

COMPANY RESEARCH AND ANALYSIS REPORT

Ascentech K.K.

3565

Tokyo Stock Exchange First Section

6-Nov.-2019

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3565 Tokyo Stock Exchange First Section

6-Nov.-2019
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Index

Summary	01
1. Overview of the FY1/20 Q2 results	01
2. FY1/20 results outlook	01
3. Business environment	01
4. Listing was upgraded to the TSE First Section on September 20, 2019	02
History	03
Company overview	04
Business overview	05
Business domains	06
Business trends	07
Outlook	08
1. The FY1/20 results outlook	08
2. Business strategies for growth	09
Business environment	10
Financial environment	13
Shareholder return policy	13

Summary

A virtual desktop comprehensive solutions vendor whose business is comprised of four domains, mainly a virtual desktop business

Ascentech K.K. <3565> (hereafter, also “the Company”) mainly conducts a virtual desktop business, while it also conducts IT infrastructure & storage and professional services businesses. The features of a virtual desktop include that the OS or applications are not placed within a local terminal (physical desktop = fat client), and instead these elements are consolidated in a server, making possible operations from remote locations. Compared to a conventional PC environment, its major advantages include a high level of security and a reduction of the operational management burden.

1. Overview of the FY1/20 Q2 results

In the FY1/20 Q2 (February to July) results, net sales were ¥3,325mn (up 4.2% year-on-year (YoY)), operating income was ¥255mn (up 4.0%), ordinary income was ¥264mn (up 5.6%), and net income was ¥182mn (up 5.4%). Compared to the full fiscal year forecasts, the rate of progress for operating income was 56.1%, and the Company is making steady progress.

2. FY1/20 results outlook

For the FY1/20 full year results, on August 21 the Company upwardly revised the forecasts it had previously announced on March 13 to net sales to increase 8.6% YoY to ¥5,925mn, operating income to rise 20.7% to ¥455mn, ordinary income to grow 17.5% to ¥448mn, and net income to climb 16.6% to ¥310mn, and the results are once again expected to be new record highs.

3. Business environment

In recent years, attention has been placed on “teleworking” within “workstyle innovations.” Teleworking is one way of working that enables people to work flexibly without being restricted by time or place through utilizing information communication devices and other equipment. Due to the increase in interest in digital workspaces from the effects of this “workstyle innovations,” the introduction of virtual desktops is expected to increase as one method of realizing teleworking.

Conversely, in terms of costs, a significant burden has been needed for an introduction when building an environment that virtualizes the desktop, so up to the present time it would appear to have been mainly introduced by large companies with many employees. However, through the shift to the Cloud and the introduction of a subscription model, it seems that in the future, building an environment with a virtualized desktop will also spread to medium-sized businesses and small- and medium-sized enterprises (SMEs).

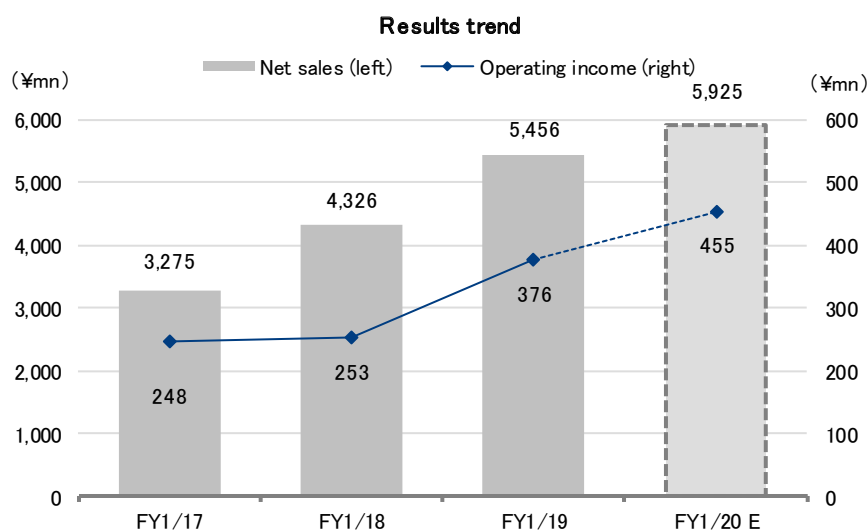
Summary

4. Listing was upgraded to the TSE First Section on September 20, 2019

On August 29, 2019, the Company conducted off-floor sales of 292,700 shares at a separately set price of ¥1,790 to improve the liquidity of its shares to meet the format requirement to change markets to the Tokyo Stock Exchange (TSE) First Section, and also with the aims of increasing the number of shareholders and the distribution conditions of its shares. Toward improving enterprise value, on July 12 it applied to change its market to the TSE First Section. On September 13, the TSE approved its application and on September 20, it changed the market on which the Company's shares are listed from the TSE Mothers Market to the TSE First Section. Through this, the Company's shares were removed from the TSE Mothers Index constituent shares and added to the TSE Stock Price Index (TOPIX).

