

**Non-consolidated Financial Results for the  
First Quarter of the Fiscal Year Ending June 30, 2022  
(Three Months Ended September 30, 2021)**

[Japanese GAAP]

November 10, 2021

Company name: A-ONE SEIMITSU INC.  
Stock code: 6156  
Representative: Tetsuya Hayashi, President  
Contact: Tetsuya Hayashi, President  
Tel: +81-(0)42-363-1039

Listing: Tokyo Stock Exchange (JASDAQ)  
URL: <http://www.a-one-seimitsu.co.jp/>

Scheduled date of filing of Quarterly Report: November 12, 2021  
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 First Quarter of the Fiscal Year Ending June 30, 2022  
(July 1, 2021 to September 30, 2021)**

(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	%
Three months ended Sep. 30, 2021	460	36.4	119	91.0	120	90.0	83	90.2
Three months ended Sep. 30, 2020	337	(27.4)	62	(51.7)	63	(51.1)	43	(51.2)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Sep. 30, 2021	17.39	-
Three months ended Sep. 30, 2020	9.15	-

(2) Financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Sep. 30, 2021	8,892	8,164	91.8
As of Jun. 30, 2021	9,096	8,412	92.5

Reference: Shareholders' equity (millions of yen)      As of Sep. 30, 2021: 8,164      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	-				
Fiscal year ending Jun. 30, 2022 (forecast)		0.00	-	70.00	70.00

Note: Revision to the most recently announced dividend forecast: None

**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
First half	928	24.6	258	80.0	263	76.8	176	71.9	36.87
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 Sep. 30, 2021:	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 Sep. 30, 2021:	1,201,549 shares	As of Jun. 30, 2021:	1,201,549 shares
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3) Average number of outstanding shares during the period

Three months ended Sep. 30, 2021:	4,798,451 shares	Three months ended Sep. 30, 2020:	4,798,496 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 quarter of the current fiscal year, the Japanese economy was steady, reflecting the overall firmness of the global economy.

The rate of vaccination against the COVID-19 pandemic has progressed worldwide, and economic activity, which had been stagnant, is gaining momentum. Although restrictions on going out due to the pandemic had a significant impact on the food service industry, tourism industry, and the railroad and aviation sectors, new demand in areas such as communication equipment and electronic devices for remote working, medical and health equipment, and outdoor goods has emerged due to the changes in lifestyle patterns. The COVID-19 financial measures, combined with the continued easing in monetary policy to stimulate the economy, has resulted in generally buoyant economic conditions worldwide.

Moreover, efforts are now underway to deliver the social infrastructure necessary for controlling greenhouse gases and to popularize consumer goods with low environmental impacts such as electric vehicles. However, there are semiconductor shortages that, combined with impact of the spread of the COVID-19 pandemic in Asia, have adversely affected the production of automobiles, electronic devices, and home appliances, etc. as production of components was suspended.

In the collect chuck segment, A-One Seimitsu secured a certain level of orders as volume of mass-produced components at companies in the electronic components, precision instruments and medical equipment sectors was high and there was no pronounced downturn in production of automotive parts, although there was somewhat of a slowdown at some manufacturers.

Segment sales were 324 million yen, up 40.9% year on year, and segment profit was 156 million yen, up 51.9%.

In the cutting tool segment, although there were steady sales of tools for processing mass-produced components and of jigs, tools and dies and other products for individual processing, orders somewhat decreased in August as large companies suspended factory operations. This resulted in a decline in the operating rates of companies that supply parts to these factories. In September, there were solid recoveries in both the mass-produced and individually processed component categories and orders increased as a result.

Demand for the fabrication and regrinding of special-order cutting tools increased because of the processing of tools with complex shapes and of shorter processing times. The result was a 46.2% increase in sales from one year earlier to 36 million yen.

Sales in the regrinding of general-purpose cutting tools segment increased due to high utilization rates at client companies, but the rate of increase in sales was slightly lower than that for the fabrication and regrinding of special-order cutting tools due to price competition with competitors, resulting in sales of 94 million yen, up 20.6% year-on-year.

Segment sales were 131 million yen, up 26.8% year on year, and segment profit was 31 million yen, up 77.8%.

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 4 million yen, up 28.7% year on year, and segment profit was 1 million yen, down 11.9%.

First quarter net sales were 460 million yen, up 36.4% year on year. Operating profit increased 91.0% to 119 million yen, ordinary profit increased 90.0% to 120 million yen, and profit increased 90.2% to 83 million yen.

### (2) Explanation of Financial Position

#### Assets

Current assets amounted to 7,368 million yen at the end of the first quarter of the current fiscal year, a decrease of 177 million yen from 7,546 million yen at the end of the previous fiscal year. This is mainly due to decreases of 169 million yen in cash and deposits, 4 million yen in work in process and 2 million yen in notes and accounts receivable-trade.

