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

November 11, 2024

Company name: PILLAR Corporation
 Stock exchange listing: Tokyo
 Securities code: 6490 URL <https://www.pillar.co.jp/>
 Representative: President Yoshinobu Iwanami
 General Manager of Accounting & Financial Department
 Inquiries: Masahiro Fujii TEL 06-7166-8248
 Scheduled date to file Semi-annual Securities Report: November 13, 2024
 Scheduled date to commence dividend payments: December 6, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(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	28,534	1.6	5,825	(15.5)	5,754	(22.9)	3,887	(24.8)
Six months ended September 30, 2023	28,072	23.8	6,897	1.2	7,467	2.4	5,169	(4.5)

Note: Comprehensive income Six months ended September 30, 2024 ¥3,336 million [(46.3)%]
 Six months ended September 30, 2023 ¥6,216 million [6.5%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2024	166.71		-	
Six months ended September 30, 2023	221.86		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	96,473	71,099	73.7
As of March 31, 2024	98,835	69,949	70.8

Reference: Equity As of September 30, 2024 ¥71,099 million
 As of March 31, 2024 ¥69,949 million

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	-	60.00	-	99.00	159.00
Year ending March 31, 2025	-	54.00	-	-	-
Year ending March 31, 2025 (Forecast)	-	-	-	71.00	125.00

Note: Revisions to the cash dividend forecasts most recently announced: Yes

The Company has decided to pay a second quarter-end dividend of 54 yen for the fiscal year ending March 31, 2025, which had been undecided. The annual dividend forecast, including the year-end dividend, remains unchanged. For details, please refer to the "Notice of Determination of Dividends of Surplus (Interim Dividends) and Revision to Year-end Dividend Forecasts" released on November 11, 2024.

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	62,000	5.8	13,000	(8.5)	13,000	(13.9)	9,000	(16.5)	386.17

Note: Revisions to the financial results forecasts most recently announced: None

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: No
- 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	25,042,406 shares	As of March 31, 2024	25,042,406 shares
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Number of treasury shares at the end of the period

As of September 30, 2024	1,709,826 shares	As of March 31, 2024	1,733,852 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	23,318,867 shares	Six months ended September 30, 2023	23,302,787 shares
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* 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 items

(Caution concerning forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, the statements herein do not constitute assurances regarding the Company's actual results. Actual results may differ significantly due to various factors.

Semi-annual consolidated financial statements

(1) Semi-annual consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	17,895	19,769
Notes and accounts receivable - trade	13,878	13,532
Electronically recorded monetary claims - operating	7,379	5,412
Merchandise and finished goods	1,669	1,902
Work in process	3,053	3,237
Raw materials and supplies	3,449	4,683
Other	1,952	397
Allowance for doubtful accounts	(3)	(3)
Total current assets	49,274	48,932
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	22,687	22,456
Machinery, equipment and vehicles, net	3,807	4,372
Land	5,284	5,293
Other, net	2,604	2,209
Total property, plant and equipment	34,384	34,331
Intangible assets		
Goodwill	4,199	3,966
Other	582	981
Total intangible assets	4,782	4,947
Investments and other assets		
Investment securities	9,015	6,847
Retirement benefit asset	725	748
Other	671	684
Allowance for doubtful accounts	(18)	(18)
Total investments and other assets	10,394	8,261
Total non-current assets	49,561	47,541
Total assets	98,835	96,473
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,378	1,595
Electronically recorded obligations - operating	1,650	1,861
Short-term borrowings	750	1,750
Current portion of long-term borrowings	400	300
Accounts payable - other	2,493	1,022
Income taxes payable	2,070	1,841
Provision for bonuses	1,242	1,265
Electronically recorded obligations - facilities	3,137	731
Other	954	848
Total current liabilities	14,078	11,216
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term borrowings	975	925
Retirement benefit liability	1,932	1,977
Asset retirement obligations	102	108
Other	1,797	1,146
Total non-current liabilities	14,807	14,156
Total liabilities	28,886	25,373

