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November 12, 2026

Consolidated Financial Results for the Six Months Ended September 30, 2026 (Under Japanese GAAP)

Company name: Atsugi Corporation
Listing: Tokyo Stock Exchange
Securities code: 3529
URL: https://www.atsugi.co.jp/
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Scheduled date to file semi-annual securities report: November 13, 2026
Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: None
Holding of financial results briefing: None

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

1. Consolidated financial results for the six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	10,161	(0.1)	(1,259)	-	(1,248)	-	(1,428)	-
September 30, 2025	10,173	(1.4)	(356)	-	(310)	-	(355)	-

Note: Comprehensive income For the six months ended September 30, 2026: ¥(1,519) million [-%]
For the six months ended September 30, 2025: ¥(183) million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	(89.23)	-
September 30, 2025	(22.20)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	38,557	30,490	79.1
March 31, 2026	39,902	32,010	80.2

Reference: Equity
As of September 30, 2026: ¥30,490 million
As of March 31, 2026: ¥32,010 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	-	0.00	-	0.00	0.00
Fiscal year ending March 31, 2027	-	0.00			
Fiscal year ending March 31, 2027 (Forecast)				0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2027	21,000	(2.2)	(2,400)	-	(2,400)	-	(1,500)	-	(93.67)

Note: Revisions to the earnings forecasts most recently announced: Yes

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

(3) 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

(4) Number of issued shares (common shares)

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

As of September 30, 2026	17,319,568 shares
As of March 31, 2026	17,319,568 shares

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

As of September 30, 2026	1,306,611 shares
As of March 31, 2026	1,305,562 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2026	16,013,369 shares
Six months ended September 30, 2025	16,016,531 shares

* 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 matters

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors. For the conditions on which earnings forecasts are predicated and precautions for using earnings forecasts, please refer to "1. Summary of Operating Results, etc. (3) Explanation of Forward-Looking Information such as Consolidated Earnings Forecasts."

Semi-annual consolidated balance sheet

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	3,633	2,476
Notes and accounts receivable - trade	3,850	4,130
Merchandise and finished goods	4,352	4,035
Work in process	1,067	1,356
Raw materials and supplies	451	461
Other	1,240	962
Allowance for doubtful accounts	(24)	(25)
Total current assets	14,570	13,397
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,602	3,596
Machinery, equipment and vehicles, net	3,600	3,447
Land	12,771	12,771
Construction in progress	62	141
Other, net	142	130
Total property, plant and equipment	20,180	20,088
Intangible assets	520	511
Investments and other assets		
Investment securities	4,353	4,281
Other	276	277
Total investments and other assets	4,630	4,559
Total non-current assets	25,331	25,159
Total assets	39,902	38,557

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,098	1,444
Short-term borrowings	462	469
Income taxes payable	101	101
Provision for bonuses	53	53
Other	1,707	1,621
Total current liabilities	3,424	3,689
Non-current liabilities		
Deferred tax liabilities	1,174	1,086
Deferred tax liabilities for land revaluation	1,324	1,324
Retirement benefit liability	946	941
Other	1,022	1,024
Total non-current liabilities	4,467	4,377
Total liabilities	7,891	8,067
Net assets		
Shareholders' equity		
Share capital	20,000	20,000
Capital surplus	10,272	10,272
Retained earnings	(2,247)	(3,676)
Treasury shares	(1,474)	(1,475)
Total shareholders' equity	26,549	25,119
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,812	1,777
Deferred gains or losses on hedges	384	200
Revaluation reserve for land	351	351
Foreign currency translation adjustment	2,913	3,041
Total accumulated other comprehensive income	5,461	5,370
Total net assets	32,010	30,490
Total liabilities and net assets	39,902	38,557

Semi-annual consolidated statement of income

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Net sales	10,173	10,161
Cost of sales	6,817	7,517
Gross profit	3,356	2,643
Selling, general and administrative expenses	3,712	3,903
Operating loss	(356)	(1,259)
Non-operating income		
Interest and dividend income	41	41
Foreign exchange gains	6	-
Other	28	29
Total non-operating income	76	71
Non-operating expenses		
Interest expenses	9	7
Foreign exchange losses	-	20
Taxes and dues	15	25
Other	5	8
Total non-operating expenses	30	60
Ordinary loss	(310)	(1,248)
Extraordinary income		
Gain on sale of non-current assets	13	2
Gain on sale of investment securities	68	66
Total extraordinary income	82	68
Extraordinary losses		
Loss on sale of non-current assets	3	2
Loss on retirement of non-current assets	0	0
Impairment losses	78	30
Extra retirement payments	-	190
Total extraordinary losses	81	224
Loss before income taxes	(310)	(1,404)
Income taxes - current	22	11
Income taxes - deferred	22	12
Total income taxes	44	24
Loss	(355)	(1,428)
Loss attributable to owners of parent	(355)	(1,428)

Semi-annual consolidated statement of comprehensive income

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Loss	(355)	(1,428)
Other comprehensive income		
Valuation difference on available-for-sale securities	221	(34)
Deferred gains or losses on hedges	(168)	(183)
Foreign currency translation adjustment	119	128
Total other comprehensive income	171	(90)
Comprehensive income	(183)	(1,519)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(183)	(1,519)

