

Non-consolidated Financial Results for the Fiscal Year Ended June 30, 2022

[Japanese GAAP]

August 10, 2022

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Scheduled date of Annual General Meeting of Shareholders: September 24, 2022
 Scheduled date of payment of dividend: September 27, 2022
 Scheduled date of filing of Annual Securities Report: September 26, 2022
 Preparation of supplementary materials for financial results: None
 Holding of financial results meeting: Yes

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

1. Non-consolidated Financial Results for the Fiscal Year Ended June 30, 2022 (July 1, 2021 to June 30, 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	%
Fiscal year ended Jun. 30, 2022	1,868	11.9	433	14.3	444	14.0	310	15.6
Fiscal year ended Jun. 30, 2021	1,669	(5.1)	378	(16.1)	389	(15.7)	268	(15.9)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Jun. 30, 2022	63.24	-	3.6	4.8	23.2
Fiscal year ended Jun. 30, 2021	55.97	-	3.2	4.3	22.7

Reference: Equity in earnings of affiliates (millions of yen) Fiscal year ended Jun. 30, 2022: -
 Fiscal year ended Jun. 30, 2021: -

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Jun. 30, 2022	9,479	8,688	91.7	1,733.79
As of Jun. 30, 2021	9,096	8,412	92.5	1,753.09

Reference: Shareholders' equity (millions of yen) As of Jun. 30, 2022: 8,688 As of Jun. 30, 2021: 8,412

(3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended Jun. 30, 2022	606	(185)	(336)	1,127
Fiscal year ended Jun. 30, 2021	392	(137)	(240)	1,043

2. Dividends

	Dividend per share					Total dividends	Dividend payout ratio	Dividends on equity
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended Jun. 30, 2021	-	0.00	-	70.00	70.00	335	125.1	4.0
Fiscal year ended Jun. 30, 2022	-	0.00	-	100.00	100.00	501	158.1	5.7
Fiscal year ending Jun. 30, 2023 (forecasts)	-	0.00	-	100.00	100.00		163.5	

3. Earnings Forecast for the Fiscal Year Ending June 30, 2023 (July 1, 2022 to June 30, 2023)

(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	967	2.9	275	9.3	280	8.5	189	6.7	37.88
Full year	1,950	4.4	444	2.6	454	2.2	306	(1.3)	61.17

*** Notes**

(1) 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

(2) Number of shares outstanding (common shares)

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

As of Jun. 30, 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 Jun. 30, 2022:	988,460 shares	As of Jun. 30, 2021:	1,201,549 shares
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3) Average number of outstanding shares during the period

Fiscal year ended Jun. 30, 2022:	4,908,819 shares	Fiscal year ended Jun. 30, 2021:	4,798,478 shares
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* The current financial results are not subject to the audit 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 "1. Overview of Results of Operations, (4) Outlook" on page 4 for forecast assumptions and notes of caution for usage.

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1. Overview of Results of Operations

(1) Results of Operations for the Current Fiscal Year

Although the Japanese economy recovered during the fiscal year following the slowdown caused by the pandemic, there was no growth in the fiscal year's second half mainly because of increasing expenses at companies and households and rising interest rates to bring worldwide inflation under control.

Interest rates have been low for many years to support the global economy. To end the period of economic weakness caused by the pandemic, there have been even more monetary easing measures and more liquidity supplied. Currently, inflation is increasing and the Ukraine crisis has made prices of energy, resources, grain and other items move up even more. Countries worldwide are now raising interest rates in order to bring down inflation.

The rising cost of raw materials, energy, logistics and many other items in Japan is exerting pressure on the earnings of companies that have been posting strong sales and earnings. Although some negative signs regarding the economic outlook are emerging, manufacturing activity in Japan remained strong during the fiscal year. In the automobile industry, production was below the plans of automakers because of the shortage of semiconductors and shortages of other parts due to lockdowns of cities in China. Production of semiconductor manufacturing equipment has been consistently high as companies that make this equipment have enough orders for full output at least until the end of 2022. In the aerospace industry, orders are recovering and the performance of companies in the electronic components, medical equipment, precision machinery, machine tools, construction machinery and other sectors is strong. Due to the current high level of earnings, manufacturers in Japan are increasing capital expenditures slightly. Companies are making expenditures for equipment to make new components, for improving production efficiency by adding automation and other labor-saving equipment, and for other purposes. In addition, the yen's depreciation is raising the earnings of companies in Japan with substantial export sales.