Key Points

- Made steady progress in FY1/20 Q2, with a rate of progress for the full fiscal year operating profit forecast of 56.1%
- For the FY1/20 full year, expects to once again achieve new record high results
- The virtual desktop is an advanced and effective technology that can solve the problems preventing the expansion of teleworking, against the backdrop of "workstyle innovations"
- On September 20, 2019, its listing was upgraded to the TSE First Section



Source: Prepared by FISCO from the Company's financial results

Ascentech K.K.
3565 Tokyo Stock Exchange First Section

6-Nov.-2019
https://www.ascentech.co.jp/corp/co_index_en.html

History

Was established in 2009 as a company that provides support services to bring about innovation in business through IT

Ascentech consists “ascent” and “technology”, and it expresses the idea of evolving technologies to further bring about innovation in the enterprise market in Japan, based on the abundance of technologies and experience it has cultivated up to the present time, particularly for the virtual desktop infrastructure (VDI). As a group of specialists in which each and every employee possesses advanced professional skills, the Company is utilizing its strengths of mobility, responsiveness, and organizational capabilities to provide support for its customer and sales partners that brings about innovation in their businesses through IT.

Company history

Date	Major events
February 2009	M.P. Technologies, Inc. was established in Shinjuku Ward, Tokyo (capital, ¥50mn) as a newly established spun-off subsidiary of M.P. Holdings Inc. Started sales of virtual desktop solutions-related product and services
March 2012	Established VDI Innovation Center in Kanda-Neribeicho, Chiyoda Ward
October 2012	Changed the company name to Ascentech K.K. Relocated the site of the Head Office to Minami Ikebukuro, Toshima Ward, Tokyo
October 2012	Concluded a reseller agreement with Nihon SafeNet K.K., for its certified products as a whole, including PKI-based USB authentication tokens and one-time passwords
March 2013	Started a business alliance with Networld Corporation
April 2013	Increased capital to ¥65mn
September 2013	Concluded an agency agreement with Nimble Storage, Inc.
January 2014	Concluded a domestic distributor agreement with Atrust Computer Corp.
January 2014	Started sales in Japan of the StorSimple service, a Cloud integrated storage solution provided by Microsoft Japan Co., Ltd.
October 2014	Concluded a premier partner agreement with Dell Inc.
August 2015	Concluded a license-partner agreement with GMO Internet, Inc. <9449>
November 2015	Announced Resalio Lynx 300 and Resalio Lynx 500 as a USB key cloud client devices with the smallest sizes in the Resalio series
December 2015	As a Resalio series virtual desktop service, started providing the Resalio DaaS service, which utilizes the Cloud infrastructure of GMO Internet
March 2016	Increased capital to ¥71.20mn
October 2016	Started sales of Remote PC Array, a virtual desktop dedicated server, a proprietary solution
April 2017	Listing was upgraded to the TSE Mothers market
May 2017	Increased capital to ¥219.32mn
August 2017	Concluding a partner agreement with NVIDIA<NVDA>, a cutting-edge GPU company
October 2017	Relocated the site of the Head Office to Kanda-Neribeicho, Chiyoda Ward, Tokyo (current location)
October 2017	Concluded a primary distributor agreement with Hewlett-Packard Japan, Ltd.
August 2018	Established Infrastructure Solutions Lab (System Verification Center) in Taito Ward, Tokyo
September 2019	Listing was changed to the TSE First Section

Source: Prepared by FISCO from the Company's website and securities report

Ascentech K.K.
3565 Tokyo Stock Exchange First Section

6-Nov.-2019

https://www.ascentech.co.jp/corp/co_index_en.html

Company overview

Focuses on developing proprietary products that accurately meet customers' needs

For virtual desktop solutions, which are the Company's area of expertise, it is focusing on developing proprietary products at lower cost to solve problems, such as the cost burden in the initial period. It is actively developing a business to accurately ascertain its customers' needs in Japan and then provide them with its own original solutions. Remote PC Array, which it developed in-company, is a solution that can be introduced at low cost, and so far it has delivered 7,700 units to SECOM Trust Systems Co., Ltd. which is a member of the SECOM <9735> Group that always demands the highest levels of security for its data management. In January 2019, it released Remote PC Array 200, which realizes a high level of consolidation of 1.5 times that of the previous model, and for which the initial installation cost is reduced by a maximum of 50%. This product makes it possible to greatly reduce the cost of introducing a virtual desktop system, and moreover its market scale is expanding, including its new adoption as an RPA platform.

Also, the Company has acquired a patent for the functions installed in Resalio Lynx 700, which is a software defined thin client that can transition at low cost a Windows PC to a thin client (a system in which the processing on the terminal used by the user is kept to the absolute minimum and which practically all of the processing is concentrated on the server side). It has set "in-company product development and deployment" as an important strategy, and this is one of the key technologies supporting this strategy.

