

## Consolidated Financial Results for the First Three Months of the Fiscal Year Ending September 30, 2023 <under Japanese GAAP>

Company name: ABIST Co., Ltd. Listing: Tokyo Stock Exchange  
 Stock code: 6087 URL: https://www.abist.co.jp  
 Representative: Akira Shin, President  
 Inquiries: Norikazu Maruyama, Executive Director Phone: +81-422-26-5960  
 Scheduled date to submit Quarterly Securities Report: February 10, 2023  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results presentation meeting: Yes

(Rounded down to the nearest million yen)

### 1. Consolidated Performance for the First Three Months of the Fiscal Year Ending September 30, 2023 (from October 1, 2022 to December 31, 2022)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First three months ended								
December 31, 2022	2,364	0.2	243	4.4	245	(11.0)	166	(6.5)
December 31, 2021	2,360	1.8	233	0.3	275	(3.1)	177	(11.2)

Note: Comprehensive income For the first three months ended December 31, 2022: 304 million yen [66.0%]  
 For the first three months ended December 31, 2021: 183 million yen [–12.5%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First three months ended		
December 31, 2022	41.81	–
December 31, 2021	44.71	–

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of			
December 31, 2022	8,118	6,051	74.5
September 30, 2022	8,380	6,152	73.4

Reference: Equity As of December 31, 2022: 6,051 million yen  
 As of September 30, 2022: 6,152 million yen

## 2. Cash Dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 30, 2022	–	0.00	–	102.00	102.00
Fiscal year ending September 30, 2023	–				
Fiscal year ending September 30, 2023 (Forecast)		0.00	–	102.00	102.00

Note: Revisions to the forecasts of cash dividends most recently announced: None

### 3. Consolidated Earnings Forecasts for the Fiscal Year Ending September 30, 2023 (from October 1, 2022 to September 30, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First six months	4,820	3.2	330	(11.5)	330	(25.7)	270	67.9	67.85
Full year	9,900	5.7	740	0.3	740	(11.6)	610	67.6	153.28

Note: Revisions to the earnings forecasts most recently announced: None

\* Notes

- (1) Significant changes to subsidiaries during the period  
(changes in specified subsidiaries accompanying changes in the scope of consolidation): None  
New: – Exclusion: –
- (2) Application of special accounting in preparing consolidated quarterly financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
- |  |      |
|--|------|
| (a) Changes in accounting policies due to revisions to accounting standards and other regulations: | None |
| (b) Changes in accounting principles other than (a):   | None |
| (c) Changes in accounting estimates:   | None |
| (d) Restatement of prior period financial statements after error corrections:                      | None |
- (4) Number of issued shares (common shares)
- |   |                  |
|---|------------------|
| (a) Total number of issued shares at the end of the period (including treasury shares)                        |                  |
| As of December 31, 2022   | 3,980,000 shares |
| As of September 30, 2022  | 3,980,000 shares |
| (b) Number of treasury shares at the end of the period  |                  |
| As of December 31, 2022   | 377 shares       |
| As of September 30, 2022  | 377 shares       |
| (c) Average number of outstanding shares during the period (cumulative from the beginning of the fiscal year) |                  |
| First three months ended December 31, 2022  | 3,979,623 shares |
| First three months ended December 31, 2021  | 3,979,656 shares |

\* Quarterly results are not subject to quarterly review by a certified public accountant or the auditing firm.

\* Cautionary statement regarding forecasts of operating results and special notes  
(Caution regarding forward-looking statements, etc.)

Financial results forecasts and other forward-looking statements contained in this material are based on information available to the Company and certain assumptions that are deemed to be reasonable. Therefore, actual results may differ significantly from these forward-looking statements due to various factors. For more information about these assumptions and other conditions that form the basis of these forecasts, please see page 3 of the Attached Materials of the Consolidated Financial Results, “1. Qualitative Information for Financial Results for the First Three Months, (3) Explanation regarding consolidated earnings forecasts and other forward-looking statements.”

