

Translation

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Summary of Non-Consolidated Financial Results for the Six Months Ended July 31, 2021 (Based on Japanese GAAP)

September 10, 2021

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 10, 2021
 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, 2021 (from February 1, 2021 to July 31, 2021)

(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, 2021	3,393	6.0	402	21.3	397	12.8	277	13.8
Six months ended July 31, 2020	3,202	(3.7)	332	30.2	352	33.4	244	34.0

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended July 31, 2021	20.58		20.19	
Six months ended July 31, 2020	18.04		17.68	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of July 31, 2021	4,903	2,125	43.2
As of January 31, 2021	3,511	2,099	59.6

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, 2021	–	0.00	–	3.50	3.50
Year ending January 31, 2022	–	0.00	–	–	–
Year ending January 31, 2022 (Forecast)	–	–	–	3.50	3.50

3. Forecast of non-consolidated financial results for the year ending January 31, 2022 (from February 1, 2021 to January 31, 2022)

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	6,500	8.6	700	15.3	700	10.8	485	14.8	35.83

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 July 31, 2021	13,534,000 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 July 31, 2021	140,372 shares	As of January 31, 2021	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, 2021	13,498,504 shares	Six months ended July 31, 2020	13,530,320 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of January 31, 2021	As of July 31, 2021
Assets		
Current assets		
Cash and deposits	1,712,044	1,159,291
Accounts receivable - trade	1,097,687	2,437,063
Securities	—	300,000
Merchandise	181,670	333,211
Work in process	1,712	4,094
Other	153,272	254,416
Allowance for doubtful accounts	(3,846)	—
Total current assets	3,142,540	4,488,077
Non-current assets		
Property, plant and equipment	57,935	50,923
Intangible assets	46,809	59,458
Investments and other assets		
Other	273,501	314,818
Allowance for doubtful accounts	(9,720)	(9,720)
Total investments and other assets	263,781	305,098
Total non-current assets	368,526	415,480
Total assets	3,511,067	4,903,557
Liabilities		
Current liabilities		
Accounts payable - trade	494,372	1,950,678
Income taxes payable	173,607	125,939
Advances received	593,887	616,511
Other	118,894	54,230
Total current liabilities	1,380,762	2,747,359
Non-current liabilities		
Other	30,755	30,755
Total non-current liabilities	30,755	30,755
Total liabilities	1,411,517	2,778,114
Net assets		
Shareholders' equity		
Share capital	234,036	234,624
Capital surplus	261,036	261,624
Retained earnings	1,579,026	1,809,522
Treasury shares	(336)	(192,738)
Total shareholders' equity	2,073,763	2,113,032
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	19,770	6,429
Deferred gains or losses on hedges	16	—
Total valuation and translation adjustments	19,786	6,429
Share acquisition rights	6,000	5,980
Total net assets	2,099,550	2,125,442
Total liabilities and net assets	3,511,067	4,903,557

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended July 31, 2020	Six months ended July 31, 2021
Net sales	3,202,548	3,393,750
Cost of sales	2,607,806	2,710,815
Gross profit	594,741	682,934
Selling, general and administrative expenses	262,523	279,963
Operating profit	332,218	402,970
Non-operating income		
Interest income	4	20
Foreign exchange gains	13,695	—
Subsidy income	6,418	3,944
Other	1	—
Total non-operating income	20,118	3,964
Non-operating expenses		
Foreign exchange losses	—	9,152
Share issuance costs	92	—
Other	0	384
Total non-operating expenses	92	9,537
Ordinary profit	352,244	397,398
Extraordinary income		
Gain on reversal of share acquisition rights	48	—
Total extraordinary income	48	—
Profit before income taxes	352,292	397,398
Income taxes - current	109,404	114,134
Income taxes - deferred	(1,202)	5,406
Total income taxes	108,202	119,540
Profit	244,090	277,857

Non-consolidated statements of cash flows

(Thousands of yen)

	Six months ended July 31, 2020	Six months ended July 31, 2021
Cash flows from operating activities		
Profit before income taxes	352,292	397,398
Depreciation	12,369	20,156
Share issuance costs	92	—
Increase (decrease) in allowance for doubtful accounts	3,331	(3,846)
Interest and dividend income	(4)	(20)
Foreign exchange losses (gains)	24,017	94
Gain on reversal of share acquisition rights	(48)	—
Decrease (increase) in trade receivables	(951,760)	(1,339,376)
Decrease (increase) in inventories	188,257	(153,923)
Decrease (increase) in advance payments - trade	57,416	(88,682)
Decrease (increase) in accounts receivable - other	772	(6,669)
Increase (decrease) in trade payables	1,094,931	1,456,305
Increase (decrease) in advances received	35,785	22,624
Increase (decrease) in accrued consumption taxes	19,897	(58,968)
Other, net	719	(39,388)
Subtotal	838,070	205,704
Interest and dividends received	4	20
Income taxes paid	(76,056)	(161,370)
Net cash provided by (used in) operating activities	762,018	44,354
Cash flows from investing activities		
Purchase of securities	—	(300,000)
Purchase of investment securities	(70,000)	(54,129)
Purchase of property, plant and equipment	(5,715)	(2,815)
Purchase of intangible assets	(20,466)	(1,602)
Net cash provided by (used in) investing activities	(96,181)	(358,547)
Cash flows from financing activities		
Proceeds from exercise of employee share options	579	1,156
Purchase of treasury shares	—	(192,402)
Dividends paid	(47,340)	(47,209)
Net cash provided by (used in) financing activities	(46,761)	(238,454)
Effect of exchange rate change on cash and cash equivalents	86	(105)
Net increase (decrease) in cash and cash equivalents	619,162	(552,753)
Cash and cash equivalents at beginning of period	1,248,700	1,712,044
Cash and cash equivalents at end of period	1,867,863	1,159,291