



ADVANEX INC.

Flash Report (Consolidated Basis)

Results for FY2025 third quarter(Nine months ended December 31, 2024)

February 10, 2025

Company name: ADVANEX INC.
 Code number: 5998
 Representative: Eitaro Asada, Chairman & President
 Inquiries: Tetsuya Yoshihara, Executive Director & CFO
 Supplementary explanation material for quarterly financial results
 Holding of presentation meeting for quarterly financial results

Stock listings: Tokyo Stock Exchange
 URL <http://www.advanex.co.jp>
 Telephone: +81-3-3822-5865
 Yes
 No

1. Performance (April 1, 2024 through December 31, 2024) (Figures less than ¥1 million have been omitted.)

(1) Consolidated operating results (For the Nine months ended December 31.).

Percentages indicate year-on-year increase (decrease)

	Net sales		Operating Income		Ordinary Income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2024	21,089	5.8	526	119.6	(224)	-	(335)	-
Nine months ended December 31, 2023	19,937	9.6	239	-	439	34.3	166	-

[Note] Comprehensive income: Nine months ended December 31, 2024 635 million yen
 Nine months ended December 31, 2023 569 million yen

	Net income per share	Net income per share after dilution
	Yen	Yen
Nine months ended December 31, 2024	(81.67)	-
Nine months ended December 31, 2023	40.44	40.38

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	30,199	8,842	29.3
As of March 31, 2023	28,457	8,289	29.1

[Reference] Total shareholder's equity: ¥ 8,833 million yen at December 31, 2024 ¥ 8,281 million yen at March 31, 2024

2. Dividends

Record date	Dividends per share				
	First quarter -end dividends	Second quarter -end dividends	Third quarter -end dividends	Year-end dividends	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	--	--	--	20.00	20.00
Year ended March 31, 2025	--	--	--	--	--
Year ended March 31, 2025 (forecast)				20.00	20.00

[Note] Revisions to the latest forecast of cash dividends: No

3. Forecast of consolidated results for FY2025 (April 1, 2024 through March 31, 2025)

Percentages indicate year-on-year increase (decrease)

	Net sales		Operating income		Ordinary income		Net income (loss)		Net income (loss) per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ended March 31, 2025	27,000	1.7	600	64.0	(100)	-	(500)	-	(121.76)

[Note] Revisions to the latest forecasts of consolidated results: Yes

4. Others

- (1) Significant changes in subsidiaries during the subject fiscal year: NO
Additions: 0 Deletions: 0
- (2) Application of simplified accounting and specific accounting: No
- (3) Changes in accounting principles, procedures, presentations, etc.
 - a. Changes associated with revision of accounting standards, etc: Yes
 - b. Changes other than a.: No
 - c. Changes in accounting estimates: No
 - d. Restatement: No
- (4) Number of shares outstanding (Common stock)
 - a. Number of shares outstanding at end of period (Including treasury stock)
4,153,370 shares at December 31, 2024
4,153,370 shares at March 31, 2024
 - b. Number of shares of treasury stock at end of period
47,207 shares at December 31, 2024
46,761 shares at March 31, 2024
 - c. Average number of shares issued and outstanding in each period:
4,106,403 shares at December 31, 2024
4,107,432 shares at December 31, 2023

[Notes]

1. Explanation for related to implementation of the quarterly review procedures
When disclosing this Brief Report of Financial Results, the review procedures for quarterly financial statements under the Financial Instruments and Exchange Law have not been brought to completion.
2. Explanation for appropriate use of financial forecasts and other special remarks
The above-mentioned forecasts are based on the information available as of the date when this information is disclosed, as well as on the assumptions as of the disclosing date of this information related with unpredictable parameters that are probable to affect our future business performances. Our actual performance is likely to differ greatly from these estimates depending on various factors in the future.

(Attachment)

Index

1. Qualitative Information and Financial Statements	
(1) Explanation of Business Results.....	4
(2) Explanation of Financial Position.....	4,5
(3) Explanation of Consolidated Business Forecast and other Forecasts.....	5
2. Quarterly Consolidated Financial Statements	
(1) Consolidated Balance Sheets.....	6,7
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	8,9
(3) Notes on Going Concern Assumptions.....	10
(Segment Information).....	10,11

1. Qualitative Information on Financial Results For This Quarter

(1) Explanation of Business Results

We have operations in 12 countries, including Japan, the Americas, Europe, and Asia. We manufacture and sell precision springs and other metalworking components primarily for automotive, healthcare, OA, and aerospace applications.

In the first three quarters of the fiscal year under review, business conditions for automotive applications were sluggish due to the emergence of Chinese manufacturers and the impact of certification fraud issues. However, business conditions for OA equipment were favorable, and sales for healthcare, particularly in Europe and the United States, continued to expand steadily.

Under these circumstances, for the same period, net sales increased 5.8% year on year to ¥21,089 million and operating income increased 119.6% to ¥526 million. On the other hand, ordinary loss was 224 million yen and loss attributable to owners of parent was 335 million yen, mainly due to foreign exchange losses (629 million yen) arising from revaluation of assets and liabilities held by us and our overseas consolidated subsidiaries due to exchange rate fluctuations.