Consumer spending in Japan is firm with internet shopping expenditures up and an increase in outings that is raising spending for restaurant meals and tourism.

Net sales in the fiscal year ended June 30, 2022 were 1,868 million yen, up 11.9% year on year. Operating profit increased 14.3% to 433 million yen, ordinary profit increased 14.0% to 444 million yen, and profit increased 15.6% to 310 million yen.

Business segment performance was as follows.

(Collet Chucks)

Orders and sales of collet chucks were strong. The performance of this category dipped somewhat in November 2021 but staged a big recovery in December and remained strong through March 2022. During the final three months of the fiscal year, the performance of the collect chuck category was generally flat.

Orders from companies in the automobile industry were up and down from month to month as parts shortages prevented automakers from producing the number of vehicles planned. Sales of collet chucks were consistently high to producers of semiconductor manufacturing equipment and there were strong sales to companies in the machine tools, construction machinery, electronic components, medical equipment, precision machinery and other industries. Sales of aircraft parts also recovered.

Segment sales were 1,305 million yen, up 11.9% year on year, and segment profit was 607 million yen, up 11.7%.

(Cutting Tools)

Utilization of machinery by large client companies decreased in August 2021 as companies shut down for summer vacation. In March 2022, there was an upturn in orders that was probably caused by the timing of orders at large companies at the end of their fiscal years in March. Orders subsequently returned to the normal level. As a result, sales and earnings increased with strength for processing mass-produced parts as well as for individual processing of items.

There was a small increase in the fabrication and regrinding of special-order cutting tools due to our ability to perform processing for the complex shapes required by customers and to deliver items quickly. The result was a 20.3% increase in sales from one year earlier to 145 million yen.

Demand for the regrinding of general-purpose cutting tools increased along with higher machinery utilization rates at client companies. Sales were up 10.2% from the previous fiscal year to 396 million yen.

Segment sales were 542 million yen, up 12.7% year on year, and segment profit was 114 million yen, up 20.8%.

(Automatic Lathe Cams)

Orders in this segment decreased because of a decline in Japan and other countries in the volume of mass-produced components that are processed by using cam-type automatic lathes.

Segment sales were 19 million yen, down 7.5% year on year, and segment profit was 6 million yen, down 29.7%.

(2) Financial Position for the Current Fiscal Year

Assets

Current assets amounted to 7,719 million yen at the end of the current fiscal year, an increase of 173 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, 84 million yen in cash and deposits and 10 million yen in work in process, which were partially offset by decreases of 16 million yen in accounts receivable - trade and 3 million yen in notes receivable - trade.

Non-current assets amounted to 1,759 million yen, an increase of 209 million yen from 1,550 million yen at the end of the previous fiscal year. This is mainly due to increases of 138 million yen in long-term prepaid expenses, 40 million yen in machinery and equipment, 27 million yen in deferred tax assets and 13 million yen in investment securities, which were partially offset by decreases of 5 million yen in buildings, 2 million yen in structures and 1 million yen in tools, furniture and fixtures.

As a result, total assets at the end of the current fiscal year were 9,479 million yen, compared with 9,096 million yen at the end of the previous fiscal year.

Liabilities

Current liabilities amounted to 265 million yen at the end of the current fiscal year, an increase of 66 million yen from 198 million yen at the end of the previous fiscal year. This is mainly due to increases of 56 million yen in income taxes payable, 4 million yen in accounts payable - other, 2 million yen in accounts payable - trade and 1 million yen in provision for bonuses for directors (and other officers).

Non-current liabilities amounted to 525 million yen, an increase of 39 million yen from 485 million yen at the end of the previous fiscal year. This is mainly due to increases of 24 million yen in provision for retirement benefits and 10 million yen in provision for retirement benefits for directors (and other officers) and 5 million yen in other.

As a result, total liabilities at the end of the current fiscal year were 790 million yen, compared with 684 million yen at the end of the previous fiscal year.

