

**Non-consolidated Financial Results for the
Third Quarter of the Fiscal Year Ending June 30, 2023
(Nine Months Ended March 31, 2023)**

[Japanese GAAP]

May 10, 2023

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Scheduled date of filing of Quarterly Report: May 12, 2023
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, 2023
(July 1, 2022 to March 31, 2023)**

(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, 2023	1,332	(5.9)	242	(30.7)	242	(32.1)	165	(33.0)
Nine months ended Mar. 31, 2022	1,416	18.2	350	36.2	357	35.2	246	35.2

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Mar. 31, 2023	32.95	-
Nine months ended Mar. 31, 2022	50.50	-

(2) Financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Mar. 31, 2023	9,121	8,379	91.9
As of Jun. 30, 2022	9,479	8,688	91.7

Reference: Shareholders' equity (millions of yen) As of Mar. 31, 2023: 8,379 As of Jun. 30, 2022: 8,688

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Jun. 30, 2022	-	0.00	-	100.00	100.00
Fiscal year ending Jun. 30, 2023	-	0.00	-		
Fiscal year ending Jun. 30, 2023 (forecast)				100.00	100.00

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

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
Full year	1,780	(4.7)	302	(30.3)	306	(31.2)	214	(31.1)	42.74

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, 2023:	6,000,000 shares	As of Jun. 30, 2022:	6,000,000 shares
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2) Number of treasury shares as of the end of the period

As of Mar. 31, 2023:	994,460 shares	As of Jun. 30, 2022:	988,460 shares
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3) Average number of outstanding shares during the period

Nine months ended Mar. 31, 2023:	5,007,175 shares	Nine months ended Mar. 31, 2022:	4,874,687 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

During the first nine months of the current fiscal year, economic growth in Japan slowed down as interest rates increased worldwide. Financial instability and other events are also weighing on the Japanese economy.

In Japan's manufacturing sector, sentiment about the economy is declining at large companies as well as at small and midsize companies, where orders have been slowly decreasing since the middle of 2022. Automakers are gradually beginning to step up production as supplies of automotive semiconductors increase. However, there is still no significant upturn in production at automotive parts companies because of inventory reductions and other reasons. In the semiconductor industry, demand was strong until the middle of 2022. Since then, demand for PCs and smartphones needed for remote work and other needs created by the pandemic has declined. Furthermore, demand in the data center and semiconductor memory chip categories has declined and there is also a downturn in some categories of the semiconductor manufacturing machinery sector. Although expenditures for automation and other labor-saving equipment to address a labor shortage are underpinning capital expenditures in Japan, these expenditures are decreasing along with the outlook for the manufacturing sector.

Countries around the world are raising interest rates and implementing tight monetary policies in response to rapidly increasing inflation fueled by rising prices of energy, grain and resources. One cause is geopolitical risk due to friction between the United States and China regarding advanced semiconductor technologies, the Ukraine crisis and other events. The recent upturn in financial stability caused by the sharp decline in bond prices and weakening of the real estate market is also slowing down economic growth.

In the collet chuck segment, there was a gradual slowdown in the processing of mass-produced components. In the automobile industry, production is slowly recovering but inventory reductions are preventing a significant recovery at manufacturers of automotive parts. Due to weakness in the semiconductor sector, orders from semiconductor companies and manufacturers of electronic components associated with semiconductors decreased. As a result, sales of collet chucks slowly decreased during the first three months of 2023.

Segment sales were 920 million yen, down 7.2% year on year, and the segment profit was 397 million yen, down 16.4%.

In the cutting tools segment, the utilization rate of machinery at client companies decreased because there is still no significant recovery among automotive parts manufacturers, which cover many market sectors, and slowing economic growth is holding down capital expenditures for automation and other labor-saving equipment. There was also a decrease in the processing of mass-produced components.

In the market for the fabrication and regrinding of special-order cutting tools, there was a slow increase despite a downturn in the total processing volume in the manufacturing sector. This growth was the result of an increase in new business due to shortening the time between the receipt of orders and deliveries. The result was a 3.5% increase in sales from the same period in the previous fiscal year to 112 million yen.

In the market for regrinding general-purpose cutting tools, performance was affected by a small downturn in the processing of mass-produced components and a decline in the utilization rate of machinery at companies using this service. As a result, sales were down 3.3% from the same period in the previous fiscal year to 289 million yen.