Moreover, in August of the same year, it announced the new version 4.2 of Resalio Lynx 300, a USB key-type thin client device. In the new version of Resalio Lynx, it has added a firewall function, and by officially supporting the VPN client of Pulse Secure, LLC, it has made remote access possible in a highly secure environment, which supports the realization of teleworking.

Products developed in-company



Remote PC Array

Source: From the Company's website



Resalio Lynx

Ascentech K.K.
3565 Tokyo Stock Exchange First Section

6-Nov.-2019

https://www.ascentech.co.jp/corp/co_index_en.html

Business overview

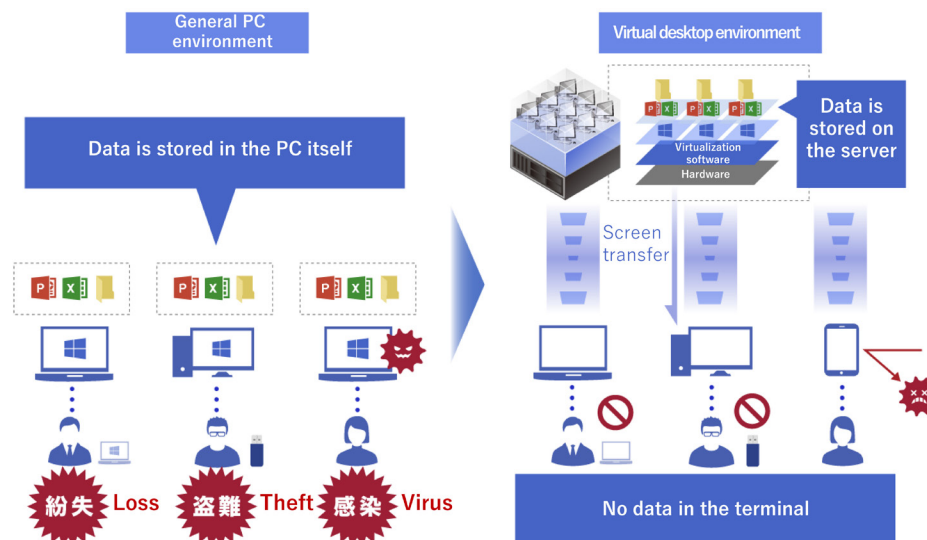
A virtual desktop comprehensive solutions vendor Compared to a PC environment, has the major advantages of a high level of security and a reduced operational management burden

Ascentech K.K. <3565> mainly conducts a virtual desktop business, while also conducting IT infrastructure & storage and professional services businesses. The features of a virtual desktop are that the OS or application are not placed within a local terminal (physical desktop = fat client), and instead, these elements are consolidated into a server, making possible operations from remote locations. Compared to a conventional PC environment, its major advantages include a high level of security and a reduction of the operational management burden.

There is no data in the local terminal as it is centrally managed in the data center and server room, so in addition to addressing a societal problem of “the information security problem,” such as information leakage and thefts, it is also a technology that can solve “business continuing problems,” like the loss of data in the event of a disaster, and problems in “workstyle innovations” to promote teleworking and the recruitment of human resources. It is also being adopted in new areas, including RPA (Robot Process Automation), and its market scale is expanding.

As a virtual desktop comprehensive solutions vendor, the Company provides a one-stop service for hardware, virtualization software, and security solutions, and in addition, for the IT infrastructure of servers and storage, through to build support. Further, as an authorized distributor (sales agency) of Citrix Systems Japan, Inc., which is a virtual desktop global company, it is working on business workstyles innovations in companies.

Differences between the general PC environment and the virtual desktop environment



Source: From the Company's website

■ Business domains

Business is comprised of four domains, centered on the virtual desktop business

The Company's business is comprised of four business domains; the main virtual desktop business, which is one type of security solution, and also the infrastructure and storage business, the professional services business, and the cloud services business.

(1) Virtual desktop

The virtual desktop is a solution in which the desktop environment is consolidated into the server side, the desktop screen image is transmitted via a network, and the user utilizes devices such as a thin client terminal (which performs the absolute minimum of processing), PC, smartphone, or tablet. In other words, the information on the PC screen that is being used for work is not obtained from the PC being used, but rather from the server side into which that information has been consolidated. Therefore, for companies, it has the advantage of a high level of security, such as to avoid information leakages through loss, theft, or other such acts of information extraction, while also reducing the operational management burden by consolidating information into the server side. For users as well, it has the advantages of not restricting them to a particular location or use terminal, enabling them to change to a more flexible workstyle. Even in the event of a disaster, users can carry on working as they are not restricted to a particular location or use terminal.

