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February 6, 2025

Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2024 (Under Japanese GAAP)

Company name: AXIS CO.,LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 4012
 URL: <https://www.axis-net.co.jp/>
 Representative: Hirofumi Ogura, CEO Chairman
 Inquiries: Naoya Kosuge, Director, Managing Executive Officer, CFO
 Telephone: +81-3-5501-1277
 Scheduled date of annual general meeting of shareholders: March 25, 2025
 Scheduled date to commence dividend payments: March 26, 2025
 Scheduled date to file annual securities report: March 25, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Non-consolidated financial results for the fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(1) Non-consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	7,434	13.0	790	21.1	848	27.3	597	29.3
December 31, 2023	6,581	33.8	652	24.0	666	24.2	462	21.9

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
December 31, 2024	141.84	137.42	18.2	19.2	10.6
December 31, 2023	113.13	107.28	16.7	17.9	9.9

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended December 31, 2024: ¥- million

For the fiscal year ended December 31, 2023: ¥- million

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2024	4,772	3,563	74.7	842.21
December 31, 2023	4,064	3,003	73.9	725.76

Reference: Equity

As of December 31, 2024: ¥3,563 million

As of December 31, 2023: ¥3,003 million

(3) Non-consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2024	556	34	-37	3,023
December 31, 2023	478	-66	-9	2,466

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio	Ratio of dividends to net assets
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended December 31, 2023	-	0.00	-	18.00	18.00	74	15.9	2.7
Fiscal year ended December 31, 2024	-	0.00	-	36.00	36.00	152	25.4	4.6
Fiscal year ending December 31, 2025 (Forecast)	-	0.00	-	45.00	45.00		30.2	

3. Forecast of non-consolidated financial results for the year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	8,593	15.6	919	16.3	935	10.2	636	6.4	148.99

*** Notes**

(1) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(2) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2024	4,331,600 shares
As of December 31, 2023	4,238,200 shares

(ii) Number of treasury shares at the end of the period

As of December 31, 2024	100,000 shares
As of December 31, 2023	100,000 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended December 31, 2024	4,214,340 shares
Fiscal year ended December 31, 2023	4,087,763 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements regarding future performance in this material are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable at the time this report was prepared. Therefore, the Company does not make promises about the achievements. Actual results may differ significantly from the forecasts due to various factors.

Non-consolidated financial statements
(1) Non-consolidated balance sheets

Thousands of yen	December 31, 2023	December 31, 2024
Assets		
Current assets		
Cash and deposits	2,466,643	3,023,036
Accounts receivable-trade	752,337	834,251
Contract assets	189,015	234,777
Merchandise	4,771	29,875
Supplies	22,740	28,359
Prepaid expenses	46,046	73,457
Other	2,706	3,576
Allowance for doubtful accounts	△1,656	△1,377
Current assets	3,482,603	4,225,955
Non-current assets		
Property, plant and equipment		
Buildings, net	49,656	44,966
Vehicles, net	0	0
Tools, furniture and fixtures, net	28,231	19,291
Property, plant and equipment	77,888	64,258
Intangible assets		
Goodwill	215,300	185,604
Software	886	11,041
Intangible assets	216,187	196,645
Investments and other assets		
Shares of subsidiaries and associates	6,337	6,337
Long-term prepaid expenses	28,367	14,530
Deferred tax assets	112,336	128,034
Other	141,804	138,019
Allowance for doubtful accounts	△900	△900
Investments and other assets	287,945	286,021
Non-current assets	582,021	546,925
Assets	4,064,625	4,772,881

