

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Six Months Ended July 31, 2024 (Based on Japanese GAAP)

September 11, 2024

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 Semi-annual Securities Report: September 11, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors, analysts and general investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended July 31, 2024 (from February 1, 2024 to July 31, 2024)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended July 31, 2024	5,750	–	241	–	474	–	325	–
Six months ended July 31, 2023	–	–	–	–	–	–	–	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended July 31, 2024	24.53	–
Six months ended July 31, 2023	–	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of July 31, 2024	6,170	3,245	52.5
As of January 31, 2024	4,621	3,120	67.4

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, 2024	–	0.00	–	10.00	10.00
Year ending January 31, 2025	–	0.00			
Year ending January 31, 2025 (Forecast)			–	10.00	10.00

3. Forecast of consolidated financial results for the year ending January 31, 2025 (from February 1, 2024 to January 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	10,000	60.6	717	18.1	950	35.3	650	35.2	48.96

4. Notes

- (1) Significant changes in the scope of consolidation during the six months ended July 31, 2024: Yes
- (2) Application of special accounting methods for preparing interim consolidated financial statements: No
- (3) 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

(4) Number of issued shares (common shares)

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

As of July 31, 2024	13,536,800 shares	As of January 31, 2024	13,536,800 shares
---------------------	-------------------	------------------------	-------------------

Number of treasury shares at the end of the period

As of July 31, 2024	260,972 shares	As of January 31, 2024	260,972 shares
---------------------	----------------	------------------------	----------------

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

Six months ended July 31, 2024	13,275,828 shares	Six months ended July 31, 2023	13,268,220 shares
--------------------------------	-------------------	--------------------------------	-------------------

Interim consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of January 31, 2024	As of July 31, 2024
Assets		
Current assets		
Cash and deposits	2,236,766	2,791,252
Accounts receivable - trade	788,814	1,400,141
Merchandise	423,233	610,233
Work in process	14,757	18,357
Other	451,250	466,467
Total current assets	3,914,822	5,286,452
Non-current assets		
Property, plant and equipment	61,145	78,045
Intangible assets		
Goodwill	—	90,145
Other	123,634	138,485
Total intangible assets	123,634	228,631
Investments and other assets		
Other	531,688	587,004
Allowance for doubtful accounts	(9,720)	(9,720)
Total investments and other assets	521,968	577,284
Total non-current assets	706,748	883,961
Total assets	4,621,571	6,170,414
Liabilities		
Current liabilities		
Accounts payable - trade	447,012	881,902
Short-term borrowings	—	600,000
Income taxes payable	144,157	168,750
Contract liabilities	785,725	1,072,988
Other	82,862	140,435
Total current liabilities	1,459,756	2,864,076
Non-current liabilities		
Retirement benefit liability	—	29,725
Other	40,945	30,755
Total non-current liabilities	40,945	60,480
Total liabilities	1,500,702	2,924,556
Net assets		
Shareholders' equity		
Share capital	235,653	235,653
Capital surplus	246,475	246,475
Retained earnings	2,761,294	2,954,231
Treasury shares	(237,547)	(237,547)
Total shareholders' equity	3,005,877	3,198,813
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	59,837	55,137
Deferred gains or losses on hedges	49,302	(13,944)
Total accumulated other comprehensive income	109,140	41,193
Share acquisition rights	5,851	5,851
Total net assets	3,120,869	3,245,857
Total liabilities and net assets	4,621,571	6,170,414

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

	(Thousands of yen)
	Six months ended
	July 31, 2024
Net sales	5,750,447
Cost of sales	5,114,270
Gross profit	636,176
Selling, general and administrative expenses	395,147
Operating profit	241,028
Non-operating income	
Interest income	2,321
Dividend income	1,038
Foreign exchange gains	226,070
Other	3,574
Total non-operating income	233,004
Ordinary profit	474,033
Extraordinary losses	
Loss on retirement of non-current assets	887
Total extraordinary losses	887
Profit before income taxes	473,145
Income taxes - current	160,891
Income taxes - deferred	(13,440)
Total income taxes	147,451
Profit	325,694
Profit attributable to owners of parent	325,694

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended July 31, 2024
Profit	325,694
Other comprehensive income	
Valuation difference on available-for-sale securities	(4,700)
Deferred gains or losses on hedges	(63,247)
Total other comprehensive income	(67,947)
Comprehensive income	257,746
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	257,746

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended July 31, 2024
Cash flows from operating activities	
Profit before income taxes	473,145
Depreciation	47,862
Amortization of goodwill	10,016
Share-based payment expenses	3,023
Increase (decrease) in retirement benefit liability	1,230
Interest and dividend income	(3,359)
Foreign exchange losses (gains)	8,911
Loss on retirement of non-current assets	887
Decrease (increase) in trade receivables	(561,519)
Decrease (increase) in inventories	(189,696)
Decrease (increase) in advance payments to suppliers	60,878
Decrease (increase) in accounts receivable - other	12,836
Increase (decrease) in trade payables	410,880
Increase (decrease) in advances received	125,242
Increase (decrease) in accrued consumption taxes	(58,871)
Other, net	(59,860)
Subtotal	281,606
Interest and dividends received	3,359
Income taxes paid	(141,590)
Net cash provided by (used in) operating activities	143,375
Cash flows from investing activities	
Purchase of property, plant and equipment	(29,946)
Purchase of intangible assets	(27,644)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	15,000
Purchase of insurance funds	(5,323)
Payments of leasehold deposits	(8,394)
Net cash provided by (used in) investing activities	(56,307)
Cash flows from financing activities	
Net increase (decrease) in short-term borrowings	600,000
Dividends paid	(132,440)
Net cash provided by (used in) financing activities	467,559
Effect of exchange rate change on cash and cash equivalents	(140)
Net increase (decrease) in cash and cash equivalents	554,486
Cash and cash equivalents at beginning of period	2,236,766
Cash and cash equivalents at end of period	2,791,252