

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Non-Consolidated Financial Results for the Nine Months Ended October 31, 2019 (Based on Japanese GAAP)

December 11, 2019

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: December 11, 2019
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the nine months ended October 31, 2019 (from February 1, 2019 to October 31, 2019)

(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	%
Nine months ended October 31, 2019	4,730	11.9	383	20.9	378	17.3	260	17.4
Nine months ended October 31, 2018	4,227	39.8	317	41.1	322	38.5	222	38.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended October 31, 2019	38.94		38.14	
Nine months ended October 31, 2018	33.59		32.76	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of October 31, 2019	2,678	1,639	61.0
As of January 31, 2019	2,218	1,412	63.4

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, 2019	–	0.00	–	14.00	14.00
Year ending January 31, 2020	–	0.00	–	–	–
Year ending January 31, 2020 (Forecast)	–	–	–	7.00	7.00

3. Forecast of non-consolidated financial results for the year ending January 31, 2020 (from February 1, 2019 to January 31, 2020)

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	5,925	8.6	455	20.7	448	17.5	310	16.6	46.16

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: No

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 October 31, 2019	⋮	6,761,400 shares	As of January 31, 2019	⋮	6,626,400 shares
------------------------	---	------------------	------------------------	---	------------------

Number of treasury shares at the end of the period

As of October 31, 2019	⋮	186 shares	As of January 31, 2019	⋮	146 shares
------------------------	---	------------	------------------------	---	------------

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

Nine months ended October 31, 2019	⋮	6,699,400 shares	Nine months ended October 31, 2018	⋮	6,615,242 shares
------------------------------------	---	------------------	------------------------------------	---	------------------

Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of January 31, 2019	As of October 31, 2019
Assets		
Current assets		
Cash and deposits	842,394	614,013
Accounts receivable - trade	801,918	1,195,163
Merchandise	280,269	442,624
Work in process	5,347	9,109
Other	120,766	206,438
Allowance for doubtful accounts	(2,844)	(4,199)
Total current assets	2,047,852	2,463,149
Non-current assets		
Property, plant and equipment	66,007	67,844
Intangible assets	6,401	8,929
Investments and other assets		
Other	108,325	148,093
Allowance for doubtful accounts	(9,720)	(9,720)
Total investments and other assets	98,605	138,373
Total non-current assets	171,014	215,147
Total assets	2,218,866	2,678,297
Liabilities		
Current liabilities		
Accounts payable - trade	451,813	484,548
Income taxes payable	100,057	54,402
Advances received	168,119	432,729
Other	55,392	36,588
Total current liabilities	775,383	1,008,269
Non-current liabilities		
Other	30,755	30,755
Total non-current liabilities	30,755	30,755
Total liabilities	806,138	1,039,024
Net assets		
Shareholders' equity		
Capital stock	228,875	233,700
Capital surplus	255,875	260,700
Retained earnings	924,663	1,139,159
Treasury shares	(253)	(336)
Total shareholders' equity	1,409,161	1,633,224
Valuation and translation adjustments		
Deferred gains or losses on hedges	(2,672)	—
Total valuation and translation adjustments	(2,672)	—
Share acquisition rights	6,240	6,048
Total net assets	1,412,728	1,639,272
Total liabilities and net assets	2,218,866	2,678,297

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended October 31, 2018	Nine months ended October 31, 2019
Net sales	4,227,986	4,730,217
Cost of sales	3,523,140	3,958,097
Gross profit	704,846	772,119
Selling, general and administrative expenses	387,227	388,138
Operating profit	317,618	383,981
Non-operating income		
Interest income	933	22
Foreign exchange gains	–	10,306
Insurance premiums refunded cancellation	18,712	–
Subsidy income	4,040	4,974
Other	75	265
Total non-operating income	23,761	15,569
Non-operating expenses		
Interest expenses	310	64
Foreign exchange losses	17,753	–
Market change costs	–	20,467
Other	1,161	978
Total non-operating expenses	19,226	21,510
Ordinary profit	322,152	378,040
Extraordinary income		
Gain on reversal of share acquisition rights	144	192
Total extraordinary income	144	192
Profit before income taxes	322,296	378,232
Income taxes - current	106,529	113,807
Income taxes - deferred	(6,472)	3,545
Total income taxes	100,057	117,352
Profit	222,239	260,879