(2) Infrastructure and storage

The Company provides various solutions using flash storage, software storage, and cloud storage. Storage refers to an auxiliary storage device to keep data on a computer. Companies are having to respond to the explosive increase in the volume of data and the high-performance requirements of corporate systems, at the same time as facing the need for severe budget cuts. They face the issues of deterioration of performance due to the increase in the volume of data, higher storage capacity, and the increased complexity of data management, so flash storage products, which have higher performance and longer lives than HDD (Hard Disk Drive) products, are attracting attention. Also, data can be stored and shared on the Cloud, and demand is growing for cloud storage that is essential for groupwork and other work.

(3) Professional services

Since its foundation, the Company has focused on strengthening its technological capabilities and developing human resources. It offers professional services in each phase toward the development of a virtual desktop. Its specialist engineers provide a variety of services tailored to customers' environments and needs, including for consulting, design and build, operations, and maintenance.

(4) Cloud services

The Company provides Resilio DaaS, which is a virtual desktop service intended for medium-sized businesses and SMEs. It provides internally developed management tools, system design, and support as a one-stop service and utilizes ConoHa, which is GMO's Internet cloud infrastructure. Up to the present time, it has been difficult for medium-sized businesses and SMEs to introduce virtual desktops, even if they are considering doing so, due to their costs and complexity. But now, even they can introduce and manage them easily at low cost, so their market is expected to grow in the future.

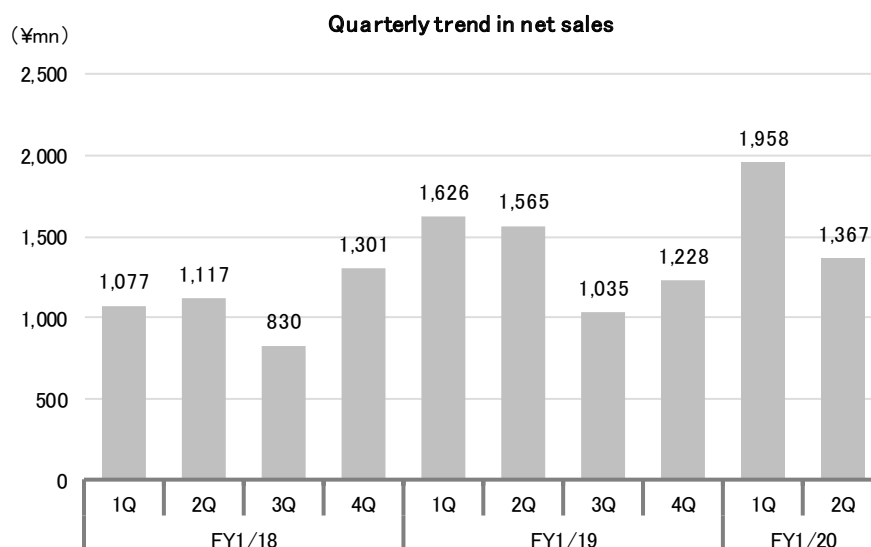
Ascentech K.K.
3565 Tokyo Stock Exchange First Section

6-Nov.-2019
https://www.ascentech.co.jp/corp/co_index_en.html

Business trends

In the full fiscal year forecasts, the rate of progress for operating income is 56.1%

In the FY1/20 Q2 (February to July) results, net sales were ¥3,325mn (up 4.2% YoY), operating income was ¥255mn (up 4.0%), ordinary income was ¥264mn (up 5.6%), and net income was ¥182mn (up 5.4%). Against the backdrop of the favorable business environment, on August 21 the Company upwardly revised the 1H and the full fiscal year results forecasts for FY1/20 (February 1, 2019, to January 31, 2020) that it had previously announced on March 13. In the full fiscal year forecasts, the rate of progress for operating income was 56.1%, and it is making steady progress.



Source: Prepared by FISCO from the Company's financial results

In the virtual desktop business domain, demand is increasing for the introduction of teleworking and cyber-security measures. In the infrastructure and storage business domain also, orders for IT infrastructure are strong from local public organizations and domestic cloud businesses. Another factor behind the strong results is the growth in sales of Remote PC Array, a product developed by the Company. Furthermore, sales of professional services are increasing from the strengthening of the structure in the systems engineer department. In the IT infrastructure field, through advancing the "workstyle innovations" that are being promoted by the government, and with the aims of improving productivity and work efficiency, progress is being made in introducing teleworking and RPA. Based on this sort of business environment, for "in-company product development and deployment," which is one of the Company's business strategies, in January 2019 it announced new products, including Remote PC Array 200, which it jointly developed with Atrust Computer Corp. of Taiwan and which is compliant with large-scale virtual desktops, and Remote PC Array 50, which is suitable for use with RPA. It has also acquired a patent for the functions installed in Resalio Lynx, which is a software defined thin client developed in-company.

