

**Non-consolidated Financial Results for the
Third Quarter of the Fiscal Year Ending June 30, 2022
(Nine Months Ended March 31, 2022)**

[Japanese GAAP]

May 10, 2022

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Scheduled date of filing of Quarterly Report: May 13, 2022
Scheduled date of payment of dividend: -
Preparation of supplementary materials for quarterly financial results: None
Holding of quarterly financial results meeting: None

(All amounts are rounded down to the nearest million yen)

**1. Non-consolidated Financial Results for the Third Quarter of the Fiscal Year Ending June 30, 2022
(July 1, 2021 to March 31, 2022)**

(1) Results of operations (Percentages represent 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 Mar. 31, 2022	1,416	18.2	350	36.2	357	35.2	246	35.2
Nine months ended Mar. 31, 2021	1,197	(12.4)	256	(31.4)	263	(30.6)	182	(30.8)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Mar. 31, 2022	50.50	-
Nine months ended Mar. 31, 2021	37.95	-

(2) Financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Mar. 31, 2022	9,390	8,624	91.8
As of Jun. 30, 2021	9,096	8,412	92.5

Reference: Shareholders' equity (millions of yen) As of Mar. 31, 2022: 8,624 As of Jun. 30, 2021: 8,412

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Jun. 30, 2021	-	0.00	-	70.00	70.00
Fiscal year ending Jun. 30, 2022	-	0.00	-		
Fiscal year ending Jun. 30, 2022 (forecast)				100.00	100.00

Note: Revision to the most recently announced dividend forecast: Yes

For more details, please refer to the press release titled "Revision to Dividend Forecast for the Fiscal Year Ending June 30, 2022 (Japanese version only)" that was announced on May 10, 2022.

3. Earnings Forecast for the Fiscal Year Ending June 30, 2022 (July 1, 2021 to June 30, 2022)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	1,850	10.8	497	31.3	506	30.0	340	26.6	70.88

Note: Revisions to the most recently announced earnings forecast: None

*** Notes**

(1) Application of special accounting methods for presenting quarterly non-consolidated financial statements: None

(2) Changes in accounting policies and accounting estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Restatements: None

(3) Number of shares outstanding (common shares)

1) Number of outstanding shares as of the end of the period (including treasury shares)

As of Mar. 31, 2022:	6,000,000 shares	As of Jun. 30, 2021:	6,000,000 shares
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2) Number of treasury shares as of the end of the period

As of Mar. 31, 2022:	988,390 shares	As of Jun. 30, 2021:	1,201,549 shares
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3) Average number of outstanding shares during the period

Nine months ended Mar. 31, 2022:	4,874,687 shares	Nine months ended Mar. 31, 2021:	4,798,486 shares
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* The current quarterly financial results are not subject to the quarterly review by certified public accountants or auditing firms.

* Explanation of appropriate use of earnings forecasts, and other special items

Forecasts of future performance in these materials are based on assumptions judged to be valid and information available to the A-One Seimitsu's management at the time these materials were prepared. Actual results may differ significantly from these forecasts for a number of reasons. Please refer to "Explanation of Earnings Forecast and Other Forward-looking Statements" on page 3 for forecast assumptions and notes of caution for usage.

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1. Qualitative Information on Quarterly Financial Performance

(1) Explanation of Results of Operations

In the first nine months of the current fiscal year, the Japanese economy was healthy because of the recovery of economic and consumer activity as people received COVID-19 vaccinations.

Economic activity is recovering rapidly mainly in areas of the world where a high percentage of people have received COVID-19 vaccinations. The United States and China were the primary sources of growth of the global economy. A broad range of products, such as consumer durables, machine tools, production equipment, transport equipment and other items, require semiconductors due to the utilization of data processing. Demand for semiconductor manufacturing equipment is increasing and industries associated with the production of this equipment are also expanding rapidly. Prices moved up as economies recovered and the Ukraine crisis and other geopolitical risk pushed up prices of crude oil, natural gas and grain. Countries worldwide are raising interest rates to hold down inflation. Overall, economies continued to recover from the pandemic downturn and remained healthy.

