		Change	Change (%)	FY 3/2026 targets (revised on February 9)	Change
	Amount	Percentage of net sales	Amount	Percentage of net sales			Amount	
Net sales	79,093	100.0%	81,802	100.0%	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
Earnings per share (EPS)	30.67 yen		154.87 yen		124.20 yen	405.0%	106.10 yen	-
ROE	1.1%		5.1%		4.0%pt		-	-

12. Analysis of Factors in Changes in Operating Profit

Unit: Million yen



Factors increasing operating profit

Increase in gross profit due to an increase in sales: +400 million yen

- ✓ Increase in sales of films for the medical sector and films for the electronics sector
- ✓ Increase in sales of products for semiconductor wafer transfer and manufacturing processes in the Industrial Materials BU

Increase in gross margin: +2,700 million yen

- ✓ Increase in gross profit reflecting an increase in sales of films for the medical sector and industrial materials, which are highly profitable
- ✓ Cost reduction activities through the consolidation of production at manufacturing sites, etc.

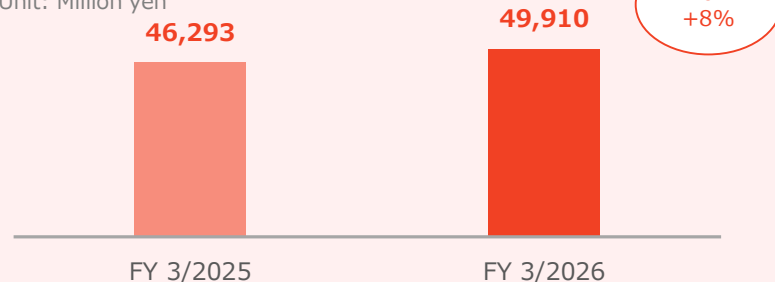
Reduction of selling, general and administrative expenses: +200 million yen

- ✓ Company-wide reduction of costs including transportation and storage expenses

13. Overview of the Financial Results of Business Division 1

Net sales

Unit: Million yen

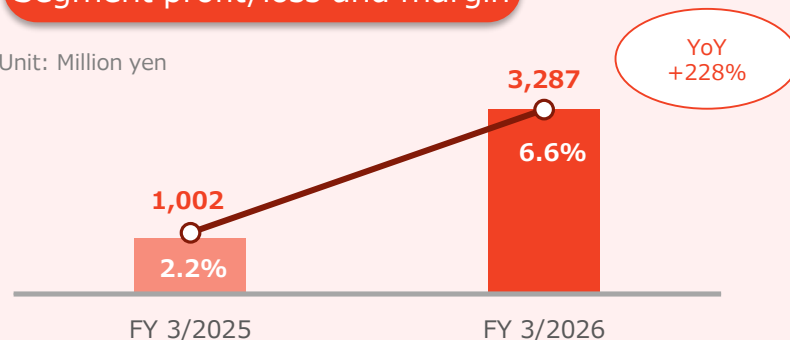


The increase in net sales was driven by highly functional films and semiconductor-related products.

- ✓ Sales of films for the medical sector, films for the electronics sector, and products for semiconductor wafer transfer and manufacturing processes in the Industrial Materials BU grew.
- ✓ Sales of products for automobiles in the Automotive Materials BU and products for bedding in the Urethane BU declined.

Segment profit/loss and margin

Unit: Million yen



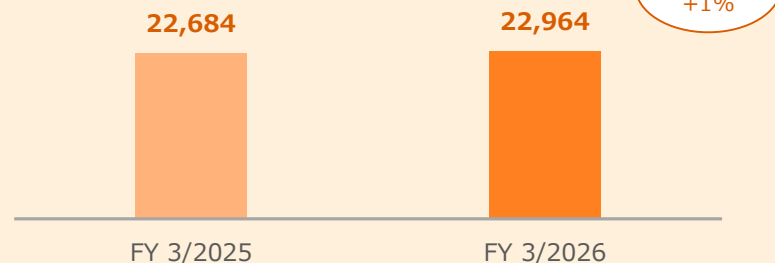
Sales increase in highly profitable segments and cost reductions contributed to the increase in profit.

