

Translation

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Summary of Non-Consolidated Financial Results for the Year Ended January 31, 2022 (Based on Japanese GAAP)

March 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 of ordinary general meeting of shareholders: April 26, 2022
 Scheduled date to file Securities Report: April 27, 2022
 Scheduled date to commence dividend payments: April 27, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the year ended January 31, 2022 (from February 1, 2021 to January 31, 2022)

(1) Non-consolidated operating results

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	%
Year ended January 31, 2022	6,484	8.4	708	16.6	714	13.1	496	17.6
Year ended January 31, 2021	5,982	0.8	607	33.1	631	40.0	422	29.7

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended January 31, 2022	36.93	36.32	22.4	20.2	10.9
Year ended January 31, 2021	31.21	30.53	22.3	20.1	10.1

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of January 31, 2022	3,576	2,351	65.6	175.05
As of January 31, 2021	3,511	2,099	59.6	154.71

(3) Non-consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended January 31, 2022	38	(96)	(236)	1,417
Year ended January 31, 2021	606	(96)	(46)	1,712

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Non-consolidated)	Ratio of dividends to net assets (Non-consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended January 31, 2021	—	0.00	—	3.50	3.50	47	11.2	2.5
Year ended January 31, 2022	—	0.00	—	7.00	7.00	93	19.0	4.2
Year ending January 31, 2023 (Forecast)	—	0.00	—	7.00	7.00		17.4	

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
Six months ending July 31, 2022	3,350	(1.3)	410	1.7	410	3.2	284	2.2	21.19
Full year	6,600	1.8	780	10.2	780	9.2	540	8.7	40.30

4. Notes

(1) 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

(2) Number of issued shares (common shares)

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

As of January 31, 2022	13,536,800 shares	As of January 31, 2021	13,532,400 shares
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Number of treasury shares at the end of the period

As of January 31, 2022	140,372 shares	As of January 31, 2021	372 shares
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Average number of shares during the period

Year ended January 31, 2022	13,446,405 shares	Year ended January 31, 2021	13,531,179 shares
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Non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of January 31, 2021	As of January 31, 2022
Assets		
Current assets		
Cash and deposits	1,712,044	1,417,545
Accounts receivable - trade	1,097,687	1,004,551
Merchandise	181,670	369,919
Work in process	1,712	26,111
Advance payments to suppliers	130,807	232,090
Prepaid expenses	19,615	19,063
Other	2,849	31,538
Allowance for doubtful accounts	(3,846)	—
Total current assets	3,142,540	3,100,820
Non-current assets		
Property, plant and equipment		
Buildings	31,386	31,386
Accumulated depreciation	(8,102)	(10,482)
Buildings, net	23,283	20,904
Tools, furniture and fixtures	147,701	160,108
Accumulated depreciation	(113,049)	(130,752)
Tools, furniture and fixtures, net	34,652	29,355
Total property, plant and equipment	57,935	50,259
Intangible assets		
Software	44,280	75,149
Other	2,528	2,595
Total intangible assets	46,809	77,745
Investments and other assets		
Investment securities	147,315	206,829
Distressed receivables	9,720	9,720
Long-term prepaid expenses	9,199	32,195
Insurance funds	30,956	37,891
Deferred tax assets	32,001	27,944
Other	44,308	42,815
Allowance for doubtful accounts	(9,720)	(9,720)
Total investments and other assets	263,781	347,676
Total non-current assets	368,526	475,682
Total assets	3,511,067	3,576,502

(Thousands of yen)

	As of January 31, 2021	As of January 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	494,372	298,538
Accounts payable - other	41,568	20,069
Accrued expenses	2,325	1,330
Income taxes payable	173,607	118,517
Accrued consumption taxes	70,614	—
Advances received	593,887	752,291
Deposits received	1,756	1,218
Unearned revenue	587	761
Other	2,042	1,993
Total current liabilities	1,380,762	1,194,720
Non-current liabilities		
Other	30,755	30,755
Total non-current liabilities	30,755	30,755
Total liabilities	1,411,517	1,225,475
Net assets		
Shareholders' equity		
Share capital	234,036	235,653
Capital surplus		
Legal capital surplus	221,036	222,653
Other capital surplus	40,000	40,000
Total capital surplus	261,036	262,653
Retained earnings		
Other retained earnings		
Reserve for special depreciation	1,474	275
Retained earnings brought forward	1,577,551	2,028,084
Total retained earnings	1,579,026	2,028,359
Treasury shares	(336)	(192,738)
Total shareholders' equity	2,073,763	2,333,927
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	19,770	10,323
Deferred gains or losses on hedges	16	924
Total valuation and translation adjustments	19,786	11,247
Share acquisition rights	6,000	5,851
Total net assets	2,099,550	2,351,026
Total liabilities and net assets	3,511,067	3,576,502

Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended January 31, 2021	Fiscal year ended January 31, 2022
Net sales		
Net sales of goods	5,098,664	5,373,372
Service sales	883,970	1,110,660
Total net sales	5,982,634	6,484,033
Cost of sales		
Cost of goods sold	4,245,739	4,602,198
Cost of service sales	603,933	632,720
Total cost of sales	4,849,673	5,234,919
Gross profit	1,132,961	1,249,113
Selling, general and administrative expenses	525,752	541,090
Operating profit	607,209	708,022
Non-operating income		
Interest income	248	15
Interest on securities	—	577
Foreign exchange gains	15,158	—
Receiving and selling incentives	—	3,500
Subsidy income	9,331	6,826
Other	103	292
Total non-operating income	24,841	11,213
Non-operating expenses		
Foreign exchange losses	—	4,417
Share issuance costs	107	—
Other	0	385
Total non-operating expenses	108	4,802
Ordinary profit	631,942	714,433
Extraordinary income		
Gain on reversal of share acquisition rights	48	96
Total extraordinary income	48	96
Profit before income taxes	631,990	714,529
Income taxes - current	206,341	212,283
Income taxes - deferred	(15,296)	7,825
Income taxes for prior periods	18,576	(2,274)
Total income taxes	209,621	217,834
Profit	422,369	496,694

Non-consolidated statements of changes in equity

Fiscal year ended January 31, 2021

(Thousands of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings		
					Reserve for special depreciation	Retained earnings brought forward			
Balance at beginning of period	233,700	220,700	40,000	260,700	2,928	1,201,057	1,203,985	(336)	1,698,050
Changes during period									
Issuance of new shares	336	336		336					672
Dividends of surplus						(47,328)	(47,328)		(47,328)
Reversal of reserve for special depreciation					(1,453)	1,453	–		–
Profit						422,369	422,369		422,369
Net changes in items other than shareholders' equity									
Total changes during period	336	336	–	336	(1,453)	376,494	375,040	–	375,712
Balance at end of period	234,036	221,036	40,000	261,036	1,474	1,577,551	1,579,026	(336)	2,073,763

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at beginning of period	247	—	247	6,048	1,704,346
Changes during period					
Issuance of new shares					672
Dividends of surplus					(47,328)
Reversal of reserve for special depreciation					—
Profit					422,369
Net changes in items other than shareholders' equity	19,522	16	19,539	(48)	19,491
Total changes during period	19,522	16	19,539	(48)	395,203
Balance at end of period	19,770	16	19,786	6,000	2,099,550

Fiscal year ended January 31, 2022

(Thousands of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings		
					Reserve for special depreciation	Retained earnings brought forward			
Balance at beginning of period	234,036	221,036	40,000	261,036	1,474	1,577,551	1,579,026	(336)	2,073,763
Changes during period									
Issuance of new shares	1,617	1,617		1,617					3,234
Dividends of surplus						(47,362)	(47,362)		(47,362)
Reversal of reserve for special depreciation					(1,199)	1,199	–		–
Purchase of treasury shares								(192,402)	(192,402)
Profit						496,694	496,694		496,694
Net changes in items other than shareholders' equity									
Total changes during period	1,617	1,617	–	1,617	(1,199)	450,532	449,332	(192,402)	260,164
Balance at end of period	235,653	222,653	40,000	262,653	275	2,028,084	2,028,359	(192,738)	2,333,927

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at beginning of period	19,770	16	19,786	6,000	2,099,550
Changes during period					
Issuance of new shares				(52)	3,181
Dividends of surplus					(47,362)
Reversal of reserve for special depreciation					—
Purchase of treasury shares					(192,402)
Profit					496,694
Net changes in items other than shareholders' equity	(9,446)	908	(8,538)	(96)	(8,634)
Total changes during period	(9,446)	908	(8,538)	(148)	251,476
Balance at end of period	10,323	924	11,247	5,851	2,351,026

Non-consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended January 31, 2021	Fiscal year ended January 31, 2022
Cash flows from operating activities		
Profit before income taxes	631,990	714,529
Depreciation	30,764	47,579
Share issuance costs	107	—
Increase (decrease) in allowance for doubtful accounts	1,610	(3,846)
Interest and dividend income	(248)	(593)
Foreign exchange losses (gains)	(76)	(1,398)
Gain on reversal of share acquisition rights	(48)	(96)
Decrease (increase) in trade receivables	(466,326)	93,135
Decrease (increase) in inventories	253,382	(212,648)
Decrease (increase) in advance payments to suppliers	53,732	(101,283)
Decrease (increase) in accounts receivable - other	6,146	(6,522)
Increase (decrease) in trade payables	73,551	(195,834)
Increase (decrease) in advances received	133,568	158,404
Increase (decrease) in accrued consumption taxes	39,439	(77,252)
Other, net	(13,596)	(111,961)
Subtotal	743,999	302,212
Interest and dividends received	248	593
Income taxes paid	(137,289)	(264,579)
Net cash provided by (used in) operating activities	606,958	38,227
Cash flows from investing activities		
Purchase of investment securities	(70,000)	(73,129)
Purchase of property, plant and equipment	(12,966)	(14,850)
Purchase of intangible assets	(7,491)	(1,602)
Purchase of insurance funds	(6,354)	(6,934)
Net cash provided by (used in) investing activities	(96,812)	(96,517)
Cash flows from financing activities		
Proceeds from exercise of employee share options	564	3,181
Purchase of treasury shares	—	(192,402)
Dividends paid	(47,362)	(47,233)
Net cash provided by (used in) financing activities	(46,798)	(236,454)
Effect of exchange rate change on cash and cash equivalents	(3)	246
Net increase (decrease) in cash and cash equivalents	463,344	(294,499)
Cash and cash equivalents at beginning of period	1,248,700	1,712,044
Cash and cash equivalents at end of period	1,712,044	1,417,545