

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

November 10, 2022

Company name: Ashimori Industry Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 3526 URL <https://www.ashimori.co.jp>  
 Representative: President Shigeyuki Washine  
 Inquiries: General Manager, Finance&Accounting Dept. Hiroki Kane TEL 06-6105-1863  
 Scheduled date to file Quarterly Securities Report: November 10, 2022  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2022	29,087	20.3	444	–	1,169	–	1,036	–
Six months ended September 30, 2021	24,182	15.1	(1,019)	–	(652)	–	(646)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	172.58	172.22
Six months ended September 30, 2021	(107.64)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	51,828	17,955	34.6
As of March 31, 2022	50,283	17,263	34.3

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	–	0.00	–	25.00	25.00
Year ending March 31, 2023	–	0.00	–	–	–
Year ending March 31, 2023 (Forecast)	–	–	–	50.00	50.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	57,000	6.5	1,300	142.5	1,250	86.1	1,000	96.0	166.52

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2022	6,056,939 shares	As of March 31, 2022	6,056,939 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	51,823 shares	As of March 31, 2022	51,606 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	6,005,246 shares	Six months ended September 30, 2021	6,004,197 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	2,390	4,207
Notes and accounts receivable - trade, and contract assets	13,420	12,518
Electronically recorded monetary claims - operating	2,013	1,456
Merchandise and finished goods	2,147	2,480
Work in process	1,237	1,475
Raw materials and supplies	7,327	7,767
Other	1,718	1,439
Allowance for doubtful accounts	(194)	(167)
Total current assets	30,062	31,176
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,230	5,452
Machinery, equipment and vehicles, net	3,650	3,670
Tools, furniture and fixtures, net	1,546	1,481
Land	5,606	5,683
Leased assets, net	36	64
Construction in progress	632	688
Total property, plant and equipment	16,704	17,041
Intangible assets		
Goodwill	761	680
Other	275	276
Total intangible assets	1,037	956
Investments and other assets		
Investment securities	1,247	1,290
Long-term loans receivable	0	–
Deferred tax assets	760	875
Retirement benefit asset	265	280
Other	226	224
Allowance for doubtful accounts	(20)	(17)
Total investments and other assets	2,479	2,653
Total non-current assets	20,221	20,651
Total assets	50,283	51,828

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	6,074	6,191
Electronically recorded obligations - operating	4,628	3,776
Short-term borrowings	4,960	3,369
Current portion of long-term borrowings	2,158	2,946
Lease liabilities	16	17
Accounts payable - other	1,084	1,022
Income taxes payable	162	195
Accrued consumption taxes	25	172
Derivatives liabilities	4	804
Provision for bonuses	499	649
Provision for bonuses for directors (and other officers)	8	–
Provision for product warranties	97	85
Other provisions	213	60
Other	1,500	1,647
Total current liabilities	21,435	20,938
Non-current liabilities		
Bonds payable	3,000	3,000
Long-term borrowings	6,438	7,691
Lease liabilities	33	61
Provision for product warranties	30	25
Retirement benefit liability	1,969	2,041
Asset retirement obligations	29	29
Other	84	84
Total non-current liabilities	11,584	12,933
Total liabilities	33,020	33,872
<b>Net assets</b>		
Shareholders' equity		
Share capital	8,388	8,388
Capital surplus	1,632	1,632
Retained earnings	7,120	8,006
Treasury shares	(151)	(152)
Total shareholders' equity	16,989	17,875
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	212	227
Deferred gains or losses on hedges	(4)	(805)
Foreign currency translation adjustment	(4)	580
Remeasurements of defined benefit plans	32	39
Total accumulated other comprehensive income	235	41
Share acquisition rights	21	21
Non-controlling interests	17	17
Total net assets	17,263	17,955
<b>Total liabilities and net assets</b>	<b>50,283</b>	<b>51,828</b>

## Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

### Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	24,182	29,087
Cost of sales	21,928	25,459
Gross profit	2,253	3,628
Selling, general and administrative expenses	3,272	3,183
Operating profit (loss)	(1,019)	444
Non-operating income		
Interest income	7	5
Dividend income	10	15
Rental income	11	18
Foreign exchange gains	299	698
Subsidy income	81	50
Other	63	73
Total non-operating income	472	862
Non-operating expenses		
Interest expenses	65	75
Share of loss of entities accounted for using equity method	15	33
Other	24	28
Total non-operating expenses	106	137
Ordinary profit (loss)	(652)	1,169
Extraordinary income		
Gain on sale of investment securities	2	–
Gain on sale of land	–	4
Total extraordinary income	2	4
Extraordinary losses		
Product warranty loss	50	–
Total extraordinary losses	50	–
Profit (loss) before income taxes	(700)	1,173
Income taxes - current	189	175
Income taxes - deferred	(242)	(37)
Total income taxes	(53)	137
Profit (loss)	(646)	1,036
Profit (loss) attributable to non-controlling interests	(0)	0
Profit (loss) attributable to owners of parent	(646)	1,036

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit (loss)	(646)	1,036
Other comprehensive income		
Valuation difference on available-for-sale securities	11	15
Deferred gains or losses on hedges	(74)	(800)
Foreign currency translation adjustment	176	531
Remeasurements of defined benefit plans	1	6
Share of other comprehensive income of entities accounted for using equity method	28	54
Total other comprehensive income	144	(194)
Comprehensive income	(502)	842
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(502)	842
Comprehensive income attributable to non-controlling interests	(0)	0

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit (loss) before income taxes	(700)	1,173
Depreciation	910	956
Amortization of goodwill	81	81
Increase (decrease) in net defined benefit asset or liability	34	9
Interest and dividend income	(17)	(20)
Interest expenses	65	75
Foreign exchange losses (gains)	(118)	(524)
Share of loss (profit) of entities accounted for using equity method	15	33
Loss (gain) on sale of investment securities	(2)	–
Loss (gain) on sale of land	–	(4)
Decrease (increase) in trade receivables	5,291	1,896
Decrease (increase) in inventories	(1,959)	(388)
Increase (decrease) in trade payables	(1,582)	(1,262)
Decrease (increase) in other current assets	(385)	155
Increase (decrease) in accounts payable - other	57	(70)
Increase (decrease) in accrued consumption taxes	(269)	147
Other, net	163	132
Subtotal	1,584	2,392
Interest and dividends received	15	22
Interest paid	(65)	(75)
Income taxes paid	(531)	(172)
Income taxes refund	102	266
Net cash provided by (used in) operating activities	1,106	2,433
Cash flows from investing activities		
Payments into time deposits	(352)	(4)
Proceeds from withdrawal of time deposits	170	1
Purchase of property, plant and equipment	(3,689)	(902)
Proceeds from sale of property, plant and equipment	90	146
Purchase of intangible assets	(6)	(28)
Purchase of investment securities	(13)	(21)
Proceeds from sale of investment securities	4	–
Proceeds from collection of loans receivable	0	0
Other, net	(6)	6
Net cash provided by (used in) investing activities	(3,802)	(801)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	151	(1,688)
Proceeds from long-term borrowings	2,753	2,911
Repayments of long-term borrowings	(807)	(1,018)
Purchase of treasury shares	(0)	(0)
Repayments of lease liabilities	(3)	(36)
Dividends paid	–	(150)
Net cash provided by (used in) financing activities	2,093	17
Effect of exchange rate change on cash and cash equivalents	37	146
Net increase (decrease) in cash and cash equivalents	(565)	1,796
Cash and cash equivalents at beginning of period	5,574	2,181
Cash and cash equivalents at end of period	5,008	3,978