In Japan's manufacturing sector, orders increased for machine tools, equipment and other items used for manufacturing as production rose along with the recovery of economic activity. Orders for semiconductor manufacturing equipment are remaining at record highs in 2022 because of the global semiconductor shortage. Orders have also increased for reduction gears, which are key components for manufacturing equipment, production robots and other products where output is increasing. Orders are climbing for hydraulic units and other components used in construction machinery and equipment too because of strong demand outside Japan.

In the automobile industry, suspensions of operations at factories worldwide caused shortages of parts, semiconductors and other items that prevented the assembly of vehicles. Many companies had to reduce output. Capacity utilization and orders received at parts manufacturers declined. Production and development activities involving parts for the electrification of vehicles were very strong. The output of batteries for electric vehicles and other products are also increasing.

In the collet chuck segment, the output of some products decreased because of temporary reductions in automobile production. Performance was strong for the processing of mass-produced components at companies in the semiconductor, electronic component, precision instrument, medical equipment and other categories. As a result, orders received in this segment were consistently high. Orders have been strong overall in 2022 with a large volume of orders in January and February and only a small decrease in March.

Segment sales were 992 million yen, up 19.0% year on year, and segment profit was 475 million yen, up 24.3%.

In the cutting tools segment, orders were firm for processing mass-produced parts and for individual processing of items such as jigs, tools and dies. There was a slow start in January 2022 but orders slowly recovered in February and March.

Demand for the fabrication and regrinding of special-order cutting tools was strong and orders remained high because of the need for processing tools that have complex shapes and for reducing processing steps and processing times. The result was a 26.1% increase in sales from one year earlier to 108 million yen.

Demand for the regrinding of general-purpose cutting tools generally increased along with higher machinery utilization rates at client companies. Sales were up 13.9% from the same period in the previous fiscal year to 299 million yen.

Segment sales were 407 million yen, up 16.9% year on year, and segment profit was 91 million yen, up 42.7%.

In the automatic lathe cams segment, there was firm demand for mass-produced components that are processed by using cam-type automatic lathes. Although orders increased, earnings were lower because of higher expenses caused by relocations of employees.

Segment sales were 15 million yen, up 4.8% year on year, and segment profit was 5 million yen, down 37.0%.

Net sales in the first nine months were 1,416 million yen, up 18.2% year on year. Operating profit increased 36.2% to 350 million yen, ordinary profit increased 35.2% to 357 million yen, and profit increased 35.2% to 246 million yen.

(2) Explanation of Financial Position

Assets

Current assets amounted to 7,585 million yen at the end of the third quarter of the current fiscal year, an increase of 38 million yen from 7,546 million yen at the end of the previous fiscal year. This is mainly due to increases of 97 million yen in prepaid expenses and 17 million yen in notes and accounts receivable-trade, which were partially offset by decreases of 72 million yen in cash and deposits and 4 million yen in work in process.

Non-current assets amounted to 1,805 million yen, an increase of 255 million yen from 1,550 million yen at the end of the previous fiscal year. This is mainly due to increases of 162 million yen in long-term prepaid expenses, 78 million yen in other under property, plant and equipment and 16 million yen in deferred tax assets, which were partially offset by a decrease of 15 million yen in machinery, equipment and vehicles.

As a result, total assets at the end of the third quarter of the current fiscal year were 9,390 million yen, compared with 9,096 million yen at the end of the previous fiscal year.

Liabilities

Current liabilities amounted to 250 million yen at the end of the third quarter of the current fiscal year, an increase of 52 million yen from 198 million yen at the end of the previous fiscal year. This is mainly due to increases of 28 million yen in accounts payable-other, 18 million yen in income taxes payable and 3 million yen in other, which were partially offset by a decrease of 820 thousand yen in provision for bonuses for directors (and other officers).

Non-current liabilities amounted to 515 million yen, an increase of 29 million yen from 485 million yen at the end of the previous fiscal year. This is mainly due to increases of 21 million yen in provision for retirement benefits and 8 million yen in provision for retirement benefits for directors (and other officers), which were partially offset by a decrease of 678 thousand yen in other.

As a result, total liabilities at the end of the third quarter of the current fiscal year were 766 million yen, compared with 684 million yen at the end of the previous fiscal year.

Net assets

Net assets totaled 8,624 million yen, an increase of 211 million yen from 8,412 million yen at the end of the previous fiscal year. This was mainly due to increases of 143 million yen in capital surplus and 8 million yen in valuation difference on available-for-sale securities, which were partially offset by decreases of 89 million yen in retained earnings and 149 million yen in treasury shares.