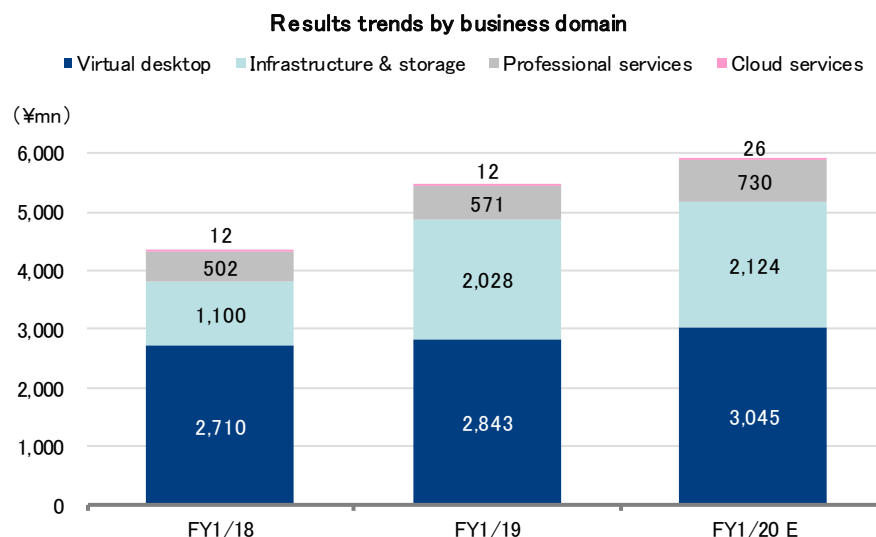
Ascentech K.K.
3565 Tokyo Stock Exchange First Section

6-Nov.-2019

https://www.ascentech.co.jp/corp/co_index_en.html

Business trends

Moreover, in the “expansion of the continuous income business,” which is one more of the Company’s business strategies, “continuous income operations” are continuing to grow, such as for Resalio Lynx, for which it has completely changed to a subscription model, and self-managed maintenance services.



Source: Prepared by FISCO from the Company’s results briefing materials

Looking by business domain, results are trending steadily for each of the virtual desktop, infrastructure & storage, professional services, and cloud services businesses.

■ Outlook

For the FY1/20 full year, the forecasts are once again for new record highs

1. The FY1/20 results outlook

For the FY1/20 full year, the Company is forecasting that results will once again be new record highs, with net sales increasing 8.6% YoY to ¥5,925mn, operating income rising 20.7% to ¥455mn, ordinary income growing 17.5% to ¥448mn, and net income climbing 16.6% to ¥310mn. Normally, when speaking of IT investment by companies, there is seasonality due to the major impact of budgets. Therefore, in the Company’s results, profits have tended to be comparatively concentrated in the 1H. However, it announced the upward revisions to the full year forecasts even after the current 1H results were determined, so it seems that demand for virtual desktops is rising.

Outlook

FY1/20 results outlook

	Net sales	Operating income	Ordinary income	Net income
				(¥mn)
FY1/17	3,275	248	217	140
FY1/18	4,326	253	268	188
FY1/19	5,456	376	381	265
FY1/20 (forecast)	5,925	455	448	310

Source: Prepared by FISCO from the Company's financial results

Is strengthening the development of Resalio Lynx, a Cloud compliant OS that can be introduced into all PCs

2. Business strategies for growth

The Company is strengthening the product development of Resalio Lynx 300/500/700 as part of its in-company product development and deployment. This product series not only realizes an endpoint (terminal) that will not be infected by viruses, it also realizes an endpoint in which there are no information leakages (as data cannot be stored). Also, in response to the demand for teleworking against the backdrop of the “workstyle innovations,” it reduces operations and management costs through the centralized management of terminals. It is also compliant with KIOSK Mode (a setting in which only specified apps can be used, such as in public facilities installed with search-only terminals, demo PCs on display in stores, and digital signage and digital advertising). It can also block URL entries and Web searches and can be re-used with existing PCs that were used, for example, with Windows 7.

Against the backdrop of the strengthened development of Resalio Lynx, through the spread of 5G, work applications are being consolidated on the Cloud and into data centers, and therefore security measures are becoming an even more important theme. The aims include capturing the abundant demand for teleworking in the context of “workstyle innovations,” and also responding to the need to reduce the work burden placed on information system administrators because of the increasing complexity of terminal management alongside the rise in the number of teleworking employees. The introduction of Resalio Lynx makes it possible to change the methodology of the endpoint, and it also makes it possible to process through a screen transfer of a Windows application on the Cloud, and to safely use browser-based applications and file processing. Due to the spread of 5G, Windows OS and storage will cease to be required at the endpoint, so the Company is strengthening the development of Resalio Lynx as a Cloud compliant OS that can be introduced into all PCs in anticipation for the future.

