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[Delayed]Summary of Consolidated Financial Results for the Fiscal Year Ended August 31,2022 (Based on Japanese GAAP)

October 14,2022

Company name: Asterisk Inc.
 Listing: Tokyo
 Securities code: 6522
 URL: <https://www.asx.co.jp/>
 Representative: President Noriyuki Suzuki
 Inquiries: Management Director Kazuya Yamamoto
 Telephone: +81-050-5838-7864
 Scheduled date of annual general meeting of shareholders: November 25,2022
 Scheduled date to commence dividend payments: —
 Scheduled date to file annual securities report: November 25,2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for Institutional investors, individual investors, analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended August 31,2022 (from September 1,2021 to August 31,2022)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
August 31,2022	2,407	34.3	400	76.6	473	98.3	322	85.5
August 31,2021	1,792	28.2	226	102.0	238	135.3	173	152.1

Note: Comprehensive income Fiscal year ended August 31,2022: ¥ 320 Million [81.9%]
 Fiscal year ended August 31,2021: ¥ 176 Million [157.9%]

Fiscal year ended	Earnings per share	Diluted earnings per share	Return on equity	Ordinary profit / total assets	Operating profit / net sales
	Yen	Yen	%	%	%
August 31,2022	46.82	45.06	25.3	23.7	16.6
August 31,2021	33.96	—	45.2	18.8	12.6

Reference: Equity in net income of affiliates Fiscal year ended August 31,2022: ¥ — million
 Fiscal year ended August 31,2021: ¥ — million

(2) Consolidated financial position

Fiscal year ended	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
August 31,2022	2,519	2,072	82.2	293.71
August 31,2021	1,479	472	32.0	92.37

Reference: Equity As of August 31,2022: ¥ 2,072 Million
 As of August 31,2021: ¥ 472 Million

(3) Consolidated 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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
August 31,2022	300	-518	780	936
August 31,2021	380	-303	16	348

2. Dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
August 31,2022	—	0.00	—	0.00	0.00	—	—	—
August 31,2021	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending August 31,2023 (Forecast)	—	0.00	—	0.00	0.00		—	

3. Forecast of consolidated financial results for the year ending August 31,2023 (from September 1,2022 to August 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
Six months ending February 28,2022	1,056	-23.1	-0	—	-0	—	5	-96.7	0.85
Full year	2,906	20.7	443	10.9	443	-6.3	314	-2.5	45.64

4. Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of August 31,2022	7,055,400 shares
As of August 31,2021	5,120,000 shares

- (ii) Number of treasury shares at the end of the period

As of August 31,2022	— shares
As of August 31,2021	— shares

- (iii) Average number of shares outstanding during the period

Year Ended August 31,2022	6,889,230 shares
Year Ended August 31,2021	5,120,000 shares

Consolidated Financial Statements
Consolidated Balance Sheets

(Thousands of yen)

	As of August 31,2021	As of August 31,2022
Assets		
Current assets		
Cash and deposits	349,321	936,086
Accounts receivable-trade, and contract assets	—	328,675
Accounts receivable - trade	164,689	—
Merchandise and finished goods	481,284	276,415
Raw materials and supplies	62,517	44,080
Other	39,461	70,723
Allowance for doubtful accounts	-1,305	-2,905
Total current assets	1,095,969	1,653,075
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings	1,993	1,993
Accumulated depreciation	-442	-642
Facilities attached to buildings, net	1,550	1,351
Vehicles	641	641
Accumulated depreciation	-534	-641
Vehicles, net	106	0
Tools, furniture and fixtures	127,468	134,086
Accumulated depreciation	-118,440	-122,926
Tools, furniture and fixtures, net	9,027	11,160
Land	292,589	292,589
Construction in progress	—	380,076
Total property, plant and equipment	303,274	685,177
Intangible assets	12,653	17,593
Investments and other assets		
Investment securities	—	104,000
Deferred tax assets	55,690	48,914
Other	12,486	11,146
Allowance for doubtful accounts	-355	-355
Total investments and other assets	67,821	163,705
Total non-current assets	383,750	866,477
Total assets	1,479,719	2,519,553

(Thousands of yen)

	As of August 31,2021	As of August 31,2022
Liabilities		
Current liabilities		
Accounts payable - trade	162,873	163,265
Short-term borrowings	361,000	—
Current portion of long-term borrowings	56,755	—
Accounts payable - other	40,727	35,601
Income taxes payable	119,084	116,868
Contract liabilities	—	53,619
Provision for bonuses	38,936	43,710
Provision for product warranties	11,183	17,245
Provision for loss on orders received	1	4,781
Other	134,119	10,597
Total current liabilities	924,681	445,689
Non-current liabilities		
Long-term borrowings	80,477	—
Asset retirement obligations	1,643	1,643
Total non-current liabilities	82,120	1,643
Total liabilities	1,006,801	447,333
Net assets		
Shareholders' equity		
Share capital	150,000	789,412
Capital surplus	140,000	779,412
Retained earnings	179,091	501,633
Total shareholders' equity	469,091	2,070,458
Accumulated other comprehensive income		
Foreign currency translation adjustment	3,825	1,761
Total accumulated other comprehensive income	3,825	1,761
Total net assets	472,917	2,072,219
Total liabilities and net assets	1,479,719	2,519,553

Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Thousands of yen)