Net assets

Net assets totaled 8,688 million yen, an increase of 276 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 gain of treasury stock disposal and 9 million yen in valuation difference on available-for-sale securities, which were partially offset by decreases of 25 million yen in retained earnings brought forward and 149 million yen in treasury shares.

(3) Cash Flows for the Current Fiscal Year

Cash and cash equivalents (hereinafter "net cash") as of the end of the current fiscal year amounted to 1,127 million yen, an increase of 84 million yen, or 8.1%, over the end of the previous fiscal year. Positive cash flows include profit before income taxes of 443 million yen, depreciation of 154 million yen, share-based remuneration expenses of 62 million yen, an increase in provision for retirement benefits of 24 million yen, a decrease in trade receivables of 20 million yen, an increase in provision for retirement benefits for directors (and other officers) of 10 million yen and interest and dividends received of 7 million yen. Negative cash flows include dividends paid

of 335 million yen, purchase of property, plant and equipment of 184 million yen, income taxes paid of 111 million yen and an increase in inventories of 11 million yen.

Cash flows from operating activities

Net cash provided by operating activities for the current fiscal year totaled 606 million yen (compared with net cash provided of 392 million yen in the previous fiscal year). Positive factors include profit before income taxes of 443 million yen, depreciation of 154 million yen, share-based remuneration expenses of 62 million yen, an increase in provision for retirement benefits of 24 million yen, a decrease in trade receivables of 20 million yen, an increase in provision for retirement benefits for directors (and other officers) of 10 million yen and interest and dividend income of 7 million yen. Negative factors were income taxes paid of 111 million yen and an increase in inventories of 11 million yen.

Cash flows from investing activities

Net cash used in investing activities for the current fiscal year totaled 185 million yen (compared with net cash used of 137 million yen in the previous fiscal year). This was mainly due to purchase of property, plant and equipment of 184 million yen and purchase of intangible assets of 1 million yen, while there was other, net of 216 thousand yen.

Cash flows from financing activities

Net cash used in financing activities for the current fiscal year totaled 336 million yen (compared with net cash used of 240 million yen in the previous fiscal year). This was mainly due to dividends paid of 335 million yen and repayments of lease obligations of 904 thousand yen and purchase of treasury shares of 187 thousand yen.

(4) Outlook

Interest rates are increasing worldwide to control inflation and more interest rate hikes are likely if inflation remains high. As upward pressure on prices continues, creating concerns about the possibility of a recession, we will retain a cautious stance because of the potential effects of inflationary forces on the economy.

In the manufacturing sector, large expenditures are likely to continue for manufacturing equipment and associated electronic components because of the shortage of semiconductors. We also anticipate substantial social infrastructure expenditures involving renewable energy to protect the global environment and for generating electricity to offset the shortage of energy caused by the Ukraine crisis. Furthermore, demand will probably be relatively stable for manufacturing and other equipment involving health care, food and other essential sectors for the public. In the automobile industry, production volume is likely to remain steady as the production of parts and machinery changes along with the shift to electric vehicles. Every shift in items that the public needs causes many types of changes concerning materials, parts, processing methods, processing machinery and other items. As new items are produced to meet these changing needs, we are confident that we can continue to receive orders by supplying the tools that are required for production processes.

Based on this outlook, our earnings forecast for the fiscal year ending in June 2023 is as follows:

Net sales	1,950 million yen	(up 4.4% year on year)
Operating profit	444 million yen	(up 2.6% year on year)
Ordinary profit	454 million yen	(up 2.2% year on year)
Profit	306 million yen	(down 1.3% year on year)

2. Basic Approach to the Selection of Accounting Standards

A-One Seimitsu has applied Japanese GAAP because most of our stakeholders are shareholders, creditors and business partners located in Japan, and we do not foresee any need at this time to procure funds in overseas capital markets.