- ✓ Gross profit increased due to an increase in sales of films for the medical sector and industrial materials, which are highly profitable.
- ✓ Continued cost reduction activities, including the consolidation of production at manufacturing sites, improved the cost ratio and contributed to the increase in profit.

14. Overview of the Financial Results of Business Division 2

Net sales

Unit: Million yen

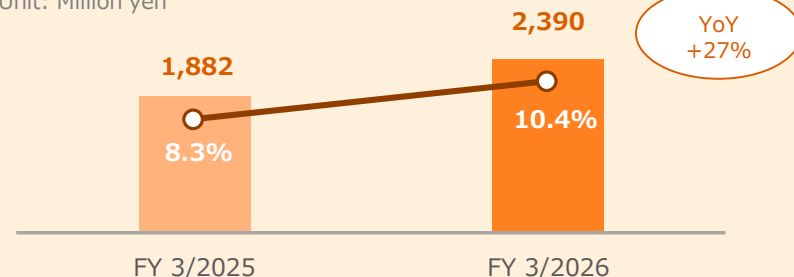


Contribution of price revisions in addition to sales increase

- ✓ The performance of board products in the Heat Insulation Materials BU in the non-housing sector continued to be strong.
- ✓ The performance of disaster-response products in Japan, including tents and mats, was also good.
- ✓ Sales increased, mainly due to the revision of the sales prices of floor and wall coverings.

Segment profit/loss and margin

Unit: Million yen



The increase in gross profit contributed to the increase in profit.

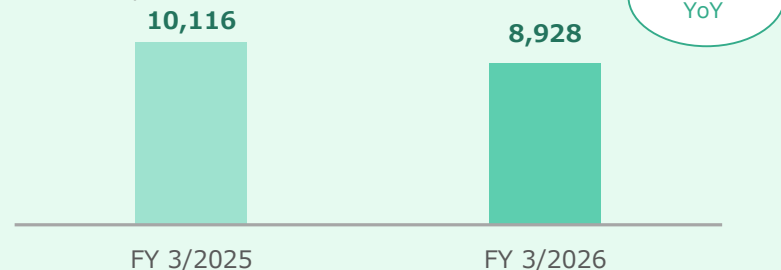
- ✓ The increase in gross profit that was a result of an increase in the net sales of the Heat Insulation Materials BU and the Floor and Wall Coverings BU contributed to the increase in profit.

15. Overview of the Financial Results of Shoes Business Unit



Net sales

Unit: Million yen

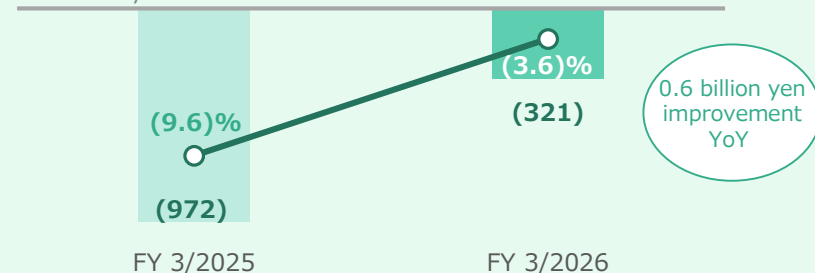


Sales decreased mainly due to the deterioration of the market environment and the impact of price revisions.

- ✓ For core brands, we launched new products developed in pursuit of functionality and implemented price revisions.
- ✓ Sales declined mainly due to the deterioration of the market environment which was a result of rising consumer prices and the impact of price revisions.

Segment profit/loss and margin

Unit: Million yen



Segment profit/loss and margin significantly improved due to price revisions and the effects of cost reduction activities

- ✓ Price revisions in response to changes in the cost environment contributed to the segment profit/loss and margin.
- ✓ We continued to implement cost-reduction activities, including a review of procurement costs.