	Fiscal year ended August 31,2021	Fiscal year ended August 31,2022
Net sales	1,792,912	2,407,387
Cost of sales	955,677	1,320,359
Gross profit	837,234	1,087,027
Selling, general and administrative expenses	610,585	686,823
Operating profit	226,649	400,204
Non-operating income		
Interest and dividend income	25	122
Miscellaneous income	1,251	1,286
Foreign exchange gains	15,185	72,243
Total non-operating income	16,462	73,653
Non-operating expenses		
Interest expenses	4,261	23
Other	—	108
Total non-operating expenses	4,261	132
Ordinary profit	238,850	473,724
Extraordinary income		
Gain on sale of patent right	18,000	—
Subsidy income	9,473	981
Insurance claim income	33	—
Other	56	—
Total extraordinary income	27,562	981
Extraordinary losses		
Loss on retirement of non-current assets	—	0
Total extraordinary losses	—	0
Profit before income taxes	266,413	474,706
Income taxes - current	121,424	152,703
Income taxes - deferred	-28,867	-539
Total income taxes	92,556	152,164
Profit	173,856	322,542
Profit attributable to owners of parent	173,856	322,542

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Fiscal year ended August 31,2021	Fiscal year ended August 31,2022
Profit	173,856	322,542
Other comprehensive income		
Foreign currency translation adjustment	2,346	-2,064
Total other comprehensive income	2,346	-2,064
Comprehensive income	176,203	320,477
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	176,203	320,477
Comprehensive income attributable to non-controlling interests	—	—

Consolidated Statements of Changes in Net Assets
Fiscal year ended August 31,2021

(Thousands of yen)

	Shareholders' equity			
	Share capital	Capital surplus	Retained earnings	Total shareholders' equity
Balance at beginning of period	150,000	140,000	5,234	295,234
Changes during period				
Issuance of new shares				—
Profit attributable to owners of parent			173,856	173,856
Net changes in items other than shareholders' equity				
Total changes during period	—	—	173,856	173,856
Balance at end of period	150,000	140,000	179,091	469,091

	Accumulated other comprehensive income		Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	1,479	1,479	296,714
Changes during period			
Issuance of new shares			—
Profit attributable to owners of parent			173,856
Net changes in items other than shareholders' equity	2,346	2,346	2,346
Total changes during period	2,346	2,346	176,203
Balance at end of period	3,825	3,825	472,917

Fiscal year ended August 31,2022

(Thousands of yen)

	Shareholders' equity			
	Share capital	Capital surplus	Retained earnings	Total shareholders' equity
Balance at beginning of period	150,000	140,000	179,091	469,091
Changes during period				
Issuance of new shares	639,412	639,412		1,278,825
Profit attributable to owners of parent			322,542	322,542
Net changes in items other than shareholders' equity				
Total changes during period	639,412	639,412	322,542	1,601,367
Balance at end of period	789,412	779,412	501,633	2,070,458

	Accumulated other comprehensive income		Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	3,825	3,825	472,917
Changes during period			
Issuance of new shares			1,278,825
Profit attributable to owners of parent			322,542
Net changes in items other than shareholders' equity	-2,064	-2,064	-2,064
Total changes during period	-2,064	-2,064	1,599,302
Balance at end of period	1,761	1,761	2,072,219

Consolidated Statements of Cash Flows

(Thousands of yen)

	Fiscal year ended August 31,2021	Fiscal year ended August 31,2022
Cash flows from operating activities		
Profit before income taxes	266,413	474,706
Depreciation	41,013	18,570
Subsidy income	-9,473	-662
Insurance claim income	-33	—
Gain on sale of patent right	-18,000	—
Increase (decrease) in provision for loss on orders received	1	4,780
Increase (decrease) in provision for product warranties	1,643	6,061
Increase (decrease) in allowance for doubtful accounts	-1,449	1,600
Increase (decrease) in provision for bonuses	14,946	2,964
Interest and dividend income	-25	-122
Loss on retirement of non-current assets	—	5,056
Interest expenses	4,261	23
Decrease (increase) in trade receivables	179,859	-159,618
Decrease (increase) in inventories	-223,638	297,585
Increase (decrease) in trade payables	13,237	-78,623
Decrease (increase) in other current assets	23,049	-16,082
Increase (decrease) in other current liabilities	92,970	-74,105
Increase (decrease) in accounts payable - other	-183	-5,475
Other, net	3,288	-14,079
Subtotal	387,881	462,579
Interest and dividends received	25	122
Interest paid	-3,798	-23
Income taxes paid	-31,235	-163,295
Subsidies received	9,473	662
Proceeds from insurance income	33	—
Proceeds from gain on sale of patent right	18,000	—
Net cash provided by (used in) operating activities	380,379	300,046
Cash flows from investing activities		
Purchase of property, plant and equipment	-302,053	-395,369
Purchase of investment securities	—	-104,000
Loan advances	—	-35,520
Proceeds from collection of loans receivable	—	23,425
Purchase of intangible assets	-1,527	-9,049
Proceeds from withdrawal of time deposits	—	600
Other, net	-52	1,245
Net cash provided by (used in) investing activities	-303,632	-518,668
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	91,000	-361,000
Proceeds from long-term borrowings	90,000	—
Repayments of long-term borrowings	-164,284	-137,232
Proceeds from issuance of shares	—	1,278,825
Net cash provided by (used in) financing activities	16,716	780,593
Effect of exchange rate change on cash and cash equivalents	7,969	25,394
Net increase (decrease) in cash and cash equivalents	101,432	587,364
Cash and cash equivalents at beginning of period	247,289	348,721
Cash and cash equivalents at end of period	348,721	936,086