Segment sales were 401 million yen, down 1.5% year on year, and segment profit was 57 million yen, down 37.1%.

In the automatic lathe cams segment, sales and earnings decreased as a decline in mass-produced components processed by using cam-type automatic lathes reduced orders.

Segment sales were 10 million yen, down 34.4% year on year, and segment profit was 636 thousand yen, down 89.0%.

Net sales in the first nine months were 1,332 million yen, down 5.9% year on year. Operating profit decreased 30.7% to 242 million yen, ordinary profit decreased 32.1% to 242 million yen, and profit decreased 33.0% to 165 million yen.

(2) Explanation of Financial Position

Assets

Current assets amounted to 7,440 million yen at the end of the third quarter of the current fiscal year, a decrease of 279 million yen from 7,719 million yen at the end of the previous fiscal year. This is mainly due to decreases of 267 million yen in cash and deposits, 29 million yen in notes and accounts receivable – trade, and 2 million yen in prepaid expenses, which were partially offset by increases of 13 million yen in work in process and 7 million yen in raw materials.

Non-current assets amounted to 1,681 million yen, a decrease of 77 million yen from 1,759 million yen at the end of the previous fiscal year. This is mainly due to decreases of 73 million yen in long-term prepaid expenses, 42 million yen in machinery, equipment and vehicles, and 16 million yen in buildings and structures, which were partially offset by increases of 38 million yen in investment securities and 16 million yen in deferred tax assets.

As a result, total assets at the end of the third quarter of the current fiscal year were 9,121 million yen, compared with 9,479 million yen at the end of the previous fiscal year.

Liabilities

Current liabilities amounted to 205 million yen at the end of the third quarter of the current fiscal year, a decrease of 59 million yen from 265 million yen at the end of the previous fiscal year. This is mainly due to decreases of 88 million yen in income taxes payable and 5 million yen in provision for bonuses for directors (and other officers), which was partially offset by an increase of 31 million yen in accounts payable – other.

Non-current liabilities amounted to 536 million yen, an increase of 11 million yen from 525 million yen at the end of the previous fiscal year. This is mainly due to a decrease of 4 million yen in provision for retirement benefits for directors (and other officers), which was partially offset by an increase of 10 million yen in provision for retirement benefits.

As a result, total liabilities at the end of the third quarter of the current fiscal year were 742 million yen, compared with 790 million yen at the end of the previous fiscal year.

Net assets

Net assets totaled 8,379 million yen, a decrease of 309 million yen from 8,688 million yen at the end of the previous fiscal year. This was mainly due to an increase of 26 million yen in valuation difference on available-for-sale securities, which was partially offset by a decrease of 336 million yen in retained earnings.

(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 January 31, 2023.

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

(Thousands of yen)

	FY6/22 (As of Jun. 30, 2022)	Third quarter of FY6/23 (As of Mar. 31, 2023)
Assets		
Current assets		
Cash and deposits	6,965,864	6,698,121
Notes and accounts receivable - trade	386,287	356,652
Finished goods	3,428	2,033
Raw materials	31,906	39,844
Work in process	233,739	247,479
Prepaid expenses	97,716	94,966
Other	933	999
Allowance for doubtful accounts	(158)	(44)
Total current assets	7,719,717	7,440,053
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	442,625	425,731
Machinery, equipment and vehicles, net	496,636	453,699
Land	333,534	333,534
Other, net	11,117	12,386
Total property, plant and equipment	1,283,914	1,225,352
Intangible assets	3,850	3,171
Investments and other assets		
Investment securities	145,388	183,854
Long-term prepaid expenses	138,745	65,522
Deferred tax assets	187,529	203,820
Other	879	729
Allowance for doubtful accounts	(540)	(540)
Total investments and other assets	472,002	453,386
Total non-current assets	1,759,767	1,681,910
Total assets	9,479,485	9,121,963
Liabilities		
Current liabilities		
Accounts payable - trade	18,589	17,665
Accounts payable - other	89,866	121,509
Income taxes payable	115,450	26,957
Provision for bonuses for directors (and other officers)	10,700	5,700
Other	30,884	34,149
Total current liabilities	265,490	205,982
Non-current liabilities		
Provision for retirement benefits	376,525	386,645
Provision for retirement benefits for directors (and other officers)	139,540	135,190
Other	8,975	14,447
Total non-current liabilities	525,040	536,282
Total liabilities	790,531	742,265