16. Statements of Cash Flows

(Million yen)	FY 3/2025	FY 3/2026	Change
Net cash provided by (used in) operating activities	2,686	2,639	(46)
Net cash provided by (used in) investing activities	(1,918)	(2,862)	(943)
Net cash provided by (used in) financing activities	(1,246)	2,146	3,392
Effect of exchange rate change on cash and cash equivalents	346	102	(243)
Net increase (decrease) in cash and cash equivalents	(131)	2,027	2,158
Cash and cash equivalents at beginning of period	6,851	6,719	(131)
Cash and cash equivalents at end of period	6,719	8,746	2,027

- ◆ Net cash provided by operating activities decreased slightly year on year, to 2.6 billion yen. Trade payables decreased due to responses to the Small and Medium-sized Enterprise Contract Fairness Act (by 2.0 billion yen while the total amount of decrease in trade payables was 3.9 billion yen).
- ◆ Net cash used in investing activities increased by approx. 0.9 billion yen year on year, to (2.8) billion yen. This was mainly a result of the acquisition of production equipment and other non-current assets.
- ◆ Net cash provided by financing activities increased approx. 3.4 billion yen year on year, to 2.1 billion yen. This was a result of borrowings to respond to the Small and Medium-sized Enterprise Contract Fairness Act.

17. Balance Sheet

(Million yen)	FY 3/2025	FY 3/2026	Change
Current assets	45,720	46,645	925
Non-current assets	33,784	36,982	3,198
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
Total net assets	39,336	43,282	3,946
Total liabilities and net assets	79,504	83,628	4,123
Net assets per share (yen)	2,878.2 yen	3,167.2 yen	
Equity ratio	49.5%	51.8%	

- ◆ Net assets increased 3.9 billion yen year on year. This was a result of increases of 1.3 billion yen in remeasurements of defined benefit plans and 1.1 billion yen in valuation difference on available-for-sale securities, in addition to an increase of 1.8 billion yen in retained earnings.
- ◆ As a result of the above, the equity ratio was 51.8%, up 2.3 percentage points year on year.

Section 3

Financial Forecasts for the Fiscal Year Ending March 31, 2027

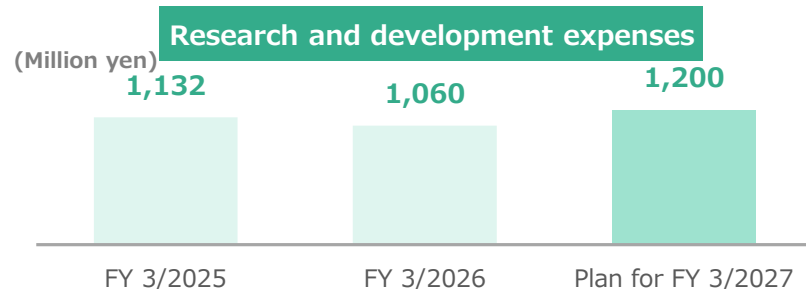
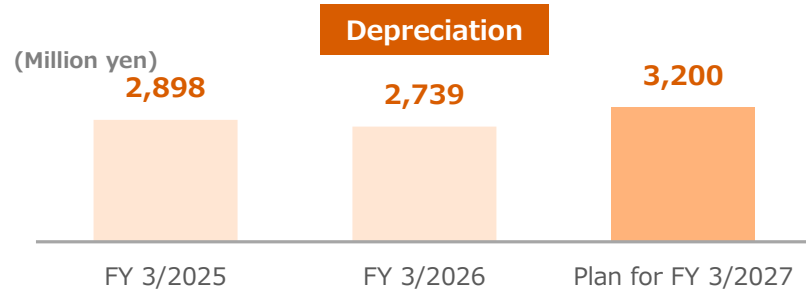
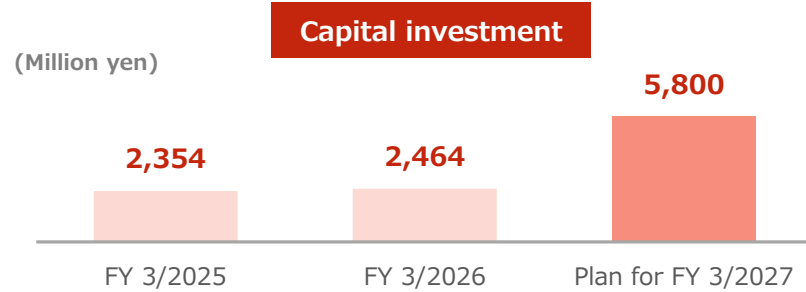
18. Summary of Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2027