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

	(Thousands of yen)	
	FY6/21	FY6/22
	(As of Jun. 30, 2021)	(As of Jun. 30, 2022)
Assets		
Current assets		
Cash and deposits	6,881,276	6,965,864
Notes receivable - trade	114,543	110,825
Accounts receivable - trade	292,098	275,462
Finished goods	3,608	3,428
Raw materials	30,912	31,906
Work in process	223,135	233,739
Prepaid expenses	-	97,716
Other	1,119	933
Allowance for doubtful accounts	(250)	(158)
Total current assets	7,546,445	7,719,717
Non-current assets		
Property, plant and equipment		
Buildings	1,389,097	1,415,977
Accumulated depreciation	(963,334)	(995,598)
Buildings, net	425,762	420,379
Structures	112,928	112,928
Accumulated depreciation	(88,045)	(90,681)
Structures, net	24,883	22,246
Machinery and equipment	3,889,998	3,934,438
Accumulated depreciation	(3,433,785)	(3,437,829)
Machinery and equipment, net	456,213	496,609
Vehicles	3,692	3,692
Accumulated depreciation	(3,651)	(3,664)
Vehicles, net	41	27
Tools, furniture and fixtures	59,564	48,777
Accumulated depreciation	(51,303)	(42,406)
Tools, furniture and fixtures, net	8,260	6,370
Leased assets	5,754	5,754
Accumulated depreciation	(717)	(1,539)
Leased assets, net	5,037	4,215
Land	333,534	333,534
Construction in progress	-	531
Total property, plant and equipment	1,253,733	1,283,914
Intangible assets		
Software	3,057	3,196
Telephone subscription right	653	653
Total intangible assets	3,710	3,850
Investments and other assets		
Investment securities	132,075	145,388
Distressed receivables	724	540
Long-term prepaid expenses	393	138,745
Deferred tax assets	159,564	187,529
Other	554	338
Allowance for doubtful accounts	(724)	(540)
Total investments and other assets	292,587	472,002
Total non-current assets	1,550,032	1,759,767
Total assets	9,096,477	9,479,485

	(Thousands of yen)	
	FY6/21 (As of Jun. 30, 2021)	FY6/22 (As of Jun. 30, 2022)
Liabilities		
Current liabilities		
Accounts payable - trade	16,112	18,589
Lease obligations	904	904
Accounts payable - other	85,080	89,866
Accrued expenses	13,646	13,798
Income taxes payable	58,660	115,450
Advances received	210	277
Deposits received	14,847	15,904
Provision for bonuses for directors (and other officers)	9,300	10,700
Total current liabilities	198,762	265,490
Non-current liabilities		
Lease obligations	4,711	3,807
Provision for retirement benefits	351,961	376,525
Provision for retirement benefits for directors (and other officers)	128,910	139,540
Other	-	5,167
Total non-current liabilities	485,583	525,040
Total liabilities	684,345	790,531
Net assets		
Shareholders' equity		
Share capital	292,500	292,500
Capital surplus		
Legal capital surplus	337,400	337,400
Other capital surplus		
Gain of treasury stock disposal	-	143,850
Total capital surplus	337,400	481,250
Retained earnings		
Legal retained earnings	20,000	20,000
Other retained earnings		
General reserve	8,140,000	8,140,000
Retained earnings brought forward	433,408	407,962
Total retained earnings	8,593,408	8,567,962
Treasury shares	(841,395)	(692,283)
Total shareholders' equity	8,381,912	8,649,428
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	30,219	39,525
Total valuation and translation adjustments	30,219	39,525
Total net assets	8,412,131	8,688,953
Total liabilities and net assets	9,096,477	9,479,485

(2) Non-consolidated Statement of Income

(Thousands of yen)