Non-current assets amounted to 1,523 million yen, a decrease of 26 million yen from 1,550 million yen at the end of the previous fiscal year. This is mainly due to decreases of 22 million yen in machinery, equipment and vehicles and 8 million yen in buildings and structures, which were partially offset by an increase of 6 million yen in investment securities.

As a result, total assets at the end of the first quarter of the current fiscal year were 8,892 million yen, compared with 9,096 million yen at the end of the previous fiscal year.

#### Liabilities

Current liabilities amounted to 236 million yen at the end of the first quarter of the current fiscal year, an increase of 38 million yen from 198 million yen at the end of the previous fiscal year. This is mainly due to an increase of 63 million yen in accounts payable-other, which was partially offset by decreases of 15 million yen in income taxes payable, 6 million yen in provision for bonuses for directors (and other officers) and 3 million yen in other.

Non-current liabilities amounted to 490 million yen, an increase of 5 million yen from 485 million yen at the end of the previous fiscal year. This is mainly due to an increase of 6 million yen in provision for retirement benefits, which was partially offset by a decrease of 950 thousand yen in provision for retirement benefits for directors (and other officers).

As a result, total liabilities at the end of the first quarter of the current fiscal year were 727 million yen, compared with 684 million yen at the end of the previous fiscal year.

#### Net assets

Net assets totaled 8,164 million yen, a decrease of 247 million yen from 8,412 million yen at the end of the previous fiscal year. This was mainly due to a decrease of 252 million yen in retained earnings, which was partially offset by an increase of 4 million yen in valuation difference on available-for-sale securities.

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

There are no changes at this time in the first half and 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)	First quarter of FY6/22 (As of Sep. 30, 2021)
<b>Assets</b>		
Current assets		
Cash and deposits	6,881,276	6,711,614
Notes and accounts receivable - trade	406,642	403,836
Finished goods	3,608	3,458
Raw materials	30,912	30,577
Work in process	223,135	218,691
Other	1,119	1,043
Allowance for doubtful accounts	(250)	(272)
Total current assets	7,546,445	7,368,950
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	450,646	442,127
Machinery, equipment and vehicles, net	456,254	433,427
Land	333,534	333,534
Other, net	13,297	12,438
Total property, plant and equipment	1,253,733	1,221,528
Intangible assets	3,710	3,470
Investments and other assets		
Investment securities	132,075	138,602
Long-term prepaid expenses	393	386
Deferred tax assets	159,564	158,708
Other	1,279	1,041
Allowance for doubtful accounts	(724)	(540)
Total investments and other assets	292,587	298,198
Total non-current assets	1,550,032	1,523,198
Total assets	9,096,477	8,892,148
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	16,112	16,200
Accounts payable - other	85,080	148,842
Income taxes payable	58,660	43,229
Provision for bonuses for directors (and other officers)	9,300	2,870
Other	29,608	25,840
Total current liabilities	198,762	236,983
Non-current liabilities		
Provision for retirement benefits	351,961	358,454
Provision for retirement benefits for directors (and other officers)	128,910	127,960
Other	4,711	4,485
Total non-current liabilities	485,583	490,900
Total liabilities	684,345	727,883

	(Thousands of yen)	
	FY6/21 (As of Jun. 30, 2021)	First quarter of FY6/22 (As of Sep. 30, 2021)
Net assets		
Shareholders' equity		
Share capital	292,500	292,500
Capital surplus	337,400	337,400
Retained earnings	8,593,408	8,340,978
Treasury shares	(841,395)	(841,395)
Total shareholders' equity	8,381,912	8,129,482
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	30,219	34,781
Total valuation and translation adjustments	30,219	34,781
Total net assets	8,412,131	8,164,264
Total liabilities and net assets	9,096,477	8,892,148

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

	(Thousands of yen)	
	First three months of FY6/21 (Jul. 1, 2020 – Sep. 30, 2020)	First three months of FY6/22 (Jul. 1, 2021 – Sep. 30, 2021)
Net sales	337,784	460,818
Cost of sales	217,535	272,414
Gross profit	120,249	188,404
Selling, general and administrative expenses	57,859	69,217
Operating profit	62,389	119,186
Non-operating income		
Interest income	116	47
Electricity sale income	835	1,099
Reversal of allowance for doubtful accounts	59	8
Other	262	610
Total non-operating income	1,274	1,766
Ordinary profit	63,663	120,952
Extraordinary losses		
Loss on retirement of non-current assets	0	-
Total extraordinary losses	0	-
Profit before income taxes	63,663	120,952
Income taxes - current	17,600	38,600
Income taxes - deferred	2,177	(1,109)
Total income taxes	19,777	37,491
Profit	43,886	83,461



### **(3) Notes to Quarterly Non-consolidated Financial Statements**

#### **Going Concern Assumption**

Not applicable.

#### **Significant Changes in Shareholders' Equity**

Not applicable.

