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Summary of Consolidated Financial Results for the Three Months Ended November 30,2022 (Based on Japanese GAAP)

January 13,2023

Company name: Asterisk Inc.
 Listing: Tokyo
 Securities code: 6522
 URL: <https://www.asx.co.jp/>
 Representative: President Noriyuki Suzuki
 Inquiries: Management Director Kazuya Yamamoto
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 Scheduled date to file quarterly securities report: January 13,2023
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: None

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

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

(1) Consolidated operating results

(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	%
Three months ended								
November 30,2022	316	-56.8	-51	—	-40	—	-35	—
November 30,2021	732	—	80	—	87	—	62	—

Note: Comprehensive income Three months ended November 30,2022: ¥ -30 Million [—%]
 Three months ended November 30,2021: ¥ 64 Million [—%]

	Earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
November 30,2022	-4.99	—
November 30,2021	9.55	9.06

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
November 30,2022	2,315	2,041	88.2
August 31,2022	2,519	2,072	82.2

Reference: Equity As of November 30,2022: ¥ 2,041 Million
 As of August 31,2022: ¥ 2,072 Million

2. Dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
Fiscal year ended	Yen	Yen	Yen	Yen	Yen
August 31,2022	—	0.00	—	0.00	0.00
August 31,2023	—				
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) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (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 November 30,2022	7,055,400 shares
As of August 31,2022	7,055,400 shares

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

As of November 30,2022	— shares
As of August 31,2022	— shares

(iii) Average number of shares outstanding during the period

Three months ended November 30,2022	7,055,400 shares
Three months ended November 30,2021	6,516,100 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters
(Caution regarding forward-looking statements, etc.)

The forward-looking statements in this material, such as forecasts of business performance, are based on the information currently available to us and certain assumptions that we judge to be reasonable, and we promise that we will achieve them. not. In addition, actual results may differ significantly due to various factors.

Quarterly consolidated financial statements and principal notes
Quarterly consolidated balance sheet

(Thousands of yen)

	As of August 31,2022	As of November 30,2022
Assets		
Current assets		
Cash and deposits	936,086	644,256
Accounts receivable-trade, and contract assets	328,675	244,987
Merchandise and finished goods	276,415	339,106
Raw materials and supplies	44,080	49,098
Other	70,723	59,286
Allowance for doubtful accounts	△2,905	△2,079
Total current assets	1,653,075	1,334,655
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings	1,993	1,993
Accumulated depreciation	△642	△691
Facilities attached to buildings, net	1,351	1,301
Vehicles	641	641
Accumulated depreciation	△641	△641
Vehicles, net	0	0
Tools, furniture and fixtures	134,086	139,536
Accumulated depreciation	△122,926	△126,743
Tools, furniture and fixtures, net	11,160	12,793
Land	292,589	292,589
Construction in progress	380,076	380,076
Total property, plant and equipment	685,177	686,760
Intangible assets	17,593	28,430
Investments and other assets		
Investment securities	104,000	205,250
Other	60,060	60,833
Allowance for doubtful accounts	△355	△355
Total investments and other assets	163,705	265,728
Total non-current assets	866,477	980,919
Total assets	2,519,553	2,315,575

(Thousands of yen)

	As of August 31,2022	As of November 30,2022
Liabilities		
Current liabilities		
Accounts payable - trade	163,265	97,220
Income taxes payable	116,868	18,520
Provision for bonuses	43,710	53,323
Provision for product warranties	17,245	4,691
Provision for loss on orders received	4,781	3,612
Other	99,818	95,188
Total current liabilities	445,689	272,558
Non-current liabilities		
Asset retirement obligations	1,643	1,643
Total non-current liabilities	1,643	1,643
Total liabilities	447,333	274,201
Net assets		
Shareholders' equity		
Share capital	789,412	789,412
Capital surplus	779,412	779,412
Retained earnings	501,633	466,445
Total shareholders' equity	2,070,458	2,035,270
Accumulated other comprehensive income		
Foreign currency translation adjustment	1,761	6,103
Total accumulated other comprehensive income	1,761	6,103
Total net assets	2,072,219	2,041,374
Total liabilities and net assets	2,519,553	2,315,575

Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income
 Quarterly consolidated statement of income
 First quarterly consolidated cumulative accounting period

(Thousands of yen)

	Three months ended November 30,2021	Three months ended November 30,2022
Net sales	732,625	316,766
Cost of sales	465,100	217,700
Gross profit	267,525	99,066
Selling, general and administrative expenses	186,674	150,662
Operating profit (loss)	80,850	△51,596
Non-operating income		
Interest and dividend income	3	7
Foreign exchange gains	6,506	10,630
Miscellaneous income	330	823
Total non-operating income	6,839	11,462
Non-operating expenses		
Interest expenses	23	—
Miscellaneous expenses	108	—
Total non-operating expenses	132	—
Ordinary profit (loss)	87,558	△40,134
Extraordinary income		
Subsidy income	125	2,016
Other	5	—
Total extraordinary income	130	2,016
Profit (loss) before income taxes	87,688	△38,118
Income taxes - current	15,693	△1,987
Income taxes - deferred	9,767	△942
Total income taxes	25,460	△2,929
Profit (loss)	62,228	△35,188
Profit (loss) attributable to owners of parent	62,228	△35,188

Quarterly consolidated statement of comprehensive income
First quarterly consolidated cumulative accounting period

(Thousands of yen)

	Three months ended November 30,2021	Three months ended November 30,2022
Profit(loss)	62,228	-35,188
Other comprehensive income		
Foreign currency translation adjustment	1,862	4,342
Total other comprehensive income	1,862	4,342
Comprehensive income(loss)	64,090	-30,845
Comprehensive income(loss) attributable to		
Comprehensive income attributable to owners of parent	64,090	-30,845
Comprehensive income attributable to non-controlling interests	—	—