Thousands of yen	December 31, 2023	December 31, 2024
Liabilities		
Current liabilities		
Accounts payable-trade	269,647	294,382
Accounts payable-other	86,670	89,217
Accrued expenses	99,750	104,735
Income taxes payable	119,961	160,128
Contract liabilities	6,546	4,995
Deposits received	112,864	130,157
Other	105,362	128,826
Current liabilities	800,803	912,443
Non-current liabilities		
Provision for retirement benefits	260,493	296,551
Non-current liabilities	260,493	296,551
Liabilities	1,061,296	1,208,994
Net assets		
Shareholders' equity		
Share capital	45,521	64,154
Capital surplus		
Legal capital surplus	52,180	70,814
Other capital surplus	93,015	93,015
Capital surplus	145,196	163,830
Retained earnings		
Legal retained earnings	2,000	2,000
Other retained earnings		
General reserve	50,000	50,000
Retained earnings brought forward	2,770,986	3,294,277
Retained earnings	2,822,986	3,346,277
Treasury shares	△10,375	△10,375
Shareholders' equity	3,003,329	3,563,886
Net assets	3,003,329	3,563,886
Liabilities and net assets	4,064,625	4,772,881

(2) Non-consolidated statements of income

Non-consolidated statements of income

Thousands of yen	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Net sales	6,581,363	7,434,787
Cost of sales	4,956,438	5,586,467
Gross profit (loss)	1,624,924	1,848,319
Selling, general and administrative expenses	972,371	1,058,266
Operating profit (loss)	652,552	790,052
Non-operating income		
Interest income	22	281
Dividend income	—	22,396
Subsidy income	12,590	14,188
Surrender value of insurance policies	—	19,699
Other	1,191	1,826
Non-operating income	13,804	58,392
Ordinary profit (loss)	666,356	848,445
Extraordinary losses		
Loss on retirement of non-current assets	1,938	0
Loss on extinguishment of tie-in shares	668	—
Extraordinary losses	2,607	0
Profit(loss) before income taxes	663,749	848,445
Income taxes-current	212,724	266,364
Income taxes-deferred	△11,403	△15,697
Income taxes	201,320	250,667
Profit(loss)	462,429	597,778

Cost of sales statement

		Fiscal year ended December 31, 2023			Fiscal year ended December 31, 2024		
Class	Note no.	Amount (Thousands of yen)		Composition (%)	Amount (Thousands of yen)		Composition (%)
I Labor cost			2,443,161	49.3		2,652,609	47.5
II Outsourcing expenses			2,321,772	46.8		2,713,898	48.6
III Expenses							
1 Travel and transportation expenses		54,073			67,792		
2 Other		137,431	191,504	3.9	152,167	219,960	3.9
Total manufacturing costs for the period			4,956,438	100.0		5,586,467	100.0
Cost of sales			4,956,438			5,586,467	

(Cost accounting method)

Our cost calculation is based on actual cost calculation based on individual cost accounting.

(3) Statement of changes in equity

For the fiscal year ended December 31, 2023

(Thousands of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total Capital surplus	Legal retained earnings	Other retained earnings			Total Retained earnings
						Reserve for special depreciation	General reserve	Total Retained earnings brought forward	
Balance at beginning of current period	86,659	36,659	36,356	73,015	2,000	1,639	50,000	2,347,521	2,401,161
Changes during period									
Reversal of reserve for Special depreciation						△1,639		1,639	—
Issuance of new shares	15,521	15,521		15,521					
Dividends of surplus								△40,604	△40,604
Profit(loss)								462,429	462,429
Transfer from share capital To other capital surplus	△56,659		56,659	56,659					
Total changes during period	△41,138	15,521	56,659	72,180	—	△1,639	—	423,465	421,825
Balance at end of current period	45,521	52,180	93,015	145,196	2,000	—	50,000	2,770,986	2,822,986

	Shareholders' equity		Total Net assets
	Treasury shares	Total Shareholders' equity	
Balance at beginning of current period	△10,375	2,550,461	2,550,461
Changes during period			
Reversal of reserve for Special depreciation		—	—
Issuance of new shares		31,042	31,042
Dividends of surplus		△40,604	△40,604
Profit(loss)		462,429	462,429
Transfer from share capital To other capital surplus		—	—
Total changes during period	—	452,867	452,867
Balance at end of current period	△10,375	3,003,329	3,003,329

