

**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

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  
URL: <http://www.a-one-seimitsu.co.jp/>

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 |
|----------------------|------------------|----------------------|------------------|

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 |
|----------------------|----------------|----------------------|------------------|

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 |
|----------------------------------|------------------|----------------------------------|------------------|

\* 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.

Contents of Attachments

|   |   |
|---|---|
| 1. Qualitative Information on Quarterly Financial Performance             | 2 |
| (1) Explanation of Results of Operations                                  | 2 |
| (2) Explanation of Financial Position                                     | 3 |
| (3) Explanation of Earnings Forecast and Other Forward-looking Statements | 3 |
| 2. Quarterly Non-consolidated Financial Statements and Notes              | 4 |
| (1) Quarterly Non-consolidated Balance Sheet                              | 4 |
| (2) Quarterly Non-consolidated Statement of Income                        | 6 |
| (3) Notes to Quarterly Non-consolidated Financial Statements              | 7 |
| Going Concern Assumption  | 7 |
| Significant Changes in Shareholders' Equity                               | 7 |
| Changes in Accounting Policies  | 7 |
| Segment and Other Information   | 8 |
| Revenue Recognition   | 9 |

## 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<br>(As of Jun. 30, 2021) | Third quarter of FY6/22<br>(As of Mar. 31, 2022) |
| <b>Assets</b>  |                                 |  |
| 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  |
| <b>Liabilities</b>   |                                 |  |
| 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<br>(As of Jun. 30, 2021) | Third quarter of FY6/22<br>(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<br>(Jul. 1, 2020 – Mar. 31, 2021) | First nine months of FY6/22<br>(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<br>(Note 1) | Amounts shown on<br>quarterly<br>non-consolidated<br>statement of income<br>(Note 2) |
|--------------------------------------|--------------------|------------------|-------------------------|-----------|------------------------|--|
|                                      | Collet<br>Chucks   | Cutting<br>Tools | Automatic<br>Lathe Cams | Total     |                        |  |
| Net sales                            |                    |                  |                         |           |                        |  |
| External sales                       | 833,956            | 348,918          | 15,109                  | 1,197,985 | -                      | 1,197,985  |
| Inter-segment sales and<br>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<br>(Note 1) | Amounts shown on<br>quarterly<br>non-consolidated<br>statement of income<br>(Note 2) |
|--------------------------------------|--------------------|------------------|-------------------------|-----------|------------------------|--|
|                                      | Collet<br>Chucks   | Cutting<br>Tools | Automatic<br>Lathe Cams | Total     |                        |  |
| Net sales                            |                    |                  |                         |           |                        |  |
| External sales                       | 992,272            | 407,942          | 15,834                  | 1,416,049 | -                      | 1,416,049  |
| Inter-segment sales and<br>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.*