	FY6/21 (Jul. 1, 2020 – Jun. 30, 2021)	FY6/22 (Jul. 1, 2021 – Jun. 30, 2022)
Net sales	1,669,853	1,868,061
Cost of sales		
Beginning finished goods inventory	3,196	3,608
Cost of products manufactured	1,031,682	1,147,661
Total	1,034,878	1,151,269
Ending finished goods inventory	3,608	3,428
Total cost of sales	1,031,270	1,147,841
Gross profit	638,582	720,220
Selling, general and administrative expenses		
Advertising expenses	3,600	2,712
Freight and packing costs	37,401	40,222
Remuneration for directors (and other officers)	48,900	50,700
Salaries and allowances	43,218	44,783
Bonuses	11,446	13,596
Welfare expenses	16,742	18,422
Share-based remuneration expenses	-	6,925
Retirement benefit expenses	4,936	4,988
Provision for retirement benefits for directors (and other officers)	9,390	13,990
Provision for bonuses for directors (and other officers)	9,300	10,700
Depreciation	3,113	3,866
Taxes and dues	14,702	17,112
Fee expenses	18,964	21,687
Other	38,059	37,440
Total selling, general and administrative expenses	259,775	287,148
Operating profit	378,807	433,071
Non-operating income		
Interest income	327	185
Dividend income	6,242	6,923
Electricity sale income	3,010	2,031
Reversal of allowance for doubtful accounts	59	122
Gain on sale of scraps	561	1,388
Other	975	733
Total non-operating income	11,175	11,384
Ordinary profit	389,983	444,456
Extraordinary losses		
Loss on retirement of non-current assets	341	574
Total extraordinary losses	341	574
Profit before income taxes	389,642	443,881
Income taxes - current	118,974	165,409
Income taxes - deferred	2,108	(31,973)
Total income taxes	121,082	133,436
Profit	268,560	310,445

Manufacturing Statement

Category	Note	FY6/21 (Jul. 1, 2020 – Jun. 30, 2021)		FY6/22 (Jul. 1, 2021 – Jun. 30, 2022)	
		Amount (Thousands of yen)	Composition (%)	Amount (Thousands of yen)	Composition (%)
I Material cost	Note 1	98,071	9.3	121,389	10.5
II Labor cost		575,154	54.6	664,859	57.4
III Expenses		380,562	36.1	372,016	32.1
Total manufacturing costs		1,053,788	100.0	1,158,265	100.0
Beginning inventory of work in process		201,028		223,135	
Total		1,254,817		1,381,400	
Ending inventory of work in process		223,135		233,739	
Cost of products manufactured		1,031,682		1,147,661	

Note 1: Major breakdown is as follows:

Item	FY6/21 (Jul. 1, 2020 – Jun. 30, 2021)	FY6/22 (Jul. 1, 2021 – Jun. 30, 2022)
	Amount (Thousands of yen)	Amount (Thousands of yen)
Subcontract expenses	51,443	57,140
Depreciation	178,120	150,417
Supplies expenses	70,153	76,632

(Cost accounting)

A-One Seimitsu applies the simple process costing method. Pre-determined costs are used during the fiscal year and the difference is allocated to finished goods, work in process and cost of sales at the end of the fiscal year.

(3) Non-consolidated Statement of Changes in Net Assets

FY6/21 (Jul. 1, 2020 – Jun. 30, 2021)

(Thousands of yen)

	Shareholders' equity			
	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
		Gain of treasury stock disposal		
Balance at beginning of period	292,500	337,400	-	337,400
Changes during period				
Dividends of surplus				
Profit				
Provision of general reserve				
Purchase of treasury shares				
Disposal of treasury shares				
Gain of treasury stock disposal				
Net changes in items other than shareholders' equity				
Total changes during period	-	-	-	-
Balance at end of period	292,500	337,400	-	337,400

	Shareholders' equity			
	Legal retained earnings	Other retained earnings		Total retained earnings
		General reserve	Retained earnings brought forward	
Balance at beginning of period	20,000	7,840,000	704,772	8,564,772
Changes during period				
Dividends of surplus			(239,924)	(239,924)
Profit			268,560	268,560
Provision of general reserve		300,000	(300,000)	-
Purchase of treasury shares				
Disposal of treasury shares				
Gain of treasury stock disposal				
Net changes in items other than shareholders' equity				
Total changes during period	-	300,000	(271,364)	28,635
Balance at end of period	20,000	8,140,000	433,408	8,593,408

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(841,335)	8,353,337	8,554	8,554	8,361,891
Changes during period					
Dividends of surplus		(239,924)			(239,924)
Profit		268,560			268,560
Provision of general reserve		-			-
Purchase of treasury shares	(60)	(60)			(60)
Disposal of treasury shares					-
Gain of treasury stock disposal					-
Net changes in items other than shareholders' equity			21,664	21,664	21,664
Total changes during period	(60)	28,575	21,664	21,664	50,239
Balance at end of period	(841,395)	8,381,912	30,219	30,219	8,412,131