## Table of Contents of the Attached Materials

1. Qualitative Information for Financial Results for the First Three Months .....	2
(1) Explanation regarding operating results .....	2
(2) Explanation regarding financial position .....	3
(3) Explanation regarding consolidated earnings forecasts and other forward-looking statements .....	3
2. Consolidated Financial Statements and Primary Notes .....	4
(1) Consolidated quarterly balance sheets .....	4
(2) Consolidated quarterly statements of income and consolidated quarterly statements of comprehensive income .....	5
(3) Notes to consolidated financial statements .....	7
(Notes on going concern assumption) .....	7
(Notes in the case of material changes in shareholders' equity) .....	7
(Segment information) .....	7
(Matters concerning revenue recognition) .....	8
(Significant subsequent events) .....	9

## 1. Qualitative Information for Financial Results for the First Three Months

### (1) Explanation regarding operating results

During the first three months of the fiscal year ending September 30, 2023, the global economy showed signs of slowing growth, reflecting continued rises in living costs due to the impact of rising resource prices associated with the protracted Ukraine situation and monetary tightening, mainly in Europe and the United States. Looking ahead, there is a possibility of a further economic slowdown, partly due to unpredictability on how the Ukraine situation will be settled, continued monetary tightening, and growing concern over a Chinese economic slowdown.

The Japanese economy achieved a moderate recovery during the three months under review due in part to the effects of various types of policies instituted with an eye to living with COVID-19, despite weakness in some areas, particularly, capital investment. Going forward, it is expected that the economy will continue to recover, although a downturn in overseas economies against the backdrop of continued monetary tightening worldwide poses a risk of putting downward pressure on Japan's own economy. Moreover, close attention needs to be paid to the effects of price rises, supply-side constraints and fluctuations in the financial and capital markets, among other factors, as well as the impact of COVID-19 in China.

In the automobile industry and auto parts industry, where the Abist Group operates its main business, there are production adjustments due to the tight supply of parts, including semiconductors, but the global trend towards decarbonization is continuing, and research and development are expected to accelerate to develop next-generation technologies. With the Group's mainstay Design and Development Outsourcing business considered to be an upstream process in production, there will be no significant direct impact, such as contract cancellations, even if automakers suspend plant operations or reduce production. On the other hand, there may be an impact on business performance in instances such as more severe fluctuations in financial and capital markets, increases in raw material prices and/or a slowdown of overseas economies. Trends in the industry should therefore continue to be watched.

In this business environment, the Group actively promoted its businesses, and in particular its mainstay Design and Development Outsourcing business. The Group consequently posted in the first three months under review consolidated net sales of 2,364 million yen (up 0.2% year on year), an operating profit of 243 million yen (up 4.4%). Operating profit and profit attributable to owners of parent came to 245 million yen (down 11.0% year on year) and 166 million yen (down 6.5% year on year), respectively, registering a decline in profit from the same period of the previous fiscal year in which a subsidy for employment adjustment was posted as subsidy income (non-operating income).

The results in each segment are as follows.

#### (a) Design and Development Outsourcing business

In this segment, net sales stood at 2,311 million yen (up 1.8% year on year), and segment profit (operating profit) came to 444 million yen (down 0.9%). The segment profit (operating profit) margin was 19.2%. The year-on-year decline in profit was attributable to an increase mainly in personnel expenses, although net sales per engineer increased and contributed to higher sales as a result of the implementation of strategic personnel relocations.

#### (b) 3D Printing business

In this segment, the Group worked proactively to make a range of proposals, including those related to DfAM (design for 3D printing). However, with its main customers deferring the time of order placement, net sales came to 21 million yen (down 24.5% year on year) and segment loss (operating loss) stood at 6 million yen (compared to a segment loss (operating loss) of 3 million yen in the same period of the previous fiscal year).

#### (c) Beauty and Health Products Manufacture and Sale business

In this segment, net sales were 16 million yen (down 64.7% year on year) due to the impact of a decrease in orders for OEM products. The segment loss (operating loss) was 6 million yen (compared to a segment loss (operating loss) of 38 million yen in the same period of the previous fiscal year), reflecting the results of an overall review of expenses.

#### (d) Real Estate Leasing business

In this segment, net sales stood at 15 million yen (up 4.6% year on year), and segment profit (operating profit) came to 5 million yen (down 8.6% year on year). The segment profit (operating profit) margin was 35.7%. The result reflected higher expenses including utility expenses for leased properties, although occupancy rates continued to be high.

(2) Explanation regarding financial position

Total assets at the end of the first quarter under review stood at 8,118 million yen, down 261 million yen from the end of the previous consolidated fiscal year. This is attributable mainly to a decrease in cash and deposits due to dividends paid.

Total liabilities stood at 2,067 million yen, a decrease of 160 million yen from the end of the previous consolidated fiscal year. This is chiefly due to a decrease in provision for bonuses.