(3) Explanation of Earnings Forecast and Other Forward-looking Statements

There are no changes at this time in the full year forecasts that were announced on August 10, 2021.

2. Quarterly Non-consolidated Financial Statements and Notes**(1) Quarterly Non-consolidated Balance Sheet**

	(Thousands of yen)	
	FY6/21 (As of Jun. 30, 2021)	Third quarter of FY6/22 (As of Mar. 31, 2022)
Assets		
Current assets		
Cash and deposits	6,881,276	6,808,334
Notes and accounts receivable - trade	406,642	424,307
Finished goods	3,608	3,585
Raw materials	30,912	31,376
Work in process	223,135	218,761
Prepaid expenses	-	97,716
Other	1,119	1,375
Allowance for doubtful accounts	(250)	(442)
Total current assets	7,546,445	7,585,016
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	450,646	451,555
Machinery, equipment and vehicles, net	456,254	441,024
Land	333,534	333,534
Other, net	13,297	91,653
Total property, plant and equipment	1,253,733	1,317,767
Intangible assets	3,710	2,989
Investments and other assets		
Investment securities	132,075	144,359
Long-term prepaid expenses	393	163,195
Deferred tax assets	159,564	176,407
Other	1,279	933
Allowance for doubtful accounts	(724)	(540)
Total investments and other assets	292,587	484,355
Total non-current assets	1,550,032	1,805,112
Total assets	9,096,477	9,390,128
Liabilities		
Current liabilities		
Accounts payable - trade	16,112	18,372
Accounts payable - other	85,080	113,993
Income taxes payable	58,660	77,157
Provision for bonuses for directors (and other officers)	9,300	8,480
Other	29,608	32,978
Total current liabilities	198,762	250,982
Non-current liabilities		
Provision for retirement benefits	351,961	373,877
Provision for retirement benefits for directors (and other officers)	128,910	137,160
Other	4,711	4,033
Total non-current liabilities	485,583	515,071
Total liabilities	684,345	766,053

	(Thousands of yen)	
	FY6/21 (As of Jun. 30, 2021)	Third quarter of FY6/22 (As of Mar. 31, 2022)
Net assets		
Shareholders' equity		
Share capital	292,500	292,500
Capital surplus	337,400	481,250
Retained earnings	8,593,408	8,503,672
Treasury shares	(841,395)	(692,153)
Total shareholders' equity	8,381,912	8,585,269
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	30,219	38,805
Total valuation and translation adjustments	30,219	38,805
Total net assets	8,412,131	8,624,075
Total liabilities and net assets	9,096,477	9,390,128

(2) Quarterly Non-consolidated Statement of Income
For the Nine-month Period

	(Thousands of yen)	
	First nine months of FY6/21 (Jul. 1, 2020 – Mar. 31, 2021)	First nine months of FY6/22 (Jul. 1, 2021 – Mar. 31, 2022)
Net sales	1,197,985	1,416,049
Cost of sales	749,300	849,777
Gross profit	448,684	566,271
Selling, general and administrative expenses	191,741	216,259
Operating profit	256,943	350,011
Non-operating income		
Interest income	282	140
Dividend income	3,121	3,429
Electricity sale income	2,101	1,775
Reversal of allowance for doubtful accounts	65	-
Other	1,474	1,662
Total non-operating income	7,044	7,007
Ordinary profit	263,988	357,019
Extraordinary losses		
Loss on retirement of non-current assets	341	574
Total extraordinary losses	341	574
Profit before income taxes	263,646	356,445
Income taxes - current	73,300	130,830
Income taxes - deferred	8,227	(20,541)
Total income taxes	81,527	110,289
Profit	182,119	246,156

(3) Notes to Quarterly Non-consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

A-ONE SEIMITSU has sold 213,200 shares for restricted stock compensation for directors on December 24, 2021 pursuant to the resolution of the Board of Directors on November 1, 2021. As a result, treasury stock decreased 149 million yen during the first nine months of FY6/22 to 692 million yen at the end of the third quarter of FY6/22.

In addition, due to the disposal of treasury stock, gain on disposal of treasury stock of 143 million yen was recorded, and capital surplus increased by the same amount.