FY6/22 (Jul. 1, 2021 – Jun. 30, 2022)

(Thousands of yen)

	Shareholders' equity			
	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
		Gain of treasury stock disposal		
Balance at beginning of period	292,500	337,400	-	337,400
Changes during period				
Dividends of surplus				
Profit				
Provision of general reserve				
Purchase of treasury shares				
Disposal of treasury shares				
Gain of treasury stock disposal			143,850	143,850
Net changes in items other than shareholders' equity				
Total changes during period	-	-	143,850	143,850
Balance at end of period	292,500	337,400	143,850	481,250

	Shareholders' equity			
	Legal retained earnings	Retained earnings		Total retained earnings
		General reserve	Retained earnings brought forward	
Balance at beginning of period	20,000	8,140,000	433,408	8,593,408
Changes during period				
Dividends of surplus			(335,891)	(335,891)
Profit			310,445	310,445
Provision of general reserve				
Purchase of treasury shares				
Disposal of treasury shares				
Gain of treasury stock disposal				
Net changes in items other than shareholders' equity				
Total changes during period	-	-	(25,446)	(25,446)
Balance at end of period	20,000	8,140,000	407,962	8,567,962

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(841,395)	8,381,912	30,219	30,219	8,412,131
Changes during period					
Dividends of surplus		(335,891)			(335,891)
Profit		310,445			310,445
Provision of general reserve					-
Purchase of treasury shares	(187)	(187)			(187)
Disposal of treasury shares	149,299	149,299			149,299
Gain of treasury stock disposal		143,850			143,850
Net changes in items other than shareholders' equity			9,305	9,305	9,305
Total changes during period	149,111	267,516	9,305	9,305	276,822
Balance at end of period	(692,283)	8,649,428	39,525	39,525	8,688,953

(4) Non-consolidated Statement of Cash Flows

	(Thousands of yen)	
	FY6/21	FY6/22
	(Jul. 1, 2020 – Jun. 30, 2021)	(Jul. 1, 2021 – Jun. 30, 2022)
Cash flows from operating activities		
Profit before income taxes	389,642	443,881
Depreciation	181,233	154,284
Amortization of long-term prepaid expenses	340	80
Share-based remuneration expenses	-	62,169
Loss on retirement of non-current assets	341	574
Increase (decrease) in allowance for doubtful accounts	(327)	(274)
Increase (decrease) in provision for bonuses for directors (and other officers)	(1,700)	1,400
Increase (decrease) in provision for retirement benefits	(22,410)	24,563
Increase (decrease) in provision for retirement benefits for directors (and other officers)	9,390	10,630
Interest and dividend income	(6,569)	(7,108)
Decrease (increase) in trade receivables	(65,098)	20,354
Decrease (increase) in inventories	(19,723)	(11,417)
Increase (decrease) in trade payables	1,635	2,476
Increase (decrease) in accounts payable - other	25,448	4,443
Other, net	(904)	4,971
Subtotal	491,297	711,028
Interest and dividends received	6,705	7,108
Income taxes refund (paid)	(105,753)	(111,944)
Net cash provided by (used in) operating activities	392,250	606,192
Cash flows from investing activities		
Decrease (increase) in time deposits	(388)	(152)
Purchase of property, plant and equipment	(133,771)	(184,059)
Purchase of intangible assets	(2,232)	(1,120)
Other, net	(1,150)	216
Net cash provided by (used in) investing activities	(137,543)	(185,115)
Cash flows from financing activities		
Purchase of treasury shares	(60)	(187)
Dividends paid	(239,808)	(335,549)
Repayments of lease obligations	(713)	(904)
Net cash provided by (used in) financing activities	(240,581)	(336,641)
Net increase (decrease) in cash and cash equivalents	14,125	84,434
Cash and cash equivalents at beginning of period	1,028,987	1,043,113
Cash and cash equivalents at end of period	1,043,113	1,127,547

(5) Notes to Non-consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Significant Changes in Shareholders' Equity

A-ONE SEIMITSU sold 213,200 shares of restricted stock as compensation for employees 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 fiscal year to 692 million yen at the end of June 2022. A gain of 143 million yen was recorded on the sale of treasury stock and capital surplus increased by the same amount.