Net assets fell 101 million yen from the end of the previous fiscal year, to 6,051 million yen, chiefly reflecting a decrease in retained earnings due to the payment of dividends.

(3) Explanation regarding consolidated earnings forecasts and other forward-looking statements

No change has been made to the forecasts for financial results announced on November 9, 2022. If any revision to the financial forecasts becomes necessary in the future, the Company will promptly disclose it.

## 2. Consolidated Financial Statements and Primary Notes

### (1) Consolidated quarterly balance sheets

(Thousand yen)

	As of September 30, 2022	As of December 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	3,851,982	3,656,368
Accounts receivable – trade	1,345,787	1,262,876
Work in process	36,903	50,101
Raw materials and supplies	22,299	22,668
Other	156,482	134,538
Total current assets	5,413,455	5,126,553
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,011,164	1,001,470
Land	1,030,745	1,030,745
Other, net	40,374	35,632
Total property, plant and equipment	2,082,284	2,067,847
Intangible assets	199,372	179,778
Investments and other assets	684,905	744,180
Total non-current assets	2,966,562	2,991,806
Total assets	8,380,017	8,118,359
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	50,000	50,000
Accounts payable - other	569,479	708,572
Income taxes payable	183,734	15,450
Provision for bonuses	350,008	–
Other provisions	27,135	6,079
Other	182,747	400,306
Total current liabilities	1,363,105	1,180,408
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	282,282	292,384
Retirement benefit liability	514,809	527,632
Other	67,131	66,834
Total non-current liabilities	864,223	886,851
Total liabilities	2,227,328	2,067,259
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,026,650	1,026,650
Capital surplus	1,016,650	1,016,650
Retained earnings	4,100,309	3,860,766
Treasury shares	(1,176)	(1,176)
Total shareholders' equity	6,142,432	5,902,889
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	–	135,463
Remeasurements of defined benefit plans	10,257	12,747
Total accumulated other comprehensive income	10,257	148,210
Total net assets	6,152,689	6,051,099
Total liabilities and net assets	8,380,017	8,118,359

## (2) Consolidated quarterly statements of income and consolidated quarterly statements of comprehensive income

## Consolidated quarterly statements of income

First three-month period

(Thousand yen)

	First three months ended December 31, 2021	First three months ended December 31, 2022
Net sales	2,360,031	2,364,849
Cost of sales	1,738,637	1,737,627
Gross profit	621,394	627,221
Selling, general and administrative expenses	387,747	383,222
Operating profit	233,647	243,998
Non-operating income		
Commission income	157	156
Subsidy income	42,121	1,301
Other	103	70
Total non-operating income	42,382	1,528
Non-operating expenses		
Interest expenses	77	52
Total non-operating expenses	77	52
Ordinary profit	275,952	245,474
Profit before income taxes	275,952	245,474
Income taxes - current	4,088	3,645
Income taxes - deferred	93,934	75,450
Total income taxes	98,023	79,095
Profit	177,928	166,378
Profit attributable to owners of parent	177,928	166,378

Consolidated quarterly statements of comprehensive income  
 First three-month period

(Thousand yen)

	First three months ended December 31, 2021	First three months ended December 31, 2022
Profit	177,928	166,378
Other comprehensive income		
Valuation difference on available-for-sale securities	–	135,463
Remeasurements of defined benefit plans, net of tax	5,378	2,490
Total other comprehensive income	5,378	137,953
Comprehensive income	183,307	304,331
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	183,307	304,331
Comprehensive income attributable to non-controlling interests	–	–



(3) Notes to consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Notes in the case of material changes in shareholders' equity)

Not applicable.

(Segment information)

[Segment information]

I. First three months ended December 31, 2021

1. Information regarding amounts of net sales and profit/loss by reportable segment

(Thousand yen)

	Reportable segments				Total	Adjustment (Note)	Amount recorded in the consolidated quarterly statement of income
	Design and Development Outsourcing business	3D Printing business	Beauty and Health Products Manufacture and Sale business	Real Estate Leasing business			
Net sales							
Sales to outside customers	2,270,811	28,673	45,983	14,563	2,360,031	–	2,360,031
Inter-segment sales and transfers	–	–	44	–	44	(44)	–
Total	2,270,811	28,673	46,028	14,563	2,360,076	(44)	2,360,031
Segment profit (loss)	448,658	(3,023)	(38,877)	5,941	412,699	(179,052)	233,647

(Note) The adjustment consists of the following items.