Results by business segment are as follows.

[Japan]

Net sales increased 1.5% compared with the same quarter of the previous year to ¥6,790 million due to favorable sales for OA equipment and the impact of price increases. Segment income increased 31.5% to ¥133 million.

[Americas]

Net sales increased 23.0% from the same quarter of the previous year to ¥3,915 million due to a significant increase in production for medical use at the U.S. factory. Segment profit was 7 million yen (compared with a loss of 328 million yen in the same quarter of the previous year) due to factors including an increase in profits at the U.S. plant.

[Europe]

Net sales increased 6.2% from the same quarter of the previous year to ¥2,383 million. On the other hand, segment loss was 7 million yen (compared with a profit of 73 million yen in the same quarter of the previous year) due to a decrease in sales on a local currency basis and an increase in fixed costs, etc. due to increases in personnel expenses and energy costs, etc.

[Asia]

Net sales increased 2.3% compared with the same quarter of the previous fiscal year to ¥8 billion due mainly to strong sales for OA equipment. Segment income increased 0.2% to ¥382 million.

(2) Explanation of Financial Position

Financial position

Assets

Total assets at the end of the third quarter of the current fiscal year increased by 1,741 million yen from the end of the previous fiscal year to 30,199 million yen.

Total current assets increased 1,230 million yen to 16,206 billion yen. The main factors were increases of 364 million yen in cash and deposits, 473 million yen in notes and accounts receivable-trade, and 384 million yen in inventories. Total non-current assets increased ¥511 million to ¥13,992 million. This was mainly due to increases in property, plant and equipment, investments and other assets.

Liabilities

In the Liabilities section, total liabilities were 20,054 million yen, an increase of 806 million yen

from the end of the previous fiscal year. This was mainly due to increases of 231 million yen in notes and accounts payable-trade, 102 million yen in electronically recorded obligations-operating, and 361 million yen in loans payable.

(Net assets)

Net assets totaled 8,842 million yen, an increase of 552 million yen from the end of the previous fiscal year. This was mainly due to an increase of 1,029 million yen in foreign currency translation adjustments due to exchange rate fluctuations, despite a decrease of 417 million yen in total shareholders' equity mainly due to the occurrence of quarterly net loss attributable to owners of the parent.

As a result, the equity ratio was 29.3% (29.1% at the end of the previous fiscal year).

(3) Explanation of Consolidated Business Forecast and other Forecasts

Consolidated forecasts for the fiscal year ending March 2025 have been revised from those announced on May 10, 2024. For details, please refer to the "Notice Regarding Revisions to Earnings Forecasts" announced today.

2. QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

(1) QUARTERLY CONSOLIDATED BALANCE SHEETS

(Amount: thousands of yen)

	FY2025 third quarter (As of December 31,2024)	FY2024 (As of March 31,2024)
ASSETS		
Current assets:		
Cash and time deposits	5,590,655	5,225,710
Trade notes and accounts receivable	5,279,505	4,806,095
Finished goods	2,127,823	1,960,173
Work in process	938,276	833,902
Raw materials and stored items	1,617,106	1,504,821
Other current assets	684,426	677,945
Allowance for doubtful accounts	(30,911)	(32,023)
Total current assets	16,206,881	14,976,625
Noncurrent assets:		
Tangible noncurrent asset		
Buildings and structures	4,348,889	4,307,638
Machinery and equipment	4,254,583	4,726,518
Land	1,610,637	1,715,825
Others	2,563,481	1,749,459
Total tangible noncurrent assets	12,777,591	12,499,441
Intangible noncurrent assets	238,382	183,957
Investments and other assets	976,979	797,921
Total noncurrent assets	13,992,954	13,481,321
Total assets	30,199,835	28,457,946

(Amount: thousands of yen)

	FY2025 third quarter (As of December 31,2024)	FY2024 (As of March 31,2023)
LIABILITIES		
Current liabilities:		
Trade notes and accounts payable	2,174,084	1,921,021
Electronically Recorded Monetary Claims	892,627	1,578,728
Short-term borrowings	6,223,094	4,739,303
Long-term borrowings due within one year	3,088,771	2,480,699
Lease obligations	216,419	229,441
Income taxes payable	63,586	109,730
Contract liability	115,713	99,674
Allowance for bonus	224,956	285,753
Other current liabilities	1,487,188	1,527,495
Total current liabilities	14,486,440	12,971,847
Noncurrent liabilities		
Long-term borrowings	4,379,819	4,544,507
Lease obligations	887,501	1,021,551
Deferred tax liabilities	265,111	364,396
Asset retirement obligations	58,468	56,445
Liabilities for retirement benefits	1,158,849	1,121,267
Other noncurrent liabilities	121,145	88,226
Total noncurrent liabilities	6,870,896	7,196,395
Total liabilities	21,357,337	20,168,243
NET ASSETS		
Shareholder's equity		
Common stock	100,000	100,000
Capital surplus	1,067,759	1,150,000
Retained earnings	4,967,628	5,302,982
Treasury stock	(80,105)	(79,773)
Total shareholder' equity	6,055,282	6,473,208
Accumulated other comprehensive income		
Valuation gain (loss) on other securities	(45,011)	(21,050)
Foreign exchange adjustment	2,754,174	1,724,740
cumulative amount for retirement benefits	69,458	104,210
Total accumulated other comprehensive income	2,778,622	1,807,900
Subscription rights to shares	8,594	8,594
Total net assets	8,842,498	8,289,703
Total liabilities and net assets	30,199,835	28,457,946