(1) Progressing the adoption of Remote PC Array

Projects for both virtual desktops and RPA are becoming larger in size. Responding to this development, Remote PC Array is a solution in which the elements necessary for the virtual desktop, of the CPU, memory, storage (SSD), network switch, and management software, are consolidated into several dozen small PCs housed in a 1U server and provided as a one-stop service. It has the advantage of being able to greatly reduce the costs for the infrastructure portion and also the time required for the design and build, which previously have acted as barriers to introducing a virtual desktop. By appealing to these sales points and alongside the end of support for Windows 7 (in January 2020), the Company is working to meet the accelerating need for transitioning to Windows 10.

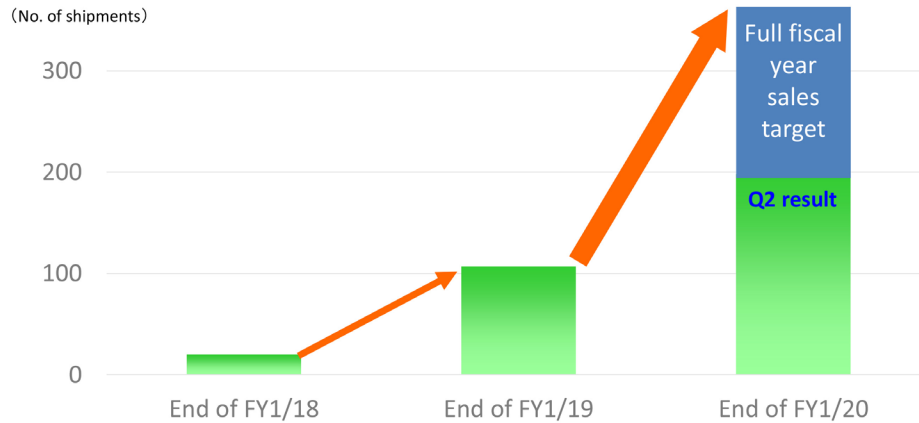
Ascentech K.K.
3565 Tokyo Stock Exchange First Section

6-Nov.-2019

https://www.ascentech.co.jp/corp/co_index_en.html

Outlook

Cumulative number of Remote PC Array shipments



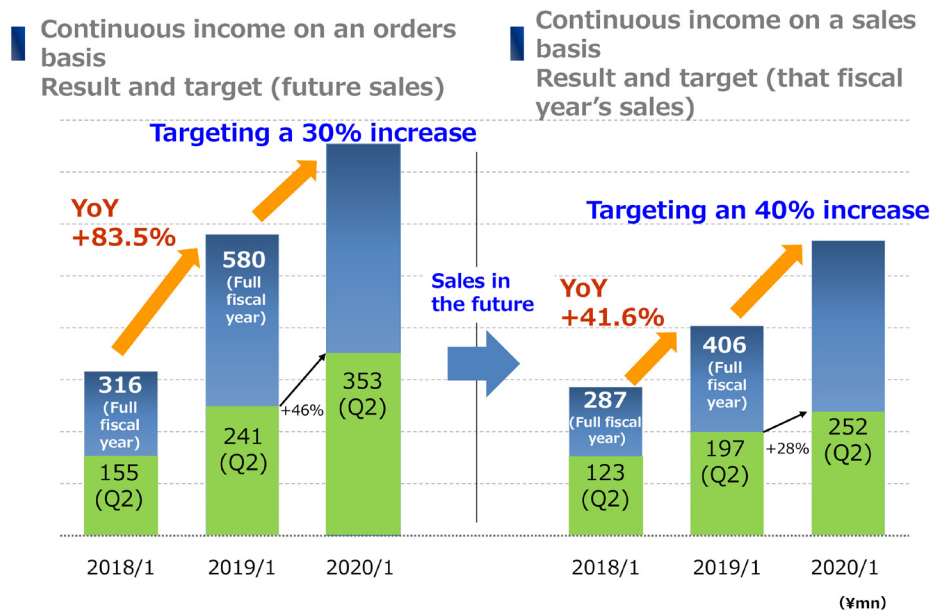
Projects for both virtual desktops and RPA (Robotic Process Automation) are becoming larger in size
The above graph is after the start of general sales (deliveries other than to SECOM Trust Systems)

Source: Prepared by FISCO from the Company's results briefing materials

(2) Aiming to grow the continuous income business toward further profit growth

To achieve further profit growth and to build a robust corporate infrastructure, the Company is aiming to grow the continuous income business. In addition to shifting to subscriptions for Resalio Lynx, it intends to expand the self-managed maintenance lineup and enhance premium support & services. The targets for FY1/20 are for continuous income to increase by 30% on an orders basis and by 40% on a sales basis.