(Million yen)	FY 3/2026 results	FY 3/2027 targets	Change (%)	FY 3/2028 targets
Net sales	81,802	82,500	0.9%	88,000
Operating profit	2,972	2,200	(26.0)%	3,000
Ordinary profit	3,919	2,000	(49.0)%	—
Profit attributable to owners of parent	2,116	1,300	(38.6)%	—
Earnings per share (EPS)	154.87 yen	95.13 yen	(38.6)%	
Dividend per share (DPS)	40.00 yen	30.00 yen	(25.0)%	

Note: Currently, the direct impact of the rising tensions in the Middle East is difficult to reasonably calculate, so it has not been factored into the performance forecasts.

- ◆ Net sales are expected to continue to grow, mainly in the medical sector for films and the electronics (semiconductor-related) sector for industrial materials, which are focus sectors.
- ◆ Regarding our prospects on the profit front, we set targets carefully and realistically to reflect the increasing uncertainty of the business environment, including the uncertainties regarding the prices of raw materials, exchange rates, and geopolitical risks.
- ◆ Based on our understanding that we are making steady progress in the Medium-Term Management Plan, we have factored in aggressive investments to reinforce the foundation of our business, including investments in our human capital management and the implementation of our digital transformation, in accordance with our initial policy.

19. Capital Investment, Depreciation, and Research and Development Expense Plans



- ◆ In the fiscal year ending March 31, 2027, we plan to make capital investments of 5.8 billion yen, up 2.3-fold year on year.
- ◆ We will install manufacturing equipment worth approx. 1.9 billion yen for the film business targeting the medical sector at our subsidiary in the United States, and begin its full-scale operation.



ACHILLES USA, INC. (Head Office),
which manufactures highly functional
films in the United States

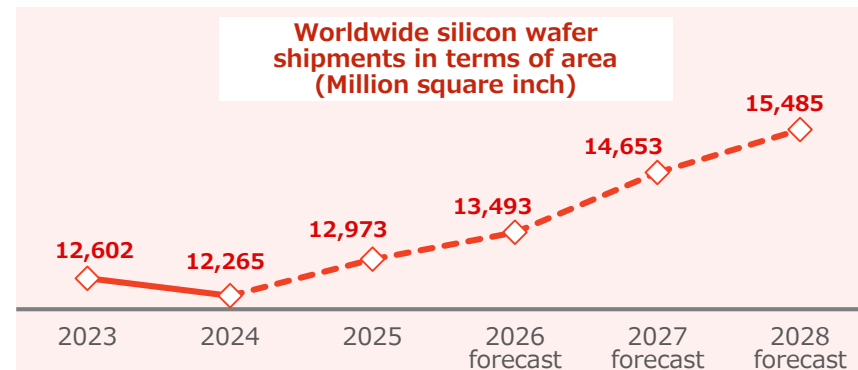


20. Growth Potential of Semiconductor-related Materials



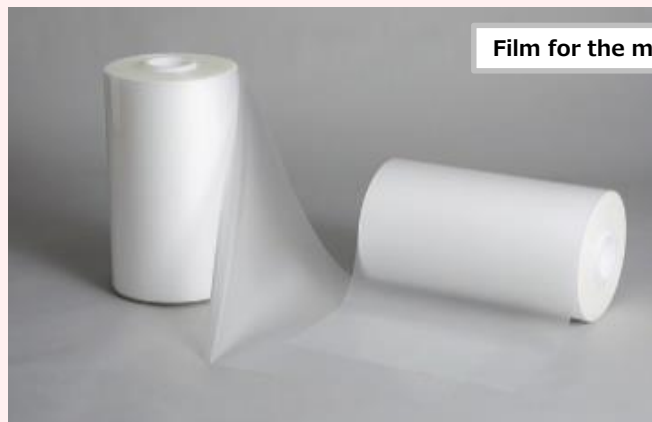
Demand for products for semiconductor transfer (containers, Interleaf, Inner foam, etc.) is growing

- ✓ Our share of the global market for semiconductor wafer transfer containers, which are used to ship memory semiconductors, is 40% (estimated by Achilles). Our performance remained strong in the fiscal year ended March 31, 2026 due to our strengths in antistatic and clean technologies and material control technologies.
- ✓ We are receiving an increasing number of business inquiries regarding transfer trays using ST-poly processing, our proprietary conductive processing technology that prevents IC chip failures due to static electricity.
- ✓ It is expected that this business will expand in the medium to long term as demand for generative AI-related semiconductors has continued to grow.