Semi-annual consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Cash flows from operating activities		
Loss before income taxes	(310)	(1,404)
Depreciation	265	293
Impairment losses	78	30
Increase (decrease) in allowance for doubtful accounts	0	0
Increase (decrease) in provision for bonuses	2	(0)
Increase (decrease) in retirement benefit liability	35	(4)
Interest and dividend income	(41)	(41)
Interest expenses	9	7
Loss (gain) on sale of investment securities	(68)	(66)
Loss on retirement of property, plant and equipment	0	0
Loss (gain) on sale of property, plant and equipment	(10)	0
Decrease (increase) in trade receivables	331	(265)
Decrease (increase) in inventories	(1,000)	40
Increase (decrease) in trade payables	311	336
Increase (decrease) in accrued consumption taxes	(77)	48
Other, net	(200)	(118)
Subtotal	(675)	(1,142)
Interest and dividends received	41	41
Interest paid	(9)	(7)
Income taxes paid	(29)	(13)
Net cash provided by (used in) operating activities	(672)	(1,121)
Cash flows from investing activities		
Payments into time deposits	(31)	-
Proceeds from withdrawal of time deposits	31	-
Purchase of property, plant and equipment	(540)	(191)
Proceeds from sale of property, plant and equipment	20	2
Purchase of intangible assets	(101)	(31)
Purchase of investment securities	(16)	(16)
Proceeds from sale of investment securities	104	104
Subsidies received	75	-
Net cash provided by (used in) investing activities	(458)	(133)
Cash flows from financing activities		
Purchase of treasury shares	(1)	(1)
Repayments of short-term borrowings	(626)	-
Repayments of long-term borrowings	(235)	-
Net cash provided by (used in) financing activities	(863)	(1)
Effect of exchange rate change on cash and cash equivalents	158	99
Net increase (decrease) in cash and cash equivalents	(1,837)	(1,156)
Cash and cash equivalents at beginning of period	5,354	3,633
Cash and cash equivalents at end of period	3,517	2,476

(Notes on segment information, etc.)

I. Previous interim consolidated accounting period (from April 1, 2025 to September 30, 2025)

1. Information on sales and the amount of profit or loss for each reported segment, as well as information on the breakdown of revenues

(Millions of yen)

	Reportable segments			Other (Note) 1	Total	Adjustment amount (Note) 2	Interim Consolidated Statements of Income (Note)3
	textile and apparel business	real estate business	Total				
Sales							
Legwear	4,861	-	4,861	-	4,861	-	4,861
Inner	4,647	-	4,647	-	4,647	-	4,647
Other	-	-	-	309	309	-	309
Revenue generated from customer contracts	9,508	-	9,508	309	9,818	-	9,818
Other Earnings	-	354	354	-	354	-	354
Revenues from external customers	9,508	354	9,863	309	10,173	-	10,173
Transactions with other segments	0	-	0	-	0	(0)	-
Total	9,508	354	9,863	309	10,173	(0)	10,173
Segment profit (loss)	(600)	278	(322)	46	(276)	(80)	(356)

Note: 1. The "Other" category is a business segment that is not included in the reporting segments, including the purchase and sale of nursing care products, the operation of group homes, and the sale of electricity from solar power.

2. Adjustments for segment profits or losses are company-wide expenses and are mainly expenses related to land and buildings such as the head office (including land and buildings under consideration for conversion) that do not belong to the reporting segment.

3. Segment profit or loss is adjusted for operating loss in the interim consolidated statements of income.

2. Information on impairment losses or goodwill on fixed assets by reporting segment

(Significant impairment loss on fixed assets)

In the Textiles segment, we recorded an impairment loss on fixed assets. The amount of the impairment loss recorded was 78 million yen in the interim consolidated accounting period under review.

II. The Interim Consolidated Accounting Period (April 1, 2026 to September 30, 2026)

1. Information on sales and the amount of profit or loss for each reported segment, as well as information on the breakdown of revenues

(Millions of yen)

	Reportable segments			Other (Note) 1	Total	Adjustment amount (Note) 2	Interim Consolidated Statements of Income (Note)3
	textile and apparel business	real estate business	Total				
Sales							
Legwear	5,244	-	5,244	-	5,244	-	5,244
Inner	4,236	-	4,236	-	4,236	-	4,236
Other	-	-	-	281	281	-	281
Revenue generated from customer contracts	9,480	-	9,480	281	9,762	-	9,762
Other Earnings	-	399	399	-	399	-	399
Revenues from external customers	9,480	399	9,880	281	10,161	-	10,161
Transactions with other segments	-	-	-	-	-	-	-
Total	9,480	399	9,880	281	10,161	-	10,161
Segment profit (loss)	(1,528)	307	(1,221)	36	(1,184)	(74)	(1,259)

Note: 1. The "Other" category is a business segment that is not included in the reporting segments, including the purchase and sale of nursing care products, the operation of group homes, and the sale of electricity from solar power.

2. Adjustments for segment profits or losses are company-wide expenses and are mainly expenses related to land and buildings such as the head office (including land and buildings under consideration for conversion) that do not belong to the reporting segment.

3. Segment profit or loss is adjusted for operating loss in the interim consolidated statements of income.

2. Information on impairment losses or goodwill on fixed assets by reporting segment

(Significant impairment loss on fixed assets)

In the Textiles segment, we recorded an impairment loss on fixed assets. The amount of the impairment loss recorded was 30 million yen in the interim consolidated accounting period under review.