Continuous income business results and targets



Source: Prepared by FISCO from the Company's results briefing materials

■ Business environment

The virtual desktop is an advanced and effective technology that can solve three societal problems

Recently, three societal problems in the IT field have come to be considered important: 1) “the information security problem,” of information leaks and thefts; 2) “the business continuity problem,” such as the loss of data in the event of a disaster; and 3) “workstyle innovations” to promote teleworking and the recruitment of human resources.

In relation to “the information security problem,” in September 2018, the Guidelines on Information Security Policy for local public organizations were revised, and there is an urgent need, particularly among local public organizations, to establish an Internet environment, including to shift information systems onto the Cloud and for security measures. According to the White Paper, Information and Communications in Japan 2018, published by the Ministry of Internal Affairs and Communications, in actuality it is currently local public organizations that are actively progressing the development of a local government cloud. Specifically, local public organizations, instead of individually managing and operating a system’s hardware, software, data, and so on, are using external data centers for its management and operations, which they use via a network, and multiple local public organizations are consolidating their information systems and using a shared information system. This initiative is important from the viewpoint of reducing system management costs and improving work efficiency and standardizing work. In addition, based on the experience of the Great East Japan Earthquake, in which the buildings of local public organizations were damaged and government information was washed away and lost, utilizing a robust data center is important from the viewpoint of safeguarding government information and securing business continuity in the event of a disaster or accident.

Also, within the strengthening of information security measures, in order to drastically strengthen information security in local public organizations, the Ministry of Internal Affairs and Communications is progressing initiatives that consist of three layers: 1) in relation to work using the My Number system, it intends to establish settings that will not allow information to be taken out of terminals and to thoroughly prevent the outflow of citizen information; 2) to contribute to ensuring the security of the LGWAN (Local Government Wide Area Network) environment, which is utilized for information coordination through the My Number system, it is separating the systems to connect to LGWAN and to connect to the Internet; and 3) it is building a local government information security cloud through cooperation between the prefectures and municipalities, and implementing advanced information security measures. Moreover, it is constructing an enhanced local government information security platform on which it is able to securely deliver, in an LGWAN environment, program update files (OS and virus pattern files) that have been updated via the conventional Internet. It started demonstration operations of this platform in December 2017.

Some trends in companies are “achieving a work-life balance,” “improving operating efficiency,” and “improving employees’ QOL (Quality of Life)”

Within “workstyle innovations,” “teleworking” is attracting attention. This is one way of working that enables people to work flexibly without being restricted by time or place through utilizing information communication devices and other equipment. Due to the impact of “workstyle innovations,” interest in digital workspaces is rising, so the introduction of virtual desktops is expected to grow in the future as one method of realizing teleworking.

Business environment

Up to the present time, the cost burden for an introduction when building a virtualized desktop environment has been great, so it appears that they have been mainly introduced by large companies with many employees. However, it seems that due to the shift to the Cloud and the introduction of a subscription model, building virtualized desktop environments is spreading even to medium-sized businesses and SMEs. According to a research company that specializes in IT, the client virtualization-related market in Japan is forecast to grow in scale to be worth ¥940bn by 2022, and the compound annual growth rate (CAGR) from 2017 to 2022 is projected to be 7.0%.

Also, the Ministry of Internal Affairs and Communications; the Ministry of Health, Labor and Welfare; the Ministry of Economy, Trade and Industry; the Ministry of Land, Infrastructure and Transport; the Cabinet Secretariat; and the Cabinet Office, in cooperation with the Tokyo Metropolitan Government and other related organizations, since 2017 have positioned July 24, which is the day on which the 2020 Tokyo Olympics Opening Ceremony will be held, as Teleworking Day, and they are developing a national campaign of “workstyle innovations” during the weeks around this date. In 2017 (on July 24 only), approximately 950 organizations and 63,000 people participated in it, while in 2018 (5 days from July 23 to 27), 1,682 organizations and a total of more than 300,000 people participated in it.

In the 2019, as the performance test before the 2020 Tokyo Olympic and Paralympic Games, approximately a month, from July 22 to September 6, was set as the Teleworking Day 2020 implementation period, and more than 2,800 organizations participated in it. In Teleworking Day 2019, the organizers called for a large-scale implementation (concentrated implementation for 10 days on weekdays in the first half of the month for about 10% of employees per day), including by major companies in Metropolitan Tokyo and companies located next to the venues where the Olympic events will be held. They also encouraged the participation of organizations in various industries, sizes, and regions, including those outside of the Tokyo metropolitan area, as well as small-scale organizations and government offices. Various types of teleworking (from home, mobile, and satellite offices) were implemented and a diverse range of workstyles was encouraged, such as approaches that combined working at different times, flexi-time, and ‘workation’ (a portmanteau of “work” and “vacation”).

Some of the trends in companies are “achieving a work-life balance,” “improving operating efficiency,” and “improving employees’ QOL (Quality of Life)”. In particular, an issue has become how to create a work environment without any “time and place restrictions,” which are a source of unreasonable demands on employees and wasted time and effort. The fact that this movement of the initiatives being promoted by the government and to address the problems facing companies is spreading, points to the magnitude of the demand for virtualized desktop products.