#### **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.

In accordance with the transitional measures in the proviso to Paragraph 84 of the Accounting Standard for Revenue Recognition, the cumulative effect of the applying retrospective application of the new accounting standard to the beginning of the first quarter of the current fiscal year has been calculated, but, as there is no such cumulative effect, the new accounting policy has been applied to retained earnings effective from the beginning of first quarter of the current fiscal year without any additions or subtractions.

This change has no impact on profit and loss for the first quarter of the current fiscal year or the beginning balance of retained earnings for the first quarter of 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 quarter 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 three months of FY6/21 (Jul. 1, 2020 – Sep. 30, 2020)

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	230,653	103,332	3,798	337,784	-	337,784
Inter-segment sales and transfers	-	-	-	-	-	-
Total	230,653	103,332	3,798	337,784	-	337,784
Segment profit	103,172	17,938	1,925	123,036	(60,646)	62,389

Notes: 1. The adjustment to segment profit includes common expenses of (2,787) 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 three months of FY6/22 (Jul. 1, 2021 – Sep. 30, 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	324,907	131,020	4,889	460,818	-	460,818
Inter-segment sales and transfers	-	-	-	-	-	-
Total	324,907	131,020	4,889	460,818	-	460,818
Segment profit	156,705	31,887	1,697	190,290	(71,104)	119,186

Notes: 1. The adjustment to segment profit includes common expenses of (1,886) 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 three months of FY6/22 (Jul. 1, 2021 – Sep. 30, 2021)

(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	324,907	36,411	-	36,411	4,889	366,209
Other	-	-	94,609	94,609	-	94,609
Revenue from contracts with customers broken down	324,907	36,411	94,609	131,020	4,889	460,818
Other revenue	-	-	-	-	-	-
External sales	324,907	36,411	94,609	131,020	4,889	460,818

## Material Subsequent Events

Sale of treasury shares for restricted stock compensation

The A-One Seimitsu Board of Directors approved a resolution on November 1, 2021 to sell treasury shares as restricted stock compensation as follows.

### 1. Summary of sale of treasury shares

(1) Deadline	December 24, 2021
(2) Type and number of shares	A-One Seimitsu common stock: 213,200 shares
(3) Price	1,375 yen per share
(4) Total proceeds	293,150,000 yen
(5) Purchasers and number of shares	107 employees of A-One Seimitsu 213,200 shares
(6) Other	A-One Seimitsu has submitted the extraordinary reports regarding this disposal of treasury shares in accordance with the Financial Instruments and Exchange Act.

### 2. Purpose and reasons for the sale of treasury shares

The A-One Seimitsu Board of Directors approved a resolution on September 27, 2021 for the establishment of an incentive plan utilizing restricted stock compensation (hereinafter the “Compensation Plan”) as a new plan targeting its employees (hereinafter the “Eligible Employees”). In addition, at a meeting of the Board of Directors held on November 1, 2021, a resolution was passed regarding the specific details of the Compensation Plan, including the method of disposal of treasury shares as described in “1. Summary of sale of treasury shares.”

The following section is a summary of the terms of the Compensation Plan.

### 3. Overview of the Compensation Plan

Eligible Employees use all monetary compensation claims received from A-One Seimitsu through the Compensation Plan as payment for receiving newly issued or existing common stock of A-One Seimitsu. The amount to be paid per share shall be determined at the Board of Directors based on the closing price of the common stock of A-One Seimitsu in the Tokyo Stock Exchange on the business day immediately prior to the date of the corresponding resolution of the Board of Directors (if the A-One Seimitsu’s shares were not traded that day, the closing price on the most recent preceding trading day) within the amount not particularly advantageous to the Eligible Employees who underwrite said common stock.

When newly issued or existing common stock of A-One Seimitsu is distributed through the Compensation Plan, an Eligible Employee must sign a restricted stock allocation contract with A-One Seimitsu that includes the following terms: (1) During the designated period, the common stock of A-One Seimitsu allocated in accordance

with the restricted stock allocation contract cannot be sold, pledged as collateral or transferred to a third party in any way; (2) In certain specified events, A-One Seimitsu may acquire the common stock under the Compensation Plan at no cost.

The total amount of monetary compensation claims, which is 293,150,000 yen, and 213,200 shares of common stock will be granted to 107 Eligible Employees who are scheduled to be allotted. In addition, in order to increase the sharing of value with shareholders, which is the purpose of introducing the Compensation Plan, from a medium term standpoint, the period of restricted transfer is set at December 24, 2021 to December 23, 2024.

In the Compensation Plan, all Eligible Employees receive a monetary compensation claim from A-One Seimitsu for the purpose of making an investment in kind. Therefore, this disposal of treasury stock will not reduce the salaries of employees. Furthermore, the stock that is allocated is distributed only to Eligible Employees who want to receive the stock. If an individual does not submit an application to receive stock, the corresponding monetary compensation claim will be canceled.

*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.*