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Net assets		
Shareholders' equity		
Share capital	4,966	4,966
Capital surplus	5,257	5,366
Retained earnings	55,841	57,398
Treasury shares	(2,548)	(2,513)
Total shareholders' equity	63,516	65,218
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,741	3,261
Foreign currency translation adjustment	1,416	2,357
Remeasurements of defined benefit plans	274	262
Total accumulated other comprehensive income	6,432	5,881
Total net assets	69,949	71,099
Total liabilities and net assets	98,835	96,473

(2) Semi-annual consolidated statement of income and semi-annual consolidated statement of comprehensive income

Semi-annual consolidated statement of income

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	28,072	28,534
Cost of sales	16,251	17,274
Gross profit	11,821	11,259
Selling, general and administrative expenses	4,924	5,434
Operating profit	6,897	5,825
Non-operating income		
Dividend income	280	104
Foreign exchange gains	227	–
Purchase discounts	35	41
Other	40	28
Total non-operating income	584	174
Non-operating expenses		
Interest expenses	10	72
Foreign exchange losses	–	118
Loss on disposal of non-current assets	3	47
Other	1	7
Total non-operating expenses	15	245
Ordinary profit	7,467	5,754
Extraordinary income		
Gain on sale of non-current assets	57	–
Gain on sale of investment securities	18	9
Total extraordinary income	75	9
Extraordinary losses		
Loss on sale of non-current assets	36	–
Factory rebuilding expense	100	52
Total extraordinary losses	137	52
Profit before income taxes	7,405	5,711
Income taxes - current	2,234	1,846
Income taxes - deferred	0	(22)
Total income taxes	2,235	1,824
Profit	5,169	3,887
Profit attributable to owners of parent	5,169	3,887

Semi-annual consolidated statement of comprehensive income

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	5,169	3,887
Other comprehensive income		
Valuation difference on available-for-sale securities	570	(1,479)
Foreign currency translation adjustment	483	940
Remeasurements of defined benefit plans, net of tax	(7)	(12)
Total other comprehensive income	1,047	(551)
Comprehensive income	6,216	3,336
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,216	3,336

(3) Semi-annual 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	7,405	5,711
Depreciation	1,073	1,590
Amortization of goodwill	233	233
Factory rebuilding expense	100	52
Loss (gain) on disposal of non-current assets	3	47
Loss (gain) on sale of non-current assets	(20)	–
Increase (decrease) in provision for bonuses	67	21
Increase (decrease) in retirement benefit asset and liability	(46)	4
Interest and dividend income	(284)	(110)
Interest expenses	10	72
Loss (gain) on sale of investment securities	(18)	(9)
Decrease (increase) in trade receivables	(1,702)	2,945
Decrease (increase) in inventories	(1,242)	(1,479)
Increase (decrease) in trade payables	45	4
Increase (decrease) in accrued consumption taxes	(1,044)	1,691
Other, net	195	(997)
Subtotal	4,775	9,778
Interest and dividends received	284	110
Interest paid	(15)	(70)
Income taxes refund (paid)	(2,485)	(2,039)
Net cash provided by (used in) operating activities	2,559	7,778
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	163	0
Purchase of property, plant and equipment and intangible assets	(1,108)	(5,085)
Proceeds from sale of property, plant and equipment	96	–
Proceeds from sale of investment securities	59	39
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(5,143)	–
Other, net	(14)	(26)
Net cash provided by (used in) investing activities	(5,947)	(5,073)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(500)	1,000
Proceeds from long-term borrowings	1,500	100
Repayments of long-term borrowings	(2,175)	(250)
Purchase of treasury shares	–	(0)
Dividends paid	(1,838)	(2,304)
Other, net	(3)	(13)
Net cash provided by (used in) financing activities	(3,017)	(1,468)
Effect of exchange rate change on cash and cash equivalents	884	506
Net increase (decrease) in cash and cash equivalents	(5,520)	1,743
Cash and cash equivalents at beginning of period	22,284	17,878
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	–	129
Cash and cash equivalents at end of period	16,763	19,751