The adjustment to segment profit (loss), (179,052 thousand yen), is corporate costs that are not allocated to any of the reportable segments.

II. First three months ended December 31, 2022

1. Information regarding amounts of net sales and profit/loss by reportable segment

(Thousand yen)

	Reportable segments				Total	Adjustments (Note)	Amount recorded in the consolidated quarterly statement of income
	Design and Development Outsourcing business	3D Printing business	Beauty and Health Products Manufacture and Sale business	Real Estate Leasing business			
Net sales							
Sales to outside customers	2,311,757	21,639	16,216	15,235	2,364,849	–	2,364,849
Inter-segment sales and transfers	–	–	11	–	11	(11)	–
Total	2,311,757	21,639	16,227	15,235	2,364,860	(11)	2,364,849
Segment profit (loss)	444,710	(6,130)	(6,015)	5,433	437,997	(193,998)	243,998

(Note) The adjustment consists of the following items.

The adjustment to segment profit (loss), (193,998 thousand yen), is corporate costs that are not allocated to any of the reportable segments.

(Matters concerning revenue recognition)

Information on the breakdown of revenue from contracts with customers

First three months ended December 31, 2021

(Thousand yen)

	Reportable segments				Total
	Design and Development Outsourcing business	3D Printing business	Beauty and Health Products Manufacture and Sale business	Real Estate Leasing business	
Contract for work	1,386,390	–	–	–	1,386,390
Dispatch contract	871,225	–	–	–	871,225
Others	13,195	28,673	45,983	–	87,851
Revenue from contracts with customers	2,270,811	28,673	45,983	–	2,345,467
Other revenue	–	–	–	14,563	14,563
Sales to outside customers	2,270,811	28,673	45,983	14,563	2,360,031

(Note) Other revenue includes lease revenue under the Accounting Standard for Lease Transactions (ASBJ Statement No.13, March 30, 2007).

First three months ended December 31, 2022

(Thousand yen)

	Reportable segments				Total
	Design and Development Outsourcing business	3D Printing business	Beauty and Health Products Manufacture and Sale business	Real Estate Leasing business	
Contract for work	1,311,023	–	–	–	1,311,023
Dispatch contract	985,775	–	–	–	985,775
Others	14,958	21,639	16,216	–	52,814
Revenue from contracts with customers	2,311,757	21,639	16,216	–	2,349,613
Other revenue	–	–	–	15,235	15,235
Sales to outside customers	2,311,757	21,639	16,216	15,235	2,364,849

(Note) Other revenue includes lease revenue under the Accounting Standard for Lease Transactions (ASBJ Statement No.13, March 30, 2007).

(Significant subsequent events)

(Absorption-type merger of consolidated subsidiary)

The Company conducted an absorption-type merger of ABIST H&F Co., Ltd., its wholly owned subsidiary, on February 1, 2023 according to the resolution on the absorption-type merger passed at a General Shareholders Meeting held on December 23, 2022. In conjunction with the merger, the Company expects a decline in income taxes due to the inheritance of losses carried forward by ABIST H&F Co., Ltd.

(1) Purpose of the absorption-type merger

The Company decided to merge ABIST H&F Co., Ltd. to improve its management functions, increase profitability through sales support, and optimize the management of the assets held.

(2) Overview of the absorption-type merger

(i) Method of the absorption-type merger

This will be an absorption-type merger, in which the Company will be surviving company and ABIST H&F Co., Ltd. will be the dissolving company.

(ii) Date of business combination

February 1, 2023

(iii) Details of allotment in connection with the absorption-type merger

Since ABIST H&F Co., Ltd. is a wholly owned subsidiary of the Company, there will be no issuance of shares or allotment of money as a result of the absorption-type merger.

(iv) Handling related to share acquisition rights and bonds with share acquisition rights in connection with the merger

ABIST H&F Co., Ltd. has not issued any share acquisition rights or bonds with share acquisition rights.

(3) Status after the absorption-type merger

There will be no change in the trade name and address of the Company, the title and name of the representative, the Company's capital, its business outline, or its accounting period after the absorption-type merger.

(4) Outline of accounting treatment

The merger will be accounted for as a common control transaction based on the Accounting Standard for Business Combinations (ASBJ Statement No. 21, January 16, 2019) and the Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, January 16, 2019).

(5) Other

With the absorption-type merger, the Company plans to adopt non-consolidated accounting instead of consolidated accounting, starting from the second quarter of the fiscal year ending September 30, 2023.