

# Translation

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

September 13, 2023

Company name: Ascentech K.K.  
 Stock exchange listing: Tokyo  
 Stock code: 3565 URL <https://www.ascentech.co.jp/>  
 Representative: CEO Takashi Matsuura  
 Inquiries: CFO Masanobu Sato TEL 03(5296)9331  
 Scheduled date to file Quarterly Securities Report: September 13, 2023  
 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, 2023 (from February 1, 2023 to July 31, 2023)

#### (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, 2023	3,341	9.2	312	(7.0)	381	4.1	258	1.5
Six months ended July 31, 2022	3,059	(9.8)	335	(16.6)	366	(7.7)	254	(8.5)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended July 31, 2023	19.45		–	
Six months ended July 31, 2022	18.97		–	

#### (2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of July 31, 2023	4,405	2,829	64.1
As of January 31, 2023	3,897	2,639	67.6

### 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, 2023	–	0.00	–	7.00	7.00
Year ending January 31, 2024	–	0.00			
Year ending January 31, 2024 (Forecast)			–	7.00	7.00

### 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
Full year	6,450	2.1	730	21.0	730	18.2	500	13.7	37.67

#### 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, 2023	13,536,800 shares	As of January 31, 2023	13,536,800 shares
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Number of treasury shares at the end of the period

As of July 31, 2023	260,972 shares	As of January 31, 2023	271,172 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, 2023	13,268,220 shares	Six months ended July 31, 2022	13,401,201 shares
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**Quarterly non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Thousands of yen)

	As of January 31, 2023	As of July 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	1,548,518	1,398,943
Accounts receivable - trade	1,028,306	1,628,038
Merchandise	523,096	504,709
Work in process	10,706	—
Other	164,952	201,752
Total current assets	3,275,579	3,733,443
Non-current assets		
Property, plant and equipment	58,830	55,797
Intangible assets	110,978	124,870
Investments and other assets		
Other	461,747	500,957
Allowance for doubtful accounts	(9,720)	(9,720)
Total investments and other assets	452,027	491,237
Total non-current assets	621,835	671,905
Total assets	3,897,415	4,405,349
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	344,326	517,561
Income taxes payable	80,552	128,915
Contract liabilities	738,804	809,229
Other	63,502	88,962
Total current liabilities	1,227,186	1,544,669
Non-current liabilities		
Other	30,755	30,755
Total non-current liabilities	30,755	30,755
Total liabilities	1,257,941	1,575,424
<b>Net assets</b>		
Shareholders' equity		
Share capital	235,653	235,653
Capital surplus	250,038	246,475
Retained earnings	2,373,553	2,538,819
Treasury shares	(246,831)	(237,547)
Total shareholders' equity	2,612,413	2,783,401
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	24,242	59,385
Deferred gains or losses on hedges	(3,033)	(18,713)
Total valuation and translation adjustments	21,208	40,672
Share acquisition rights	5,851	5,851
Total net assets	2,639,473	2,829,925
Total liabilities and net assets	3,897,415	4,405,349

# Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended July 31, 2022	Six months ended July 31, 2023
Net sales	3,059,619	3,341,181
Cost of sales	2,446,086	2,739,175
Gross profit	613,532	602,005
Selling, general and administrative expenses	277,613	289,600
Operating profit	335,919	312,405
Non-operating income		
Interest income	7	2,081
Interest on securities	—	284
Foreign exchange gains	30,480	62,838
Other	462	4,388
Total non-operating income	30,951	69,593
Non-operating expenses		
Interest expenses	50	—
Total non-operating expenses	50	—
Ordinary profit	366,820	381,998
Profit before income taxes	366,820	381,998
Income taxes - current	110,298	118,875
Income taxes - deferred	2,277	4,998
Total income taxes	112,575	123,873
Profit	254,244	258,125

## Non-consolidated statements of cash flows

(Thousands of yen)

	Six months ended July 31, 2022	Six months ended July 31, 2023
Cash flows from operating activities		
Profit before income taxes	366,820	381,998
Depreciation	30,733	42,825
Share-based payment expenses	991	2,839
Interest and dividend income	(7)	(2,366)
Foreign exchange losses (gains)	6,376	(18,943)
Decrease (increase) in trade receivables	(206,527)	(599,732)
Decrease (increase) in inventories	116,162	29,093
Decrease (increase) in advance payments to suppliers	104,583	(16,306)
Decrease (increase) in accounts receivable - other	3,865	709
Increase (decrease) in trade payables	224,286	173,235
Increase (decrease) in advances received	26,287	70,424
Increase (decrease) in accrued consumption taxes	48,659	11,901
Other, net	(32,356)	(58,286)
Subtotal	689,874	17,391
Interest and dividends received	7	2,366
Income taxes paid	(109,114)	(72,578)
Net cash provided by (used in) operating activities	580,768	(52,821)
Cash flows from investing activities		
Purchase of investment securities	(49,951)	–
Purchase of property, plant and equipment	(14,419)	(7,675)
Purchase of intangible assets	(432)	(847)
Purchase of insurance funds	–	(5,219)
Net cash provided by (used in) investing activities	(64,803)	(13,742)
Cash flows from financing activities		
Dividends paid	(93,439)	(92,566)
Net cash provided by (used in) financing activities	(93,439)	(92,566)
Effect of exchange rate change on cash and cash equivalents	489	9,555
Net increase (decrease) in cash and cash equivalents	423,014	(149,575)
Cash and cash equivalents at beginning of period	1,417,545	1,548,518
Cash and cash equivalents at end of period	1,840,560	1,398,943