

# Translation

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## Summary of Non-Consolidated Financial Results for the Year Ended January 31, 2023 (Based on Japanese GAAP)

March 15, 2023

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, 2023  
 Scheduled date to file Securities Report: April 27, 2023  
 Scheduled date to commence dividend payments: April 27, 2023  
 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, 2023 (from February 1, 2022 to January 31, 2023)

#### (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, 2023	6,315	(2.6)	603	(14.8)	617	(13.5)	439	(11.4)
Year ended January 31, 2022	6,484	8.4	708	16.6	714	13.1	496	17.6

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended January 31, 2023	32.90	—	17.7	16.5	9.6
Year ended January 31, 2022	36.93	36.32	22.4	20.2	10.9

#### (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, 2023	3,897	2,639	67.6	198.52
As of January 31, 2022	3,576	2,351	65.6	175.05

#### (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, 2023	426	(132)	(173)	1,548
Year ended January 31, 2022	38	(96)	(236)	1,417

### 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, 2022	—	0.00	—	7.00	7.00	93	19.0	4.2
Year ended January 31, 2023	—	0.00	—	7.00	7.00	92	21.3	3.7
Year ending January 31, 2024 (Forecast)	—	0.00	—	7.00	7.00		17.9	

3. Forecast of non-consolidated financial results for the year ending January 31, 2024 (from February 1, 2023 to January 31, 2024)

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, 2023	3,100	1.3	370	10.1	370	0.9	255	0.3	19.22
Full year	6,450	2.1	730	21.0	730	18.2	500	13.7	37.69

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: Yes

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, 2023	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 January 31, 2023	271,172 shares	As of January 31, 2022	140,372 shares
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Average number of shares during the period

Year ended January 31, 2023	13,368,571 shares	Year ended January 31, 2022	13,446,405 shares
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**Non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Thousands of yen)

	As of January 31, 2022	As of January 31, 2023
Assets		
Current assets		
Cash and deposits	1,417,545	1,548,518
Accounts receivable - trade	1,004,551	1,028,306
Merchandise	369,919	523,096
Work in process	26,111	10,706
Advance payments to suppliers	232,090	126,652
Prepaid expenses	19,063	26,574
Other	31,538	11,725
Total current assets	3,100,820	3,275,579
Non-current assets		
Property, plant and equipment		
Buildings	31,386	31,386
Accumulated depreciation	(10,482)	(12,861)
Buildings, net	20,904	18,525
Tools, furniture and fixtures	160,108	189,833
Accumulated depreciation	(130,752)	(149,528)
Tools, furniture and fixtures, net	29,355	40,305
Total property, plant and equipment	50,259	58,830
Intangible assets		
Software	75,149	103,724
Other	2,595	7,254
Total intangible assets	77,745	110,978
Investments and other assets		
Investment securities	206,829	326,843
Distressed receivables	9,720	9,720
Long-term prepaid expenses	32,195	21,569
Insurance funds	37,891	37,891
Deferred tax assets	27,944	24,400
Other	42,815	41,323
Allowance for doubtful accounts	(9,720)	(9,720)
Total investments and other assets	347,676	452,027
Total non-current assets	475,682	621,835
Total assets	3,576,502	3,897,415

(Thousands of yen)

	As of January 31, 2022	As of January 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	298,538	344,326
Accounts payable - other	20,069	20,509
Accrued expenses	1,330	886
Income taxes payable	118,517	80,552
Advances received	752,291	—
Contract liabilities	—	738,804
Deposits received	1,218	1,053
Unearned revenue	761	448
Other	1,993	40,603
Total current liabilities	1,194,720	1,227,186
Non-current liabilities		
Other	30,755	30,755
Total non-current liabilities	30,755	30,755
Total liabilities	1,225,475	1,257,941
Net assets		
Shareholders' equity		
Share capital	235,653	235,653
Capital surplus		
Legal capital surplus	222,653	222,653
Other capital surplus	40,000	27,384
Total capital surplus	262,653	250,038
Retained earnings		
Other retained earnings		
Reserve for special depreciation	275	—
Retained earnings brought forward	2,028,084	2,373,553
Total retained earnings	2,028,359	2,373,553
Treasury shares	(192,738)	(246,831)
Total shareholders' equity	2,333,927	2,612,413
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	10,323	24,242
Deferred gains or losses on hedges	924	(3,033)
Total valuation and translation adjustments	11,247	21,208
Share acquisition rights	5,851	5,851
Total net assets	2,351,026	2,639,473
Total liabilities and net assets	3,576,502	3,897,415

## Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended January 31, 2022	Fiscal year ended January 31, 2023
Net sales		
Net sales of goods	5,373,372	4,974,145
Service sales	1,110,660	1,341,174
Total net sales	6,484,033	6,315,319
Cost of sales		
Cost of goods sold	4,602,198	4,358,032
Cost of service sales	632,720	797,380
Total cost of sales	5,234,919	5,155,412
Gross profit	1,249,113	1,159,906
Selling, general and administrative expenses	541,090	556,453
Operating profit	708,022	603,453
Non-operating income		
Interest income	15	5,349
Dividend income	—	1,468
Interest on securities	577	613
Foreign exchange gains	—	3,080
Receiving and selling incentives	3,500	—
Subsidy income	6,826	2,694
Other	292	1,234
Total non-operating income	11,213	14,439
Non-operating expenses		
Interest expenses	—	50
Foreign exchange losses	4,417	—
Commission expenses	384	160
Other	0	18
Total non-operating expenses	4,802	229
Ordinary profit	714,433	617,663
Extraordinary income		
Gain on reversal of share acquisition rights	96	—
Total extraordinary income	96	—
Profit before income taxes	714,529	617,663
Income taxes - current	212,283	178,676
Income taxes - deferred	7,825	(852)
Income taxes for prior periods	(2,274)	—
Total income taxes	217,834	177,824
Profit	496,694	439,839

# Non-consolidated statements of changes in equity

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

Fiscal year ended January 31, 2023

(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	235,653	222,653	40,000	262,653	275	2,028,084	2,028,359	(192,738)	2,333,927
Cumulative effects of changes in accounting policies						(869)	(869)		(869)
Restated balance	235,653	222,653	40,000	262,653	275	2,027,214	2,027,489	(192,738)	2,333,058
Changes during period									
Dividends of surplus						(93,774)	(93,774)		(93,774)
Reversal of reserve for special depreciation					(275)	275	–		–
Purchase of treasury shares								(80,455)	(80,455)
Disposal of treasury shares			(12,615)	(12,615)				26,362	13,747
Profit						439,839	439,839		439,839
Net changes in items other than shareholders' equity									
Total changes during period	–	–	(12,615)	(12,615)	(275)	346,339	346,064	(54,093)	279,355
Balance at end of period	235,653	222,653	27,384	250,038	–	2,373,553	2,373,553	(246,831)	2,612,413

	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	10,323	924	11,247	5,851	2,351,026
Cumulative effects of changes in accounting policies					(869)
Restated balance	10,323	924	11,247	5,851	2,350,157
Changes during period					
Dividends of surplus					(93,774)
Reversal of reserve for special depreciation					—
Purchase of treasury shares					(80,455)
Disposal of treasury shares					13,747
Profit					439,839
Net changes in items other than shareholders' equity	13,918	(3,957)	9,960		9,960
Total changes during period	13,918	(3,957)	9,960	—	289,316
Balance at end of period	24,242	(3,033)	21,208	5,851	2,639,473

## Non-consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended January 31, 2022	Fiscal year ended January 31, 2023
Cash flows from operating activities		
Profit before income taxes	714,529	617,663
Depreciation	47,579	72,244
Share-based payment expenses	—	3,965
Increase (decrease) in allowance for doubtful accounts	(3,846)	—
Interest and dividend income	(593)	(6,817)
Interest expenses	—	50
Foreign exchange losses (gains)	(1,398)	930
Gain on reversal of share acquisition rights	(96)	—
Decrease (increase) in trade receivables	93,135	(23,754)
Decrease (increase) in inventories	(212,648)	(137,772)
Decrease (increase) in advance payments to suppliers	(101,283)	106,799
Decrease (increase) in accounts receivable - other	(6,522)	2,680
Increase (decrease) in trade payables	(195,834)	45,788
Increase (decrease) in advances received	158,404	—
Increase (decrease) in contract liabilities	—	(15,718)
Increase (decrease) in accrued consumption taxes	(77,252)	31,013
Other, net	(111,961)	(61,764)
Subtotal	302,212	635,309
Interest and dividends received	593	6,817
Interest paid	—	(50)
Income taxes paid	(264,579)	(215,384)
Net cash provided by (used in) operating activities	38,227	426,691
Cash flows from investing activities		
Purchase of investment securities	(73,129)	(99,951)
Purchase of property, plant and equipment	(14,850)	(31,503)
Purchase of intangible assets	(1,602)	(698)
Purchase of insurance funds	(6,934)	—
Net cash provided by (used in) investing activities	(96,517)	(132,153)
Cash flows from financing activities		
Proceeds from exercise of employee share options	3,181	—
Purchase of treasury shares	(192,402)	(80,455)
Dividends paid	(47,233)	(93,478)
Net cash provided by (used in) financing activities	(236,454)	(173,934)
Effect of exchange rate change on cash and cash equivalents	246	10,369
Net increase (decrease) in cash and cash equivalents	(294,499)	130,972
Cash and cash equivalents at beginning of period	1,712,044	1,417,545
Cash and cash equivalents at end of period	1,417,545	1,548,518