The cost of manufacturing includes employee stock compensation expenses of 50 million yen and selling, general and administrative expenses include 6 million yen of these compensation expenses.

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 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, we apply 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.

The effect of this change on profit and loss for the current fiscal year is insignificant. This change has no impact on the beginning balance of retained earnings.

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 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 financial statements.

Reclassifications**Non-consolidated Statement of Income**

"Gain on sale of scraps," which was included in "Other" under non-operating income in the previous year, is presented separately from the current fiscal year since the amount is more than 10/100 of total non-operating income. To conform to this change, the financial statements for the previous year are reclassified.

As a results, "Other" (1,536 thousand yen) under non-operating income presented in the previous fiscal year's non-consolidated statement of income is reclassified and divided into "Other" (975 thousand yen) and "Gain on sale of scraps" of 561 thousand yen.

Revenue Recognition

1. Notes to Revenue Recognition

(1) Information on revenue from contracts with customers broken down

FY6/22 (Jul. 1, 2021 – June 30, 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	1,305,867	145,761	-	145,761	19,465	1,471,093
Other	-	-	396,967	396,967	-	396,967
Revenue from contracts with customers broken down	1,305,867	145,761	396,967	542,728	19,465	1,868,061
Other revenue	-	-	-	-	-	-
External sales	1,305,867	145,761	396,967	542,728	19,465	1,868,061

(2) Information concerning the basis for revenue from contracts with customers

As described in “3. Non-consolidated Financial Statements and Notes, (5) Notes to Non-consolidated Financial Statements.”

(3) Relationship between fulfillment of contractual obligations to customers and the associated cash flows and information about revenue expected to be recognized in subsequent fiscal years, and timing of recognition, due to contracts with customers as of the end of June 2022

1) Contractual assets and contractual liabilities, etc.

This information is omitted because the amounts of these assets and liabilities are immaterial.

2) Transaction prices allocated to contractual obligations

Information about transaction prices allocated to remaining contractual obligations is omitted because there are no contracts with a period of more than one year.

Segment and Other Information

Segment information

1. Overview of reportable segment

Segments used for financial reporting are the constituent units of A-One Seimitsu for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

There are three reportable segments: Collet Chucks, Cutting Tools, and Automatic Lathe Cams. Each segment is responsible for planning and other decision-making regarding its products and services.

The Collet Chucks segment manufactures and sells collet chucks for small automatic lathes, general-purpose industrial machinery and specialized machinery. The Cutting Tools segment regrinds blades used in cutting processing and manufactures and regrinds specialty cutting tools. The Automatic Lathe Cams segment manufactures and sells cams used in small automatic lathes and specialized machinery.

2. Information related to net sales, profit or loss, assets, liabilities and other items for each reportable segment

FY6/21 (Jul. 1, 2020 – Jun. 30, 2021)

(Thousands of yen)

	Reportable segment				Adjustment (Note 1)	Amounts shown on non-consolidated financial statements (Note 2)
	Collet Chucks	Cutting Tools	Automatic Lathe Cams	Total		
Net sales						
External sales	1,167,349	481,458	21,045	1,669,853	-	1,669,853
Inter-segment sales and transfers	-	-	-	-	-	-
Total	1,167,349	481,458	21,045	1,669,853	-	1,669,853
Segment profit	543,732	95,036	8,654	647,423	(268,615)	378,807
Segment assets	993,773	679,626	23,504	1,696,905	7,399,571	9,096,477
Other items						
Depreciation	78,619	95,009	731	174,360	6,872	181,233
Increase in property, plant and equipment and intangible assets	28,721	98,683	-	127,404	11,839	139,244

Notes: 1. Adjustment includes followings:

- (1) The adjustment to segment profit includes common expenses of (8,840) thousand yen at the manufacturing department and selling, general and administrative expenses that are not attributable to any of the reportable segments.
 - (2) The adjustment to segment assets are corporate assets that are not allocated to any of the reportable segments and mainly consist of cash and deposits and investment securities.
2. Segment profit is adjusted to be consistent with operating profit shown on the non-consolidated statement of income.