(2) QUARTERLY CONSOLIDATED STATEMENTS OF INCOME

(Amount: thousands of yen)

	FY2025 third quarter (April 1, 2024 through December 31, 2024)	FY2024 third quarter (April 1, 2023 through December 31, 2023)
NET sales	21,089,161	19,937,605
Cost of sales	16,183,087	15,621,516
Gross profit	4,906,074	4,316,088
Selling, general and administrative expenses	4,379,664	4,076,323
Operating income	526,410	239,765
Non-operating revenues		
Interest income	59,641	40,353
Dividends income	-	513
Rent income	90,464	87,246
Foreign exchange gains	-	342,103
Subsidy income	2,584	3,634
Others	46,895	46,895
Total non-operating revenues	214,546	520,747
Non-operating expenses		
Interest expenses	278,824	266,676
Foreign exchange loss	629,923	-
Others	56,429	54,604
Total non-operating expenses	965,178	321,280
Ordinary income(loss)	(224,221)	439,231
Extraordinary gain		
Gain on sales of noncurrent assets	42,006	3,460
Gain on bad debts recoverd	-	21,414
Total extraordinary gain	42,006	24,874
Extraordinary loss		
Loss on sales of noncurrent assets	2,749	1,336
Loss on disposal of noncurrent assets	774	3,821
Special retirement expense	75,721	50,411
Others	-	-
Total extraordinary loss	79,244	55,568
Net Income (or loss) before income taxes	(261,459)	408,536
Corporate, inhabitant and enterprise taxes	187,679	238,799
Corporate tax adjustments	(113,785)	3,648
Total income taxes	73,894	242,447
Net income(loss)	(335,353)	166,089
Net income (loss) Attributable to Owners of the Parent	(335,353)	166,089

QUARTERLY CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amount: thousands of yen)

	FY2025 third quarter (April 1, 2024 through December 31, 2024)	FY2024 third quarter (April 1, 2023 through December 31, 2023)
Income (or loss) before minority interests	(335,353)	166,089
Other comprehensive income		
Valuation gain(loss) on other securities	(23,960)	(9,452)
Foreign currency translation adjustment	1,029,433	389,523
Remeasurements of defined benefit plans	(34,752)	23,484
Total other comprehensive income	970,721	403,555
Comprehensive income	635,367	569,644
Comprehensive income attributable to owners of the parent	635,367	569,644

(3) Notes Concerning Quarterly Consolidated Financial Statements
 (Notes on Going Concern Assumptions)
 Not applicable

(Notes Concerning Significant Changes in the Amount of Shareholders' Equity)
 Not applicable

Segment Information etc.
【Segment Information】

I FY2025 third quarter (April 1, 2024 through December 31, 2024)

1, Information related to sales and income or loss amounts by reporting segments (Amount: thousands of yen)

	Japan	Americas	Europe	Asia	Total
Net sales					
(1) Net sales to third parties	6,790,537	3,915,414	2,383,124	8,000,084	21,089,161
(2) Intra-group Net sales and transfers	838,677	4,415	74,427	184,651	1,102,171
Total sales	7,629,215	3,919,829	2,457,551	8,184,736	22,191,333
Operating income (loss)	133,218	7,470	(7,164)	382,601	516,126

2, Reconciliation of Reported Consolidated Quarterly Net Sales and Operating Income with Operating Income or Loss of Reporting Segments

Reconciliation of Operating Income	Amount
Total of Reporting Segments	516,126
Elimination of inter-segment transactions	10,284
Consolidated Quarterly Operating Income	526,410

3, Information related to impairment loss of fixed assets or goodwill, etc. by reporting segment
 Not applicable

II FY2024 third quarter (April 1, 2023 through December 30, 2023)

1, Information related to sales and income or loss amounts by reporting segments

(Amount: thousands of yen)

	Japan	Americas	Europe	Asia	Total
Net sales					
(1) Net sales to third parties	6,690,442	3,182,808	2,244,943	7,819,411	19,937,605
(2) Intra-group Net sales and transfers	889,543	-	89,728	143,143	1,122,414
Total sales	7,579,985	3,182,808	2,334,671	7,962,554	21,060,020
Operating income (loss)	101,293	(328,269)	73,997	381,992	229,015

2, Reconciliation of Reported Consolidated Quarterly Net Sales and Operating Income with Operating Income or Loss of Reporting Segments

Reconciliation of Operating Income	Amount
Total of Reporting Segments	229,015
Elimination of inter-segment transactions	10,749
Consolidated Quarterly Operating Income	239,765

3, Information related to impairment loss of fixed assets or goodwill, etc. by reporting segment

Not applicable