Note: Estimated by Achilles based on data from a private research firm and other data

21. Growth Potential of Films for the Medical Sector



Film for the medical sector

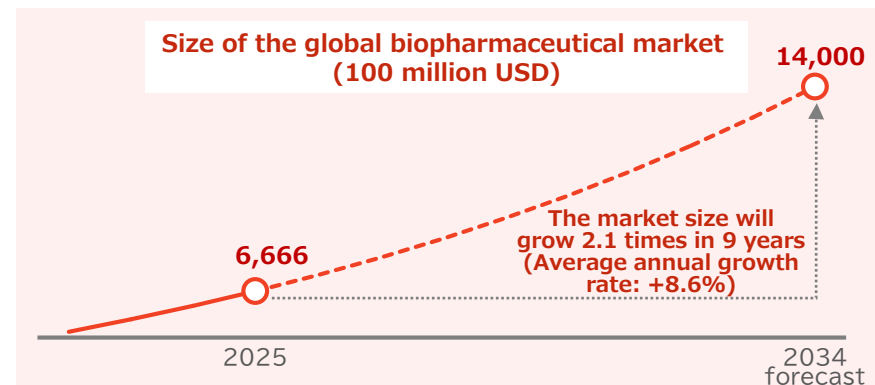


Examples of films processed for use in the medical sector (for illustration purposes only)



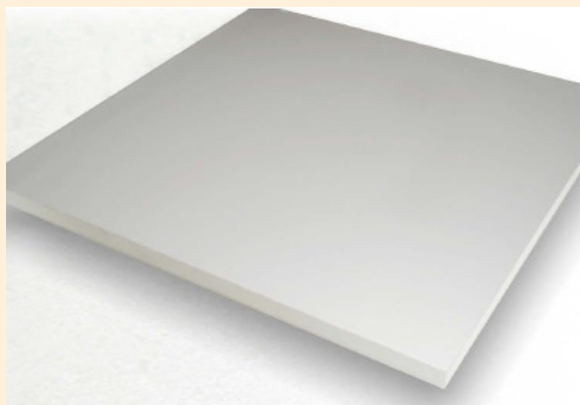
Expansion of the business of films for the medical sector

- ✓ Films for the medical sector are used in single-use products. In the fiscal year ended March 31, 2026, orders received from overseas biopharmaceutical companies increased and remained strong.
- ✓ The products are used in various biopharmaceutical manufacturing processes, including the manufacturing of antibody drugs and vaccines, and they contribute to a reduction of the time necessary for cleaning and sterilization processes as well as the reduction of development and production costs. It is expected that this business will continue to grow.
- ✓ In addition to increasing the number of production lines at our factory in the United States, we will collaborate with a major trading company in Japan with the goal of further increasing sales.



Note: Estimated by Achilles based on data from a private research firm and other data

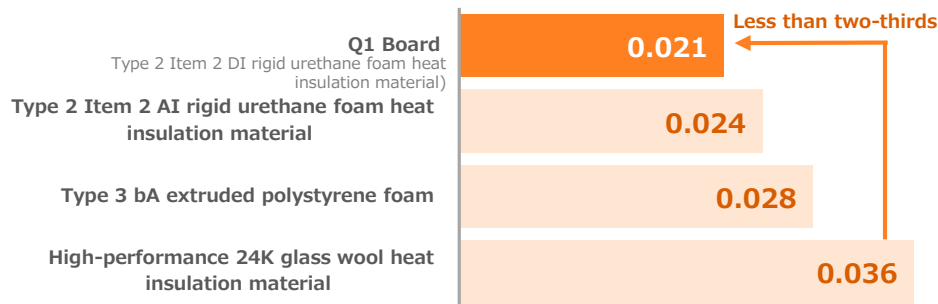
22. Growth Potential of High-performance Heat Insulation Materials



Q1 Board, a high-performance rigid urethane foam for heat insulation. Highly infrared-reflective aluminum foil is used on its surface to achieve energy savings.