Financial environment

Through debt-free management, net cash is increasing, and the shareholder equity ratio is 60%

At the end of FY1/20 Q2, total assets were ¥2,590mn, up ¥371mn at the end of the previous fiscal year. Results in the virtual desktop business domain trended steadily, while orders for IT infrastructure, such as from local public organizations and major domestic cloud businesses, and also orders for products developed in-company like Remote PC Array, were strong. As a result, accounts receivable increased ¥234mn and commodities rose ¥108mn. In addition to the promotion of “workstyle innovations” by the government, the Teleworking Day in advance of the 2020 Olympic and Paralympic Games was held, so it seems demand rose in the virtual desktop business domain. The Company is a debt free and cash-rich company with net cash of ¥797mn, while its shareholder equity ratio is 60.0% (when above 40% is considered ideal). Therefore, its financial condition is extremely sound.

The main financial indicators

Fiscal period	Total assets	Shareholder equity	Shareholder equity ratio	Capital	Retained earnings	Cash and deposits	Interest-bearing debt	Net cash
FY1/17	1,274	671	52.7%	71	503	602	-	602
FY1/18	2,183	1,169	53.5%	227	691	775	-	775
FY1/19	2,218	1,406	63.4%	228	924	842	-	842
FY1/20 Q2	2,590	1,553	60.0%	233	1,060	797	-	797

Source: Prepared by FISCO from the Company's financial results

Looking at cash flows, cash flow from operating activities was ¥13mn. This was because on the one hand, the trade receivables increase amount was ¥234mn, the inventory assets increase amount was ¥114mn, and the income taxes payment amount was ¥91mn, but on the other hand, the advances received increase amount was ¥240mn, while income from continuing operations before income taxes of ¥264mn was recorded. Cash flow used in investing activities was ¥18mn, mainly due to spending of ¥19mn to acquire tangible non-current assets. Cash flow used in financing activities was ¥38mn, primarily for spending of ¥46mn for dividend payments.

Shareholder return policy

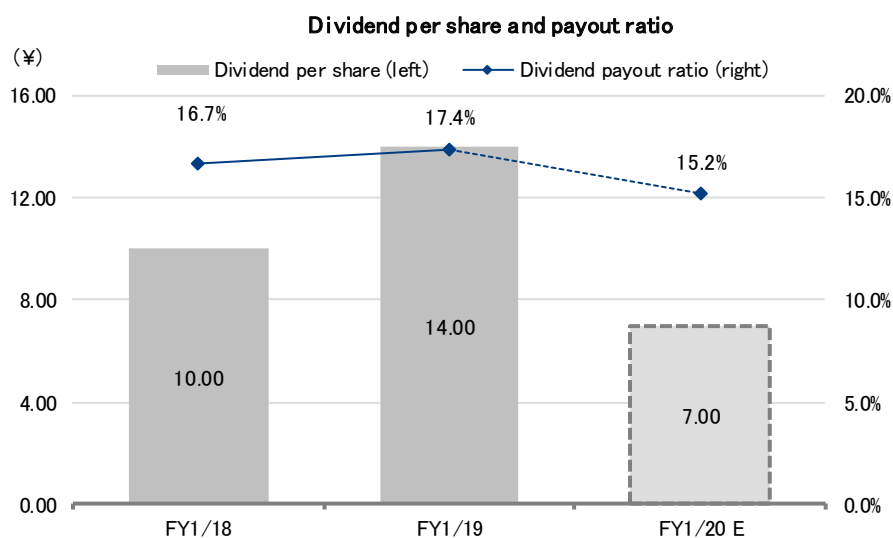
In FY1/18, paid an annual dividend of ¥10, the first dividend payment in six fiscal years. In FY1/19, the dividend increased by ¥4.

In FY1/18, the Company paid an annual dividend of ¥10, the first dividend payment in six fiscal years, and then in FY1/19 it paid a dividend of ¥14. The FY1/20 dividend forecast is ¥7. But this is because it conducted a two for one share split on February 1, 2019, so when taking this into consideration, the dividend is actually at the same level as in the previous year.

Ascentech K.K. | **6-Nov.-2019**
 3565 Tokyo Stock Exchange First Section | https://www.ascentech.co.jp/corp/co_index_en.html

Shareholder return policy

From the ¥7 dividend (forecast) in the current fiscal period, the dividend payout ratio will be 15.2%. But for the future, the Company is aiming for a dividend payout ratio of 20% in accordance with its basic policy of distributing profits in line with business results. On considering that results are strong at the current time, it seems possible to expect that the dividend amount will be upwardly revised.



Note: Implemented a two for one share split on February 1, 2019
 Source: Prepared by FISCO from the Company's financial results

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