

Translation

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Summary of Non-Consolidated Financial Results for the Six Months Ended July 31, 2022 (Based on Japanese GAAP)

September 14, 2022

Company name: Ascentech K.K.
 Stock exchange listing: Tokyo
 Stock code: 3565 URL <https://www.ascentech.co.jp/>
 Representative: CEO Naohiro Sato
 Inquiries: CFO Masanobu Sato TEL 03(5296)9331
 Scheduled date to file Quarterly Securities Report: September 14, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the six months ended July 31, 2022 (from February 1, 2022 to July 31, 2022)

(1) Non-consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended July 31, 2022	3,059	(9.8)	335	(16.6)	366	(7.7)	254	(8.5)
Six months ended July 31, 2021	3,393	6.0	402	21.3	397	12.8	277	13.8

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended July 31, 2022	18.97		18.97	
Six months ended July 31, 2021	20.58		20.19	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of July 31, 2022	4,063	2,518	61.8
As of January 31, 2022	3,576	2,351	65.6

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended January 31, 2022	–	0.00	–	7.00	7.00
Year ending January 31, 2023	–	0.00			
Year ending January 31, 2023 (Forecast)			–	7.00	7.00

3. Forecast of non-consolidated financial results for the year ending January 31, 2023 (from February 1, 2022 to January 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	6,210	(4.2)	600	(15.3)	645	(9.7)	448	(9.8)	33.41

4. Notes

(1) Application of special accounting methods for preparing quarterly non-consolidated financial statements: No

(2) 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: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of July 31, 2022	13,536,800 shares	As of January 31, 2022	13,536,800 shares
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Number of treasury shares at the end of the period

As of July 31, 2022	121,172 shares	As of January 31, 2022	140,372 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended July 31, 2022	13,401,201 shares	Six months ended July 31, 2021	13,498,504 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of January 31, 2022	As of July 31, 2022
Assets		
Current assets		
Cash and deposits	1,417,545	1,840,560
Accounts receivable - trade	1,004,551	1,211,079
Merchandise	369,919	277,941
Work in process	26,111	1,927
Other	282,692	189,828
Total current assets	3,100,820	3,521,336
Non-current assets		
Property, plant and equipment	50,259	54,664
Intangible assets	77,745	97,897
Investments and other assets		
Other	357,396	399,396
Allowance for doubtful accounts	(9,720)	(9,720)
Total investments and other assets	347,676	389,676
Total non-current assets	475,682	542,239
Total assets	3,576,502	4,063,575
Liabilities		
Current liabilities		
Accounts payable - trade	298,538	522,824
Income taxes payable	118,517	119,588
Advances received	752,291	—
Contract liabilities	—	781,032
Other	25,373	90,888
Total current liabilities	1,194,720	1,514,334
Non-current liabilities		
Other	30,755	30,755
Total non-current liabilities	30,755	30,755
Total liabilities	1,225,475	1,545,089
Net assets		
Shareholders' equity		
Share capital	235,653	235,653
Capital surplus	262,653	250,038
Retained earnings	2,028,359	2,187,872
Treasury shares	(192,738)	(166,376)
Total shareholders' equity	2,333,927	2,507,187
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	10,323	10,556
Deferred gains or losses on hedges	924	(5,109)
Total valuation and translation adjustments	11,247	5,447
Share acquisition rights	5,851	5,851
Total net assets	2,351,026	2,518,486
Total liabilities and net assets	3,576,502	4,063,575

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended July 31, 2021	Six months ended July 31, 2022
Net sales	3,393,750	3,059,619
Cost of sales	2,710,815	2,446,086
Gross profit	682,934	613,532
Selling, general and administrative expenses	279,963	277,613
Operating profit	402,970	335,919
Non-operating income		
Interest income	20	7
Foreign exchange gains	—	30,480
Subsidy income	3,944	—
Other	—	462
Total non-operating income	3,964	30,951
Non-operating expenses		
Interest expenses	—	50
Foreign exchange losses	9,152	—
Other	384	—
Total non-operating expenses	9,537	50
Ordinary profit	397,398	366,820
Profit before income taxes	397,398	366,820
Income taxes - current	114,134	110,298
Income taxes - deferred	5,406	2,277
Total income taxes	119,540	112,575
Profit	277,857	254,244

Non-consolidated statements of cash flows

(Thousands of yen)

	Six months ended July 31, 2021	Six months ended July 31, 2022
Cash flows from operating activities		
Profit before income taxes	397,398	366,820
Depreciation	20,156	30,733
Share-based payment expenses	—	991
Increase (decrease) in allowance for doubtful accounts	(3,846)	—
Interest and dividend income	(20)	(7)
Foreign exchange losses (gains)	94	6,376
Decrease (increase) in trade receivables	(1,339,376)	(206,527)
Decrease (increase) in inventories	(153,923)	116,162
Decrease (increase) in advance payments to suppliers	(88,682)	104,583
Decrease (increase) in accounts receivable - other	(6,669)	3,865
Increase (decrease) in trade payables	1,456,305	224,286
Increase (decrease) in advances received	22,624	26,287
Increase (decrease) in accrued consumption taxes	(58,968)	48,659
Other, net	(39,388)	(32,356)
Subtotal	205,704	689,874
Interest and dividends received	20	7
Income taxes paid	(161,370)	(109,114)
Net cash provided by (used in) operating activities	44,354	580,768
Cash flows from investing activities		
Purchase of securities	(300,000)	—
Purchase of investment securities	(54,129)	(49,951)
Purchase of property, plant and equipment	(2,815)	(14,419)
Purchase of intangible assets	(1,602)	(432)
Net cash provided by (used in) investing activities	(358,547)	(64,803)
Cash flows from financing activities		
Proceeds from exercise of employee share options	1,156	—
Purchase of treasury shares	(192,402)	—
Dividends paid	(47,209)	(93,439)
Net cash provided by (used in) financing activities	(238,454)	(93,439)
Effect of exchange rate change on cash and cash equivalents	(105)	489
Net increase (decrease) in cash and cash equivalents	(552,753)	423,014
Cash and cash equivalents at beginning of period	1,712,044	1,417,545
Cash and cash equivalents at end of period	1,159,291	1,840,560