Thermal conductivity comparison

Unit: W/(meter-kelvin)

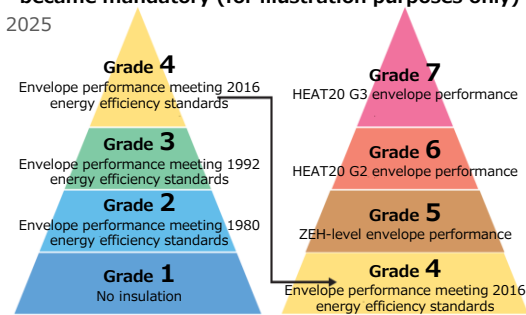


Aiming to tap into the energy-saving demand by providing high-performance heat insulation materials

- ✓ It is mandatory to conform to energy-saving standards for houses to achieve carbon neutrality by 2050 (see the figure below). Demand for high-performance urethane heat insulation materials is expected to grow, aided by the government's support of ZEH.
- ✓ We have developed a rigid urethane board, a first in Japan, and we have established a position in the market. With a highly reflective aluminum foil used as the surface material, demand for this high-performance heat insulation material is increasing as a product that helps protect the health of people by, for example, preventing heat stroke and shock due to changes in temperature, in addition to its energy conservation capabilities.
- ✓ We will expand this business into the housing renovation market and tap into demand in non-housing sectors, such as the areas of factories and retail and logistics facilities.

Grades after conformance with energy-efficiency standards became mandatory (for illustration purposes only)