For the fiscal year ended December 31, 2024

(Thousands of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total Capital surplus	Legal retained earnings	Other retained earnings		Total Retained earnings
						General reserve	Total Retained earnings brought forward	
Balance at beginning of current period	45,521	52,180	93,015	145,196	2,000	50,000	2,770,986	2,822,986
Changes during period								
Issuance of new shares	18,633	18,633		18,633				
Dividends of surplus							△74,487	△74,487
Profit(loss)							597,778	597,778
Total changes during period	18,633	18,633	—	18,633	—	—	523,290	523,290
Balance at end of current period	64,154	70,814	93,015	163,830	2,000	50,000	3,294,277	3,346,277

	Shareholders' equity		Total Net assets
	Treasury shares	Total Shareholders' equity	
Balance at beginning of current period	△10,375	3,003,329	3,003,329
Changes during period			
Issuance of new shares		37,266	37,266
Dividends of surplus		△74,487	△74,487
Profit(loss)		597,778	597,778
Total changes during period	—	560,557	560,557
Balance at end of current period	△10,375	3,563,866	3,563,886

(4) StatementOfCashFlows

(単位: 千円)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Cash flows from operating activities		
Profit (loss) before income taxes	663,749	848,445
Depreciation	18,952	16,127
Amortization of goodwill	30,389	29,696
Increase(decrease) in allowance for doubtful accounts	△71	△278
Interest income	△22	△281
Dividend income	—	△22,396
Surrender value of insurance policies	—	△19,699
Foreign exchange losses(gains)	△1,035	△1,821
Loss on retirement of non-current assets	1,938	0
Loss(gain) on extinguishment of tie-in shares	668	—
Decrease(increase) in trade receivables	△44,913	△81,914
Decrease(increase) in contract assets	△91,785	△45,761
Decrease(increase) in inventories	△14,013	△30,723
Increase(decrease) in trade payables	69,027	24,734
Increase(decrease) in accounts payable-other	△10,856	△5,153
Increase(decrease) in provision for retirement benefits	23,629	36,058
Other,net	20,979	13,145
Subtotal	666,637	760,177
Interest received	22	281
Dividends received	—	22,382
Income taxes paid	△188,503	△226,022
Net cash provided by (used in) operating activities	478,156	556,818
Cash flows from investing activities		
Purchase of property, plant and equipment	△41,180	△1,383
Purchase of intangible assets	—	△3,568
Proceeds from cancellation of insurance funds	—	40,551
Payments of leasehold and guarantee deposits	△27,373	—
Proceeds from refund of leasehold and guarantee deposits	2,519	—
Other,net	△31	△639
Net cash provided by (used in) investing activities	△66,065	34,959
Cash flows from financing activities		
Proceeds from issuance of shares	31,042	37,266
Dividends paid	△40,604	△74,487
Net cash provided by (used in) financing activities	△9,561	△37,221
Effect of exchange rate change on cash and cash equivalents	1,035	1,835
Net increase(decrease) in cash and cash equivalents	403,565	556,392
Cash and cash equivalents	1,935,693	2,466,643
Increase in cash and cash equivalents resulting from merger	127,385	—
Cash and cash equivalents	2,466,643	3,023,036

(5) Notes to Non-consolidated financial statements
(Going concern assumption)
None

(Segment information, etc.)

【Segment information】

The Company has omitted segment information because its system integration business accounts for a high proportion and is considered to be of little importance as disclosed information.

(Equity Method Profit and Loss, Etc.)
None

(Per share information)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Net assets per share	725.76円	842.21円
Basic earnings per share	113.13円	141.84円
Diluted earnings per share	107.28円	137.42円

(Note) The basis for calculating basic earnings per share and diluted earnings per share is as follows.

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Basic earnings per share		
Profit (thousand yen)	462,429	597,778
Amount not attributable to ordinary shareholders (thousand yen)	—	—
Profit attributable to ordinary shares (thousand yen)	462,429	597,778
Average number of ordinary shares during the period (shares)	4,087,763	4,214,340
Diluted earnings per share		
Adjustment to profit (thousand yen)	—	—
Increase in ordinary shares (shares)	222,674	135,823
(Of which, share acquisition rights) (shares)	(222,674)	(135,823)

(Significant subsequent events)
None