	(Thousands of yen)	
	FY6/22 (As of Jun. 30, 2022)	Third quarter of FY6/23 (As of Mar. 31, 2023)
Net assets		
Shareholders' equity		
Share capital	292,500	292,500
Capital surplus	481,250	481,250
Retained earnings	8,567,962	8,231,818
Treasury shares	(692,283)	(692,283)
Total shareholders' equity	8,649,428	8,313,285
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	39,525	66,412
Total valuation and translation adjustments	39,525	66,412
Total net assets	8,688,953	8,379,698
Total liabilities and net assets	9,479,485	9,121,963

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

	(Thousands of yen)	
	First nine months of FY6/22 (Jul. 1, 2021 – Mar. 31, 2022)	First nine months of FY6/23 (Jul. 1, 2022 – Mar. 31, 2023)
Net sales	1,416,049	1,332,791
Cost of sales	849,777	884,111
Gross profit	566,271	448,680
Selling, general and administrative expenses	216,259	206,286
Operating profit	350,011	242,393
Non-operating income		
Interest income	140	141
Dividend income	3,429	3,834
Electricity sale income	1,775	420
Reversal of allowance for doubtful accounts	-	110
Gain on sale of scraps	994	818
Other	668	911
Total non-operating income	7,007	6,237
Non-operating expenses		
Loss on extinguishment of share-based remuneration expenses	-	6,187
Total non-operating expenses	-	6,187
Ordinary profit	357,019	242,443
Extraordinary losses		
Loss on retirement of non-current assets	574	0
Total extraordinary losses	574	0
Profit before income taxes	356,445	242,443
Income taxes - current	130,830	105,302
Income taxes - deferred	(20,541)	(27,869)
Total income taxes	110,289	77,433
Profit	246,156	165,010

(3) Notes to Quarterly Non-consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Changes in Accounting Policies

Implementation Guidance on Application of the Accounting Standard for Fair Value Measurement

A-One Seimitsu have applied the Implementation Guidance on Accounting Standard for Fair Value Measurement (Accounting Standards Board of Japan (ASBJ) Statement No. 31 issued on June 17, 2021; hereinafter the "Implementation Guidance on 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 27-2 of the Implementation Guidance on Fair Value Measurement Accounting Standard, we have decided to prospectively apply the new accounting policy set forth in the Implementation Guidance on Fair Value Measurement Accounting Standard, etc. This decision has no impact on the quarterly financial statements.

Non-consolidated Statement of Income

A-One Seimitsu acquired at no cost all 6,000 shares of its common stock that was distributed as restricted stock compensation to employees who subsequently resigned, as provided for in the restricted stock allocation contract. The cost of stock compensation for the 6,000 shares for the remaining portion of the contract period, which was recognized on the balance sheet as prepaid expenses and long-term prepaid expenses, was extinguished and a non-operating expense for a loss on the extinguishment of the cost of stock compensation was recognized.

Segment and Other Information

Segment information

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

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

(Thousands of yen)

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

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

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

II. First nine months of FY6/23 (Jul. 1, 2022 – Mar. 31, 2023)

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	920,642	401,768	10,380	1,332,791	-	1,332,791
Inter-segment sales and transfers	-	-	-	-	-	-
Total	920,642	401,768	10,380	1,332,791	-	1,332,791
Segment profit	397,238	57,550	636	455,425	(213,032)	242,393

Notes: 1. The adjustment to segment profit includes common expenses of (6,745) 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 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

First nine months of FY6/23 (Jul. 1, 2022 – Mar. 31, 2023)

(Thousands of yen)

	Reportable segment					Total
	Collet Chucks	Cutting Tools			Automatic Lathe Cams	
		Fabrication and Regrinding of Special-order Cutting Tools	Regrinding of general-purpose Cutting Tools	Subtotal		
Manufacture of tools	920,642	112,328	-	112,328	10,380	1,043,351
Other	-	-	289,439	289,439	-	289,439
Revenue from contracts with customers broken down	920,642	112,328	289,439	401,768	10,380	1,332,791
Other revenue	-	-	-	-	-	-
External sales	920,642	112,328	289,439	401,768	10,380	1,332,791

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.