Since April 2025

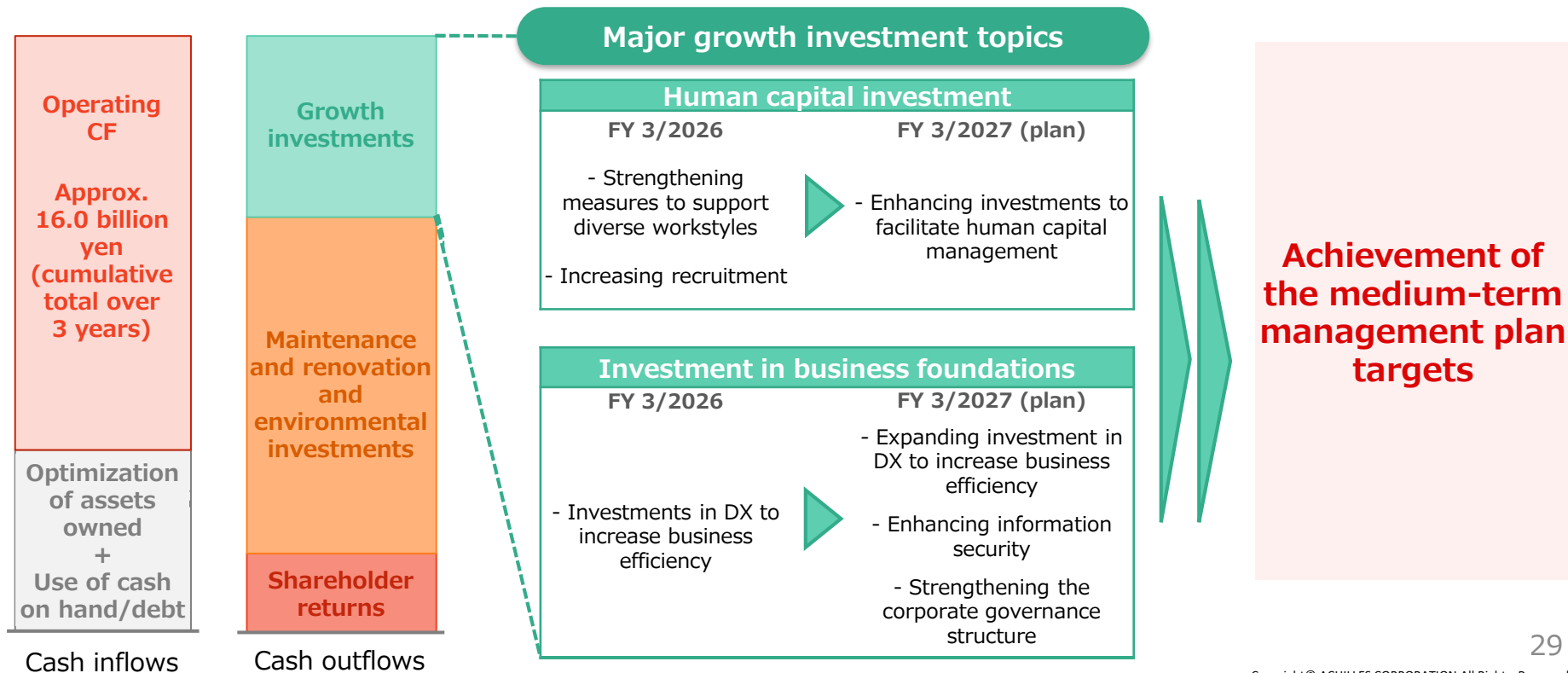


Section 4

Financial and Capital Strategy

23. Capital Allocation Strategy

We optimally allocate cash on hand to growth investments and shareholder returns. In investments, we prioritize human capital investments.



24. Basic Policy on Shareholder Returns

Basic policy on shareholder returns

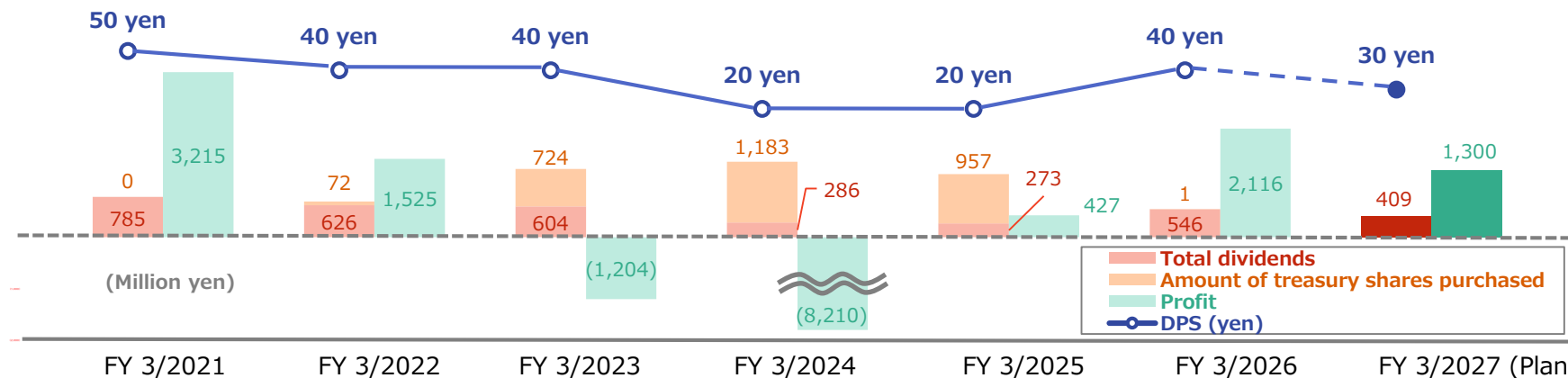
While in principle continuously and stably paying dividends, we will also flexibly purchase treasury shares to comprehensively enhance shareholder returns.

✓ Payment of dividends

Dividends are paid in consideration of current business conditions, a payout ratio of 30% or higher and dividends per share (DPS) of 50 yen.

✓ Purchase of treasury shares

Treasury shares are purchased flexibly in comprehensive consideration of consolidated financial results, growth investments, the stock price, and other factors.



Disclaimer and Contact for Inquiries



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Inquiries regarding IR matters

IR and Corporate Planning Head Office, Achilles Corporation

URL <https://www.achilles.jp/contact/iri/>

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