

Translation

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Summary of Non-Consolidated Financial Results for the Nine Months Ended October 31, 2022 (Based on Japanese GAAP)

December 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 to file Quarterly Securities Report: December 14, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 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, 2022 (from February 1, 2022 to October 31, 2022)

(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, 2022 | 4,623 | (7.9) | 439 | (22.9) | 496 | (12.9) | 351 | (11.7) |
| Nine months ended October 31, 2021 | 5,018 | 7.8 | 570 | 13.7 | 570 | 8.7 | 397 | 9.4 |

| | Earnings per share | | Diluted earnings per share | |
|------------------------------------|--------------------|--|----------------------------|--|
| | Yen | | Yen | |
| Nine months ended October 31, 2022 | 26.20 | | 26.20 | |
| Nine months ended October 31, 2021 | 29.52 | | 29.00 | |

(2) Non-consolidated financial position

| | Total assets | Net assets | Equity ratio |
|------------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of October 31, 2022 | 3,986 | 2,635 | 66.0 |
| As of January 31, 2022 | 3,576 | 2,351 | 65.6 |

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, 2022 | – | 0.00 | – | 7.00 | 7.00 |
| Year ending January 31, 2023 | – | 0.00 | – | – | – |
| Year ending January 31, 2023 (Forecast) | – | – | – | 7.00 | 7.00 |

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 |
| Full year | 6,210 | (4.2) | 600 | (15.3) | 645 | (9.7) | 448 | (9.8) | 33.46 |

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: Yes

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, 2022 | 13,536,800 shares | As of January 31, 2022 | 13,536,800 shares |
|------------------------|-------------------|------------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|------------------------|----------------|------------------------|----------------|
| As of October 31, 2022 | 187,172 shares | As of January 31, 2022 | 140,372 shares |
|------------------------|----------------|------------------------|----------------|

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

| | | | |
|------------------------------------|-------------------|------------------------------------|-------------------|
| Nine months ended October 31, 2022 | 13,398,810 shares | Nine months ended October 31, 2021 | 13,463,429 shares |
|------------------------------------|-------------------|------------------------------------|-------------------|

Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

| | As of January 31, 2022 | As of October 31, 2022 |
|---|------------------------|------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 1,417,545 | 1,607,434 |
| Accounts receivable - trade | 1,004,551 | 1,192,076 |
| Merchandise | 369,919 | 359,430 |
| Work in process | 26,111 | 9,951 |
| Other | 282,692 | 198,567 |
| Total current assets | 3,100,820 | 3,367,461 |
| Non-current assets | | |
| Property, plant and equipment | 50,259 | 55,346 |
| Intangible assets | 77,745 | 104,636 |
| Investments and other assets | | |
| Other | 357,396 | 468,844 |
| Allowance for doubtful accounts | (9,720) | (9,720) |
| Total investments and other assets | 347,676 | 459,124 |
| Total non-current assets | 475,682 | 619,106 |
| Total assets | 3,576,502 | 3,986,567 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 298,538 | 480,078 |
| Income taxes payable | 118,517 | 40,878 |
| Advances received | 752,291 | — |
| Contract liabilities | — | 743,782 |
| Other | 25,373 | 56,068 |
| Total current liabilities | 1,194,720 | 1,320,808 |
| Non-current liabilities | | |
| Other | 30,755 | 30,755 |
| Total non-current liabilities | 30,755 | 30,755 |
| Total liabilities | 1,225,475 | 1,351,563 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 235,653 | 235,653 |
| Capital surplus | 262,653 | 250,038 |
| Retained earnings | 2,028,359 | 2,284,731 |
| Treasury shares | (192,738) | (202,982) |
| Total shareholders' equity | 2,333,927 | 2,567,440 |
| Valuation and translation adjustments | | |
| Valuation difference on available-for-sale securities | 10,323 | 42,841 |
| Deferred gains or losses on hedges | 924 | 18,871 |
| Total valuation and translation adjustments | 11,247 | 61,713 |
| Share acquisition rights | 5,851 | 5,851 |
| Total net assets | 2,351,026 | 2,635,004 |
| Total liabilities and net assets | 3,576,502 | 3,986,567 |

Non-consolidated statements of income (cumulative)

(Thousands of yen)

| | Nine months ended October 31, 2021 | Nine months ended October 31, 2022 |
|--|---------------------------------------|---------------------------------------|
| Net sales | 5,018,749 | 4,623,004 |
| Cost of sales | 4,039,990 | 3,763,561 |
| Gross profit | 978,758 | 859,443 |
| Selling, general and administrative expenses | 408,462 | 419,784 |
| Operating profit | 570,296 | 439,658 |
| Non-operating income | | |
| Interest income | 310 | 3,399 |
| Foreign exchange gains | — | 51,791 |
| Receiving and selling incentives | 3,500 | — |
| Subsidy income | 4,786 | 654 |
| Other | 292 | 1,230 |
| Total non-operating income | 8,890 | 57,075 |
| Non-operating expenses | | |
| Interest expenses | — | 50 |
| Foreign exchange losses | 8,633 | — |
| Commission expenses | 384 | 73 |
| Other | 0 | — |
| Total non-operating expenses | 9,018 | 123 |
| Ordinary profit | 570,168 | 496,610 |
| Profit before income taxes | 570,168 | 496,610 |
| Income taxes - current | 160,819 | 142,940 |
| Income taxes - deferred | 11,856 | 2,567 |
| Total income taxes | 172,675 | 145,507 |
| Profit | 397,492 | 351,103 |