FY6/22 (Jul. 1, 2021 – Jun. 30, 2022)

(Thousands of yen)

	Reportable segment				Adjustment (Note 1)	Amounts shown on non-consolidated financial statements (Note 2)
	Collet Chucks	Cutting Tools	Automatic Lathe Cams	Total		
Net sales						
External sales	1,305,867	542,728	19,465	1,868,061	-	1,868,061
Inter-segment sales and transfers	-	-	-	-	-	-
Total	1,305,867	542,728	19,465	1,868,061	-	1,868,061
Segment profit	607,534	114,789	6,086	728,410	(295,338)	433,071
Segment assets	974,881	698,576	22,053	1,695,511	7,783,973	9,479,485
Other items						
Depreciation	69,272	77,101	351	146,725	7,558	154,284
Increase in property, plant and equipment and intangible assets	65,193	101,067	-	166,260	18,387	184,647

Notes: 1. Adjustment includes followings:

- (1) The adjustment to segment profit includes common expenses of (8,190) thousand yen at the manufacturing department and selling, general and administrative expenses that are not attributable to any of the reportable segments.
 - (2) The adjustment to segment assets are corporate assets that are not allocated to any of the reportable segments and mainly consist of cash and deposits and investment securities.
2. Segment profit is adjusted to be consistent with operating profit shown on the non-consolidated statement of income.

Related information

FY6/21 (Jul. 1, 2020 – Jun. 30, 2021)

1. Information by product or service

This information is omitted because the same information is disclosed in the segment information.

2. Information by region

(1) Net sales

(Thousands of yen)		
Japan	Asia	Total
1,500,043	169,809	1,669,853

Note: Classification of net sales is based on the location of customers and categorized by country or region.

(2) Property, plant and equipment

Not applicable because there are no property, plant and equipment outside Japan.

3. Information by major client

No information is provided because no specific external customer accounts for 10% or more of net sales in the non-consolidated statement of income.

FY6/22 (Jul. 1, 2021 – Jun. 30, 2022)

1. Information by product or service

This information is omitted because the same information is disclosed in the segment information.

2. Information by region

(1) Net sales

(Thousands of yen)		
Japan	Asia	Total
1,672,270	195,790	1,868,061

Note: Classification of net sales is based on the location of customers and categorized by country or region.

(2) Property, plant and equipment

Not applicable because there are no property, plant and equipment outside Japan.

3. Information by major client

No information is provided because no specific external customer accounts for 10% or more of net sales in the non-consolidated statement of income.

Information related to impairment losses on non-current assets for each reportable segment

Not applicable.

Information related to goodwill amortization and the unamortized balance for each reportable segment

Not applicable.

Information related to gain on bargain purchase for each reportable segment

Not applicable.

Per-share Information

(Yen)

	FY6/21 (Jul. 1, 2020 – Jun. 30, 2021)	FY6/22 (Jul. 1, 2021 – Jun. 30, 2022)
Net assets per share	1,753.09	1,733.79
Net income per share	55.97	63.24

Notes: 1. Diluted net income per share is not presented because there are no potential shares with dilutive effects.

2. The basis for calculating net income per share is as follows.

(Thousands of yen, unless otherwise stated)

	FY6/21 (Jul. 1, 2020 – Jun. 30, 2021)	FY6/22 (Jul. 1, 2021 – Jun. 30, 2022)
Net income per share		
Profit	268,560	310,445
Amount not attributable to common shareholders	-	-
Profit attributable to common shareholders of parent	268,560	310,445
Average number of shares of common stock during the period (shares)	4,798,478	4,908,819

3. The basis for calculating net assets per share is as follows.

(Thousands of yen, unless otherwise stated)

	FY6/21 (As of Jun. 30, 2021)	FY6/22 (As of Jun. 30, 2022)
Total net assets	8,412,131	8,688,953
Deduction on total net assets	-	-
Net assets applicable to common shares at end of period	8,412,131	8,688,953
Number of common shares used in calculation of net assets per share at end of period (shares)	4,798,451	5,011,540

Material Subsequent Events

Not applicable.

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.