Changes in Accounting Policies

Application of the Accounting Standard for Revenue Recognition

We have applied the Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29 issued on March 31, 2020), etc. from the beginning of the first quarter of the current fiscal year. When control of a promised good or service is transferred to a customer, we recognize revenue at the amount expected to be received in exchange for the good or service.

In addition, A-One Seimitsu applies the alternative treatment prescribed in Paragraph 98 of the Guidance on Accounting Standard for Revenue Recognition, and recognizes revenue at the time of shipment when the period between the time of shipment and the time when control of the relevant goods is transferred to the customer is a normal period for sales of goods.

This change has no impact on profit and loss for the first nine months of the current fiscal year or the beginning balance of retained earnings for the current fiscal year.

Furthermore, in accordance with the transitional treatment prescribed in Paragraph 28-15 of the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12, March 31, 2020), A-One Seimitsu has not presented information on revenue from contracts with customers broken down for the first nine months of the previous fiscal year.

Application of the Accounting Standard for Fair Value Measurement

We have applied the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30 issued on July 4, 2019; hereinafter the "Fair Value Measurement Accounting Standard"), from the beginning of the first quarter of the current fiscal year. In accordance with the transitional treatment set forth in Paragraph 19 of the Fair Value Measurement Accounting Standard and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10 issued on July 4, 2019), we have decided to prospectively apply the new accounting policy set forth in the Fair Value Measurement Accounting Standard, etc. This decision has no impact on the quarterly financial statements.

Segment and Other Information

Segment Information

I. First nine months of FY6/21 (Jul. 1, 2020 – Mar. 31, 2021)

Information related to net sales and profit or loss for each reportable segment

(Thousands of yen)

	Reportable segment				Adjustment (Note 1)	Amounts shown on quarterly non-consolidated statement of income (Note 2)
	Collet Chucks	Cutting Tools	Automatic Lathe Cams	Total		
Net sales						
External sales	833,956	348,918	15,109	1,197,985	-	1,197,985
Inter-segment sales and transfers	-	-	-	-	-	-
Total	833,956	348,918	15,109	1,197,985	-	1,197,985
Segment profit	382,357	64,098	9,147	455,603	(198,660)	256,943

Notes: 1. The adjustment to segment profit includes common expenses of (6,919) thousand yen at the manufacturing department and selling, general and administrative expenses that are not attributable to any of the reportable segments.

2. Segment profit is adjusted to be consistent with operating profit shown on the quarterly non-consolidated statement of income.

II. First nine months of FY6/22 (Jul. 1, 2021 – Mar. 31, 2022)

Information related to net sales and profit or loss for each reportable segment

(Thousands of yen)

	Reportable segment				Adjustment (Note 1)	Amounts shown on quarterly non-consolidated statement of income (Note 2)
	Collet Chucks	Cutting Tools	Automatic Lathe Cams	Total		
Net sales						
External sales	992,272	407,942	15,834	1,416,049	-	1,416,049
Inter-segment sales and transfers	-	-	-	-	-	-
Total	992,272	407,942	15,834	1,416,049	-	1,416,049
Segment profit	475,141	91,491	5,764	572,398	(222,386)	350,011

Notes: 1. The adjustment to segment profit includes common expenses of (6,126) thousand yen at the manufacturing department and selling, general and administrative expenses that are not attributable to any of the reportable segments.

2. Segment profit is adjusted to be consistent with operating profit shown on the quarterly non-consolidated statement of income.

Revenue Recognition

Information on revenue from contracts with customers broken down

First nine months of FY6/22 (Jul. 1, 2021 – Mar. 31, 2022)

(Thousands of yen)

	Reportable segment					Total
	Collet Chucks	Cutting Tools			Automatic Lathe Cams	
		Fabrication and Regrinding of Special-order Cutting Tools	General-purpose Cutting Tools	Subtotal		
Manufacture of tools	992,272	108,489	-	108,489	15,834	1,116,595
Other	-	-	299,453	299,453	-	299,453
Revenue from contracts with customers broken down	992,272	108,489	299,453	407,942	15,834	1,416,049
Other revenue	-	-	-	-	-	-
External sales	992,272	108,489	299,453	407,942	15,834	1,416,049

This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.